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China Trademark Association ranks CCPIT Patent and Trademark Law Office Outstanding Trademark Agency 2019

The 11th China Trademark Festival (CTF) was held in Yinchuan, Ningxia from July 06 to 08, 2019. Focused on the theme "Strengthen Trademark Protection, Promote Innovation Development", the Festival consisted of a variety of events and activities including the Annual Meeting of the China Trademark Association (CTA) and the China Brand Exposition, gathering over 2,000 participants from authorities, international organizations, academic institutes, enterprises, IP law firms and other organizations at home and abroad. Vice President of CCPIT Patent and Trademark Law Office Mr. Zhongqi Zhou attended the Festival.

During the Festival, the CTA announced the appraisal of several awards. As the oldest and one of the largest full-service IP law firms in China, CCPIT Patent and Trademark Law Office was once again ranked as one of the Outstanding Trademark Agencies in 2019. Ms. Hongyan Wang, Ms. Ling Zhao and Ms. Yan Zhang from CCPIT Patent and Trademark Law Office were honored as Outstanding Trademark Attorney (2019-2022) and it was the first time that the CTA had ever established a separate award for trademark attorneys. Meanwhile, the opposition review case for the mark "DYNEEMA & Device" represented by CCPIT Patent and Trademark Law Office was selected as one of the Outstanding Trademark Cases 2018-2019, which was also selected as one of the 50 Typical IP Cases in 2018 by the Supreme People's Court.



The Canon patent infringement case was selected in SPC TOP 50 Typical Cases

The lawsuit of infringement on the patent of Canon Inc. represented by CCPIT Patent and Trademark Law Office [Court Case No. (2017) HU73MINCHU No. 596] was selected in the TOP 50 Typical Cases of the Supreme People's Court in 2018, in which the lawsuit was listed as the seventh case.



In the case, the defendant believed that regarding a patent for invention, the term “manufacturing” in the sense of the Chinese patent law refers to making or forming a product that covers all the technical features of the patent. The defendant alleged that it had not manufactured the alleged infringing toner cartridge, and the alleged infringing toner cartridge of the present case was sold after being purchased from an outsider. Accordingly, the defendant should not be liable for compensation since there was a legitimate source. After submitting proofs and observations, the plaintiff, represented by CCPIT Patent and Trademark Law Office, was fully supported by Shanghai Intellectual Property Court. The court held that, although the alleged infringing toner cartridge came from an outsider, the defendant determined a model of the product and packaged the product to form a final product for sale. Moreover, it was drafted on the external package of the product that the defendant was the manufacturer of the product, which indicated that the defendant declared itself as the manufacturer to the public. Further, as the division of labor in modern business is gradually refined, the term “manufacturing” does not simply mean the production activities of making or forming a product that covers all the technical features of the patent. It is also a very common business practice to outsource the production of product to others and finally declare itself as the manufacturer. In the present case, considering a new behavioral model brought about by business development, the court conceptually clarified the term “manufacturing” in the sense of the Chinese patent law, which aspired to protect the patent right in a fair and reasonable way.

Time limit to file domain name disputes over ".cn"
——Domain names extended to 3 years as of June 18, 2019

China Internet Network Information Center (CNNIC) ccTLD Dispute Resolution Policy (CNDRP) was revised on June 18, 2019. According to the newly revised Article 2 "the dispute resolution service providers do not accept the complaint regarding domain names with registration term of over three years", the term was extended from two years to three years, which means that the dispute resolution service providers could accept the complaint regarding CN and 中国 (China in Chinese) domain names with registration term less than three years since the date of new rules implementation on June 18, 2019.

The three-year term seems to be in conformity with the limitation of action as described in the General Provisions of the Civil Law after the amendment in 2017. Extending the term could broaden the acceptance scope of domain name dispute and give the complainant more time to collect evidence, which will better safeguard the fairness of law and protect the interests of right holders.

The comparison of applicable domains and time limit for filing the domain name dispute among China International Economic and Trade Arbitration Commission Online Dispute Solution Center (CIETAC ODRC), Hong Kong International Arbitration Center (HKIAC) and Beijing Office of HKIAC:

Domain Name Dispute Resolution Centers	Applicable Domains	Time Limit for Filing the Domain Name Dispute
China International Economic and Trade Arbitretion Commission Online Dispute Solution Center (CIETAC ODRC)	All.cn and.中国(China in Chinese)ccTLDs such as.cn, .com.cn, .net.cn., .org.cn...domain names.	Within 3 years after the domain name in dispute ix registered.
Hong Kong International Arbitration Center (HKIAC)		
Hong Kong International Arbitration Center (HKIAC)	**All gTLDs:** **gTLDs:** .aero, .asla, .biz, .cat, .com, .info, .jobs, .mobi, .museum, .name, .net, .org, .pro, .tel, .travel and .xxx **All new gTLDs:** such as .xyz, .top, .red, .win...domain names **ccTLDs:** .ag, .as, .cc, .co, .cy, .fj, .gt, .la, .lc, .nu, .pw, .tv& .ws	No time limits.
Beijing Office of Hong Kong International Arbitration Center (Beijing Office HKIAC)		

The above chart indicates that CIETAC ODRC and HKIAC, which resolve domain name dispute under CNDRP, could accept the complaint regarding CN and 中国 (China in Chinese) domain names with registration term less than three years since June 18, 2019. While the Unified Domain Name Dispute Resolution Policy (UDRP) does not have such term limitation, therefore HKIAC and Beijing Office of HKIAC could accept the complaint about all gTLDs except CN and 中国 (China in Chinese) domain names with no time limit.

Right holders shall monitor closely on domain names concerning CN and 中国 (China in Chinese) and file complaints regarding domain names with registration term less than three years, so as to avoid paying more efforts and costs for resolving the disputes after time limit. In addition, although there is no time limit for complaints about all gTLDs except CN and 中国 (China in Chinese) domain names which shall be accepted and resolved by HKIAC and Beijing Office of HKIAC, the complainant shall file complaints in a timely manner.

Reduction of trademark official fees in China



According to the relevant regulations of the State, since July 01, 2019, the China National Intellectual Property Administration (CNIPA) will reduce the official fees for certain trademark registrations as follows:

1. The official fee for trademark renewal will be reduced from RMB1000 to RMB500.

2. The official fee for recordal of change will be reduced from RMB250 to RMB150. The official fee will be exempted for e-filing of recordal of change.

3. The official fees will be reduced by 10% for e-filing of the following trademark matters:

- Application for registration of trademark;
- Requesting re-issuance of a registration certificate;
- Recordal of assignment;
- Renewal of trademark registration;
- Additional charge for renewal in grace period;
- Requesting for review;
- Obtaining certification of a trademark registration;
- Application for registration of collective trademark;
- Application for registration of certification trademark;
- Requesting for opposition;
- Requesting for cancellation of a registered trademark;
- Recordal of trademark license contract.

Eight years later, the war ended between Huawei and Samsung

According to the report of Chinese state-run news agency Xinhua, the Guangdong High People's Court had made an announcement on May 14, 2019, that Chinese tech giant Huawei and its rival Samsung in the Republic of Korea had settled their 8-year long-standing patent infringement disputes between the two companies in China. Meanwhile, the two companies have reached a patent permission agreement that will serve as a framework for both side's cross-licensing globally. The reports said that Samsung and Huawei had both started withdrawing relevant charges against one another. This is another settlement between tech giants after Apple Inc. and Qualcomm had reached an agreement in a global scale.

Samsung and Huawei had been involved in a long-drawn legal battle on cross-licensing since 2011. The battle that involved more than 40 lawsuits had reached no settlement through negotiation between both sides.

The Chinese smartphone producer filed lawsuits against Samsung in Shenzhen, Quanzhou and California for patent infringements in 2016, alleging that some of Samsung's phone and tablet models use its technologies without permission.

