



IP CASE EXPRESS



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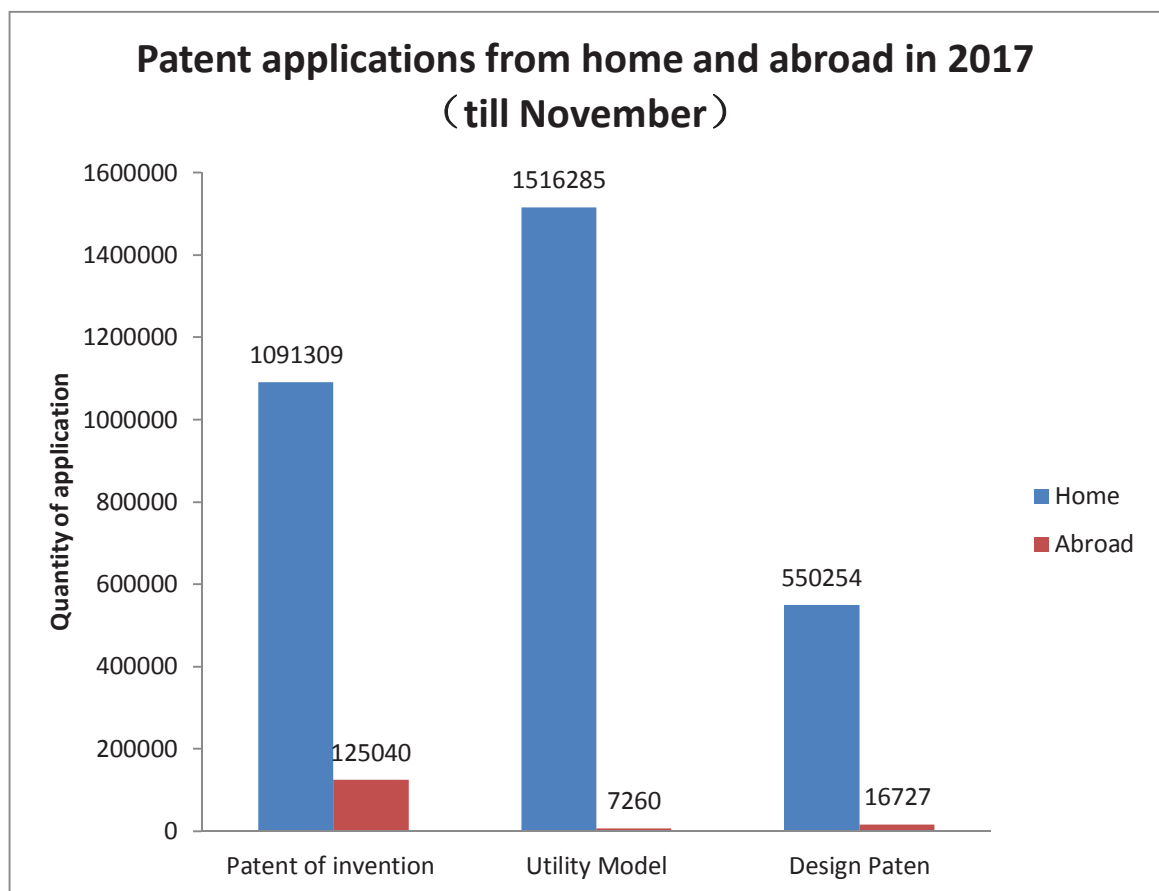
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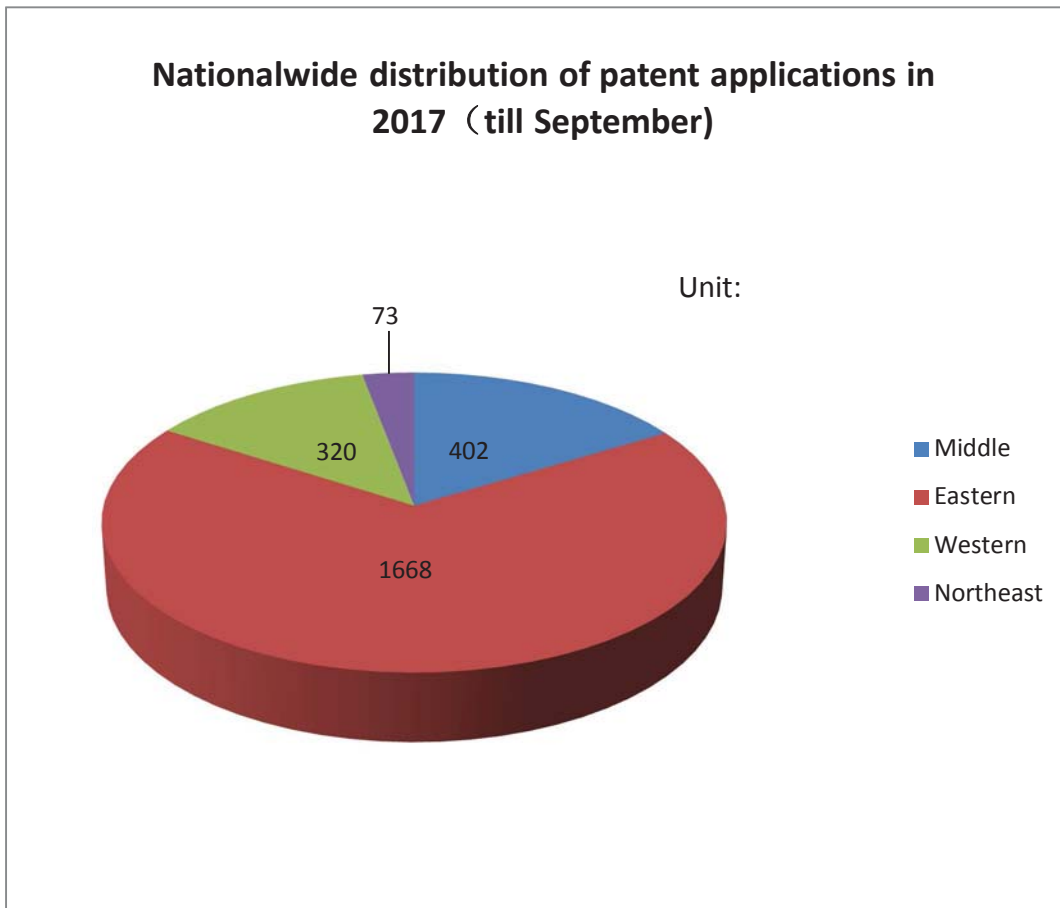
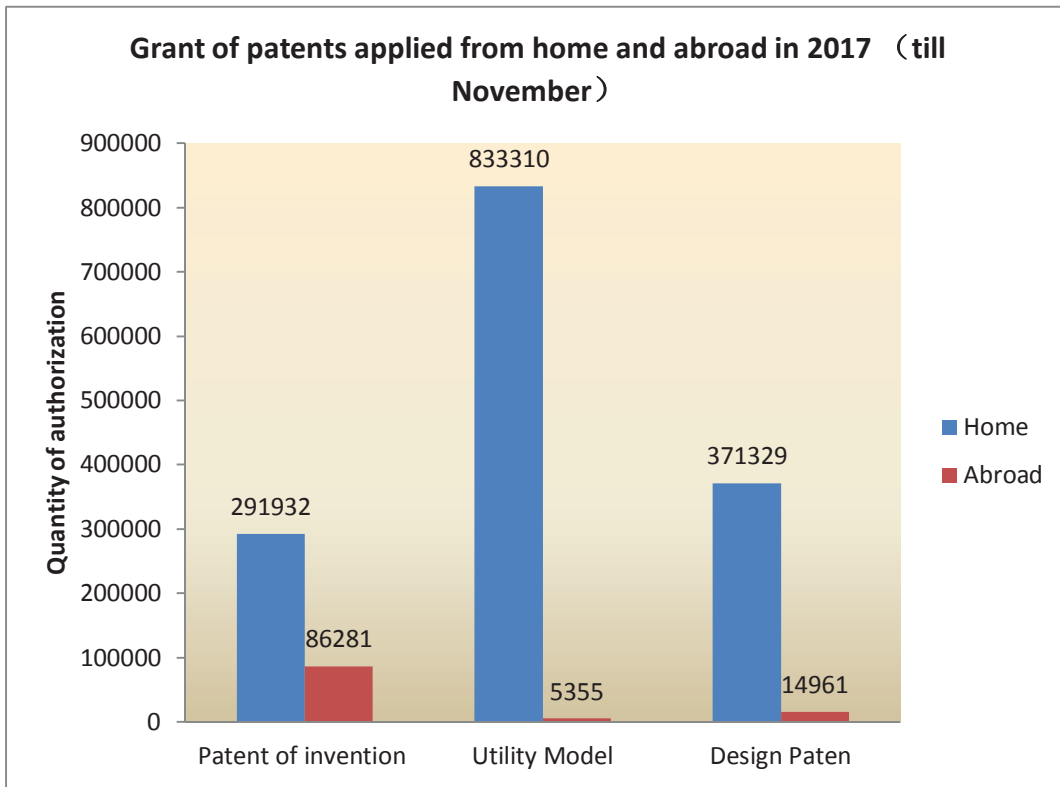
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In this edition, we browsed and analyzed IP-related court judgments and adjudications together with the key statistics recently, and we would like to share with you noteworthy statistics and our comments on some significant cases.

