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Executive Summary

Evidence is the Key to Applying for a Famous Trademark

(Source: Wang Jing & Company)

The enterprises may refer to the above five sets of evidence requirements to keep and collect evidences for the famous status of the trademark. For the enterprise's core brands, especially, efficient evidence materials should be actively prepared so as to seek protection for famous trademarks.

The Top 10 cases regarding Judicial Protection of Intellectual Property in 2011

(Source: Wang Jing & Company)

The 10 Cases involved typical issues such as the infringement of the right of internet trademarks, the protection for special names of foreign commodities, the protection for specific names of famous services, the internet copyright, the software copyright, the unfair competition among internet operators and the approval of medical patents. The 10 Cases provide helpful enlightenment and guidance to the future handling of similar cases, especially cases involving protection of internet intellectual properties.

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Evidence is the Key to Applying for a Famous Trademark

We introduced the system and the major laws and regulations concerning protection of famous trademarks in the second and the third issues of IP Bulletin. Many trademarks of foreign customers enjoy a high reputation in China. However, in actual circumstances, such trademarks tend to fail to obtain the protection for famous trademarks by the Trademark Law due to lack of sufficient written evidence with regard to the famous trademarks. Therefore, this article will focus on the evidence requirement for being a famous trademark, which we hope will help you.

Usually evidence for a famous trademark is needed in five aspects.

Registration and Use of a Trademark.

1. The date on which the earliest application for a trademark was made, the applicant and the registration date;

   Matters such as transfer and changing the ownership shall be specified;

   Details regarding use of registration shall be provided. Note: in case of a used trademark, the evidence for a famous trademark mentioned in this article shall be provided by the actual user of the trademark.

2. Title: the date when the trademark was first used shall be subject to a date which can be evidenced.

3. Registration in other categories as well as other countries and regions.

Production and Sales

1. The applicant's economic conditions: output, output value, sales income, profit and tax payment, which shall be evidenced by an audit report or certificates issued by the statistic bureau, tax collecting bureau and customs.

2. National industry ranking, qualification of the authority issuing the certificate for the trademark; economic indices, time and ranking.

3. Sales region: the domestic region is province-based, and the overseas region is country-based; the specified regions shall be evidenced by the documents such as corresponding invoices and customs clearance sheets.

Advertisement

1. Type of advertisement: the details and the date shall be provided for each type of advertisement.

2. Fees: the date and the fees, which shall be upon auditing.

3. Duration: the person in charge shall determine the time based on the evidence specified in the above paragraph 1, and may not determine the time only based on the alleged time by the client.

4. Affected scope: the person in charge shall determine the scope based on the evidence specified in the above paragraph 1, and may not determine the time only based on the alleged scope by the client.

Awarding.

1. Applicant: A prize, such as the Title of Valuing Contracts and Acting with Integrity, is awarded to an enterprise in which the applicant works. Obtaining a quality certificate doesn't equal being awarded a prize.

2. Trademark: a prize is awarded for a trademark, such as "Famous Trademark".

3. Applicant's products: a prize is awarded for a trademark of a product, such as "Famous Product" and "Scientific and Technologic Progress Prize".

For prizes falling into the above three categories, only prizes of at least the provincial or departmental levels shall be declared. The date when a prized, the name of a prize and the unit by which a prize is awarded shall be specified as well.

Record of Protection

1. Record of protection of a famous trademark: such records shall be evidenced by documents such as a court verdict and the List of Key Trademarks Enjoying Protection.

2. Record of Infringement Protection: such records shall be evidenced by documents such as judgment and verdict with regard to administrative punishment by competent authorities.

Evidence is the key to applying for a Famous Trademark. Therefore, an enterprise may maintain and collect evidence for applying for a famous trademark in accordance with the above requirement so as to enjoy the protection for a famous trademark. As for a key brand, an enterprise shall proactively collect sufficient evidence to seek protection for a famous trademark.

by Xiang Shaoyun

The Top 10 cases regarding Judicial Protection of Intellectual Property in 2011

On April 11, 2012, the Supreme People's Court announces the top 10 cases regarding judicial protection of intellectual properties by the Chinese Court, among which there are 7 civil cases, 2 administrative cases and 1 criminal case, with a view to give full scope for the role of demonstration and guidance of typical cases and improve publicity of judicial protection of intellectual properties.