In April 2017, the Quanzhou Intermediate People's Court in Fujian province ordered Samsung's Chinese subsidiaries to pay 80 million yuan ($12.3 million) to Huawei for patent infringement, and to stop manufacturing and selling more than 20 models from the Galaxy smartphone series. The Quanzhou Court's ruling marked Huawei's first victory in safeguarding its intellectual property in the local market.

The Shenzhen Intermediate People's Court ruled in January, 2018, in favor of Huawei, banning Samsung from manufacturing and selling products that use Huawei's patented wireless communication technologies. Huawei's other litigation requests were rejected and Samsung holds the right to appeal to a higher court.

In February 2019, Samsung and Huawei had asked a US court to stop patent infringement proceedings between the pair after entering into a settlement agreement.

China: an ideal hub for your IP assets

After 41 years reform and opening-up, China has been striving to inspire innovation from within and building up its IP system. Number of intellectual property right has been constantly setting record-highs and IPR protection has been constantly strengthened. In the background of continuous expansion of opening-up, the determination for foreign businesses to invest in China is assured with tightening of IPR protection. On the other hand, Chinese firms were exporting more energy into high quality IP creations, rendering Bring in and Going out.

Foreign firms' confidence on Chinese market comes from the strengthened IPR protection in China. To create a more friendly business environment, to provide more effective protection for IPR, China strives to inspire innovation from within and continuously optimizing its IP system. China is amending the Patent Law, elevating statutory damages for patent infringement to 100,000 to 5 million yuan and ordering Internet service providers to take joint responsibility. China also passes Foreign Investment Law to enhance IPR protection and ensure free technology transfers. China revised the PRC Anti-Unfair Competition Law, which features trade secret protection and raises fines and damages for unfair competition acts. China's Trademark Law is also amended to effectively crack down on malicious applications and to impose more powerful penalties on trademark infringements.

According to statistics from China National Intellectual Property Administration (CNIPA), 148,000 invention patent applications from foreign applicants were received in 2018, up 9.1%, marking at the highest since 2016. Foreign applicants filed 244,000 trademark registration applications, up 16.5% and showcasing a sharp hike.

In parallel, while building a sound innovation and business environment, and strictly protecting legal enterprises IPRs, Chinese firms were accelerating intellectual property mapping overseas, and showcasing vigorous energy in international competition. According to statistics released by WIPO, in 2018 Chinese applicants filed 53,345 PCT applications, ranking the second in the world. Data from CNIPA shows that 58 Chinese firms filed 100 or more PCT international patent applications in 2018, 14 more than that in 2017. China saw 23.5% up in Madrid System trademark international registrations, ranking the 3rd in filed Madrid System trademark applications in the Madrid Union. As shown by USPTO, Chinese firms obtained 12,589 patents in the US in 2018, up 12%, becoming the 5th country in obtaining US patents, after the US, Japan, South Korea and Germany.

"I appreciated the impressive achievements China has made. Over the past 40 years, China has established a high-level IPR protection system, making intellectual property rights as the driving force of innovation and economic development, while treating Chinese and foreign enterprises in an equal way. I believe that China's progress will continue," noted Francis Gurry, Director General of the World Intellectual Property Organization (WIPO).

As President Xi Jinping said on the Second Belt and Road Forum for International Cooperation, China will spare no efforts to build a business environment that respects the value of knowledge, fully improve the legal system for IP protection, set up law enforcement, strengthen protection of the lawful rights and interests of IP owners, completely eradicate mandatory technology transfer, improve protection of trade secrets, and crack down hard on IP violations in accordance with law.

Patent invalidation strategies in China

By Xinxin Wei, Yue Yuan, Ji Liu



In China, while patent infringement disputes are usually dealt with by the People's Court, the determination of patent validity is within the exclusive jurisdiction of the China National Intellectual Property Administration (CNIPA, known as the SIPO prior to August 2018). A branch of the CNIPA, formerly known as the Patent Re-examination Board (PRB), is responsible for handling patent invalidation proceedings. However, according to the latest news, after 1 April 2019 the name of PRB will no longer appear in the decisions, instead the CNIPA will issue the decisions in its own name.

With the rapid growth of patent applications and grants in China, the number of invalidation requests has increased dramatically during recent years. In 2018 5,235 invalidation requests covering all inventions, utility models and designs were filed with the PRB, nearly 2.5 times greater than in 2008. Among the total, there were:

- 1,387 requests for the invalidation of invention patents (26.5%);
- 2,166 requests for the invalidation of utility model patents (41.4%); and
- 1,682 requests for the invalidation

of design patents (32.1%).

Although the number of invalidation requests concluded successfully rose from 2,737 in 2008 to 4,217 in 2018, the PRB is struggling to keep pace. The PRB has taken a series of measures to shorten the examination period. In 2018 most invalidation cases can be effectively concluded within six months (the average period for examination is 5.2 months).



There are no official statistics on the success rate of patent invalidation requests, but according to an unofficial estimate, approximately 50% to 60% of the patents concerned are declared invalid.

Procedural standards

The invalidation procedure is substantially an inter partes re-examination which involves three parties:

- the petitioner;
- the patentee; and
- the panel.

The petitioner, being either a judicial person or an atural person, initiates an invalidation procedure by filing a request for invalidation towards an invention, utility model or design patent. This is a preliminary request, since it can be supplemented later. In the preliminary request, at least some grounds for invalidation should be referred to. The other grounds and evidence, as well as Chinese translations of the evidence, should be filed within one month from the date on which the preliminary request was filed.There are two exceptions:

- if the patentee amends the claims, the petitioner can file further grounds with respect to the amendments within a time period designated by the panel; and
- evidence of common knowledge in the art or complementary evidence for meeting the legal requirement for evidence (eg, a notary certificate or original) can be filed before the oral hearing finishes.

All of the patentees will be notified by the PRB of the acceptance of the invalidation request and forwarded the requests and evidence filed by the petitioner. In theory, the patentee may remain silent and never appear during the whole procedure, which will not impede the panel making a decision. However, such practice is not recommended if the patent is important to the patentee. There is a period of 15 mailing days plus one month for the patentee to file a response to each of the preliminary and supplemental requests. The patentee's evidence, claims' amendments or any objections to the Chinese translation of evidence provided by the petitioner should be filed within this time. Certainly, equal to the petitioner, the patentee's evidence of common knowledge or complementary evidence for meeting the legal requirement for evidence can be filed during the oral hearing.

The panel comprises three examiners as panel members, sometimes five for important cases. It usually organises an oral hearing within three or four months after the acceptance of the request filed by the petitioner. Up to four persons are permitted to attend the oral hearing for each party of the patentee and petitioner. Power of attorney must be presented before the oral hearing. A panel's decision will be issued within three months of the oral hearing to meet the total six-month time requirement. However, the time limit can be delayed by the panel, although many of the decisions are issued within the six months.

If the decision is unsatisfactory, both the petitioner and patentee may file an administrative litigation with the Beijing IP Court within three months of the decision's issue date.



Eligible grounds for invalidation requests and requirements on supporting evidence

Any entity or individual, including the patentee itself, may file a request for invalidation at anytime after the patent is granted. Eligible grounds for filing a petition include:

- non-patentable subject matter;
- double patenting;
- unpatentability (ie, an invention or utility model patent that does not possess novelty, inventiveness or practical applicability, and a design patent that is identical or similar to another design, or is in conflict with any prior legitimate right of any other person);
- insufficient disclosure of the description;
- a claim lacking support from the description;
- a claim lacking clarity;
- a claim lacking essential technical features;
- new matter added beyond the original scope of disclosure; and
- lack of a confidentiality examination (ie, an invention or utility model developed within China's territory that has been filed abroad without a request for a confidentiality examination in advance).

Among the various grounds, an attack on the lack of novelty and/or inventiveness during invalidation proceedings probably carries the most weight. The likelihood of a request being accepted by the PRB based on such grounds is substantially higher than if it were based on other grounds.

When filing an invalidation request, a detailed explanation of the invalidity grounds should be made, referencing the supporting evidence. Evidence is crucial, especially for grounds regarding lack of novelty and inventiveness. A specific description should be given to the relevant technical solution for the patent concerned and the supporting evidence, and comparative analysis should be made in this regard. If the evidence is used in combination, the specific manner of its combination should be indicated.