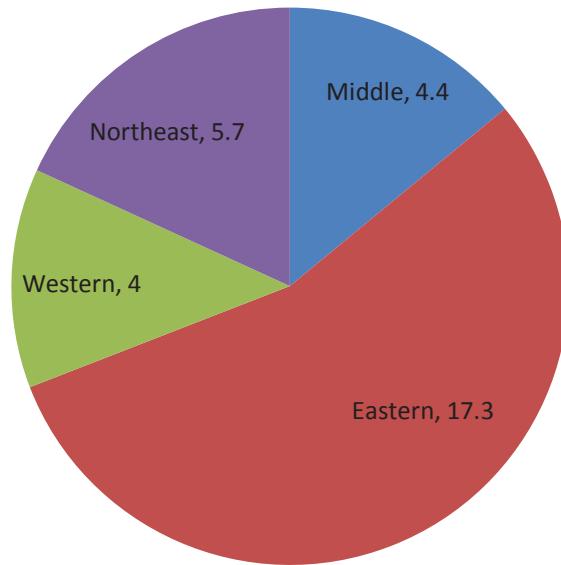
I. **Statistics**

China's Patent-related Statistics





**Nationwide patents quantity of invention till September, 2017.
(per ten thousand people)**



Source: State Intellectual Property Office

II. Comments on Typical Cases

Patent

Christian Louboutin v. Guangzhou VerTEAM Trade Co., Ltd., Guangzhou Benefit Cosmetics Co., Ltd. and Guangzhou Oumu Biotechnology Co., Ltd.

- *Guangzhou Intellectual Property Court (2016) Yue 73Xing Bao No. 1, 2, 3*



Rules:

Article 66 of the Patent Law of the People's Republic of China:
Where a patentee or interested party has evidence to prove that someone else is committing or is going to commit an infringement upon the patent right, and its (his) lawful rights and interests will be damaged and are difficult to be remedied if the said infringement is not stopped in time, it or he may, prior to initiating a lawsuit, apply to the people's court for taking such measures as ordering the stop of the relevant act. When an applicant files an application, it shall provide a guarantee. If it or he fails to do so, the application shall

be rejected.

Article 101 of the Civil Procedure Law of the People's Republic of China:
Any interested party whose lawful rights and interests would, due to urgent situations, suffer irretrievable damage without immediate application for preservation measures, may, before the initiation of a lawsuit or the application of arbitration, apply to the people's court in the place where the preserved property or the applied person's domicile is located or to the people's court having jurisdiction over the case for the adoption of preservation measures. The applicant shall provide security; if he fails to do so, his application shall be overruled.

Article 4 of the Several Provisions of the Supreme People's Court on the Application of Law to Pre-litigation Suspension of Patent Infringements:
When making an application, the patentee shall submit documents to prove the trueness and validity of its or his patent right, including the patent certificate, claims, description and voucher for payment of patent annual fee.

Article 11 of the Several Provisions of the

Supreme People's Court on the
Application of Law to Pre-litigation
Suspension of Patent Infringements:

The people's court shall review the reconsideration application submitted by the party concerned from the following aspects:(1) whether the act being committed or to be committed by the respondent constitutes infringement upon the patent right; (2) whether the applicant's lawful rights and interests will suffer irretrievable damage if relevant action is not taken; (3) whether guarantee has been provided by the applicant; (4) whether ordering to stop relevant act of the respondent will harm public interest.

Facts:

Christian Louboutin (the Applicant) is the patentee of design patents No. ZL201430483611.7, ZL201430484500.8 and ZL201430484638.8, and discovered that Guangzhou VerTEAM Trade Co., Ltd. (VerTEAM), Guangzhou Benefit Cosmetics Co., Ltd. (Benefit) and Guangzhou Oumu Biotechnology Co., Ltd. (Oumu) engaged in mass manufacture, sale and offering for sale of the infringing products without authorization, which will result in irretrievable damage to the applicant's lawful rights and interests. Therefore, the Applicant applied to Guangzhou Intellectual Property Court for pre-litigation injunction against VerTEAM, Benefit and Oumu (the Respondents).

Guangzhou Intellectual Property Court approved the Applicant's application for pre-litigation injunction against VerTEAM and Benefit, required VerTEAM to immediately stop manufacturing, selling

and offering for sale of the infringing products involved in the case upon receipt of the injunction, and required Benefit to immediately stop manufacturing the infringing products involved in the case upon receipt of the injunction.