1. A Case regarding Trademark Infringement Involving Taobao

The plain found that Du Guofa was selling clothes with a trademark quite similar to the trademark he registered. He then requested Taobao to stop such infringement, but in vain. Finally the plaintiff brought a lawsuit against Du Guofa and Taobao in the court.

The court of the first instance made a judgment that Du Guofa and Taobao shall jointly make a compensation amounting to RMB 10,000 yuan for the economic losses to the plaintiff.

The court of the second instance held that Taobao shall be jointly liable for the infringement, because Taobao, who knew Du Guofa conducted the infringement by making use of Taobao's web service, failed to take appropriate measures to prevent such infringement. Therefore, the court of the second instance rejected the appeal and affirmed the original judgment.

This case may act as a reference on how to measure the act of a web service platform which facilitates an infringement. Where a web service provider, who knows its user is making infringement by making use of the web service but fails to stop the infringement, shall be jointly liable with the user for such infringement.

2. A Case regarding the Trademark "Lafite"

The defendant Jinhongde used "Lafite Family", "拉菲世族" and graphic logos on its wine products, website and manuals, and the introduction abut its history is mostly the same as that about the plaintiff "Chateau". In addition, the Health Industry Development Co. Ltd. of Hunan Biomedical Group sold the products, which was allegedly an infringement. The plaintiff brought a law suit in Changsha Intermediate People's Court by reason of trademark infringement and unfair competition.

The court of the first instance held that the defendant's act constituted an trademark infringement and unfair competition, and ordered that the defendant Jinhongde shall stop using the infringed trademark d the trademark, and that the defendant, the Health Industry Development Co. Ltd. of Hunan Biomedical Group, shall immediately stop selling the infringed products and using publicity materials.

The court of the second court held that the words and logos in the alleged infringed products infringed the plaintiff's exclusive rights to the use of the registered trademark and hence affirmed the original judgment.

In this case, the name of a foreign product was protected, and the popularity of a foreign brand in China was an important consideration. The popularity of a domestic brand in foreign countries can be an important consideration for recognizing it as a famous brand.

3. A Case of Dispute between "Dayun" and "Jianghuai" with regard to Motor Trademarks

Since 2005, Jiangsu Jianghuai Motor Group and Jiangsu Jianghuai Motor Stock Limited, which have been using the logo which contains an ellipse and five-fork star, have launched much publicity and enjoyed a high reputation. The application for registering this log has been made in 2005, but has not been approved. Therefore, the log is a unregistered trademark. The application of Guangzhou Red Sun Vehicle Part Co. Ltd. for registering the trademarks was approved in 2007. The registration numbers are 4233581 and 4425670. Such trademarks were approved to be used in the motors of Type 12. In 2010, Red Sun began to launch large scale publicity of such registered trademarks in a variety of media. On March 26, 2010, Red Sun sent a letter of attorney to Jianghuai Motor Stock Limited, requiring Jianghuai to stop infringing the trademarks registered by Red Sun. Afterwards, Jianghuai Group brought a lawsuit denying infringing the exclusive right to the use of the registered trademark.

The court of the first instance held that the trademarks held by both sides doesn't constitute similar trademarks and hence judged that Jianghuai Group and Jianghuai Stock Limited didn't infringe the exclusive right to the use of Red Sun's registered trademarks.

The court of the second instance affirmed the original judgment.

Red Sun was not satisfied with the judgment and applied for a retrial in the Supreme People's Court. Because this case involved several associated civil and administrative disputes, the Supreme People's Court organized three meetings between both parties for settlement. Finally, both parties made a settlement and reached an agreement on the subsequent registered trademarks and uses. Since then, several disputes between two parties for many years have been successfully solved.
The disputes with regard to intellectual properties involved in the case are not complicated, but the involved parties had high exposure in the society. Therefore, the settlement caused by the Supreme People's Court would be good for both parties' development and cooperation.

4. A Dispute over Infringement on the "Comfortable Sleeping Mode" Used in Air-Conditioners

The plaintiff, Gree Electric Appliances, Inc. of Zhuhai ("Gree"), filed a lawsuit against Media Air-Conditioning Co. Ltd. and Zhuhai Taifeng Electric Co. Ltd. for reason that the Media split air condition, which was manufactured by Media Air-Conditioning Co. Ltd. and sold by Zhuhai Taifeng Electric Co. Ltd., infringed Gree's patent right for invention.

The courts of the first instance and the second instance held that the product as involved in the case, which shall be protected by the patent right as involved in the case, hence constituted an infringement.