Although many forms of evidence are accepted by the PRB (eg, documentary evidence, physical evidence, audiovisual evidence, oral testimony of a witness and experts' conclusions, among others), in practice, documentary evidence with an unambiguous publication date is the most reliable. If evidence in a foreign language is submitted, a Chinese translation should also be submitted within the specified time limit. Evidence formed abroad should be notarised by the notary public in the country concerned and legalised by the Chinese embassy or consulate in that country.

Restriction on amendments in terms of permissible manners and timing

During invalidation proceedings, the patentee of an invention or utility model patent can make amendments, but the amendments are limited to the claims only, in line with the following rules:

- the category of the claims cannot be changed;
- the broadening of amendments is not permitted;
- amendments cannot go beyond the original scope of disclosure; and
- further technical features disclosed but unclaimed cannot be added.

Therefore, permissible amendments are limited to:

- deletion of a claim;
- deletion of a technical solution;



- further limitation of a claim; and
- correction of an obvious mistake.

The deletion of a technical solution means the cancellation of one or more technical solutions from several parallel technical solutions defined in the same claim. The further limitation of a claim means that one or more technical features recited in other claims are added to the claim to narrow the scope of protection. In other words, after further limitation, a claim should become a new claim with more technical features and reduced scope. For example, adding one or more technical features from another claim or claims to the independent claim to be amended, and further limiting its dependent claims on the basis that the independent claim has been further limited is allowed, while retaining a claim as granted after further limitation of the granted claim, adding one or more new claims, further limiting the dependent claims in the absence of further limitation of its independent claim is not allowed.

Amendments can be made in response to invalidation and supplemental requests within one month after receiving the notification of the transfer of documents. After that, the patentee can make amendments only by deletion of a claim or technical solution, until the time when the examination decision is made by the PRB.

Conditions for acceptance of post-filing experimental data

As a fundamental principle widely recognised and confirmed by many court judgments and invalidation decisions, China's patent system is a first-to-file system based on the quid pro quo that a patentee discloses the invention sufficiently on the filing date in exchange for the right to exclude others. This principle is particularly important for inventions in such fields as pharmaceuticals, chemicals and biotechnology, which are generally believed to belong to experiment-based science and their technical effects are not usually predicable. As such, for inventions in such technical fields, patentees not only must describe the preparation, identification and technical uses and effects of the invention product, but must also disclose the supporting data to prove these aspects in the specification. In other words, the applicants must prove the actual completeness of the invention on the filing date, instead of a conceptual completeness. Failing to provide this data in the application document as originally filed may cause insufficient disclosure.

This problem can hardly be remedied by submitting post-filing experimental data. In the past, the Guidelines for Examination of the former SIPO had a clear provision to exclude any post-filing data addressing sufficiency of disclosure, which caused a lot of controversy. The former SIPO finally agreed to amend the guidelines to consider such data following a retrial decision by the Supreme People's Court of China in 2015 – it created a rule for the acceptance of post-filing experimental data in the new guidelines. In short, the rule requires that the technical effect being proved by the post-filing data is derivable from the original disclosure of the application. The data can further affirm the fact as disclosed in the specification but cannot create any new fact.

A similar rule can also be applied to the situation where further experimental data is used to prove superior technical effects over the closest prior art to establish inventive step. In a recent

invalidation decision by the PRB, it reaffirmed that because the post-filing data belongs to neither the disclosure contained in the application as originally filed nor to the prior art, whether it can be accepted should be determined in accordance with the same rule as if the technical effect being proved by the post-filing data is derivable from the original disclosure of the application. In this case, the applicant tried to prove synergistic effect of a combination of two known drugs, but did not disclose experimental data in the specification to demonstrate the effect. The PRB acknowledged the enablement of the invention because both drugs are known for that purpose of treatment; however, it negated the inventive step because the synergistic effect was not proved with evidence within the specification and the defect cannot be remedied by post-filing data.

The CNIPA coordinates the requirements of the acceptance of post-filing data for both sufficiency and inventive step. It requires applicants, on the one hand, to demonstrate the actual completeness of the invention and prove the plausibility of the technical effect with at least some experimental evidence in the specification when drafting an application, while on the other hand, it requires applicants to avoid the risky strategy to establish inventive step based on a new technical effect that is not derivable from the application as originally filed during prosecution and post-grant invalidation proceedings.

Influence of invalidation decisions on infringement litigation

More than half of invalidation cases have an infringement litigation behind them. The defendant in the litigation may request the court to suspend the action based on the fact that the patent is in an invalidation procedure. The judge will, at his or her own discretion, decide whether to wait for the invalidation result. If the patent is invalidated by the PRB, the judge will rule to reject the plaintiff's claim, regardless of whether the PRB's decision will be appealed. However, if the court's judgment is made before the patent is finally invalidated by the PRB, then the invalidation decision may be submitted by the defendant as new evidence in the second instance of infringement litigation.

Even if the PRB's decision is to maintain the patent right, it may still affect the infringement litigation, especially the claims interpretation. According to Judicial Interpretation 21 (2009) issued by the Supreme Court, claims can be interpreted according to examination documents. In this sense, the opinions in the PRB's decision may be used to further define or clarify a claim's scope.

In addition, the patentee's observations and/or amendments to claims during the invalidation procedure will follow the doctrine of history estoppel. A claim's protection scope abandoned by the patentee in the invalidation procedure cannot be reclaimed by using, for example, the doctrine of equivalence in the infringement litigation. Of course, if such observations or amendments are denied by the panel during the hearing, they will not result in the estoppel.



Winning preliminary injunctions

By Deqiang Zhu



Since a preliminary injunction can stop acts infringing upon IP rights quickly before the final judgment for an action is made, or even before the action is filed, it is increasingly used by IP rights owners and granted by courts in a trend that further strengthens the protection of IP rights in China.

This article aims to give some introduction to the legal practice of application of preliminary injunctions in enforcement of Chinese IP rights.

Issues to consider

In determining a preliminary injunction there are six main issues to consider:

High likelihood of success for the plaintiff;
Urgent circumstances where the infringing acts are being conducted or about to be conducted;
Irreparable damage to be caused to the plaintiff without preliminary

injunction;
The balance of potential harms between the plaintiff and the defendant;
No harm to the public interest; and
Security which should be provided by the plaintiff and would be used to compensate the defendant for potential damages due if the preliminary injunction is wrongly granted.

Among these six issues, points 2 and 3 are pivotal. It is usually difficult to determine whether there is an urgent circumstance where the plaintiff's lawful rights and interests will be irreparably damaged if no preliminary injunction is granted.

This article gives examples of some well-known cases regarding preliminary injunction in enforcement of various types of IP right, which are focused on the determination of the urgent circumstances where irreparable harm will be caused if no preliminary injunction is granted.

Trade secrets

Our first example is a trade secret infringement case, (2013) Hu Yi Zhong Min Wu (Zhi) Chu No. 119 decided July 31, 2013. In this case, an employee downloaded 21 documents of core trade secrets of his employer Eli Lily Company from the server of the company and stored them into his own personal device.

The employee refused to delete these documents from his device even though Eli Lily had contacted him several times. The court determined the urgent circumstance of potential irreparable harm to the plaintiff, considering that the trade secret will irrevocably lose its unique property of secrecy once it is disclosed by the employee.

This was the first preliminary injunction granted for a trade secret case since such measure was introduced in the civil procedure law in 2013.

Design patent infringement

The second case involved design patent infringement, case number (2013) San Zhong Min Bao No. 01933 decided December 2, 2013. The preliminary injunction granted in this case is the first given by the courts in Beijing for a patent infringement suit.

A Chinese affiliate of Abbott Laboratories in Shanghai, as the plaintiff, filed a pre-suit application for preliminary injunction, asserting a design patent claiming a container, against a Chinese manufacturer of tub for milk powder.