Remarks:

As a severe remedial measure with earlier intervention, pre-litigation injunction will cause major influence on the economic benefits of both applicant and respondent, so the Chinese courts are double cautious in granting pre-litigation injunction in the judicial practice.

The Several Provisions of the Supreme People's Court on the Application of Law to Pre-litigation Suspension of Patent Infringements does not specify the necessary conditions for pre-litigation injunction, but its Article 11 provides for the general conditions for pre-litigation injunction:

The people's court shall review the reconsideration application submitted by the party concerned from the following aspects:(1) whether the act being committed or to be committed by the respondent constitutes infringement upon the patent right; (2) whether the applicant's lawful rights and interests will suffer irretrievable damage if the relevant action is not taken; (3) whether guarantee has been provided by the applicant; (4) whether ordering to stop the relevant act of the respondent will harm public interest.

In this case, the following aspects should be taken into consideration when

approving pre-litigation injunction:

I. Whether the applicant's patent involved in the case is stable and valid.

The stability and validity of the applicant's patent is the foundation of applying for injunction. When determining the patent's validity, the court shall not only examine the patent certificate, claims, description and voucher for payment of patent annual fee, but shall also fully consider the patent assessment report of an utility model or design patent as well as the conclusions of prior invalidation examination and the corresponding administrative proceedings.

II. Whether the acts being committed by the respondents are likely to infringe upon the patent right.

When dealing with the application for pre-litigation injunction, the court can require the respondents to stop the accused acts only after confirming that such acts are likely to constitute an infringement. For this purpose, the court shall focus on the examination of whether the infringing products involved in the case fall within the protection scope of the patent, and then combine the evidences provided by the applicant to determine whether the respondents' acts are likely to constitute patent infringement. It should be noted that when examining the accused acts being committed or to be committed by the respondents, the court only needs to determine whether there exists the possibility of infringement caused by such acts.

III. Whether the applicant's lawful rights

and interests will suffer irretrievable damage if relevant action is not taken.

Pre-litigation injunction is a severe remedial measure, and is not necessary to be granted if the applicant's reputation is not damaged or the damages can be accurately calculated and paid in full amount by the respondents after the judgment takes effect. In lawsuits involving patent infringement, the applicant's lawful rights and interests will suffer irretrievable damage if an injunction is not grant, under any of the following circumstances: 1. The patentee's reputation is damaged; 2. The infringer has no sufficient economic capacity to pay the compensation; 3. The damages cannot be calculated. The damages cannot be calculated under any of the following circumstances: 1. The loss jointly caused by product price erosion and market share reduction is hard to be calculated; 2. There are several infringers in the market and it is hard to accurately calculate the compensation amount for each infringer; 3. It is hard for the patentee to raise the product price to the level before being lowered for competition with infringers.

IV. Whether the respondents' loss caused by the injunction is less than or equivalent to the applicant's loss without such injunction.

Before making a decision on granting the injunction, the court shall consider not only the influences might be caused on the applicant if such pre-litigation injunction is not grant, but also the influences might be caused on the respondents if such injunction is grant. That is to say, the court

shall measure the influences of such injunction on both parties, so as to avoid causing bigger loss and huge social cost because of granting such injunction for protecting the smaller benefits of any party.

V. Whether ordering the respondents to stop relevant acts will harm public interests.

Public interests are the concentrated reflection of the citizens' interests, and it is an important duty of judicial organs to protect public interests. No matter what decisions are made by the court, such decisions (including those on injunction) shall not go against public interests. If the patent involved in the case has non-negligible influences on the lives, health and safety of the public and on other major public interests including environment protection, such public interests will have direct impact on the decision of granting injunction.

VI. Whether the applicant has provided valid and proper guarantee.

The role of pre-litigation injunction is to immediately stop infringement acts, and the court usually spends a short time on the examination and approval because of the timeliness of such injunction. The

injunction granted by the court according to the applicant's request may be consistent or inconsistent with the result of judgment.

The law has fully considered such risk, so it requires that the applicant shall provide a reasonable and appropriate property guarantee at the same time when applying for pre-litigation injunction. On the one hand, such requirement urges the applicant to be cautious in applying for injunction and avoids the applicant abuses his right for applying for pre-litigation injunction. On the other hand, the property guarantee may be used to compensate the respondent's loss might be caused by an improper injunction. The guarantee provided by the applicant shall be valid, and the amount shall be reasonable, appropriate and sufficient to compensate the respondent's loss and expenses occurred due to the improper injunction. Therefore, the court shall determine the amount of guarantee according to the respondent's actual loss might be caused by the improper injunction. Meanwhile, under the overall situation of strengthening judicial protection for intellectual property rights, it is required to lower the threshold and cost of IP enforcement, while reducing guarantee is a way to achieve such a goal.

