



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

Understanding China's Trademark System: How FIEs Can Safeguard Their Brands

Monica Li

Manager, BAS Beijing & IP Desk of DSA

April 20, 2023



Table of Contents

- 1. Benefits of registering a trademark in China**
- 2. Overview of the trademark registration process**
- 3. How can foreign individuals or entities enforce their trademark rights in China**
- 4. Costs associated with trademark registration and enforcement**
- 5. Special notice for foreign individuals or entities when registering a trademark in China**



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

1

Benefits of registering a trademark in China



Benefits of registering a trademark in China

1) Obtaining of Trademark Exclusive Rights

- a) Term: 10 Years (Renewable)
- b) Range: approved registered trademark and commodities/services
- c) Protection (against):
 - Similar trademark registration
 - Use of identical/similar trademarks on the same/similar commodities/services
 - Manufacture or sale of commodities with unauthorized trademark
 - Forgery or unauthorized manufacturing of labels of other's registered trademark or sale of forged or unauthorized labels of other's registered trademark
 - Change of a registered trademark without the consent of the trademark registrant, and sale of commodities bearing the changed trademark in the market
 - Other harmful behaviors

Benefits of registering a trademark in China

2) Gaining of Brand Awareness

- a) Convenient for consumers to identify genuine products
- b) Enhance the market competitiveness of the brand
- c) Protect the brand name of an enterprise (Anti-unfair Competition)

3) Pre-requisite for Getting Certain Licenses

- a) Product quality/sanitary inspection
- b) Sell products on commercial platform
- c) Bar code application
- d) Government authority's supervision on the quality of commodities and services (AMR & Customs)

Benefits of registering a trademark in China

4) Intangible Assets with Economic Value

- a) Trademark Transfer
- b) Trademark Licensing
- c) Trademark Pledge
- d) Compensation in infringement case (considerable)
 - Actual loss of trademark owner
 - Actual gains of the infringer
 - Multiples of the licensing fee (reasonable)
 - 1-5 times the determined amount (malicious infringement)



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

2

Overview of the trademark registration process



Overview of the trademark registration process

1) Trademark Type & Form

a) Trademark Type

- Commodity and service marks:



Graphic Trademark



3-D Trademark

TMALL 天猫

Text Trademark

- Collective marks:



Graphic Trademark



Graphic and Text as Combination



Graphic and Word as Combination

- Certification marks:

Overview of the trademark registration process

1) Trademark Type & Form

b) Trademark Form

Text

Graphics

Alphabets/Numbers

3-D Mark

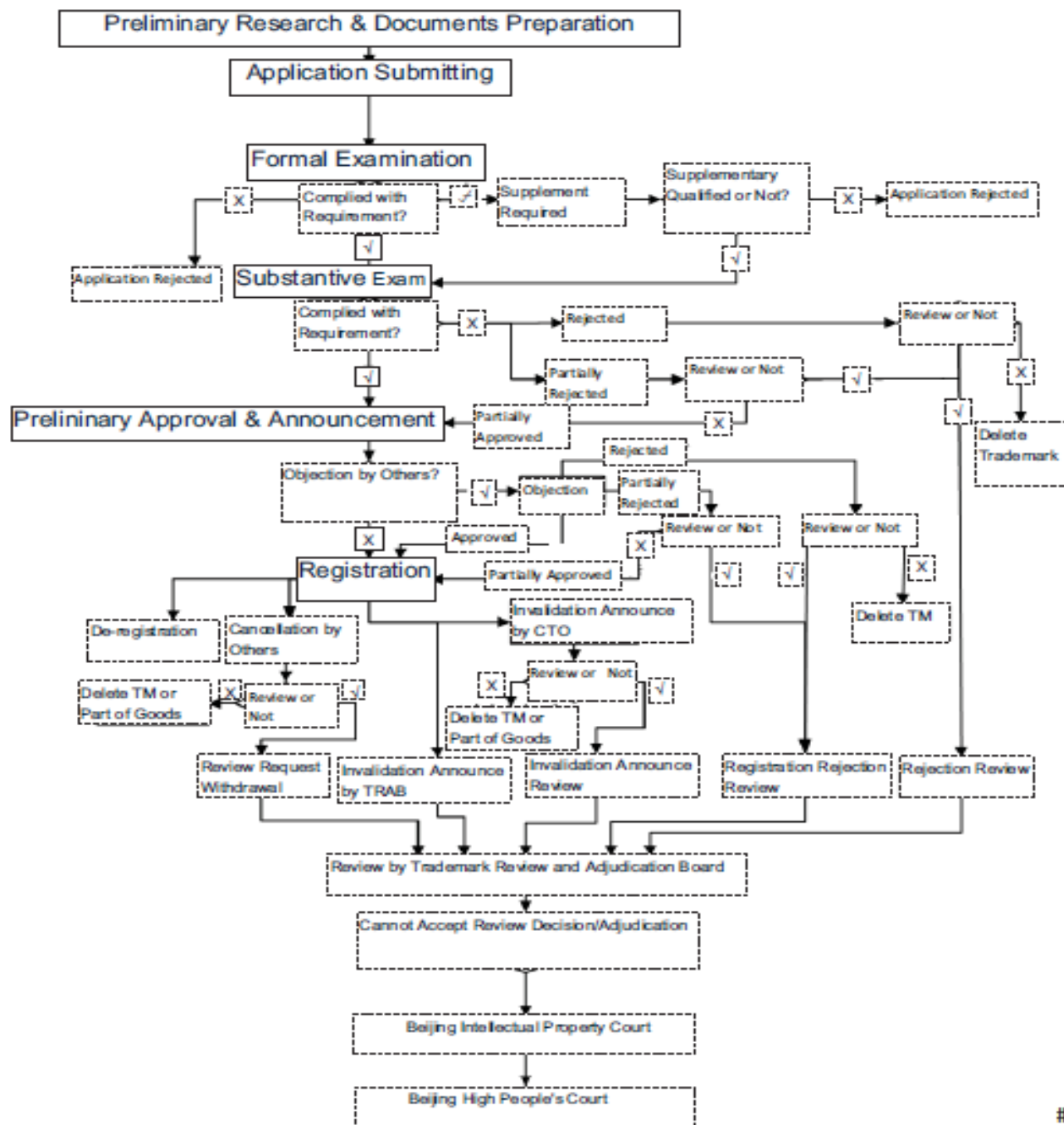
Color Combinations

Sounds

Overview of the trademark registration process

2) New Application

- a) Registration Route
 - Madrid international application
 - Directly apply in China under NICE Classification Agreement (first-to-file)
- b) Basic Requirements
 - Agent: mandatorily required for overseas entity/individual
 - Foreign company/organization: Qualification Certificate with Translation
 - Foreign individual: Passport copy with translation in Chinese
- c) Authority
 - China National Intellectual Property Administration (CNIPA)
- d) Procedure
 - Directly apply in China (next page)
- e) Timeline
 - 6-9 months (3-6 months from application date to preliminary approval or rejection notice)



Overview of the trademark registration process

3) Appeal for Review Against Refusal

a) Registration Route

- Directly in China

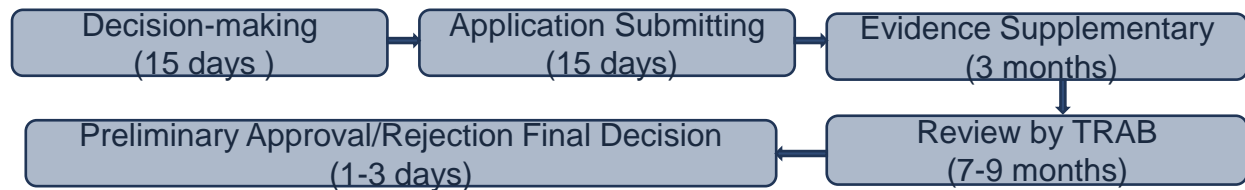
b) Basic Requirements

- Agent: mandatorily required for overseas entity/individual
- Documentation: statement letter with convincing evidence
 - ✓ First-to-use principle
 - ✓ Popularity (docs from trademark applicant or third party)

c) Authority

- Trademark Review and Adjudication Board of CNIPA

d) Procedure



e) Timeline

- 8-12 months

Overview of the trademark registration process

4) Reply to Objection

a) Registration Route

- Directly in China

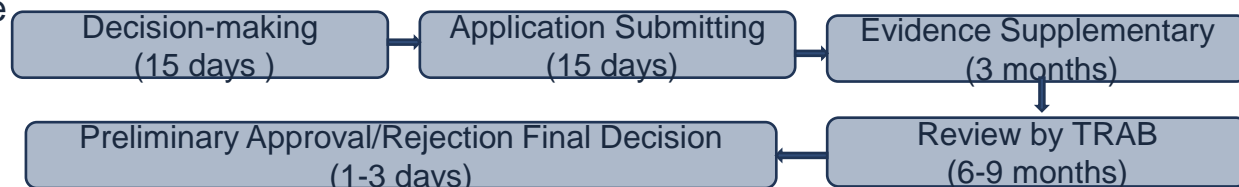
b) Basic Requirements

- Agent: mandatorily required for overseas entity/individual
- Documentation: reply letter with convincing evidence
 - ✓ The idea of design, originality, and use status (popularity)
 - ✓ Corporate profile (entity applicant)
 - ✓ Honors obtained or ranking obtained in the industry
 - ✓ Contracts and invoices with the trademark on
 - ✓ Media reports or picture advertisements for external publicity
 - ✓ Color drawing of product appearance
 - ✓ Evidence of the earliest use of the trademark
 - ✓ Other evidence materials that can prove the popularity of the trademark products