The court had the following considerations:

(i) The alleged tub is sold to manufacturers of milk powder, who use the tub to contain milk powder and then sell the contained milk powder, wholesale, to milk powder sellers; and
(ii) The seller sells the milk powder with the tub to consumers.

Through each of the stages of selling the products, damage is expanded; the number of infringers increased; and the cost and difficulty for the plaintiff to stop the infringing acts grows larger.

Copyright infringement and unfair competition

The third case



involves copyright infringement and unfair competition: case numbers (2015) Yue Zhi Fa Zhu Min Chu No. 2-1 (copyright infringement) and (2015) Yue Zhi Fa Shang Min Chu No. 2-1 (unfair competition) decided March 9, 2015.

The plaintiff, Blizzard Entertainment, owns the copyright on the games series 'World of Warcraft', and some information technology companies provided a downloading service for a game called 'National Warcraft' in the series.

The court granted preliminary injunction with the following considerations:

Through the alleged online distribution of games the defendants gain the market share of the new games brought out by the plaintiff; Games on the internet have a short term of life, but can be spread quickly and extensively; and
The defendants' promotion of the alleged games in an inappropriate way brings harm to the plaintiff's fame.



Trademark infringement and unfair competition

The fourth case, number No. 1 of (2017) Zhe 01 Min Chu 1681 decided December 19, 2017, involves trademark infringement and unfair competition. In this case Alibaba Group and Zhejiang Tmall sued a group of 17 companies for infringement on the trademark right of two Chinese characters, 'Tian Mao', and unfair competition due to inappropriate use of the Chinese characters.

The court granted preliminary injunction with the following reasons:

The defendants are planning ecological and diverse development in all industries. It would be difficult to control the defendants' continuing acts of trademark infringement and unfair competition and further confusion would be caused to the public and tremendous harm would be caused to the business reputation which is brought by the plaintiff's trademark; and
The defendants have high value of registration capital but do not pay up the registered capital and they may not be capable to compensate the plaintiff for damages. If the defendants' infringement acts are not stopped it may be difficult to execute the judgement once infringement is finally found.

Of the above preliminary injunction cases, each has its own uniqueness regarding the urgent circumstance and irreparable damage. There is not a one-size-fits-all solution to preliminary injunction applications and it is always important for a legal practitioner to find the particular angle to elucidate the urgent circumstance and irreparable harm to persuade judges to grant a preliminary injunction.

A fifteen-year long run: DSM wins the case on review of opposition to trademark "DYNEEMA & DEVICE"

By Chengyan Zhao, Gang Hu

Recently, DSM IP ASSETS B.V. (hereinafter referred as DSM B.V.) represented by CCPIT Patent and Trademark Law Office vs. the Trademark Review and Adjudication Board of the State Administration for Industry & Commerce, the third party LOU Yuebin, LOU Yuequn, LOU Zhaofa, LAI Junzhe, the administrative retrial case on review of opposition to trademark "DYNEEMA & DEVICE" (hereinafter referred to as the opposed mark), has been judged by the Supreme People's Court (SPC), wherein the SPC overrules the second instance decision by the Beijing High People's Court, the first instance decision by the First Intermediate People's Court of Beijing, and the review decision by the Trademark Review and Adjudication Board (TRAB). It is decided that the opposed mark constitutes a similar mark in respect of similar goods with the cited mark on "fishing tackles", and the opposed mark infringes the prior copyright of other. Therefore, the application of the opposed mark violates Articles 28 and 31 of the 2001 Chinese Trademark Law, and it should not be approved for registration, which has fully supported DSM B.V's requests for retrial.

With more than a hundred years of history, KONINKLIJKE DSM N.V. is active in the business fields of health, nutrition and materials manufacturing worldwide. The retrial petitioner DSM B.V. is the global intellectual property custodian of KONINKLIJKE DSM N.V. On June 14, 2004, LOU Yuebin, LOU Yuequn, LOU Zhaofa and LAI Junzhe filed for the trademark App. No. 4115813 for "DYNEEMA & DEVICE". On October 14, 2007, it was published on "games; toys; card games; machines for physical exercises; fishing tackle; balls for sports; gloves for games; grippers; Christmas tree decorations (except lighting items and candy); exercise equipment" in class 28. DSM B.V. believed that the opposed mark constituted a similar mark to their trademark IR No. 666717 for "DYNEEMA", which was approved for protection in China on "semi-processed plastic substances in the form of fibres and threads" in class 17, and the opposed mark infringed the prior copyright of "DYNEEMA & DEVICE" which was a combination of text and graphic. However, the opposition, the review on opposition, as well as the first instance and the second instance administrative litigation proceedings against the opposed mark, lodged by DSM B.V., were not supported by the Trademark Office, the Trademark Review and Adjudication Board, the First Intermediate People's Court of Beijing or the Beijing High People's Court.

Facing the unfavorable final decision, the attorneys of this case, HU Gang, ZHAO Chengyan and others carefully analyzed the relevant legal issues, and believed that the use of the opposed

mark on “fishing tackles” could easily cause confusions among consumers, so the opposed mark and the cited mark should be considered as similar marks in respect of similar goods. And it's inappropriate to rule the great amount of evidence in this case as insufficient to prove that DSM B.V. was an interested party to the prior copyright. Accordingly, in 2014, with all-round argument preparation and comprehensive evidence collection, they represented DSM B.V. to file a retrial petition before the SPC. In December 2017, the SPC heard the retrial case, and HU Gang and ZHAO Chengyan participated in the hearing on behalf of DSM B.V.

Upon examination, the SPC holds, the evidence provided by DSM B.V. shows that the fiber products covered by the cited mark, in actual use, were widely used in special materials, including bulletproof products, the production of fishing tackles, and were famous as high quality raw materials for fishery products such as fishing nets and trawls, fishing lines, and they enjoyed high fame among fishery material industries and fishing fans. Thus, these goods and “fishing tackles” covered by the cited mark are highly duplicative in terms of nature, usage, sales channel, target consumer and other aspects. In the meanwhile, relevant evidence and common sense of life also show that as raw material of fishery products, the performance of fiber products determines the performance of fishing gears and fishing tackles, and that by introducing the source characteristics of fiber materials or by marking the source of raw materials on the corresponding products, it is the usual practice to publicize and promote fishing tackles. They are goods of specific connections, that tend to cause confusions among the public as to the origins of the goods or mislead consumers to believe that there are certain connections between them. Therefore, “fishing tackles” are similar to “semi-processed plastic substances in the form of fibres and threads” covered by the cited mark, and the opposed mark on “fishing tackles” violates Article 28 of the Chinese Trademark Law.



At the same time, the SPC also believes that even if it cannot be concluded that DSM B.V. is the copyright owner of the work of “DYNEEMA & DEVICE” based on the available evidence, DSM B.V. has at least the exclusive rights in use of “DYNEEMA & DEVICE” as a trademark. As the custodian of the intellectual property rights of KONINKLIJKE DSM N.V., DSM B.V. has the rights, as an interested party, to claim that the opposed mark violates the prior copyright, in accordance with Article 31 of the Chinese Trademark Law. In view of the fact that the opposed mark is exact identical to the prior created and published work, and that the third party has not given any reasonable explanation in this regard, the opposed mark is an unauthorized copy of the work of other’s, in violation of the regulations on the infringement of prior rights, in accordance with Article 31 of the Chinese Trademark Law.

It's been fifteen years from the very start of the opposition procedure of this case in 2004 to the end of the retrial procedure. This case is one of the typical challenging cases with confirmed results, among the trademark administrative litigation retrial cases handled by CCPIT Patent and Trademark Law Office. During the process of retrial, the opposed mark has been assigned to a new company established by LOU Yuebin and others, and the company has re-filed the word marks for “DYNEEMA” and etc. on various fishing goods. With complete success of this administrative retrial case, DSM B.V. has cleared the obstacles to safeguard and protect their trademark rights in China and can lodge complaints and further crack down effectively on infringement activities of their trademark rights.