In this case, the court deeply analyzed the involved technology and prudently determined the compensation with regard to the infringement on the basis of the precisely recognition of the facts, which sets a good example for similar cases.

The Top 10 cases regarding Judicial Protection of Intellectual Property in 2011

5. A Dispute over Copyright Arising From Baidu MP3 Searching Engine

Universal Musical Limited, Warner Music Group and Sony Music Limited found that 128 songs, the recording and producing rights of which are owned by Universal Musical Limited, Warner Music Group and Sony Music Limited, were made available to users in Baidu website for online listening and downloading. The three companies, which held that Baidu infringed their right to share the songs online, requested the court to order Baidu to compensate for their economic losses.

The court of the first instance held that the fact that Baidu provided search boxes for its users to find songs by typing keywords and ranking lists can't not prove that Baidu knew or should know the links it provided constituted an infringement on the recording and producing rights. Therefore, Baidu's website and service didn't constitute an infringement on the three recording companies' right to share the songs online.

In the trial of the second instance, both parties, subsequent to the court's mediation, reached a settlement to the dispute as well as two agreements — copyright license agreement and cooperation and anti-pirate agreement.

As Internet's fast development, the digital products will give rise to some new problems related to intellectual property. In this case, the holder of rights and the user made a good cooperation and effectively curb the distribution of Internet piratical products and maintained the legitimate rights and interests of the holder of rights.

6. An Unfair Competition between Tencent and 360

Tencent, Inc., the copyright owner of the software — QQ licensed the right to operate and exclusively use QQ to Shenzhen Tencent Computer System Limited. 360 Privacy Protector was developed by Qizhi Software (Beijing) and was distributed by www.360.cn. The information service provider of 360's website is Beijing Qihu Technology Limited and the actual provider is Beijing Sanjiwuxian Web Technology Limited. "360 Privacy Protector" only monitored and commented on QQ, and the 360 published some articles in its safety center and BBS, saying that QQ was snooping its users' privacy. Tencent, Inc. and Shenzhen Tencent Computer System Limited stated that 360 was fabricating stories which hurt its reputation, and brought a lawsuit against 360 by reason of unfair competition in the People's Court of Chaoyang District, Beijing.

The court of the first instance held that there was a competition between Tencent, Inc. and Shenzhen Tencent Computer System Limited and 360 in terms of web service, users and advertisement. The conclusion of supervision by 360 of QQ lacked fair and the published articles contained some untrue description and comment, which was enough to mislead users and constituted derogation of the plaintiff. As a result, the court of the first instance judged that 360 must stop the infringement and compensate QQ for its losses. The court of the second instance affirmed the original judgment.
This case focused on how to define the competition between two operators with different business in terms of the competition law and the unfair competition in Internet. In the meantime, as the companies as involved in the case enjoy high population in society, this case will play a guidance and demonstrative role in competition among Internet companies.

7. A Dispute over Unfair Competition Involving www.Kaixin001.com

The plaintiff, Kaixinren, held that the act that Qianxiang web company and Qianxiang Wangjing company used "Kaixin" as the name of their websites and "kaixin.com" infringed the right to use their registered trademark. In the meantime, such use constituted a forgery of the name of "Kaixin", a famous service provider, and the logo of a smiling face.

The court of the first instance judged that Qianxiang Wangjing company may not use a name similar to or identical with "Kaixin", the name of a famous service by the plaintiff in its social web service, and shall give the plaintiff a compensation of RMB 400,000 yuan.

In consideration that the social network service by "kaixin" (kaixin001.com) became a famous service in a short time after March, 2008, the court of the second instance held that the website's name, which, as an important way for users to identify the service, constituted a specific name of the famous service, shall enjoy the protection by the law for anti-unfair competition. The plaintiff, Qianxiang web company, with knowledge that the social network service provided by "kaixin001.com" had constituted a famous service, made use of "kaixin", the specific name of the famous service, as the name of the website, and provided the social network service to the public in the same industry, which made the network users confused with the services provided by the two parties and constituted unfair competition. Therefore, the court affirmed the judgment of the first instance.

In this case, the court held that the social website enjoying a high reputation may, as the specific name of the famous service, be protected by the law for anti-unfair competition, which play a demonstrative role in maintain the order in Internet services.

