



# The Trademark Prosecution Review

2024

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The first edition of the WTR Trademark Prosecution Review takes a wide-ranging view of best strategies for securing trademarks in the key regions of the Americas, the Asia-Pacific, and Europe, the Middle East and Africa. The review combines on-the-ground knowledge and analytic insight to offer an unparalleled deep dive into the prosecution landscape in specific key markets.

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# Specialist Chapter: Recent USPTO decisions shift understanding of related goods and services in the United States

Mark Lerner, Jennifer M Lantz and Lauren Matturri

Duane Morris LLP

## Summary

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## IN SUMMARY

This article discusses the growing trend in the United States Patent and Trademark Office (USPTO) of examiners using third-party evidence to take more expansive views of what goods and services are considered related for likelihood of confusion purposes. Practitioners will need to be mindful of this when advising clients on potential obstacles to registering their marks.

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## DISCUSSION POINTS

- Background of the USPTO's historical view on what are related goods and services
  - A review of recent decisions illustrating the closing gap between related goods
  - Strategic implications of this recent development
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## REFERENCED IN THIS ARTICLE

- *In re E I Du Pont de Nemours & Co*
  - Trademark Manual of Examining Procedure
  - *In re Salvation Nutraceuticals Inc*
  - *In re Wella Operations US, LLC*
  - *In re Caymus Vineyards*
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## INTRODUCTION

The review of an application by the United States Patent and Trademark Office (USPTO) includes a search for prior registered or currently pending marks that are sufficiently similar to the applied-for mark such that there is a likelihood that consumers would be confused if both marks were registered.<sup>[1]</sup> In evaluating the likelihood of consumer confusion between two marks, the examining attorney uses a 13-factor test developed in *In re E I Du Pont de Nemours & Co*, known as the DuPont factors.<sup>[2]</sup> Three of the key factors are:

- the similarity or dissimilarity of the marks in their entireties as to appearance, sound, connotation and commercial impression;
- the similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use; and
- the similarity or dissimilarity of established, likely-to-continue trade channels.

To satisfy their burden of evaluating the relatedness of the goods and services covered by a pending application and a prior-filed application or registration, examiners regularly seek out and rely on third-party registrations covering both the goods claimed in an application and those covered by an existing registration to determine whether the goods or services

are related. Examiners will also search for third-party internet evidence for the same reason, namely to see whether the same companies offer both the applicant's and the registrant's goods and services.

Under the Trademark Manual of Examining Procedure, these registrations or third-party internet results are evidence that consumers are used to seeing the applicant's and the registrant's goods and services offered by the same source, whether or not there is evidence of actual use in the same trade channels.<sup>[3]</sup> In Trademark Trial and Appeal Board (TTAB) proceedings, parties are permitted to submit third-party registrations to serve as evidence to support that goods and services are related.<sup>[4]</sup>

The increase in single companies offering an ever-growing range of goods and services, particularly in connection with broad-scale licensing programmes, coupled with the widespread availability of third-party evidence showing this wide range of offerings, only makes it more likely that an examiner will find evidence that the goods are 'related' based on third-party evidence.<sup>[5]</sup> Practitioners need to do similar searches to those an examiner might do in order to fully understand the landscape in which their client's applications exist, and better advise their client on potential obstacles to registration. Trademark clearance for registration thus has to take into account not only direct competitors, but also maybe-related goods that may be offered under the same marks – an objection that is becoming more common. This may be at odds with general brand strategy as trademarks that might face obstacles to registration may still be available for use with tolerable risk in the absence of direct competition.

### **RECENT USPTO DECISIONS HIGHLIGHT HOW GOODS MAY BE RELATED BASED ON THIRD-PARTY REGISTRATIONS**

Recently, the USPTO has found a wider range of goods and services to be related for the purposes of determining whether there is a likelihood of confusion between two marks during prosecution. This development can be seen in a number of recent ex parte decisions at the TTAB.

