

## What's in this issue



p. 2 IP ASIA  
Uniqlo VS Shein: it's all a(round) bag



p. 3 IP CHINA  
SPC upheld 79m rmb compensation to  
Chateau Lafite Rothschild



p. 4 IP ASIA  
EILIE HOTEL Vs Elle: The role of  
overall appearance



p.5 NEWS  
Hague System: Greece and Italy  
ratify the Geneva Act



p. 6 NEWS  
Design registration fees reduced  
in Hong Kong



p. 7 NEWS  
CNIPA joins the "PPH Improvement  
Initiative"



p. 8 NEWS  
First China-Nicaragua Free Trade  
Agreement

Dear readers,

We start this issue of GossIP with a case in Japan involving Shein, the fast fashion giant, that was accused by Uniqlo of copying the mini-shoulder bag, therefore infringing the fair Competition principles. Uniqlo claimed damages of about 160 million yen (USD 1.1 million).

Another huge compensation was upheld by the Chinese Supreme Court in the long-lasting trademark disputes between prestigious wine estate Chateau Lafite Rothschild and Chinese Lafei: 79.17 million rmb (approximately USD 18 million) were granted to the French winery.

The third article talks about another Japanese case: the French Hachette Filipacchi Presse filed a suit against the trademark eLLe HOTEL, declaring the risk of confusion between the Japanese Hotel and the French magazine Elle. Read the article to know the result!

We then bring to you some interesting news.

The ratifications of the 1999 Geneva Act by Greece and Italy is now effective: it constitutes an important milestone, as all members of the European Union that had previously acceded to the 1960 Hague Act have now acceded to the 1999 Geneva Act.

From 1 March 2024, with an announcement from the Intellectual Property Department of the Government of Hong Kong SAR (HKIPD), official fee for design registration have been reduced.

The Intellectual Property Office of China (CNIPA) announced on April 11, 2024, that it has joined the "PPH Improvement Initiative", which is a co-operation among the IP5 offices.

Last news is about the China-Nicaragua Free Trade Agreement (FTA), that entered into force in January this year. Nicaragua is China's fifth FTA partner in Latin America after Chile, Peru, Costa Rica, and Ecuador.

Enjoy the reading and the springtime!

## IP ASIA

### Uniqlo VS Shein: it's all a(round) bag



If you have ever entered into an Uniqlo shop, you surely know about which bag we are talking about. The hot-selling mini shoulder bag became the flagship product in the past year and – like always when it comes to fashion trends – it did not take long time before someone else took advantages from the same design idea. This time, it's Shein, the China-founded, Singapore-based company.

In December 2023, Uniqlo filed a lawsuit in Tokyo District Court by Tokyo-based Fast Retailing Co., which operates Uniqlo stores, claiming damages of about 160 million yen (USD 1.1 million) suing the three companies that operate Shein, Roadget Business Pte, Fashion Choice Pte and Shein Japan Co.

According to Uniqlo allegations, the fast fashion giant clearly copied the mini-shoulder bag, replicating the shape of its Round Mini Shoulder Bag therefore infringing the fair Competition principles.

Considering the lack of registered design on the products, Uniqlo cited the relevant provisions of the Japan's Unfair Competition Prevention Act which defines “form” (or configuration) as including “the external and internal shape of goods and the pattern, color, gloss, and texture combined with such shape, which may be perceived by” – or indicate source to – “consumers.” (Article 2 (1)(iii) of the Unfair Competition Prevention Law prohibits the unauthorized sale or other use of “goods which imitate the configuration of another person’s [product].”)

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**Indeed, the Japan’s Unfair Competition Prevention Act disciplines conducts such as infringement of trade secrets, unfair use of a well-known trademark, misleading representation of the source of the goods, and imitation of the shape of a third party’s product, and states measures and compensation for the cases of unfair competition, in order to ensure fair competition in the market.**

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According to the unfair competition principle and jurisprudence, if UNIQLO wish to win the lawsuit, it has to prove that the SHEIN Companies count on the design of UNIQLO’s product to create their products, undermining the high level of customer confidence in the quality of the Uniqlo brand and its products. Which is everything but not easy, if you ever faced a lawsuit to affirm this kind of right.

At time of writing, the case is pending.

