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Chinese Administrative Criteria for Trademark Enforcement

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In China, trademarks can be enforced through courts or lawsuits like in other countries. However, China is stronger in terms of administrative enforcement of trademarks, particularly through the Administrations for Market Regulation (AMR, formerly the AIC/Administration for Industry & Commerce). The China National IP Administration (CNIPA), a subordinate organ of State AMR (SAMR), released on June 15, 2020 its own Administrative Criteria for Trademark Enforcement (hereinafter referred to as “the Criteria”).

In this article, we hope to summarize the highlights of the Criteria as follows to assist the relevant parties in understanding and better benefiting from the Chinese market.

1. Use of trademarks in the sense of Trademark Law

On the basis of general principles of the Trademark Law, the Criteria have further specified the use on **goods** in actual business—1) directly attaching, printing or engraving, branding or knitting trademarks onto goods, the packaging or containers of goods, and tags, or use trademarks on the additional labels, product specification, explanatory manuals, or pricelists; or 2) using trademarks on transaction documents relating to the sales of goods, including sale agreements, invoices, bills, receipts, import and export inspection and quarantine certificates, and customs declarations etc.

The use on **services** has been specified as 1) using trademarks directly in the venues of services, including introductory manuals, staff clothing, signboards, menus, pricelists, name cards, coupons, stationery, writing papers as well as other relevant materials used for providing services; or 2) using trademarks in service-related documents such as invoices, bills,

receipts, remittance bills, service agreements, maintenance certificates etc.

2. Identical or similar goods or services

Such elements as name of goods, function, use, main raw materials, producers, consumers, sales channels shall be considered to determine similar or identical goods, whereas name of services, purposes, contents, methods, suppliers, consumers, and venues shall be considered for services. Where the names are not exactly identical but the said elements are the same or basically the same, the goods or services may still be considered identical.

The Criteria reiterate the importance of the CNIPA's working manual the Classification of Similar Goods and Services, namely the unique subclass system which is updated every year. It is advisable to count on the local trademark attorneys to compare the goods or services.

3. Identical or similar trademarks

Identical trademarks refer to trademarks, basically not different, difficult for the relevant public to distinguish. The elements to determine similar marks include word marks' spellings, shapes, pronunciation and meanings; device marks' structure, colors, and appearance; word-device-combination marks' overall combination and appearance; 3D marks' shape and appearance; and sound marks' auditory perception and overall musical image.

4. Likelihood of confusion

Likely confusion means 1) sufficient to convince the relevant public that the goods or services concerned are produced or provided by the right holders of the registered trademarks; or 2) sufficient to convince the relevant public that the goods or services suppliers and the right holders of the registered trademarks are related in terms of investment, license, franchise or cooperation.

To be more specific, the Criteria provide the relevant elements likely to cause confusion—a) the similarity of the marks, b) the similarity of the goods and services, c) the distinctiveness and notoriety of the registered marks, d) the characteristics of the goods and services and the way of using the marks, e) the relevant public's attention and consciousness, and other relevant elements.

5. Variants of infringement

In recent years, some new types of trademark infringement came into existence. The Criteria list some of the new variants—1) changing or combining registered marks to imitate famous marks; 2) using others' brands in corporate names in an outstanding part to associate with famous marks; 3) using or registering other competitors' famous marks in the same industry; 4) contractors' use of trademark infringing products; 5) offering free gifts with infringing marks; and 6) using domain names identical with or similar to others' registered trademarks to mislead or confuse the relevant public.

6. Repeated infringement within five years

The Trademark Law provides heavier punishment against twice or more trademark infringement within five years. The Criteria provide more specifically that the five-year period shall begin from the date when the enforcing organs' or the courts' decisions of punishment or rulings take effect.

7. Right holders' verifying opinions

The enforcing organs can use their discretion to require right holders to verify the suspected infringing goods and bear the legal liability. The holders' verifying opinions shall be accepted by the enforcing organs unless the suspected infringers can submit contrary evidence to overturn the opinions. Therefore, the holders should make the best of their advantages and support the organs.

● General remarks

The Criteria are made and published by the CNIPA and binding on the AMRs at different levels, but not binding on the Customs, the Public Security Bureaus (PSB, i.e., the police), or the Courts. However, as the CNIPA has absorbed the other organs' opinions in the relevant precedents and judicial interpretation, the Criteria contain the wisdom of almost all the Chinese trademark enforcing organs and courts.

On May 20, 2021, the CNIPA and PSB jointly released an announcement to enhance cooperation between the two organs to strengthen IPR protection and reiterated the importance of the Criteria, which prove to be helpful to efficiently determine trademark infringement in a consistent and harmonized manner and make the results more predictable.