Author: Lisa Dong

Trademark

Microsoft v. Trademark Review and Adjudication Board

- *Beijing Higher People's Court Administrative Judgment (2016) Jing Xing Zhong No.2609*
- *Beijing Intellectual Property Court Administrative Judgment (2015) Jing Zhi Xing Chu Zi No.4178*



Rules:

Even if a trademark may be known as a format of electronic files, it does not mean it can be affirmed as conventional generic name or lacking distinctiveness if there is no evidence to prove that other business operators in the same trade have used it as a product name and the use has cut off the unique connection between the disputed trademark and its applicant.

Facts:

The trademark "POWERPOINT" ("disputed trademark") was designated on Class 42 services ("computer services, i.e. software for displaying graphics, cloud computing service for accessing remote stored data for such applications, etc."). The Trademark Review and Adjudication

Board ("TRAB") held that the public believe there has formed a correspondence relation between "POWERPOINT" and ppt files after its long-term use by Microsoft, and "POWERPOINT" lacks distinctiveness in respect of computer services and has become a conventional generic name of software products. Therefore, TRAB refused the application of the disputed trademark for territorial extension into China by applying the Article 11.3(1) of the Trademark Law.

Microsoft was dissatisfied and initiated an administrative litigation with Beijing Intellectual Property Court. Beijing Intellectual Property Court held that the disputed trademark is a type of file format developed by Microsoft, and the relevant consumers have recognized it as a file format through the use by Microsoft and will not consider it as a mark that can identify the origin of goods or services. Therefore, the court rejected Microsoft's claims on the ground that the disputed trademark has no distinctiveness in respect of its designated services and its registration shall violate the Article 11 of the Trademark Law.

Microsoft was dissatisfied with the first-instance judgment and appealed to Beijing Higher People's Court. Beijing Higher People's Court held that Microsoft filed an application for the trademark "POWERPOINT" in respect of Class 9

goods “computer software; etc.” in 1999, and the said trademark was approved for registration in 2000 by the Trademark Office. Such registration is still valid. Therefore, “POWERPOINT” was not a generic name in respect of ppt files at least in 2000. With relevant public getting more familiar with “POWERPOINT” files since 2000, the unique connection between “POWERPOINT” and Microsoft in respect of ppt files was not cut off and entered into public sphere, instead, this connection has become even much closer. At the same time, there are no evidences to prove that other business operators in the same trade have used “POWERPOINT” as a commodity name or software format. The disputed trademark was originally created by Microsoft and it has no fixed meaning in English. As the TRAB failed to provide evidences to prove that “POWERPOINT” has become a generic name of software, the use of the disputed trademark on its designated services of computer services is distinctive and can play the role of identifying the origin of services. Therefore, Beijing Higher People’s Court ruled to revoke the TRAB’s decision and required the TRAB to make a new decision.

Remarks:

When judging a conventional generic name, common knowledge of the public in the whole country shall be taken as the judging criterion. However, it does not mean that a name broadly used or recognized by the public will definitely constitute a conventional generic name. In this case, though “POWERPOINT” files are broadly used by the public, such popularity does not cut off the unique connection between “POWERPOINT” and Microsoft in respect of ppt files and does not make “POWERPOINT” enter into the public sphere. At the same time, there are no evidences to prove that other business operators in the same trade have used “POWERPOINT” as a commodity name or software format. Therefore, just because “POWERPOINT” has gained certain reputation among the public, doesn’t mean that “POWERPOINT” can be affirmed as conventional generic name or lacking distinctiveness in respect of computer services.

Authors: Nathan Yang
Jane Li

Copyright

Guangzhou Dongjing Computer Technology Co., Ltd. v. Beijing Jinjiang Original Network Technology Co., Ltd.

- *Beijing Intellectual Property Court (2016) Jing 73 Min Zhong No. 1107*
- *Beijing Haidian District People's Court (2016) Jing 0108 Min Chu NO.1902*



Rules:

Item (12), Paragraph 1, Article 10 of China's Copyright Law stipulates: the right of dissemination via information network is the right to provide the public with works by wired or wireless means, so as to make the public be able to respectively obtain the works at the individually selected time and place. In this case, the way how UC browser enables its users to view the catalogue of novels involved in the case and to optimize the reading layout by clicking on the "Catalogue Optimization" button determines whether Dongjing's UC browser provides such novels by wired or wireless means to the public in this process so that they can obtain such novels at individually decided time and place, and determines the affirmation of whether Dongjing constituted infringement upon the right of dissemination via

information network (i.e. the so-called direct infringement).

