

Well-Known Trade Marks in China

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Owners of a well-known trade mark (驰名商标) can enjoy multi-class (or multi sub-class) protection in the Chinese trade mark system. If the mark satisfies conditions described in Chinese legislation, regulations and judicial opinions, they can stop others registering it for dissimilar goods and services.

At the end of 2012, the State Administration of Market Regulation (SAMR) had recognised over 4,000 trade marks as well-known. But practitioners estimate that only around 1% are foreign-owned. It can be difficult for foreign brands to gather the evidence needed to satisfy the relevant conditions.

Trade marks can be recognised as well-known through four administrative and judicial procedures:

- Opposition or cancellation procedures at the China Trademark Office (CTMO) or the Trademark Review & Adjudication Board (TRAB)
- Enforcement action by (sub-) provincial Administrations of Market Regulation
- Judicial reviews of administrative decisions in the Beijing courts
- Civil trade mark disputes

This factsheet focuses on the two main channels: a decision by CTMO/TRAB during an opposition or cancellation procedure and a decision by the courts during a judicial review of these administrative decisions. Decisions on well-known trade mark status are made case-by-case. A decision in one case may not necessarily be followed in all future cases. But recognition as a well-known trade mark is likely to be a major benefit in any future trade mark dispute.

CTMO/TRAB Determination of Well-Known Trade Mark Status

SAIC (the Ministry-level agency that houses the CTMO and TRAB) has issued detailed regulations interpreting the legal definition of well-known trade marks. Although the exact criteria used by CTMO/TRAB examiners to make a determination are not published, experienced trade mark practitioners tell us they have a good working understanding of the evidence requirements.

Rights-holders may need to supply a large volume of information supporting each piece of evidence. This can include reports by auditors or tax authorities, and supplier contracts. The date of information submitted is crucial. CTMO/TRAB are believed to want to see **proof of use** dating back to 5 years before the application date of the disputed mark. Use needs to be shown across mainland China. A presence in several first or second tier cities alone is not normally enough.

Financial information and market share data from official industry associations is often required, dating back at least 3 years. **Publicity information**, including advertising expenditure, duration and coverage is usually required, again for 3 years prior to the application date of the disputed mark. So too is evidence of any **previous well-known decisions and disputes** involving the mark.

Awards or official recognition by Chinese provincial or central government organisations (or affiliated industry associations) can be valued highly by CTMO/TRAB. Domestic applicants for well-known status often have local government support. Many obtain local “famous brand” status. Official recognition of the company, mark or product can boost applications by foreign marks.

Good practice in well-known trade mark determination procedures in China

- Work with a domestic trade mark attorney experienced in well-known mark procedures.
- Submit materials in Chinese, focusing on reputation and business operations in China.
- Collect a large volume of evidence from a period of 3-5 years before the date of application of the disputed mark.
- Submit clear and non-contradictory evidence, all supported with the necessary documentation.
- Build good relations with provincial & central governments, and official industry associations, maintaining a strong profile in the Chinese industry sector.

Determination of Well-Known Trade Mark Status by Judicial Review

Parties can appeal against a TRAB decision in an opposition or cancellation hearing to the Beijing courts. Although reversals of TRAB decisions remain relatively rare, they are becoming more frequent. The courts’ approach can differ to that taken in administrative procedures. Judges are less inclined to follow rigid criteria than CTMO/TRAB examiners. Domestic practitioners tell us that courts look for evidence that marks seeking well-known status are exceptional, and put particular emphasis on **3rd party evidence** over internal documents and audit reports.

Both the courts and CTMO/TRAB tend to focus on activity before the application date of the disputed mark. They place an emphasis on use of the applicant mark in mainland China; and look for broad geographical coverage.

China operates a civil law system, so previous case decisions are non-binding. But recent decisions – especially in the High People’s Court, which acts as an appeals chamber for the judgements of lower courts – appear to confirm these general judicial trends.

In 2012, the Chinese courts started to develop a principle similar to **protection from dilution** for well-known trade marks. (This is where use of the same or a similar trade mark would not confuse the public but might cause it to lose its singular association with a particular product). Early judgments have taken into consideration the degree of association between the well-known and disputed marks by the relevant public. However, this trend remains at an early stage and there is no CTMO/TRAB policy to refuse applications based on the likelihood of dilution for well-known marks.

For more information – or to arrange a discussion of a particular case based on our experience working with other companies in China – please contact commercialmail.beijing@fcdo.gov.uk.