



IP NEWS

2019 NO.61

www.jiaquanip.com

 嘉权专利商标事务所
Jiaquan IP Law

IP NEWS

THE THEME

**Beijing IP court: Winning rate of the foreign parties is 68%
in the foreign-related civil cases**

Notes on Trademark Registration and Use

Beijing IP court: Winning rate of the foreign parties is 68% in the foreign-related civil cases

Source: XINHUANET

During the Zhongguancun Forum held from 16th to 18th October, a reporter in the Xinhua News learned that the winning rate of foreign parties is 68% in foreign-related civil cases that were concluded by Beijing Intellectual Property Court in the past five years (from November 2014 to the first half of 2019). The cases where both plaintiff and defendant are foreign parties were not included in the data.

Chen Jinchuan, the vice president of Beijing Intellectual Property Court, said that, in the same period, they received a total of 13,736 IP cases involving foreign parties (excluding Hong Kong, Macao and Taiwan), increased by about 8.4% annually, and concluded 10,755 foreign-related cases, increased by about 40.4% annually.

Among the foreign-related cases, the foreign parties have respective winning rate of 68% in civil cases (excluding the situation where plaintiff and defendant are both foreign parties), and 49% in administrative cases (excluding the situation where plaintiff and the third person are both foreign parties).

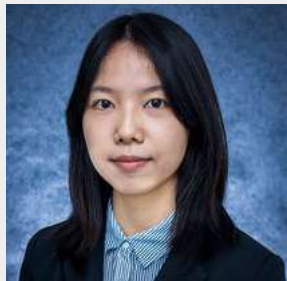
From the perspective of damages awarded, the supported amount in foreign-related civil cases is about 1.36 million yuan on average, and 49.1% of the requested amount can be supported by the Court, according to the statistics. More specially, the supported amount is about 2.08 million yuan for foreign-related technical cases, with a support rate of 87.4%. The average amount of damages awarded by the Court in civil IP cases is increasing year by year.

The IP Court will continue to improve the efficiency and authority of the trial, taking the reality of foreign-related cases into consideration, said Chen Jinchuan. The legitimate rights and interests of both domestic and foreign entities will be protected equally, and judicial protection for intellectual property rights will be increased as well.



Notes on Trademark Registration and Use

Sunny Yongqing DENG



Sunny Yongqing DENG

Paralegal
International Department

Ms. Deng graduated from Guangdong University of Foreign Studies. She joined Jiaquan in 2017.

Ms. Deng is a trademark paralegal of Jiaquan IP Law, focusing on trademark and copyright prosecution, especially trademark and copyright application, trademark protection, trademark defense and monitoring, customs protection, IP right infringement litigation, trademark administrative litigation, etc.

When it comes to registering word-based trademarks in China, many believe that plain text application provides the broadest protection. Such an idea seems reasonable, but it could give rise to problems in stages like use and enforcement though. Does it matter where an applicant only registers a regular black-and-white word mark while he/she actually uses it in stylized or colored forms? It does, and such a practice could give rise to certain risks as stated below.

1. The applicant may be ordered to rectify the trademark in use, and if it fails to fulfill such rectification within a given period, the registered trademark could be canceled by the CNIPA.

Article 49 of the Chinese Trademark Law: Where a trademark registrant alters the registered trademark without approval, the local Administration for Industry and Commerce shall order it to rectify the situation by a specified time; If they still fail to rectify during the specified period, the CNIPA shall cancel the registered trademark.

