

Expertise Makes It

Possible

Media Center > Insights > Trademark

CNIPA releases the Criteria for Determination of General Trademark Violation (2022)

Time: Jan 20 2022

@Wanhuida Intellectual Property

www.wanhuida.com

Expertise Makes It Possible

CNIPA releases the Criteria for Determination of General Trademark Violation (2022)

Media Center > Insights > Trademark

Zhigang Zhu & Paul Ranjard, 20 January 2022, first published by [WTR](#)

On December 13, 2021, the CNIPA released the Criteria for Determination of General Trademark Violations. These criteria, listed in 35 articles, define in detail the various types of trademark offences, with the exception of trademark infringement (which has been treated separately).

Some points deserve attention:

- According to Article 6 of the Trademark Law (TML), it is compulsory for certain goods to be marketed with a registered trademark. This is particularly the case for cigarettes (as provided in Article 19 of the Tobacco Monopoly Law). The CNIPA clarifies, in Article 4 of the Criteria, that this obligation applies to imported cigarettes as well.

It is, therefore, prohibited to sell imported cigarettes if their concerned trademark is not registered in China.

- Article 10 TML enumerates the types of signs that are subject to absolute grounds of refusal and may neither be registered, nor used, as trademarks. According to Article 15 of the Criteria, if such a sign is refused but still used, the Administration for Market Regulation (AMR) should apply the sanctions provided by the law. Furthermore, according to Article 16 of the Criteria, even if the sign has been approved and is registered as a trademark, the AMR who finds that there might be a possibility that such sign violates Article 10 TML should report the case to the CNIPA for disposal.

The implementation of Article 15 is a cause for possible concern. The refusal of a trademark application by the CNIPA is often subject to judicial review, which the AMR does not know because such information is not public. Enforcing this provision, while the refusal decision is not final, would be problematic, in particular considering that there is hardly any consensus between the CNIPA and the courts on the interpretation of Article 10.

Regarding Article 16, the situation where a local AMR would report to the CNIPA (ex-Trademark Office) that a registered trademark could be invalidated ex officio seems a little unrealistic in practice.

- Article 49 TML provides that a trademark should not be unilaterally altered. If this happens, the trademark holder shall be ordered to make corrections within a prescribed time. In Article 18, the Criteria provides details about what may constitute such an alteration : "the trademark registrant makes partial alteration or changes the relative position of the constituent elements of the registered trademark, such as characters, devices, letters, numbers, three-dimensional signs, color combination, and sound etc., which affects the recognition and identification of the registered trademark, but still indicates to be a registered trademark or attaches the registration symbol to it."

Actually, it is the very concept of unilateral alteration which is, in itself, arguable. Indeed, either the alterations do not "affect the identification" of the registered trademark in which case they are not subject to Article 49 TML, or they do affect the identification the trademark and such alteration creates a new and distinct unregistered trademark. Of course, this unregistered trademark should not be passed-off as a registered one. Then, it is article 52 (mentioned below) which should apply, not article 49.

Yet, there are cases where trademark registrants, out of extremely sophisticated bad faith, apply to their registered trademarks alterations, sometimes in a very subtle way, to the effect of becoming an infringement

Time: Jan 20 2022

[Media Center > Insights > Trademark](#)

of a prior registered trademark. It is believed that, in such a case, the owner of the infringed prior trademark should have the right to apply for the invalidation of the original "transformed" trademark. Unfortunately, the CNIPA did not seize the opportunity to address this issue.

- Article 52 TML provides that the AMR shall apply sanctions upon persons who pass-off their unregistered trademarks as a registered, and Articles 22 and 23 of the Criteria enumerate the various circumstances of such acts of passing-off. Furthermore, Article 23.2 specifies that in case there exists concurrently acts of passing-off and trademark infringement, the AMR shall only investigate and deal with the case of trademark infringement.

It can be understood that the CNIPA wants to ensure that the AMR shall deal with the most serious, but more complex, offence and shall not be satisfied with applying a simple penalty related to the passing-off. However, another situation could occur, where the infringement is found to be really complex (cross class infringement, or arguable similarity etc.) and the AMR decides to drop the infringement case. It is not clear, then, whether the AMR could still revert to applying the sanctions provided for passing-off.

There might be another problem concerning passing-off should such concept be strictly applied. Indeed, according to Article 56 TML, the trademark right is limited to the approved sign and goods, and thus, where a registered trademark is used on other goods, and pretends to be registered, such use should be considered as an act of passing-off. However, it happens that some trademarks – in general foreign trademark applied through the international procedure – are applied for goods or services that do not have a standard translation in the "Classification of Similar Goods and Services", and therefore are registered by the CNIPA by reference to the closest goods or services eligible for registration at the time. Unfortunately, the CNIPA does not make any exceptions for such cases.