c) Authority

- Trademark Review and Adjudication Board of CNIPA

d) Procedure



e) Timeline

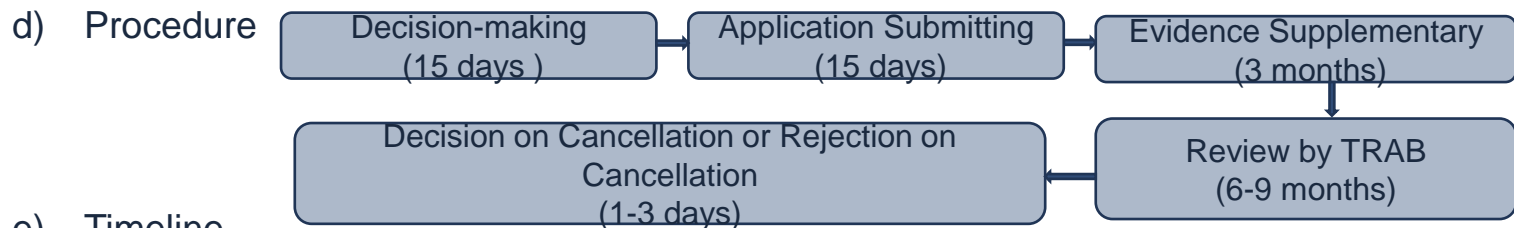
- 7-12 months

Overview of the trademark registration process

5) Reply to Cancellation

- a) Registration Route
 - Directly in China
- b) Basic Requirements
 - Agent: mandatorily required for overseas entity/individual
 - Documentation: reply letter with convincible actual use evidence (for the recent 3 years)
 - ✓ Sales contract/service agreement and relevant invoices
 - ✓ Product inspection report
 - ✓ Import and export declaration form
 - ✓ Promotional brochure
 - ✓ Third party's advertisement material, exhibition
 - ✓ Others with the trademark on

- c) Authority
 - Trademark Review and Adjudication Board of CNIPA



- e) Timeline
 - 7-12 months

Overview of the trademark registration process

6) Reply to Invalidation

a) Registration Route

- Directly in China

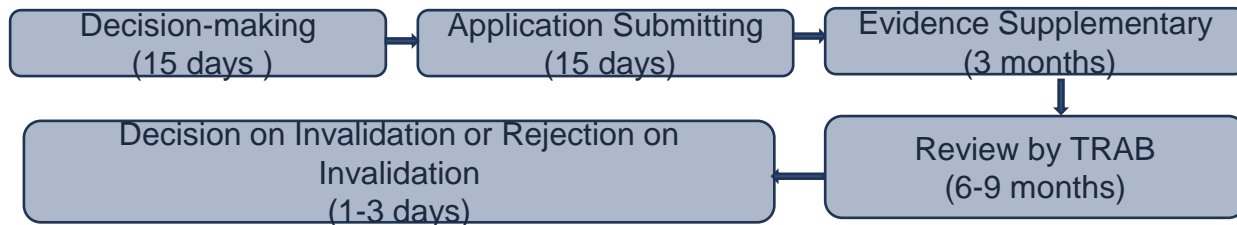
b) Basic Requirements

- Agent: mandatorily required for overseas entity/individual
- Documentation: reply letter with convincing evidence (legality)

c) Authority

- Trademark Review and Adjudication Board of CNIPA

d) Procedure



e) Timeline

- 7-12 months



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

3

How can foreign individuals or entities enforce their trademark rights in China



How can foreign individuals or entities enforce their trademark rights in China

1) Customs Filing

A. Necessity:

- a) Prerequisite for the customs to take active protection measures;
- b) Help customs to find infringing goods;
- c) The economic burden of intellectual property right holders is relatively light;
- d) Can have a deterrent effect on the infringer.

B. Requirements:

- a) Applicants shall either be the IP owner (of which, for trademark and patent, its IP registration shall be done in competent authority of China, for copyright, its country of origin shall be member of Berne Convention for the Protection of Literary and Artistic Works), for application process, shall engage in qualified agent in China.