It’s immediately clear how the rod for the plaintiff in case of unfair competition violation is much higher than the case that involves design infringement case. Indeed, in the cases related to design infringement, the evidence is objectively represented by the comparison between the registered design with its copy-cat.

That said, this case is a good starting point to remind the importance of the design protection especially when it comes to flagship products. In other words, Fashion companies shall always file the design application earlier than the launch of a product, to be safe.

However, as we all know, the fashion goes too fast.

Silvia Capraro  
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## IP CHINA

### SPC upheld 79m rmb compensation to Chateau Lafite Rothschild



**The long-lasting trademark disputes between prestigious French wine estate Chateau Lafite Rothschild (Rothschild) and Chinese companies Nanjing Golden Hope Wine Co., Ltd. (Golden Hope), Nanjing Manor Lafei Wine Co., Ltd. etc., have finally been concluded.**

The China Supreme Court (SPC) upheld the trademark infringement and unfair competition disputes among them and supported the ruling that Gold Hope shall immediately stop the illegal acts and compensate Rothschild RMB 79.17 million (approximately USD 18 million) as economic losses and reasonable expenses.

During the first instance, Rothchild argued that Golden Hope and its associated companies use the trademarks of Lafei Manor and Chateau Lafite in Chinese characters on their product packaging, advertising, promotional materials, etc., which have infringed upon its trademarks rights and damaged the reputation of its well-known trademarks. Also, the defendants' forged information regarding the origin of wines has constituted unfair competition.

The Intermediate Court ruled that Golden Hope and six other defendants have committed trademark infringement and unfair competition by improperly exploiting others' competitive advantages, causing serious damage to the interests of Rothschild and disrupting the fair market competition order. They were ordered to immediately cease the infringement and compensate Rothschild for the plaintiff's financial losses.

The case was then appealed to Beijing High People's Court and reviewed by the SPC. The key issues were whether Golden Hope's use of the accused marks constitutes trademark infringement and un-fair competition, and whether the calculation of damages is proper.

In the disputed mark 'Manor Lafei in Chinese', the distinctive part is 'Lafei in Chinese'. Rothschild's prior mark also features 'Lafite' as the distinctive identifying part. 'Lafei in Chinese' and 'Lafite' share identical initial letters and they're similar in terms of letter composition and pronunciation. Through years of use and promotion, 'Lafei in Chinese' and 'Lafite' have formed a stable corresponding relationship and are widely recognized by Chinese wine consumers. Therefore, the two parties' marks constituted similar marks used on similar goods, which could easily cause confusion

among the relevant public. Furthermore, Manor Lafei's registration of 'Manor Lafei in Chinese' as its trade name could also cause misunderstanding among the consumers. Its advertising materials take advantage of the popularity of Lafite wines as well as the corresponding relationship between 'Lafei in Chinese' and 'Lafite' trademark, which constitutes unfair competition and damages the interest of Rothchild.

This case demonstrates that, when determining whether two marks are similar, in addition to the overall similarity judgement, other elements, such as the marks' distinctiveness, popularity, relevance, designated goods and the potential confusion are all taken into consideration.

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**It also reminds us that, when foreign brands entering into the China market, it is crucial to understand that every product and brand is known by a Chinese name by the local consumers. Foreign trademarks can be transliterated into multiple versions in Chinese language, and sometime brand owners may not be fully aware of them all (such as the 'nicknames' of their brands widely used on social media but not officially registered or recognized as the related trademarks in Chinese version).**

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The China market is complex with (sometimes) aggressive trademark environment, and consequences could be expensive and time-consuming. It is therefore recommended to decide one's Chinese name, especially when it comes to Chinese transliterations, be consistent of the use in all commercial and marketing efforts and have it properly registered when engaging the China market.

**Crystal Yulan Zhang**  
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## IP ASIA

### ELLE HOTEL Vs Elle: The role of overall appearance



The Japan Patent Office (JPO) has recently rejected the opposition filed by Hachette Filipacchi Presse SA (HFP) against the trademark ELLLE HOTEL (eLLe HOTEL) (Registration No 6681746) in Class 43, declaring the lack of risk of confusion between the Japanese Hotel and the French magazine Elle (Opposition No 2023-900123,).