Facts:

Jinjiang thought that the "intelligent reading" function of Dongjing's UC browser APP enables its users to realize the transcoding and display in new layout of chapters for paid reading by VIP subscribers of the novels involved in the case by clicking on the "Catalogue Optimization" button, and Dongjing directly infringed Jinjiang's right of dissemination via information network related to such novels by caching such novels in the server of UC browser and providing them to the public without authorization. Therefore, Jinjiang brought a lawsuit to the first-instance court. After trial, the first-instance court held that the existing evidences cannot prove Dongjing's act of uploading such novels to the server under its control and directly providing them to the public through its UC browser, and rendered a judgment of rejecting Jinjiang's claims. Then, Jinjiang instituted an appeal.

The second-instance court held that Dongjing's UC browser did not caching the novels involved in the case in the server and directly provide them to the public in the process of realizing the "intelligent reading" function. Therefore, it cannot be affirmed that Dongjing infringed Jinjiang's

right of dissemination via information network related to such novels. The second-instance court decided that Jinjiang's reasons for appeal are not tenable and should not be supported, rejected the appeal and upheld the original judgment.

Remarks:

1. In this case, the plaintiff Jinjiang Company claimed that Dongjing committed direct infringement by caching the novels involved in the case in the server of UC browser by means of transcoding in the form of deep-linking and directly providing them to the public. Jinjiang Company indicated that transcoding is impossible without caching. Jinjiang also pointed out that UC browser's "intelligent reading" function also supports off-line reading, enabling the users to read on-line novels even there is no Internet access through content repository. However, the plaintiff failed to provide sufficient evidence to prove the fact: transcoding is impossible without caching. The defendant pointed out the screenshots of the notarization process in the notarial deed provided by the plaintiff are incomplete and unable to display the complete operating steps, and the webpages had been refreshed for many times and some screenshots showed that the webpage was invalid during the notarization process. Therefore, it is unable to see whether the notary public had successfully logged in a VIP account of www.jjwxc.net. This reminds us that we

should notarize every operating step when preserve evidence through notarization, including processes of account registration and log-in.

2. This case involves not only the affirmation of whether the "intelligent reading" function of Dongjing's UC browser constituted direct infringement by conducting actions that infringed the right of dissemination via information networks, but also whether indirect infringement shall be affirmed in case the direct infringement cannot be proved, i.e. the distinction and application of different bases for right of claim stipulated in Item (1), Article 48 of the Copyright Law and Paragraphs 2 & 3, Article 36 of the Tort Liability Law.

In this case, both the first-instance court and the second-instance court only addressed direct infringement without considering whether it constituted indirect infringement.

For this case, as the first-instance court did not specifically deal with the essential facts related to other right of claim, so that the second-instance court did not examine and assess the essential facts related to indirect infringement. We suggest that the plaintiff may bring a separate lawsuit against the defendant's indirect infringement.

Author: Richard Hu,
Pan Ming

Unfair Competition

Ming Ho Publications Corporation Limited and Perfect World Co., Ltd. v. Operators and Distributors of GameWuxia Q Zhuan

- *Beijing No. 1 Intermediate People's Court Civil Judgment: (2014) Yi Zhong Min Chu Zi No. 5146*



Rules:

1. The defendants used elements of the works involved in this case without paying any fee for developing the involved game, and engaged in large-scale business operation of the game. On the one hand, they unrighteously obtained the cost advantage. On the other hand, they harmed the competitive advantage of the mobile game software adaptation right owners by squatting their potential game market and player group, which leads to actual and foreseeable damage to their operation of the relevant games; they also harmed the competitive advantage of other copyright owners of such works through reducing their expectable revenue from copyright royalty, which causes actual and foreseeable damage to their operation as well.

2. According to the relevant judicial interpretations, the Copyright Law may be used as a reference for determining the compensation amount in cases involving unfair competition related to written works. Though it is not stipulated in the Copyright Law that the multiple of the copyright royalty can be one of the references to calculate compensation amount, according to relevant judicial interpretations on copyright cases, the reasonable royalty of works should be taken into consideration in determining the compensation amount. In the judicial practice related to intellectual property, the author's remuneration and a multiple of reasonable royalty are always applied for calculating the compensation amount. In this case, a reasonable multiple of the royalty for three years of exclusive mobile game software adaptation right within mainland China (RMB 8 million) is decided as the compensation amount.