For example, the gap between supplements and personal care products has narrowed. In *In re Salvation Nutraceuticals Inc.*, the applicant sought to register the mark KUDO (Serial No. 97015288) for 'Gummy vitamins; Nutritional supplements in the form of gummies'. The USPTO refused registration on the basis of likelihood of confusion with the registration KUDOS (Registration No. 2363076) for 'Hair shampoo, hair conditioner, soap for hands, face and body, skin/body moisturizer, skin/body lotion, shaving preparations, body/hand cream, skin cleansing cream, and bath gels/oil'. The registrant's goods were neither ingestible nor supplements, in contrast with the gummies sought to be covered by the applicant's mark. Specifically, the examiner focused on the fact that 'vitamins and nutritional supplements are often made and sold by companies that also make and sell skincare preparations and personal care products for the hair, hands, face, and body'. In support of this reasoning, the examiner provided internet evidence that consisted of (1) internet evidence in the form of 20 examples of at least 18 companies and (2) 20 third-party use-based registrations that cover and offer both supplements and personal care products. To refute this, the applicant provided evidence that topical and consumable goods are typically separated to:

[prevent] consumers from believing that the consumable goods somehow contain similar ingredients or characteristics as the topical products, which

can contain toxins or other undesirable ingredients to consume and allows the companies to market the products with different message.<sup>[6]</sup>

In this case, the finding of relatedness turned on the examiner identifying third parties that offered both categories of goods at issue. On appeal, the Board agreed with the examiner's holding that there was a likelihood of confusion and gave applicant's evidence and argument little weight. The TTAB indicated that, in general, the applicant's type of evidence is insufficient to show that both the applicant's and the registrant's goods together are not offered under one mark.

In *In re Wella Operations US, LLC*, the Board found that goods potentially serving a similar purpose could be sufficiently related to support a refusal given the similarities between the marks. The applicant's mark was TRI-FLEX TECHNOLOGY (Serial No. 97401927) for 'nail care preparations, nail strengtheners, non-medicated nail treatment preparations for cosmetic purposes, nail polish, nail color gels, nail lacquers, none of the foregoing containing collagen'. The cited mark was COLLAGEN TRI-FLEX & Design (Registration No. 6035483) registered for 'dietary supplements for humans containing Types I, II, and III Collagen'. Despite the applicant's restriction excluding collagen, the Board agreed with the examiner's finding that the goods were 'complementary' of each other and therefore related. The Board focused on the products serving the same purpose – nail strengthening and decreasing nail breakage, whether supplements or nail polish, with or without collagen – in determining that the goods were related for likelihood of confusion purposes.<sup>[7]</sup>

The USPTO has also found that third-party evidence can bridge the traditional gap between beverages and restaurant services. Past decisions in cases involving restaurant and beverages indicated that applicants need to show 'something more' than the mere fact that the goods and services are used together to create a presumption of likelihood of confusion.<sup>[8]</sup> That 'something more' had to indicate that consumers would understand such services and goods to emanate from the same source. It could be shown through evidence of actual use of a mark for both the goods and services at issue and evidence of a large number of third-party registrations covering both the goods and services at issue. Recently, however, the Board has appeared to move away from requiring 'something more' to be proven in to find a likelihood of confusion in cases where food and beverages and restaurant and bar services are involved.

The Board concluded in a couple of recent decisions that wine and bar services are related, as are beer and restaurant services. In *In re Caymus Vineyards*, the Board held that TABLEAU (Serial No. 97040804) for wines was confusingly similar to TABLEAU (Registration No. 3381539) for 'restaurant and bar services; cocktail lounges'. In this proceeding, the applicant unsuccessfully argued that there has to be 'something more' than the mere fact that the goods and services might be used together, including taking into account marketplace considerations such that most restaurants and bars do not have private label wines. The Board agreed with the examiner, stating that the offered evidence demonstrated that 'consumers encounter wine under the same mark as restaurant services' and that 'something more' was not necessary to show relatedness given 'an inherent relationship between Registrant's bar services and cocktail lounges and Applicant's wine'. At the same time, the Board went on to say that though 'something more' was not necessary here, the extrinsic evidence presented by the examiner indeed established that 'something more' existed, demonstrating that the goods and services were related.