In November 2022 the opposed mark, which is written in a particular form of stylization combined with the word 'hotel' and horizontal line, was filed for use in class 43 (hotel and restaurant services) by Yugen Kaisha Yamaguchi Jitsugo, a Japanese company:



The trademark was meant to be used for a newly open so-called fashion hotel, named eLLe HOTEL.

The JPO granted the registration of the trademark accordingly and published it for post-grant opposition in March 2023.

On 26 May 2023, right before the expiration of the deadline for filing opposition, HFP - the French company in charge of the publication of famous magazine Elle, filed an opposition against the mark.

The opposer argued in favor of the cancellation of the trademark stating that it was granted in violation of Articles 4(1)(vii), (xi), (xv) and (xix) of the Japan Trademark Law.

As reported in the text of the Article 4(1)(xi), it is prohibited the registration of a later mark that is identical, or similar to, an earlier registered mark, while Article 4(1)(xv) provides that a mark shall not be registered if it is likely to cause confusion with the well-known goods or services of other business entities.

The French company stated that the Japanese trademark was clearly similar to the trademark ELLE and therefore there could have been a clear association between the newly opened hotel and the magazine for the average consumers, leading to confusion about the relationship between the companies and the source of the service.

In conclusion, accordingly to HFP, it was undeniable the high reputation of the brand Elle and the close likeness between the two trademarks.

The JPO Opposition Board recognized that the ELLE mark had become well-known among the Japanese consumers in connection with the magazine, as well as other fashion related items. Nonetheless, the JPO disagreed that the mark ELLE had acquired a certain degree of recognition in relation to the services such as hotel services.

In addition, the Office stated that the word 'eLLe' as combined was the key element of the trademark and therefore allowed to distinguish the Hotel mark from the French company's mark. The overall appearance of the opposed trademark had to be considered as distinctive and therefore nothing but dissimilar from the French ELLE.

The same-said overall appearance helped to reduce the confusion among the consumers and based on this assumption, the JPO rejected the opposition.

The decision in object is just another confirmation of the fact that when it comes to word mark, it is diriment to play with different elements, which are often those that lead to the victory of the game.

## NEWS

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### Hague System: Greece and Italy ratify the Geneva Act



On November 13, 2023, Greece ratified the Geneva Act (1999). Previously it was a member only of the Hague Act of 1960, so it could only be designated in international design applications filed by countries that were members of the 1960 Act.

This ratification came into force on February 13, 2024.

Likewise, on December 14, 2023, Italy ratified the Geneva Act (1999). Previously it was only a member of the 1960 Hague Act.

This ratification came into force on March 14, 2024.

The ratification of the 1999 Geneva Act by Greece and Italy constitutes an important milestone, as all members of the European Union that had previously acceded to the 1960 Hague Act have now acceded to the 1999 Geneva Act.

The Hague Agreement governs the international registration of industrial designs. First adopted in 1925, the Agreement effectively establishes an international system – the Hague System – that allows industrial designs to be protected in multiple countries or regions with minimal formalities.

The Hague System for the International Registration of Industrial Designs provides a practical business solution for registering up to 100 designs in 96 countries, by filing a single international application.

You can secure design protection within any Hague System contracting party. If you wish to protect a design in a jurisdiction that is not party to the Hague Agreement, you will have to file a national (or regional) application.

If you want to know more about how to protect your design with The Hague System click [here](#).

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## NEWS

### Design registration fees reduced in Hong Kong



Good news for those seeking design protection in Hong Kong with the announcement from the Intellectual Property Department of the Government of Hong Kong SAR (HKIPD) that official design fees have been reduced, effective from 1 March 2024.

Design registration and post-registration official fees have been substantially reduced by up to 70%.

This reduction in fees is part of the government's efforts to promote innovation and support the design industry in Hong Kong. The aim is to make it more affordable for individuals and businesses to protect their designs and intellectual property rights.

This fee reduction is expected to benefit designers and businesses across various sectors, encouraging them to register their designs and contribute to the overall growth and competitiveness of the design landscape in Hong Kong.

#### HKIPD Encourages electronic filing

To encourage electronic filing of design registrations, a larger reduction of 70% is offered for electronic filing compared with paper filing, which at 60% still represents a substantial drop.

As a result, 25% of filing fees can be saved by electronic filing (~USD30 for one design) as compared with paper filing (~USD40 for one design).