2. Use evidence of modified trademarks may be unacceptable.

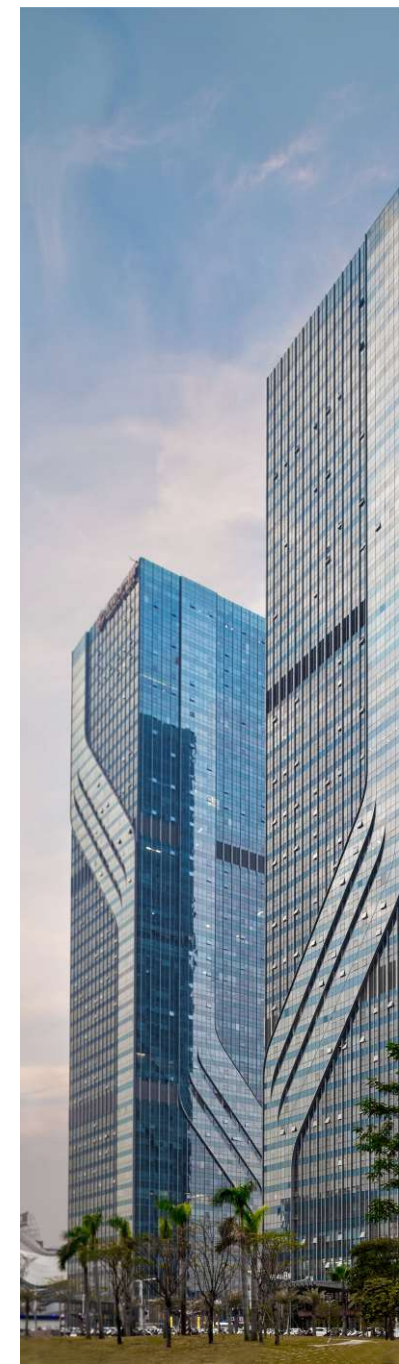
If a trademark is tested by non-use cancellation and provided that the trademark image in which the use evidence shows is not in line with the one that registered with CNIPA, such evidence might be considered unacceptable, which subsequently could lead to cancellation of the trademark.

In the below non-use cancellation case, the trademark holder has submitted use evidence, while the evidence was not accepted by the court due to the discrepancy between the trademark in use and the one registered with CNIPA.


Registered trademark




Trademark in use





3. Risk of possible infringements.



If a modified in-use trademark resembles other registered rights, such a trademark could constitute violations. For example, Company A registered a word mark "Kisstoy" while using it in a stylized form  which could be perceived as K + ISSTOY, and such practice is arguably not risk-free.

Hypothetically, if the word "ISSTOY" is a valid registered trademark owned by Company B, there is a good chance that the use of  (by Company A) will be considered in violation of the rights of Company B.

4. Loopholes that could be exploited by copycats.

Due to the high risk of straightforward copying, infringers tend to not copy the registered trademark exactly but usually with modifications. If a "free rider" modifies an already modified trademark which happens to be the one used by the legit right holder in actual business, and consequently the secondary-modified trademark is no longer confusingly similar to the originally registered one. Whether such a situation constitutes infringement is questionable.

For instance, Company C registered a mark  but used  in real practice. It later noticed a competitor was taking advantage of its reputation by using the mark  in similar goods. Naturally, Company C expected that its registration for  would be helpful in hammering such infringement. However, as we all appreciate, there are significant differences between the mark 

and , meaning the success chance of defending rights via legal means is questionable. If Company C registered the trademark in use, which is , in the first place, the situation would not be so tricky.

Having said all that, minor modifications to the registered trademark, such as changing the font from "Times New Roman" to "Arial", or scaling the trademark as a whole, should be harmless. However, if the following modifications are made to the registered trademark, it is recommended to refile the same: (1) substantial changes in font, e.g. changing from a regular font to a stylized one; (2) change of color of the trademark; (3) change of the case of English letters, i.e. changing from capital to lowercase and vice versa; (4) change of Chinese characters, i.e. changing from simplified Chinese to traditional one and vice versa; (5) partially enlarging, restructuring, making bold or altering color of the trademark, resulting in a substantial change in the overall appearance; (6) distinctive words, logo or other elements are adding to the trademark; (7) distinctive words, logo or other elements are deleting from the trademark.

To summarize, when filing trademarks in China, applicants should be cautious about the misconception that "plain text registration provides comprehensive protection", but to follow the principle of "what trademark to use, what trademark to register", so as to avoid risks. On the other hand, when a trademark holder modifies its registered trademark due to brand upgrading or otherwise, it is sensible and advisable to refile for the modified one just to maintain consistency of both the trademarks registered and in actual use.