The Board reached a similar decision in *In re RS Lipman Brewing Company, LLC*. There, the applicant's mark was CHICKEN SCRATCH (Serial No. 90694523) for beer and the cited mark was CHICKEN SCRATCH (Registration No. 4812467) for restaurant services. The applicant argued that under the prior case law, 'something more' was needed to connect the marks, but the Board concluded that the growing popularity of the 'brewpubs' market segment within the craft beer industry suggested the goods and services are related.<sup>[9]</sup>

In direct contrast to both of these registration refusals, in *In re 1729 Investments LLC*, the TTAB found that wine and restaurant services were unrelated.<sup>[10]</sup> The applicant's mark was RAO'S (Serial No. 90694523) for wine, and the cited marks were RAO'S in standard character and stylised form for restaurant services. The TTAB reversed the registration refusal, holding that the 31 active third-party registrations submitted by the examiner were not sufficient alone to establish 'something more' for likelihood of confusion purposes. The Board also found that additional evidence submitted by the examiner of 13 wineries that have on-site restaurants bearing the same name as their wines did not demonstrate 'something more'. Instead, it found that:

the internet evidence overall does not support the Examining Attorney's position that it is common for regular restaurants to offer house-branded wine under the same name as its restaurant, or, for that matter, even wineries to offer on-site restaurants with the same name as the winery-branded wine.

'Some of the website evidence (four wineries and the Food & Wine website article excerpt) have little or no probative value as to whether the same names are used for the wines produced by the winery and the restaurant, or even as to whether an on-site restaurant is offered,' either because they did not show that the referenced establishments were restaurants, or because they did not clearly indicate whether the wine offered and the restaurant in question shared the same name. Of the remaining nine registrations, three showed restaurants using the same name as the wines produced by the winery, while four clearly showed that the wineries did not use the same names for wines and the winery restaurant, and another two indicated that the food services offered at the winery were not named at all.

While virtually similar case law was cited in arguments in both the *1789 Investments* and *Caymus Vineyards* cases, the Board reached diametrically opposed conclusions. Due to these inconsistencies, therefore, the more conservative approach is to assume that the USPTO will find food and beverage products to be related to food and beverage services, even if consumers are not likely to be confused in the real world.

In another recent decision relating to services, *In re Appalachian Headwaters, Inc*, the Board held summer camps and primary schools were related.<sup>[11]</sup> It found that evidence from six third-party websites demonstrating that educational services and summer camp services are offered by the parties was sufficient to establish that the involved services 'are offered in the same channels of trade to the same consumers and, therefore, this DuPont factor weighs in favor of finding a likelihood of confusion'.

Some additional non-precedential cases where the Board found goods and services to be related include:

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*In re C&D Brewing Ventures, Inc, Serial No. 88935220 (26 March 2024): finding soda pop and beer to be related based on 10 use-based third-party registrations and nine third-party websites;*

- *In re AVR Realty Company, LLC, Serial No. 90699970 (25 September 2023): finding houseware, baked goods, coffee beans and retail services to be related to tote bags and shirts based on the examiner's contentions that applicant's goods and services are related because it is common for the same entity to manufacture, produce or provide the relevant goods and services, in addition to evidence of seven third-party websites;*
- *In re Surf Ready Fitness, Serial No. 90548268 (21 June 2023): finding physical fitness training services to be related to clothing based on 10 use-based third-party registrations and seven third-party websites;*
- *In re Jordan Saglio, Serial No. 88593965 (31 May 2022): finding entertainment services featuring travel and sustainable living, to be related to clothing based on 30 use-based third-party registrations and seven third-party websites; and*
- *In re Zeta Tau Alpha Sorority, Serial No. 90090117 (29 August 2022): finding jewellery and clothing, to be related to mugs, cups, bottles, drinkware and tableware based on 15 use-based third-party registrations and eight third-party websites.*

These recent decisions highlight the USPTO and TTAB's view of what qualifies as related goods and services based on third-party evidence.

E-commerce and concentrated retail environments have complicated this factor even more, as goods that may initially seem unrelated are available for purchase through similar channels. While by no means a dispositive inquiry, the physical proximity of goods within a store (ie, whether or not they are likely to appear on shelves next to each other) is one factor considered in a likelihood of confusion analysis.<sup>[12]</sup> While modern consumers are aware that many unrelated goods are sold near each other in megastores such as Walmart and Target, or may appear on linked together webpages in online retail marketplaces such as Amazon, the blurring of how closely related goods need to be to each other in order to appear 'near' each other in e-commerce may make it harder to draw clear distinctions as to which goods are unrelated.

A classic example of this blurring is Amazon's expansion from an e-commerce site selling books to a platform offering every good imaginable in addition to having grocery, pharmacy and even an entertainment division that makes its own original movies and shows. Furthermore, as consumer perceptions about what range of goods and services a single business might sell and offers change, and consumers grow to recognise that one company may have a presence in a wide range of markets and industries, the conception of what is a related good and service will likely only continue to grow. Not too long ago it may have been odd to imagine, for example, nail polish and dietary supplements being sold by the same company under the same or a similar mark. Now, since several examples can be found, the USPTO may more regularly consider these goods related.