Civil action for trademark infringement in China —— Experience and advice from the front line

By Gang Hu



The Chinese government has established the protection of intellectual property rights as an important aspect in shaping a good business environment. It has vowed to strengthen the punishment to intellectual property infringement conducts, so that the infringers will pay a heavy price. This is really encouraging news for intellectual property right holders, including foreign intellectual property right holders with significant commercial interests in China. There is no doubt that the trademark infringement has been the focus of attention in the field of intellectual property protection in China. It is essential for the foreign trademark holders to have a deep understanding of and make a good preparation for the following aspects, so as to smoothly carry out the trademark infringement litigation and obtain favorable results in China.

Investigation of tort facts

Foreign trademark holders are generally informed of trademark infringement information from two channels: 1) website surfing on their own side; 2) feedback from Chinese subsidiaries or partners. After obtaining the infringement clues, it is necessary to carefully investigate the infringement conducts and to exactly lock the evidence that can be used to initiate the infringement litigation. The two-track system can be adopted in the investigation. On the one hand, foreign trademark holders can entrust the local professional investigation companies to inquire about the background information and conduct the field investigation, so as to learn the actual scale, mode and scope of the production, use and sale of the infringer. On the other hand, Chinese subsidiaries or partners can assist with collecting and sorting out the dynamics of the infringement products in the sensitive market, especially whether there exists actual confusion in the market. It should be mentioned that the judicial period of the foreign trademark infringement is usually longer, during which the infringer can easily transfer or conceal his property. Therefore, if the trademark holder can pay attention to the infringer's property situation in the investigation, it will be beneficial to apply for property preservation measures for the future litigation. In addition, the investigation and evidence collection at this stage have not disturbed the infringer, so they should be as complete as possible so as to withstand the cross-examination in the future trademark infringement litigation and become credible evidence to win the litigation.

Assessment of the Prospects of Litigation

In practice, the plaintiff often owns more than one identical or similar trademarks which are earlier registered on identical or similar goods as the trademark accused of infringement. These earlier registered trademarks may be different in classes, registration dates and logos. Therefore, appropriate trademarks should be selected according to the specific circumstances of the case.

Firstly, it would be wise to select the prior trademarks which are identical with the accused infringing trademarks and used on the same goods. In this situation, the infringer often faces the risk of criminal offence and may be willing to discuss the issues of reconciliation and compensation with foreign trademark holders before or during the litigation. In this way we can achieve the litigation effect of defeating others without fighting. During the selection of the appropriate trademarks, the stability of the earlier registered trademark (i.e. whether it is widely used in the Chinese market) should also be considered. If the earlier registered trademark has not been used in the Chinese market by the plaintiff or its licensee, the plaintiff is likely to lose the trademark right in the non-use cancellation initiated by the other party.

Secondly, the prior trademarks selected as the basis of rights should have strong inherent distinctiveness, so as to effectively counteract the other party's defense of reasonable use in the trademark infringement litigation. It should

also be noted that even if the infringer holds the registered trademark of the alleged infringement on the goods he uses, it does not necessarily mean that the infringement does not constitute infringement. According to Chinese law and the judicial practice, if the plaintiff's earlier registered trademark constitutes a well-known trademark, even if it is registered on the same or similar goods/services, the plaintiff can also sue the infringer for prohibiting the use of the similar trademarks. In addition, if the accused infringing trademark is not used on the designated goods/services, or not used in the form as registered (such as mixing with other trademarks, changing its distinctiveness, etc.), it may still constitute trademark infringement.

To make a meaningful assessment of the litigation prospects, we should not only have a thorough understanding of relevant laws and regulations, but also search the judicial database for similar precedent cases. Although China is not a case-law country, the exploration and implementation of "case guidance system" or "precedent judgment guidance system" have increasingly influenced the way of judgment at the local courts. For example, according to the data of Beijing Intellectual Property Court, 1034 cases were cited in the judgment from the beginning of 2015 to the end of 2017. According to the judicial spirit of category judgments, if the trademark holder takes the initiative to submit the high-level judgments on the similar precedents, the court is more inclined to confirm the nature of tort and even to confirm the rationality of high-level compensation.

Choice of an Appropriate Court

In China, foreign-related civil litigation cases are principally heard by the intermediate courts with jurisdiction. At the same time, it is stipulated that the courts in the places where the defendant lives, where the infringement is committed, or where the administrative organs deposit, detain or seize the infringing products, have jurisdiction over the infringement cases. The past practices show that most plaintiffs in foreign trademark infringement litigation will flexibly choose the place where the infringement occurs to determine the jurisdictional court. The intermediate courts in the economically developed areas such as Beijing, Shanghai, Guangzhou, Zhejiang, Fujian and Jiangsu are often chosen. This is because the judges in these areas are more experienced and competent, and moreover the courts in these areas would prefer to apply higher compensation fee in trademark infringement cases.

However, every advantage has its disadvantage. Statistically, the intellectual property civil lawsuits heard in Beijing, Shanghai, Jiangsu, Zhejiang and Guangdong accounts for 70.65% of all the previous cases of foreign trademark infringement. According to the Civil Procedure Law, no time limit is set for hearing foreign-related civil cases. Therefore, the big problem is the heavy case burden of the judges in some areas and the intolerable delays in the trial process. Therefore, when choosing the appropriate intermediate courts, the plaintiffs in foreign trademark infringement litigation should lend an ear to the suggestions of Chinese lawyers and make a favorable choice from the perspective of professionalism, timeliness and deterrence in the trials.

Choice of the Right Defendant

Trademark infringement litigation often involves multiple infringement subjects. It would be impossible to bring all infringers to court, since the plaintiff cannot afford the time, money and energy. Moreover, if all the infringers are prosecuted, the infringers might form an alliance, thus increasing the difficulty and risk of the litigation. As a matter of experience, it would be wise to choose the defendants after the jurisdictional court has been determined. The choice of the right defendant should also include the choice of the right time to proceed against the defendant. Based on the specific infringement situation of different defendants, the trademark holder needs to consider when to prosecute, whether to issue a warning letter before prosecution, whether to negotiate before or after litigation, etc. Last but the most important is whether the effective judgment is easy to implement, whether the effective legal instrument and its enforcement results have a strong deterrent force for other infringers, whether it has a beneficial demonstration effect for other potential lawsuits. In practice, some infringers

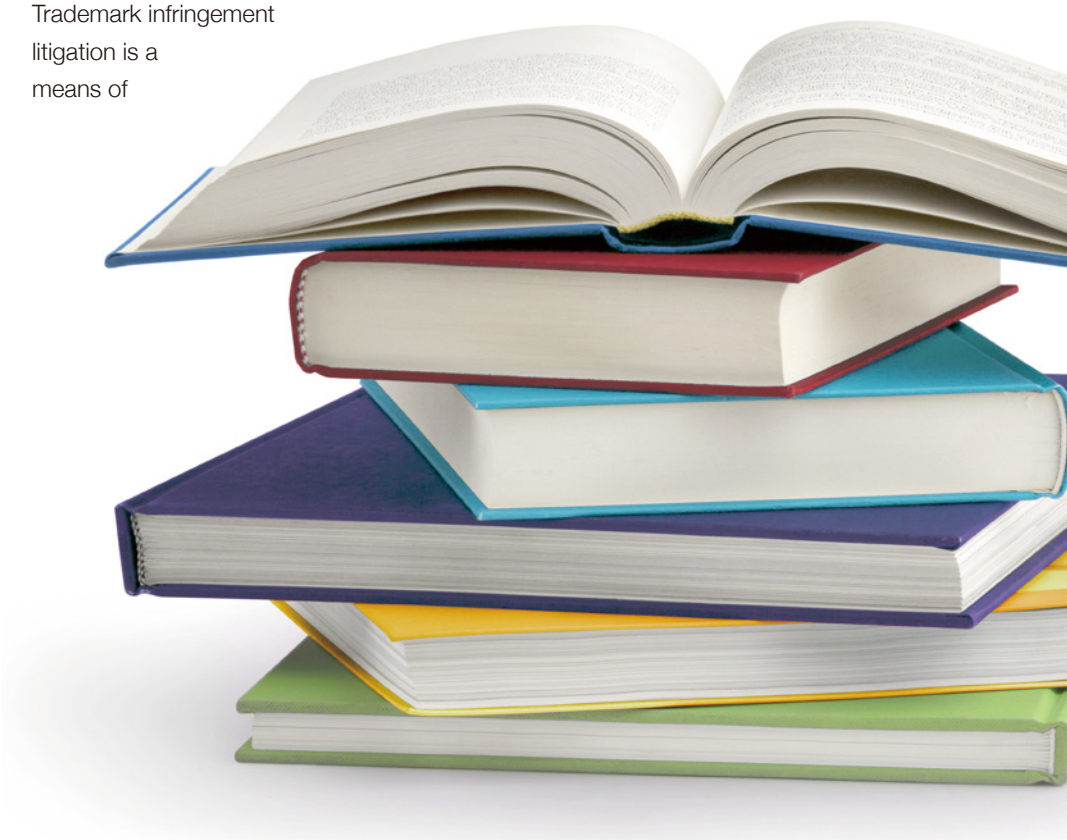
plan the transfer of property and the evasion of execution even before their infringement. In this situation, it is necessary to consider the feasibility of "piercing the corporate veil" in specific trademark infringement litigations, that is, the feasibility of increasing the number of natural persons such as legal representatives of companies as defendants jointly and severally liable for the infringement compensation.