Facts:

Ming Ho Publications Corporation Limited (Ming Ho, one of the plaintiffs) entered into the Copyright Licensing Contract with Mr. ZhaLiangyong on January 1, 2002, and obtained the exclusive use right (except for the publication of books in simplified Chinese within mainland China) and the litigious right of 12 martial arts novels whose copyright belongs to Mr. Zha, With

Ming Ho's authorization, Mr. Zha granted the exclusive mobile game software adaptation right and the commercial exploitation right of adapted game software for The Legend of the Condor Heroes, The Heaven Sword and Dragon Saber, The Return of the Condor Heroes and The Smiling, Proud Wanderer (i.e. the works involved in this case) as well as the relevant litigious right to Perfect World Co., Ltd. (Perfect World, the other plaintiff) on April 30, 2013.

Firevale Network Technology Corp. (Firevale, the first defendant) developed without authorization a mobile game named "*Wuxia Q Zhuan*", whose copyright owners are Firevale and Beijing Kunlun Lexiang Network Technology Co., Ltd. (KunLunLexiang, the second defendant) and whose operator is Beijing Kunlun Tech Co., Ltd. (KunLun Tech, the third defendant). Kunlun Tech provides the download link of *Wuxia Q Zhuan* on its official website, and offers the download service to numerous channel distributors.

Therefore, the plaintiffs brought a lawsuit before Beijing No. 1 Intermediate People's Court and raised the following claims: 1. The three defendants shall immediately stop their acts of infringement upon the plaintiffs' adaptation right and unfair competition, including: immediately refraining from the operation of mobile game "*Wuxia Q Zhuan*" which is adapted from Mr. Zha's novels; immediately removing all infringing contents in the game; immediately removing *Wuxia Q Zhuan* from the server of Kunlun Tech's official website and deleting the download service; immediately stopping the provision of download service to channel

distributors; and immediately removing contents and expressions infringing upon the plaintiffs' adaptation right and constituting unfair competition; 2. The three defendants shall make public apology to the plaintiffs on 30 media including tech.sina.com.cn and eliminate the adverse impacts on the plaintiffs; 3. The three defendants shall compensate the plaintiffs' loss at a total amount of RMB 100 million; 4. The three defendants shall compensate the plaintiffs' reasonable expenses at a total amount of RMB 319,650.80.

The main defense arguments raised by the three defendants are: 1. The plaintiffs are not qualify for litigation procedure, and Perfect World does not enjoy the mobile game adaptation right of the works involved in this case and the right for operation of "adapted software" within the Chinese mainland; 2. The game software *Wuxia Q Zhuan* is an original creation of Firevale, the materials for creation come from the public domain and they did not infringe upon the plaintiffs' adaptation right; 3. The defendants were not engaged in unfair competition against the plaintiffs, the plaintiffs possess no convincing evidences to prove that the defendants violated the principle of honesty and credibility regulated in Article 2 of the Anti-unfair Competition Law, the defendants did not make false advertisement; 4. The plaintiffs claimed for excessive compensations but failed to provide sufficient evidences.

Beijing No. 1 Intermediate People's Court rendered a judgment on September 7, 2017, which held that:

1. The chain of rights claimed by Perfect

World is composed of the Copyright Licensing Contract entered into between Mr. ZhaLiangyong and Ming Ho on January 1, 2002, the Letter of Authorization issued by Ming Ho to Mr. Zha on April 8, 2013 and the Authorization Agreement on Mobile Game Software Adaptation entered into by Mr. Zha and Perfect World on April 30, 2013. Based on the authorization from the copyright owner of the works involved in this case, Perfect World enjoys the right to initiate lawsuits in its own name against acts of unfair competition such as the unauthorized adaptation and operation of mobile game software related to such works, as well as the authorized use of names of and stories in such works;

2. Ming Ho enjoys the adaptation rights of the works involved in this case, except for the mobile game adaptation right, and the use of elements related to such works by the three defendants without paying fee might impair the market value of Ming Ho's adaptation rights;

3. *Wuxia Q Zhuan* did not use the expressions of any single novel among the works involved in this case, and expressions in any single novel do not occupy a high proportion in the game. Therefore, there is no correspondence relationships between the works and the game, and *Wuxia Q Zhuan* does not constitute the adaptation of any single novel among such works;

4. The evidence of a webpage with false advertisement claimed by the plaintiffs no longer exists, so such evidence is not tenable;

5. The plaintiffs' adaptation right related to the works involved in this case is the basis of their competitive advantage in market. The defendants used the elements of the works involved in this case without paying any fee. On the one hand, the defendants unrighteously obtained the cost advantage. On the other hand, the defendants harmed Perfect World's competitive advantage as the mobile game software adaptation right owner by squatting its potential game market and player group, which leads to actual and foreseeable damage to its operation of the relevant games; they also harmed Ming Ho's competitive advantage as the copyright owner by reducing its expectable revenue from copyright royalty, which causes actual and foreseeable damage to its operation. Therefore, the three defendants' acts constituted unfair competition.