### **PRACTITIONERS NEED TO THINK LIKE EXAMINERS AND CONSIDER MORE 'RELATED GOODS'**

Given the expansive view of related goods and services, practitioners should consider adopting a similarly expansive view of related goods when advising clients, and consider

what an examiner may find, even when goods and services initially seem quite disparate. For instance, examiners will search the web to see whether it is common for one company to offer goods and services of these seemingly different types under the same mark. An examiner will also look to third-party registrations to see if there are third party registrations that cover both types of goods, even though they are not obviously aligned. The TTAB will likely accept evidence of this sort. Attorneys reviewing a search for a mark for nutritional supplement gummies might not be concerned about a similar mark for personal care products and might be surprised to find that gummy vitamins may be viewed as sufficiently related to shampoo and bath gels and oils to provide the basis for a refusal. However, by searching for marks that cover both these items, to better anticipate potential likelihood of confusion refusals, practitioners can give more accurate advice to their clients.<sup>[13]</sup>

As a practical matter, practitioners may wish to advise clients that they may receive likelihood of confusion refusals if there is sufficient evidence both in common law and based on active third-party registrations of relatedness between the respective goods and services. The more evidence an examiner is able to find to show goods and services are related, the more difficult the refusal will be to overcome.

### Endnotes

[1] <https://www.uspto.gov/trademarks/additional-guidance-and-resources/possible-grounds-refusal-mark>.

[2] In re E I Du Pont de Nemours & Co, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

[3] Trademark Manual of Examining Procedure section 1207.01(d)(iii).

[4] Trademark Trial and Appeal Board Manual of Procedure 704.03(b)(1)(B) Third-Party Registration.

[5] Despite recent United States Patent and Trademark Office (USPTO) audits and other efforts to ensure that mock-up and fake specimens do not get used to support the registration of trademarks that are not actually in use on all the claimed goods, there are still marks registered on the basis of use that cover a wide array of goods, including completely disparate goods that are not likely actually offered – even under a robust licensing programme. This means it is increasingly likely that an examiner will find multiple examples of third-party marks to support a relatedness refusal.

[6] In re Salvation Nutraceuticals Inc., Serial No. 97015288 (8 March 2024) [not precedential]; Finding gummy vitamins related to personal care products

[7] In re Wella Operations US, LLC, Serial No. 97401927 (20 February 2024) [not precedential]; finding nail strengthener not containing collagen to be related to dietary supplements containing collagen

[8] See, eg, In re St Helena Hosp, 774 F.3d at 754, 113 USPQ2d at 1087; Jacobs v Int'l Multifoods Corp, 668 F.2d 1234, 212 USPQ2d 641, 642 (CCPA 1982); In re Giovanni Food Co, Inc, 97 USPQ2d 1990, 1992 (TTAB 2011) ('relatedness of food services and food items is not to be assumed and that evidence sufficient to meet the "something more" standard is necessary') (citing In re Coors Brewing Co, 343 F.3d 1340, 68 USPQ2d 1059, 1063 (Fed Cir 2003)).

[\[9\]](#) In re RS Lipman Brewing Company, LLC, Serial No. 88209633 (3 May 2023) finding beer and restaurant services to be related.

[\[10\]](#) In re 1729 Investments LLC, Serial No. 90694523 (24 April 2023) [not precedential].

[\[11\]](#) In re Appalachian Headwaters, Inc, Application Serial No. 90448759 (21 March 2023): finding summer camps and primary schools to be related.

[\[12\]](#) Section 24:45. Goods or services sold or used ‘under the same roof’, 3 McCarthy on Trademarks and Unfair Competition Section 24:45 (5th ed).

[\[13\]](#) The new USPTO search tool includes a ‘coordinated class’ search parameter that can be used to find results in classes the USPTO has coded as being ‘coordinated’, which thus have a higher likelihood of being considered “related” by the USPTO for likelihood of confusion purposes. For example, if a practitioner is conducting a search and selects coordinated class results in Class 25, the search will return marks in classes 14, 18, 24, 35 and 42.



