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# How to Protect Trade Marks in China

If you want to protect your trade mark in China in a cost-effective manner, you need to register it with the China Trademark Office (CTMO).

A trade mark registration can give you access to more simple and inexpensive enforcement options than otherwise available, including access to criminal remedies against counterfeiters.

Without a registration, enforcement is still technically possible under China's laws and regulations on the basis of unfair competition, but as in other countries, protection under such laws is much less predictable and normally more costly.

## When should a trade mark application be filed?

China follows a "first-to-file" rule for obtaining trade marks rights. This means that generally the person who files their trade mark application first is entitled to register the trade mark. In Australia, the person who uses the trade mark first is entitled to register, while in China, prior use of a mark affords little or no protection. It is therefore highly advisable to file applications for trade marks as early as possible, and preferably well before you enter the Chinese market. The failure to file early leaves the door open to other parties to file before you do. In some cases, this can lead to the exclusion of your products from entry to the Chinese market because of pre-existing registrations. There are numerous examples of cases where trade mark counterfeiters obtained registrations before the true brand owner and threatened infringement actions against distributors of legitimate products. In such cases, the brand owner is often forced by market realities

to pay significant compensation to counterfeiters to procure the assignment of trade mark registrations.

## Chinese Character Trade Marks

Chinese consumers refer to foreign brands by reference to Chinese versions of the brand, even if there is no "official" Chinese version and advertising uses only the English version. If you don't have a Chinese version of your trade mark, you are strongly advised to create one and register it. Otherwise, the local market will create one for you (which you might not like) and someone else might register it. It should be noted that the CTMO considers foreign equivalents of marks during the examination process. For example, the Chinese version of the word BIRD could stop the English word BIRD from being registered for the same goods or services.

## How Do I Register My Trade Marks in China?

A trade mark application can be filed in China either by filing an application directly with the CTMO or alternatively by extending an existing application or registration to China under the Madrid Protocol. There are advantages and disadvantages for both procedures which should be discussed with your intellectual property advisor. Currently China does not have e-filing or e-payment processes.

The procedure for filing a trade mark application in China is similar to Australia. However, you have to file through a Chinese trade mark agency which can only act on your behalf upon receipt of a signed power of attorney. In addition, the applicant must provide its name and address in Chinese. If you do not yet have a Chinese name, the agency can assist with this.



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The decision as to which mark to file for and how to describe the goods and services to be covered should be considered carefully with your advisor. It is generally preferable in China to file for the version of a mark as it is used and to cover as wide a range of goods and/or services as you reasonably can.

It is also advisable to conduct trade mark searches before filing trade mark applications to check whether anyone else has already filed for a similar or identical mark which might block your planned application. The CTMO recently established a public website to facilitate trade mark searches via <http://202.108.90.72/trade/index.jsp>. This website is currently available only in Chinese.

It is also important that expert advice is obtained to assess whether the proposed mark might be rejected in China on grounds other than prior conflicts. For example, trade mark applications may be rejected if the word or design elements are considered indistinctive, generic or laudatory. The same is true in other countries. However, China has its own particular approach to registrability.

Single colours, smell and sound trade marks are not yet registrable in China. However, it is technically possible to register three-dimensional trade marks as well as combinations of colours. As well, unlike Australia, China does not allow divisional applications, series or defensive trade marks. Similarly, the owner of a certification trade mark cannot use the mark itself but can only authorise others who meet the required standards to use it.

It is also possible for geographical indications to be protected as collective or certification trade marks in China, (see <http://sbj.saic.gov.cn/english/show.asp?id=60&bm=flfg>). For instance, groups of producers of a product where a given quality, reputation or other characteristic is attributable to its location (e.g. the Champagne region of France) can be granted the exclusive right to use a particular geographic name on the product.

Once an application is approved, it will be published in the CTMO Gazette. Following gazettal, any party may file an opposition within three months, challenging the application on the grounds of prior marks, distinctiveness or other grounds set out in the Trademark Law. A registration certificate will be issued if no opposition is filed within this three-month period.

Chinese trade mark registrations are valid for 10 years and can be renewed for successive 10 year periods. Trade marks registered through the Madrid Protocol are also valid for 10 years.

It normally takes 28 to 36 months to obtain a trade mark registration in China, with protection generally effective on the date of registration, rather than retroactive to the filing date (as is the case in Australia and many other countries). This underscores the importance of filing early, since trade mark rights are not enforceable in China until the trade mark is registered.

It is worth noting there are strict and sometimes tight time frames for actions associated with trade mark process, for example 15 days turnaround for an applicant to lodge an appeal with Trademark Review and Adjudication Board (TRAB) regarding a ground for rejection.

### **What can be done to prevent a third-party registering a trade mark similar or identical to your own in China?**

Registering your marks early is clearly the best way to prevent this type of "counterfeiting".

But if someone applies to register your trade mark, an opposition can be filed once it is gazetted in the Trademark Gazette. Prior to gazettal, it is generally advisable to send an informal letter to the CTMO bringing your rights to the attention of the appropriate examiner—provided of course you have prior registrations in China.



An opposition will normally take three to four years. The loser in an opposition can file an appeal to the TRAB which will normally take a further five to seven years to issue a decision. The decisions of the TRAB can be appealed further to the Intermediate People’s Court in Beijing.

If someone has registered your mark but has not used it for three years, it is possible to petition the CTMO to cancel the registration on the grounds of non-use. A non-use petition is normally decided within one to two years.

### What if a third-party has already registered my trade mark in China?

Trade marks registered by others can be cancelled through the filing of petitions with the TRAB. It is normally advisable to support such cancellation actions through extensive evidence of the fame and use of your mark, both in China and globally.

Cancellations normally take five to seven years to be decided, during which time it is normally very difficult to stop the counterfeiter who stole your mark from using it.

### Disclaimer:

This information is intended to help the reader gain a basic understanding of some IP principles. It is not designed to provide legal, business or other relevant professional advice. IP Australia recommends that you seek independent legal, business or other relevant specialist advice as necessary.

This fact sheet has been developed in conjunction with Baker & McKenzie.

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### Outline of the Trade Mark Application / Opposition / Appeal Process