Enforcement of Judgments

At present, two kinds of judgments prevail in trademark infringement lawsuits in China: cessation of infringement and compensation for losses. The judgment of ceasing infringement may include: stopping the use of the accused logo, stopping the sale of goods with the accused logo, changing the name of the enterprise, etc. It is worth mentioning that the change of enterprise names varies considerably in the intellectual property judgments and in the ordinary civil judgments. That is to say, apart from the property execution, the execution of judgments also requires the cooperation of the Administration of Industry and Commerce to cancel the enterprise names. In the previous cases, when the infringer's enterprise name infringes the trademark right of the prior trademark holder and the infringer refuses to change the enterprise name although ordered by the court, it is compulsory to use the unified social credit code of the enterprise to replace its name in the national enterprise credit information publicity system. As for compensation for losses, it is not only a practical way to indemnify the trademark holder, but also a direct way to punish the infringer. To be frank, the implementation of compensation has been a long-standing implementation problem in China. However, since 2016 the Supreme People's Court of China has taken a series of measures to overcome the implementation difficulties, especially to limit the high consumption of the executed, including air travel, high-speed rail, star hotels and even high-end private schools for their children. The situation has been greatly improved since then.

Summary

Trademark infringement litigation is a means of commercial competition. China's current legal system and judicial practice is ready to give strong support to foreign trademark holders, if they wish to obtain effective trademark protection in China and meanwhile can submit conclusive evidences. Besides, the protection of the intellectual property rights has wined initial success. Therefore, what the foreign trademark holders need to do is to entrust a reliable Chinese legal agency to maximize their commercial interests in the Chinese market from a rational commercial perspective and at the appropriate cost.





How to recognize a well-known trademark in China?

By Hongxia Wu

Well-known trademark recognition is a systematic and challenging project in China. This article will be discussing five important aspects of well-known trademark recognition in China and intends to give foreign companies or practitioners a clear picture of this system.

Importance of well-known trademark recognition

Under Chinese Trademark Law, the first to file principle is mainly followed in trademark examination and protection. Use or intention to use is not a prerequisite to file a trademark registration application in China. In such

a situation, trademark squatting has become a serious problem in trademark protection in China for foreign companies.

Despite that Chinese government are taking and to take severe measures to fight against trademark squatting, it would still be difficult to refuse or to cancel the registration and to prohibit the use. One of the reasons is that the applicants are not able to prove the prior use or prior registration of the mark in respect of same or similar goods in China. So, foreign companies would sometimes feel frustrated or embarrassed as to the registrations of marks same or similar to theirs but owned by others in respect of different or dissimilar goods.

The above-mentioned situation changes, if the marks of the opposers or invalidation applicants are recognized as well-known in China. A prior well-known trademark recognition record will have a very important reference value for subsequent cases, which is reflected in relevant rules (e.g. Judicial Interpretation No. [2009]3 of China Supreme People's Court stipulates that the People's court should recognize the well-known mark status, if the mark has been recognized by the peoples' Courts or SAIC as well-known before the alleged trademark registration infringement acts or unfair completion acts and the defendant has not opposed to the well-known mark status.)

Therefore, in case that foreign companies encounter a reproduction, an imitation or a translation of their reputed marks, they are recommended to take the chance to request a well-known mark status recognition and further to obtain the largest protection on mark right in China. If their marks are on the way to be well-known, we suggest they consider filing defense applications for their marks covering broader specifications of goods/services in China at the first stage.

Principles in well-known trademark recognition

Principle No. 1: on-demand recognition principle.

Under normal circumstances, if the prior filed or registered trademarks of the applicant can grant him the same level of protection as the well-known protection, there is no need to provide the applicant with the protection of the well-known mark. The concept of "same level of protection" can be interpreted according to different scenarios. In trademark validity cases, if the applicants' prior filed trademark application or registrations will be enough to refuse or cancel the registration of the disputed mark, there is no need to grant a well-known mark protection. In the trademark enforcement cases, if the prior registered trademark right of the applicant on the same or similar goods can prohibit the use and obtain sufficient financial compensation, then it should be deemed that the prior registered trademark right is protected at the same level as the well-known trademarks. On the basis of the principle of on-demand recognition, there is no need to provide trademark registrants with well-known trademark protection.

Principle No. 2: passive recognition principle

The well-known trademark can be recognized by Chinese authorities, only at the request of an interested party. In other words, Chinese authorities cannot ex officio recognize well-known trademarks. In this connection, even if examiners or judges believe that the case can be only solved based on well-known trademark protection, they cannot voluntarily cite the relevant well-known trademark protection laws.

Principle No. 3: case by case recognition principle

If a mark is fortunately recognized

as a well-known trademark and granted the concerned protection in one case, this protection only applies to the current case and is not binding to other cases. The theory behind this principle is that the degree of recognition of a mark changes from time to time, and well-known trademark status is dynamic. Nevertheless, the well-known trademark recognition record can serve as a very important reference for future cases.

Three well-known trademark recognition authorities

According to the provisions of Chinese Trademark Law, well-known trademarks can be recognized by three authorities, namely, the former Trademark Office of SAIC (now the Trademark Examination Division of CNIPA), the former Trademark Review and Adjudication Board of SAIC (now the Trademark Review Division of CNIPA) and several Chinese people's courts designated by China Supreme People's Court. The first two authorities are administrative agencies, whose decisions will be judicially examined by the last authority, namely several Chinese Courts.

The relevant provisions of Chinese Trademark Law are the supreme basis for all three authorities in well-known trademark recognition in China. But these three authorities have respective detailed regulations or guidelines and pursue different primary value goals in this specific work.

The administrative agencies published and followed several well-known trademark recognition regulations and guidelines, such as *Notice of the Trademark Office of the State Administration for Industry and Commerce on Several Issues Concerning the Application for Recognition of Well-Known Trademarks* and *Well-Known Trademark Recognition and Protection Provisions.* China Supreme People's Court published some judicial interpretations, such as *Provisions on Several Issues Concerning the Trial of Administrative Cases for Trademark Validity,* and *Interpretation of Several Issues Concerning the Application of Law in the Trial of Civil Dispute Cases concerning the Protection of Well-Known Trademarks.*

The judicial interpretations published by China Supreme People's Court are strictly followed by Chinese Courts. Hence, it is very important to coordinate the well-known trademark recognition application with the respective rules and guidelines of the responsible authorities.

