Forms of “Bad Faith” According to Trademark Law

According to the current Trademark Law of the PRC, typical forms of applying for trademark registration with “bad faith” are as follows:

1. Rush to register a trademark which is already used by another party and has certain influences by improper means: Improper means refers to unfair or illegal means adopted by the applicant, including but not limited to taking advantage of the peer relationship with another party, of the cooperation experience with another party, of the knowing of inside information, etc. With these improper means the applicant in his own name applies for the registration of a trademark which is used by another party but has not been registered.

2. Register a large quantity of trademarks but with no intention of actual use. “No intention of actual use” includes but not limited to: Transferring or licensing the trademark with a high price, accusing the party which uses the trademark of infringement and making claims for losses, etc.

3. Obtain registration with deceptive means;
4. The agent or the representative carries out squat registration towards the trademark which is used by the principal;
5. Copy, imitate or translate a well-known mark which is not registered in China; or copy, imitate or translate a well-known mark which is registered in China, which could easily cause confusion;
6. A trademark agency registers in its own name a large quantity of trademarks;
7. Other kinds of activities of producing or selling counterfeit or infringing products by the applicant.

Case 2: In a 3-year-non-use cancellation, the investigation revealed that the applicant of the trademark had no intention of actual use.

Applied Trademark:

- Designated Class: Class 41 [Service: training and organizing of educational or entertaining competitions, mobile libraries, providing of online electrical publications (non-loading), digital imaging services, sports and campus services, online games (on computer) and arranging of wedding celebrations]

Company X intends to apply for a service trademark under Class 41. However, in the pre-application search, it was found that the trademark had already been registered under Class 41 in December 2010, which became a blocking mark for Company X’s application.

It was found through preliminary investigation that the applicant of the registered trademark is a China-Taiwan joint venture (hereinafter referred to as “the target company”) mainly engaged in the production and sales of foods. The target company has applied for the trademark of not only under the service class, but also under various classes of foods. The target company is operating quite well, with many branch stores in Jiangsu Province selling products.

Online Search Results

The target company used the trademark on foods, but not necessarily on services. Therefore HFG suggested an investigation on the use of the trademark, in order to find out whether it was used on other classes.

According to onsite visits, it was found that the target company had more than 30 chain stores in Jiangsu Province and Zhejiang Province. Visit the stores and factories showed that the trademark was only used on the goods of foods. There was no evidence indicating its use on goods or services beyond the food industry.
If the disputed trademark got approval for registration, it would lie idle or have unclear ownership, which is a waste of the trademark resources and goes against the aim of the trademark system.

Onsite Investigation Photos

Actual Use of the Target Trademark

Evidence acquired through the onsite investigations was fixed and used in the 3-year-non-use cancellation application. We stressed that the applied trademark was only used as a mark for goods. There was no sign of it being used as a mark for services. Based on this, we strongly refuted the target company’s argument.

CTMO supported our request and revoked the target company’s trademark right to on May, 2015.

Summary

Evidence Collection proved both the target’s subjective intention and the objective facts, therefore helping the right holders to see their advantages and disadvantages in the case, and to devise the best coping strategy.

Evidence collection has a wide scope and varies from case to case. It includes, but not limited to verifying an applicants basic information, the applicants intention of taking advantage of a well-known brand, the applicants intention of actually using the trademark, the status of the use of the trademark (already been used or is to be used), the form of its use, other infringement, etc.

As previously mentioned in Part 2, is also an important evidence-collection process. It is important to remember how taking this step can often determine the development of a trademark case, no matter what type of case.

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HFG COMPANY PROFILE

HFG is a leading China focused Law Firm and IP Practice uniquely integrated and co-managed by a team of multinational professionals based in Shanghai, Beijing and Guangzhou. Since 2003, HFG is proud of delivering the highest standard of quality service rendered with uncompromised understanding of the business interest of clients, from a range of industries all over the world.

Collectively the firm commands a profound and diversified knowledge base and represents clients at various levels before all state-level agencies and administrative and judicial authorities. Going beyond traditional areas of practice, HFG integrates commercial and corporate law services providing a one stop station to companies whose intangible assets out value the tangibles.

HFG services have a special focus on IT and telecom, petrochemical, wine and liquors, fashion, cosmetics, retail and e-commerce, food and pharma regulatory, licensing and monetization of patented technology.