C. Procedure:



D. Timeline: 1.25-1.5 months

How can foreign individuals or entities enforce their trademark rights in China

2) Establish Comprehensive Intellectual Property Protection System

- a) Training for all employees (especially those have chance touching IP) the professional knowledge of IP, including how to build up the protection sense.
- b) Assign a dedicated personnel to collect and integrate the IP related data, make up the control sheet tracking the status of the IP: to be applied for? in registration process? registered? time to renew? any opposition received from others?
- c) Monitor other competitor's IP status to see if there is any chance to take proactive defending actions?
- d) Well coordinate with the other departments including marketing team, business development team and business operation team to assess the registration necessity in any country/region and get the registration started as early as possible.
- e) Take actions to fight against any infringement by competitors and/or any other participants of the target market.

How can foreign individuals or entities enforce their trademark rights in China

3) Solutions of Dealing with Intellectual Property Infringement

A. Administrative solutions

a) Objection:

- Applicable situation: in case a trademark is preliminarily approved and announced by the China Trademark Office, within 3 months
- Applicant qualification:
 - Applicant who's the prior trademark right holder or interested party
 - Applicant whoever thinks the trademark's approval is illegal

b) Cancellation

- Applicable situation: in case a trademark is registered but the owner hasn't used it for 3 years since its registration date
- Applicant qualification: anybody

c) Invalidation

- Applicable situation: the registered trademark violated the provisions of the Trademark Law of China
- Applicant qualification: anybody

How can foreign individuals or entities enforce their trademark rights in China

3) Solutions of Dealing with Intellectual Property Infringement

B. Lawsuit

- a) Applicable situation: when the administrative measures failed (normally) or directly apply for contractual disputes resolving lawsuit
- b) Applicant qualification: Applicant whose IP right is infringed by others
- c) Pros:
 - May get large amount of compensation
- d) Cons:
 - High compensation
 - Time consuming
 - Larger evidence providing burden

How can foreign individuals or entities enforce their trademark rights in China

3) Solutions of Dealing with Intellectual Property Infringement

C. Other Measures

- a) Negotiate with the infringer to take the trademark right back
- b) Report to administrative government authority (Administration for Market Regulation, Customs)
- c) Push the platform to supervise its contractual seller (stop infringing, remove the product)



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

4

Costs associated with trademark registration and enforcement



Costs associated with trademark registration and enforcement

Item	Applicable Situation	Government Fee	Note
New application	New application	RMB 300/TM	10 goods/services under 1 Class of NICE
Trademark transfer	Purchase trademark from others	RMB 500/TM	
Trademark renewal	12 months (before expiration)	RMB 500/TM	+ RMB 250/TM (within 6 months after expiration date)
Appeal for review against refusal	Trademark application is rejected	RMB 750/TM	
Objection	Raise objection against others' trademark	RMB 500/TM	No charge for replying to objection
Cancellation/Invalidation	Cancellation/invalidation against others' trademark	RMB 500/TM	No charge for replying to cancellation/invalidation
Trademark Licensing Agreement filing	License trademark use right to others	RMB 150/TM	Normally to be borne by the licensee
Customs filing	Goods importing & exporting	RMB 800/TM	



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

5

Special notice for foreign individuals or entities when registering a trademark in China



Special notice for foreign individuals or entities when registering a trademark in China



- Register translation in Chinese (phonetically) as trademark
- Register domain name as trademark
- Register trademark before entering Chinese market
- Use a professional and qualified agency when registering



- Properly use the trademark on the product and its specifications, brochure, price sheet, etc.
- Properly use the trademark on transaction documentation, sales/service contract, invoice, receipts, etc.
- Properly use the trademark on the publicity materials via a third media party or exhibition



- Pay more attention to IP protection when cooperating with others, e.g. setup IP Agreement, or strong IP terms in the Cooperation Agreement
- Save the evidence showing the cooperation well
- Engage professional agencies to take action against the infringement

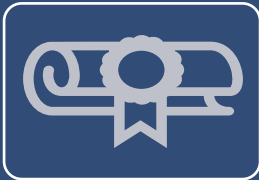
Key Takeaways



The importance of registration IP in China: proactively, comprehensively and properly



Special issues of IP protection: set up protection system, monitor both yours and others' status



Familiar with current IP laws & regulations: make good use of administrative measures to fight against IP infringement



Seek for professional and localized advisory service



DEZAN SHIRA & ASSOCIATES

Your Partner for Growth in Asia

Monica Li

Manager, Business Advisory Service

Monica.li@dezshira.com

+86 10 6566 0088 ext. 5402

158 1130 9820



ASIA BRIEFING

www.asiabriefing.com



Newsletter



WeChat:
DSA_China