In addition to different detailed regulations or guidelines, the administrative agencies and Chinese Courts would pursue different primary value goals. The administrative agencies pursue administrative efficiency and administrative order and take care of other value objectives such as justice. Efficiency and order are the primary goals pursued by administrative agencies. While pursuing the primary of justice, the judiciary consider other value objectives such as efficiency. Bring the difference into well-known trademark recognition situation, administrative agencies tend to strictly comply with relevant rules or regulations and set up a high threshold to the well-known trademark applicant. Judiciary in China tend to take

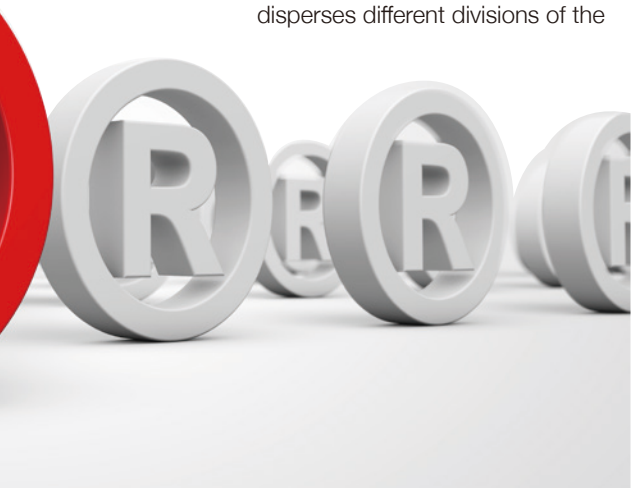


a different approach. They are likely to begin with a comprehensive analysis of all the relevant facts and consider the need of a well-known trademark recognition from the justice perspective.

Well-known trademark evidence

It is almost same in well-known trademark recognition fundamental factors between China and other jurisdictions. Foreign companies would still find difficult to prove their mark is well-known in China. The following are four tips to facilitate foreign companies in collecting well-known mark evidence.

First, it requires high attention from the company executives. Well-known trademark evidence collection is a time consuming and complicate project. The concerned well-known mark evidence disperses different divisions of the company. Without a high attention from the high level of the company, this would be an impossible mission.



Second, it needs an effective cooperation between headquarters and Chinese affiliates or partners, since only the evidence attesting the reputation of the mark in China is relevant. Therefore, it is very important to have a deep internal communication and obtain full supports from Chinese affiliates or partners.

Third, pay attention to the time of recognition of well-known mark. The applicant needs to prove that the mark has become well-known trademark before the filing of the disputed mark or the alleged use. This sometimes causes a serious problem in evidence collection. Therefore, keep copies of trademark use evidence would be a good practice for a company.

Four, focus on the qualified and persuasive well-known mark evidence. The applicant needs abundant evidence to prove that the mark is widely recognized by the relative public. Because of different legal system and judicial practice, there exists some different opinions between foreign companies and Chinese judges as to which constitutes qualified and persuasive well-known mark evidence. This may be the most troublesome thing for foreign companies. An experienced attorney can play the role in narrowing the gap. Do there exit some types of evidence, which are relatively easy to be collected by foreign companies and have strong weight proof under Chinese legal system?

Let us explain the problem in specific cases. In 2018, on behalf of foreign companies, CCPIT Patent and Trademark Law Office obtained six (6) trademarks well-known trademark recognition before Chinese courts. These foreign companies presented diverse well-known mark evidence, since they are involved in quite different business fields. However, after a deeper analysis and summary, we can find that they have something in common. Specifically, they all submitted the following main evidence:

(1) honors, awards and ranking evidence issued by Chinese government, industry associations etc. or published in authoritative newspapers and magazines and other media;
(2) sales evidence (including customs declarations, sales contracts, sales invoices, financial

statements, audit report, tax certificates, etc.);
(3) advertising evidence (including advertising materials for newspapers, magazines and other media, search reports of the National Library of China, advertising contracts concluded and invoices, etc.);
(4) reputation recognition rulings or judgments (including counterfeit administrative penalty decision, trademark infringement judgments, trademark oppositions/ invitation decisions, etc.)

Along with the success of these cases, the above main evidence can be deemed as qualified and persuasive evidence for foreign applicants in well-known mark recognition in trademark litigation cases.

Someone would say that he cannot provide all the above-mentioned evidence. It is not a prerequisite that all the evidence should be filed. The key issue is to fully demonstrate that it is a leading brand in the relative field in China before the filing of the disputed mark or the alleged use. The foreign companies can use their own unique but reliable way to prove it.

It is true that well-known mark recognition depends on the extent of actual recognition of the mark in China. However, strong evidence preparation and arguments can substantially affect the result.

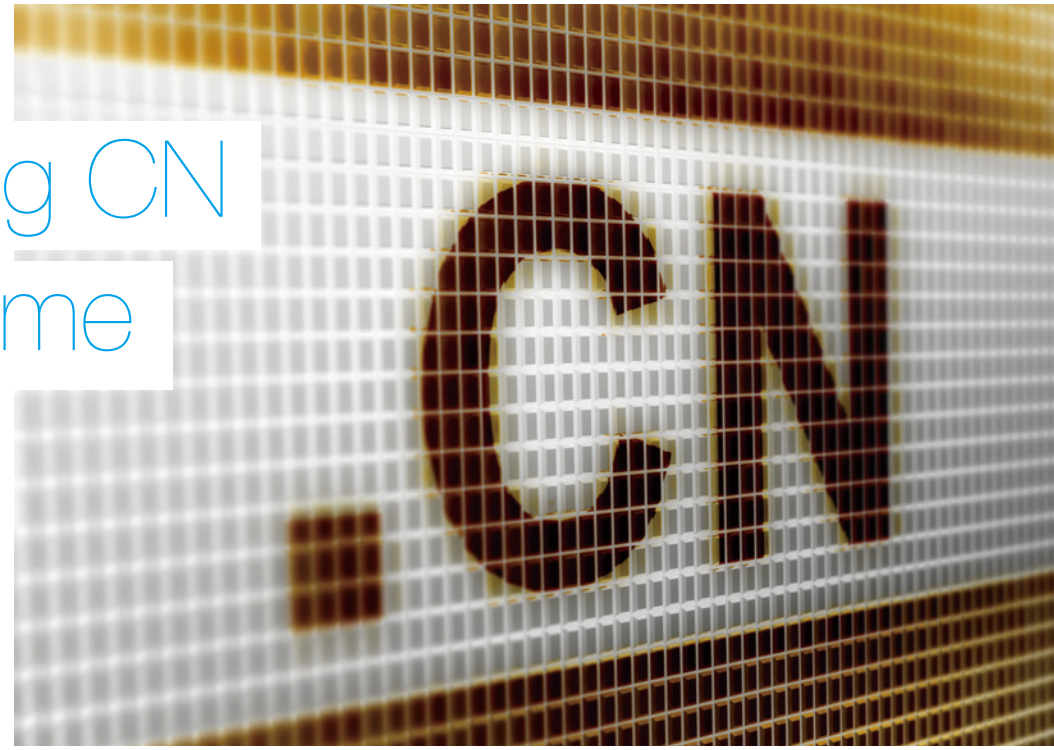
Well-known trademark protection scope

When a trademark is recognized as a well-known mark in China, it can enjoy the largest protection on mark right by Chinese Trademark Law. For an unregistered well-known trademark, it obtains a protection in respect of same or similar marks, even if the disputed mark has been registered for more than five years. For a registered well-known trademark, it usually can cover cross-class protection on dissimilar goods/ services. Yet, please still note that sometimes, it does not refer to all the specifications in full 45 classes, since Chinese Courts shall consider the following factors to determine protection scope.

(1) The degree of distinctiveness and recognition of the well-known mark;
(2) Whether the marks are enough similar;
(3) The conditions of the designated goods/services;
(4) The degree of overlap and attention of the relevant public;
(5) The situation in which the mark similar to the well-known mark is legally used by other entity in the market or other relevant factors.