6. The novel work contained in *Wuxia Q Zhuan* has many elements, and the works involved in this case only cover a part of them. The three defendants' profits gained from their operation within the mainland China did not completely result from their acts of unfair competition, and it should be taken into consideration that, to what extent did the defendants take advantage of the market value of such works to promote their game services, and what's the contribution rate of the elements of such works to the profits. According to the judicial interpretations related to the Anti-unfair Competition Law, the Copyright Law may be used as a reference for the determining the compensation amount in cases involving unfair competition related to written works. Though it is not stipulated in the Copyright Law that the multiple of

the copyright royalty can be used to determine the compensation amount, according to the relevant judicial interpretations on copyright cases, the reasonable royalty of works should be deemed as consideration reference in determining compensation amount.. In this case, a reasonable multiple of the royalty for three years of exclusive mobile game software adaptation right in the mainland China (RMB 8 million) is decided as the compensation amount.

To sum up, the court ruled that the defendants to: refrain from using relevant elements of the works involved in this case, do not provide download services itself or authorize others to do so before removing such elements, publish a statement which should remain on homepages of their official websites for 72 hours, eliminate the adverse impacts, and compensate the

plaintiffs for their economic losses and reasonable expenses at a total amount of RMB 16,319,650.8.

Remarks:

In this case, the court emphasized the market value of intellectual property, especially when the elements contained in famous works have become a kind of economic resource with commercial value as they can bring more potential business opportunities and commercial benefits. In order to strictly strike against vicious infringement upon intellectual property and maintain market competition and trading order, properly raising the compensation amount may make the infringer make the right choice after measuring the tort cost and the cost of obtaining lawful licenses.

Authors: Lily Fu;
Zhao Qianying

III. NTD Case Selection

WRIGLEY won the “益达” trademark retrial case at the Supreme Court



- Supreme People's Court
Administrative Judgment: (2016)
Zui Gao Fa Xing Zai No. 71
- Beijing Higher People's Court
Administrative Judgment: (2014)
Gao Xing Zhong Zi No. 1130
- Beijing No. 1 Intermediate
People's Court Administrative
Judgment: (2013) Zhong Zhi
Xing Chu Zi No. 462

Recently, the Supreme Court rendered a favorable judgment [(2016) Supreme Court Administrative Retrial No. 71] on the “YiDa 益达” trademark opposition retrial case filed by WM. WRIGLEY JR. COMPANY (“Wrigley”) against the Trademark Review and Adjudication Board (“TRAB”), which supported WRIGLEY’s requests and ordered the TRAB to make a new ruling concerning the opposed trademark “YiDa 益达” filed by Guangzhou QianCaiCosmetic Co., Ltd.

(“QianCai”).

In this case, we requested that the goods “toothpastes” in class 3 and “chewing gums” in class 30 be recognized as similar goods, and that QianCai’s class 3 application for “YiDa 益达” trademark be rejected for registration based on our prior trademark registration for “益达” in class 30. Since it is quite difficult to obtain the cross-class protection in this case, we submitted massive evidence in the review and litigation proceedings to prove the awareness and reputation of Wrigley’s “益达” trademark in the oral care industry, the high relevance and similarity of toothpastes and chewing gums in respect of the function, sales channels, target consumers, etc., as well as the likelihood of market confusion.

The Supreme Court finally ruled that, toothpastes and chewing gums, although different in actual efficacy and distribution channels, are very similar in terms of the function, retail mode and consumption characteristics, and the general public, especially the consumers cannot make an accurate differentiation and judgment on the difference there between. So, by combining the differentiation ability of the relevant public and actual market effect, toothpastes and chewing gums shall be deemed as similar goods. The opposed trademark and the cited mark, if used

simultaneously on chewing gums and toothpastes, will lead the relevant public to confuse as to the sources of goods or mistakenly believe that there is some relationship between QianCai and Wrigley. Therefore, the opposed trademark shall be rejected for registration.

In this case, it is a very valuable breakthrough that the Supreme Court overcame the restriction of the “Classification of Similar Goods and Services” and recognized toothpastes and chewing gums which belong to different classes as similar goods by fully considering the characteristics of the concerned products as daily consumables, the differentiation ability of the relevant

public and actual market effect. The judgment fully respects the basic function of the trademark to identify sources of goods, conforms to legislative intention of the Trademark Law to prevent market confusion and maintain market order, and has important guiding and reference value for the standard of similar goods judgment.

This is another victory of our litigation team in the retrial proceeding at the Supreme Court, which again shows the high professionalism and expertise level of our team.

Authors: Fairy Li

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