8. A Dispute of Revoke "Cavesmaitre" without Being Used for Three Years

Li Daozhi is the owner of Cavesmaitre (the trademark as involved in the case) specified for the thirty-three products — "fruit wine (ethanol inclusive)". In July, 2005, Caltel, a French company, applied to the Trademark Office under the State Administration of Industry and Commerce for revoking the trademark by reason that Cavesmaitre had not been used for three straight years. The Trademark Office decided to revoke the trademark by reason that Li Daozhi failed within the period prescribed by the law to submit the documents evidencing the use of the trademark.

Li Daozhi was not satisfied with the result and then applied to the Trademark Review and Adjudication Board under the State Administration of Industry and Commerce for a retrial by submitting the relevant evidence. The board revoked the decision of the Trademark office.

Caltel was not satisfied with the result and filed an administrative lawsuit in Beijing

NO. 1 Intermediate People's Court. The courts of the first instance and the second instance affirmed the judgment of the Trademark Office.

Caltel was not satisfied with the result and applied for a retrial to the Supreme People's Court in Beijing NO. 1 Intermediate People's Court. The Supreme People's Court held that Li Daozhi may use the trademark in a public and proper way in consideration of the evidence produced by Li Daozhi. The issue that whether other operations related to the trademark breached the laws and regulations governing import and sales, shall not be governed by Article 44 (4) of Trademark Law of the People's Republic of China. Therefore, the court rejected the application by Caltel for a retrial.

In this case, the Supreme People's Court made it clear that the provision that a trademark will be revoked after not being used for three consecutive years was designed to activate trademarks or remove idle trademarks, and is not the ultimate goal. A trademark which is used in a public and proper way in commercial activities shall not be revoked.

9. A Case with regard to Revoking a Patent for Invention of Anti-β Lactam Enzyme Bacteriophage

Guangzhou Welman was the owner of the patent for invention of anti-β lactam enzyme bacteriophage. Shuanghe filed a request to the Patent Re-examination Board under the State Intellectual Property Bureau for invalidation of the patent for invention. The Patent Re-examination Board declared the invalidation of the patent by reason that the patent was of no creativity. Guangzhou Welman was not satisfied with the result and filed an administrative lawsuit in Beijing NO. 1 Intermediate People's Court.

The court of the first instance affirmed the decision of the Patent Re-examination Board.

The court of the second court, which held that the joint medicine in the public files and the compound medicine in the patent as involved in the case were totally different concepts, hence revoked the decision of the first instance and the Patent Re-examination Board, and required the Board's re-examination of the patent.

The Supreme People's Court held that the clinical joint medicine and the compound medicine fell into different technical domains and natures, but they had very close relation. Subsequent to the declaration by the joint medicine of the sufficient technical information, the technicians in this domain can obtain the relevant technical inspiration. On the basis of a great deal of and detailed technical information revealed from the public files, the technicians in this domain are able to obtain enough inspiration to achieve the patent as involved in the case. Therefore, the court revoked the judgment of the second instance and affirmed the decision of invalidation by the Patent Re-examination Board and the judgment of the first instance.

This case involves a lot of typical legal issues related to medicine which has great influence and attracted much attention of the industry. The final judgment offered guidance with regard to determination of patents of compound medicine, interpretation of claims, the relationship between standards of authorization and the relevant administrative laws and regulations and patent instructions, which plays an important role in the application for, examination and protection of medical patents.

10. A Case regarding Infringement on Software arising from Illegal reproduction and Distribution of Software

Ju Wenming, the defendant, during his employment in Xinjie, downloaded software including the OP monitoring software V3.0 without Xinjie's permit. On October, 2008, Ju Wenming, Xu Lulu and Huayi (the other defendants) founded a company by joint funding. They produced the text displays identical to Xinjie by taking advantage of the OP monitoring software V3.0 illegally obtained by Ju Wenming.

By comparing the infringing software and the software of the plaintiff, and in consideration of the fact that the defendant downloaded the plaintiff's software without authorization, the court of the first instance and the second instance held that the three defendants reproduced and distributed the plaintiff's software for commercial purposes and without the plaintiff's authorization, which were especially serious and constituted an infringement on the copyright. The major value of the text display as involved in the case lies in the software rather than the hardware. The copyright value played a key role in the software. Therefore, taking the total price of the product as the basis of calculating the illegitimate income is reasonable.

In this case, the court ascertained the defendants' crime by comparing the infringing software and the software of the plaintiff, and in consideration of the fact that the defendant downloaded the plaintiff's software without authorization, and calculated the illegitimate income on the basis of the total price of the infringing products, which will crack down the potential infringement on intellectual properties hardly.

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