The scope of protection of well-known trademarks will be determined after a comprehensive consideration of the above factors. For example, the “Coca-Cola” trademark has a high degree of popularity. Colas offered under the mark belong to daily consumable products, and therefore, have a broader scope of relative public and would overlap most of other goods/services in the society. In this connection, “Coca-Cola” trademark would be granted a cross-class protection covering all 45 classes of goods/products. If the goods under the well-known mark are specialized products, the case would be different. The specialized products have relatively limited scope of relative pubic. In other words, it would be possible that consumers in other business fields have no idea of the well-known mark in the specialized products field at all. When they see a similar mark, they are not liable to associate the mark they see with the well-known mark in the specialized products field. To obtain protection for this kind of well-known marks as broad as possible, strong arguments should be submitted as to the degree of the relevance of the relevant goods, the degree of distinctiveness of the well-known mark, the degree of recognition of the well-known mark, the degree of similarities of between the disputed mark and the well-known mark, and the intention of the applicant of the disputed mark, etc.

Tips for filing CN domain name complaint



By Bin Zhang , Lei Fu

The most popular domain names in China are CN domain names. According to "The 43rd China Statistical Report on Internet Development" released by China Internet Network Information Center (CNNIC) in February 2019, by December 2018 the number of "CN" domain names reached 21.24 million, increasing by 1.9% on a year-on-year basis and accounting for 56% of all domain names of China; "COM" domain names were 12.78 million, accounting for 33.7% of the total; 中国 (China in Chinese) domain names were 1.72 million, accounting for 4.5% of the total. As a result of the rapid development of internet and in view that domain name registration is comparatively easy, fast and cheap, cyber squatters are active in registering CN domain names for profit. Consequently, disputes over CN domain names arise.

Domain name dispute resolution procedure is a unique and efficient procedure for resolving domain name dispute. Complaints against domain names with different suffixes shall be filed with different domain name dispute resolution service providers. Domain name disputes over CN and 中国 (China in Chinese) domain names shall be accepted and resolved by China International Economic and Trade Arbitration Commission Online Dispute Solution Center (CIETAC ODRC) or Hong Kong International Arbitration Center (HKIAC) as they are accredited by CNNIC.

The Policy and Rules applicable for proceedings concerning CN and 中国 (China in Chinese) domain names are CNNIC ccTLD Dispute Resolution Policy (CNDRP) and CNNIC ccTLD Dispute Resolution Policy Rules. The dispute resolution service providers also developed their own supplementary rules based on the said Policy and Rules.

If a CN domain name containing your registered trademark or trade name is registered and used by third party, can it be retrieved through domain name dispute resolution procedures? The answer is "YES". Based on our experiences of filing CN domain name complaints with CIETAC ODRC, we would like to give you the following tips.

Confirm the registration date of the disputed CN domain name

Though CNDRP is modeled upon

UDRP (Unified Domain Name Dispute Resolution Policy), CNDRP has its special regulation that “the Dispute Resolution Service Providers do not accept the Complaint regarding domain names with registration term of over TWO years” while UDRP does not have such limitations. The two-year term seems to be in conformity with the limitation of action as described in the General Provisions of the Civil Law before the amendment in 2017. Though procedures are totally different, the terms provided are comparable. The two-year term starts from the domain name registration date as shown in domain name whois information. It means that if the CN domain name’s registration date is recorded as January 1, 2018, the domain name complaint shall be filed before January 1, 2020.

If the CN domain name is transferred from Party A to Party B during its registration period, can the two-year term recounts from the transfer date on which Party B became the domain name registrant? The answer is NO in most cases. We notice that in a Decision issued by HKIAC, the Panel referred to WIPO Overview 2.0 Second Edition, Paragraph 3.7: transfer of a domain name to a third party does amount to a new registration……Registration in bad faith must occur at the time the current registrant took possession of the domain name. However, we have to point out this is not the prevailing practice under CNDRP. Since UDRP does not have the time limit but CNDRP does, it is not common to refer to WIPO Overview which is under UDRP in CN domain name dispute resolution procedure. We suggest that domain name complaint against CN domain name be filed within the two-year registration term. For CN domain name registered for more than two years, it is still possible to retrieve it through civil litigations in the PRC in accordance with the relevant laws and regulations.

Furthermore, if a domain name dispute is handled through civil litigation channel, in addition to retrieve a domain name in question, the right holder might also have an infringer assume civil liabilities such as compensation for losses, elimination of adverse effects and making an apology, etc..

The registration date of the disputed domain name is important as it also helps to determine whether the Complainant has a “prior right” so that the domain name complaint may be supported by the Panel. Therefore it is necessary to confirm the date as the first step.

Collect evidence proving your prior rights and reputation

As regulated in Article 8 of CNDRP, three conditions shall be fulfilled for a Complaint to be supported by the Panel in CN domain name complaint and the first one is that the disputed domain name shall be identical with or confusingly similar to the Complainant's name or mark in which the Complainant has civil rights or interests.

If the domain name complaint is filed based on prior trademark right, it is suggested that the Complainant confirms its trademark is registered in the PRC prior to the registration date of the disputed domain name. Domain name complaint could also be filed based on prior right over a trade name. Then it is suggested that the Complainant submit evidence proving its business activities in the PRC and that its trade name obtained certain reputation in the PRC through use prior to the domain name registration date.



We noticed in one CNDRP Decision that the Complainant filed the complaint based on its EU registered trademarks not extended to the PRC and also a trade name without evidence proving the use and the reputation of the trade name in the PRC. The Panel did not recognize the trademark and trade name as "prior civil rights" in this case, thus did not support the Complaint.

Therefore, it is important for a Complainant to collect and keep evidence proving the registration, use and fame of its trademark or trade name in the PRC. The evidence may include brochures and other materials proving the promotion and sale of the products bearing the trademark or under the trade name in the PRC. These evidence will not only help the right owner in domain name dispute resolution procedures, but also in civil litigation against trademark infringement or unfair competition acts.

Check and confirm the Respondent's rights

It is also necessary to search and confirm that the Respondent (registrant of the disputed domain name) does not have any civil right over the main part of the domain name to satisfy Article 8.2 of CNDRP.

If the disputed domain name is registered by a company, besides checking the trademark registration status of this company, sometimes it is also necessary to check if its legal representative or shareholder has any trademark or operates any other company with a trade name related to the domain name. With adequate preparations before filing the domain name complaint, the Complainant could be ready for the defenses filed by the Respondent during the dispute resolution procedure.

Collect and submit evidence proving the bad faith of the Respondent

To satisfy Article 8.3 of CNDRP, the Complainant shall file evidence to prove the Respondent's bad faith. Article 9 of CNDRP listed some circumstances under which the registration and use of the disputed domain name may be regarded as in bad faith, including "other circumstances which may prove the bad faith" (Article 9.4).

Generally speaking, while taking into consideration of evidence proving the high reputation and fame of the Complainant's prior right, the Panel may consider the no use/ no intention to make use of the disputed domain name after registration, or the redirection of the disputed domain name to a website containing illegal content under Chinese law (for example gambling) as bad faith in registration and use of the disputed domain name, which could fall into the category of "other circumstances which may prove the bad faith".

We would like to remind the Complainant that according to Article 7 of CNDRP, the Complainant and the Respondent shall bear the burden of proof for their own claims. Therefore, if the Complainant claims that the disputed domain name is used in bad faith, it is suggested that the Complainant conduct notarized preservation or at least make screenshots of the online information and submit the Notary Deed or the screenshots while filing the domain name complaint to prove the Respondent's bad faith in use. Lacking such evidence may result in rejection of the Complaint. In previous CNDRP Decisions, the Panel considered the Complainant's failure in filing such bad faith use evidence as not proving its claim, the Complaint was rejected as it did not fulfill Article 8.3 of CNDRP.

We hope these tips will be of some use while you are considering filing CN domain name complaint. Finally, we would like to suggest the right owners file trademark registration in the PRC on time and file domain name of concerns proactively to obtain better online protection.

Remark: CNNIC ccTLD Dispute Resolution Policy (CNDRP) was revised on June 18, 2019. Since June 18, 2019 the Dispute Resolution Service Providers do not accept the Complaint regarding domain names with registration term of over three years.



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