#### Design Registry services with fee reductions

Further to the filing fee reductions, the changes also include fee reductions from between 20% to 60% for a range of other design services, including:

- ✓ advertising fees for design registrations
- ✓ renewals
- ✓ other services such as amendments, time extensions, certified copies, etc.

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## NEWS

### CNIPA joins the "PPH Improvement Initiative"



**In order to further enhance the user experience of the Patent Prosecution Highway (PPH), the Intellectual Property Office of China (CNIPA) announced on April 11, 2024, that it has joined the "PPH Improvement Initiative", which is a co-operation among the IP5 offices.**

The five IP offices (IP5) is the name given to a forum of the five largest intellectual property offices in the world (China, the United States, Europe, Japan, and South Korea) that was set up to improve the efficiency of the examination process for patents worldwide.

The work of the IP5 has direct benefits for companies and inventors worldwide. Co-operation is helping the IP5 Offices to improve their services and to make access to the patent system straightforward and legally certain for innovators from all their regions.

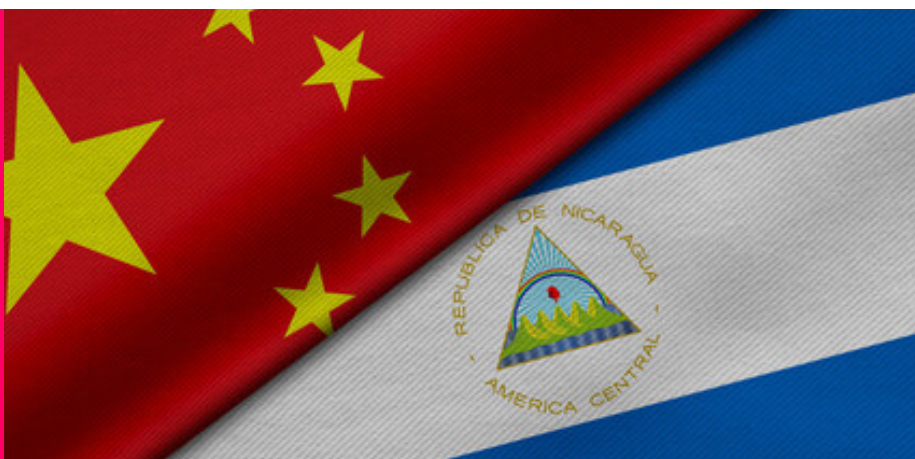
With the PPH Improvement Initiative, IP5 has set a target of 3 months for the average cycle time of the first PPH notification of examination opinion and the average cycle time of PPH response to applicant's opinion in 2024, so as to provide a more predictable examination cycle for PPH users.

The Patent Prosecution Highway is an international cooperation program enabling applicants to request accelerated examination of a patent application pending at a second office (known as the office of later examination or OLE) and having been found allowable/patentable by a first office (known as the office of earlier examination or OEE).

Since the launch of the first PPH pilot program in November 2011, the CNIPA has established PPH cooperation with patent examination organizations in 32 countries or regions, recently extending the cooperation with Germany, Denmark and Chile (see [here](#)).

Read the announcement [here](#) (in Chinese).

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**NEWS****First China-Nicaragua  
Free Trade Agreement**

**On January 1, 2024, the China-Nicaragua Free Trade Agreement (FTA) entered into force. Nicaragua is China's fifth FTA partner in Latin America after Chile, Peru, Costa Rica, and Ecuador.**

With the China-Nicaragua FTA — China's 21st free trade deal — taking effect, more than 95 percent of their products will eventually be subject to zero tariffs, such as the top exports of Nicaragua including beef, shrimp, coffee and cocoa, and Chinese products including automobiles, new-energy vehicles, motorbikes, batteries, photovoltaic modules, garments and textiles, shoes and boots, etc.

The China-Nicaragua FTA will make the foreign trade enterprises enjoy greater tariff reductions, which is positive to the expansion of international market share and Henan's imports and exports.

At present, Henan's imports from Nicaragua, such as men's T-shirts, gym shorts, baseball caps, and other commodities, and exports to Nicaragua, such as automobiles, aluminum stranded wires, tyres, and other commodities can enjoy tariff cuts.

China will continue to improve the publicity, implementation, and guidance of FTA tariff preferential policies, and help enterprises to make full use of tariff concessions under the FTA and other preferential policies with the purpose of boosting imports and exports.

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