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# Argentina: Navigating the trademark landscape following regime reforms

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## Summary

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DISCUSSION POINTS

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ARGENTINE TMO AS A DECISION MAKER

SAMPLE OF CASES REVIEWED

CONCLUSIONS

## IN SUMMARY

The article analyses recent reforms to the trademark registration procedure, which were intended to speed the process up. However, the reforms have not necessarily been the improvement that many had hoped for.

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## DISCUSSION POINTS

- Argentine Trademark Office as a decision maker
  - Sample of cases reviewed
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## REFERENCED IN THIS ARTICLE

- Law No. 27,444
  - Resolution P-183/2018 and Resolution 279/2019 of Law No. 27,444
  - Paris Convention
- 

The transformation of Argentina's industrial property rights system, particularly the trademark registration process, marked a significant shift from traditional practices. The enactment of Law No. 27,444 in 2018 brought about a series of reforms aimed at modernising and streamlining the administrative procedures for trademarks, patents, and industrial models and designs. These reforms were part of a broader government initiative to reduce bureaucracy and enhance the efficiency of administrative processes, including those related to industrial property rights.

The amendments introduced several key changes to the trademark registration process. The most notable among these were the modifications to the opposition procedure, opposition actions, cancellation actions and non-use cancellation actions. The new framework was designed to expedite these processes, which had previously been mired in lengthy court proceedings.

Prior to the reforms, any claims for the withdrawal of an opposition, cancellation of a trademark or cancellation due to lack of use had to be filed and prosecuted in a federal court. This was a century-old practice that often resulted in protracted legal battles, with decisions from the court of first instance taking anywhere from four to six years. For trademark owners, this delay could mean receiving a favourable decision long after the trademark had lost its market relevance or after suffering damages from imitators.

The rationale behind these procedural changes was to provide a more pragmatic approach to resolving trademark disputes. By moving away from the courts and towards administrative avenues, the goal was to achieve quicker resolutions and cost-effective outcomes. Proponents of the changes argued that this would benefit trademark owners by reducing the time and resources spent on litigation.

Despite the intentions behind the reforms, their practical impact on trademark claimants has been mixed. The anticipated benefits of shorter proceedings and more efficient tools have not been fully realised. In reviewing decisions issued by the Argentine Trademark Office

(Argentine TMO) post-reform, it becomes evident that the shift in venue and decision maker has not necessarily translated into the expected improvements.

As we continue to assess the outcomes of these changes, it is crucial to consider the experiences of trademark claimants and the performance of the Argentine TMO. The ongoing evaluation of the reformed system will determine whether further adjustments are necessary to fulfil the original objectives of the 2018 legislation. The future of Argentina's trademark registration process hinges on the ability to adapt and refine the procedures to meet the needs of rights holders effectively.

Review of the Argentine TMO's decisions since the regime change reveals a complex landscape of reform and adaptation. While the intent to streamline and de-bureaucratise the process is clear, the practical implications for trademark claimants are still unfolding. It is essential to monitor these developments closely to ensure that the system serves the interests of all parties involved in the protection of industrial property rights in Argentina. The journey towards a more efficient and responsive trademark registration process continues, with lessons learned and insights gained along the way.

### **ARGENTINE TMO AS A DECISION MAKER**

The enactment of Law No. 27,444 in Argentina marked a pivotal moment for the country's trademark law, necessitating a series of new resolutions from the Argentine TMO to implement the revised procedures. Among these, Resolution P-183/2018 and Resolution 279/2019 were particularly significant, as they outlined the processes for opposition and cancellation due to non-use or nullity of trademarks, respectively. These resolutions designated the National Trademarks Office as the authority responsible for issuing first instance resolutions.

This shift from judicial to administrative decision-making sparked considerable debate among legal scholars and IP professionals. The judiciary's extensive history of critical decisions on trademark confusion left many wondering if the Argentine TMO was equipped to uphold and be bound by such precedents. The concern centred around the principles established by Argentine courts over many years, addressing issues such as trademark notoriety, de facto trademarks, pirate trademarks, foreign trademarks, medical product trademarks and the concept of legitimate interest.

Despite these concerns, the Argentine TMO, during the transition period, engaged in numerous discussions with professionals to reassure them that the new regime would not disregard the precedents set by federal courts. Instead, these precedents would serve as the foundation for analysing trademark cases under the TMO's jurisdiction.

A particularly contentious issue arising from the procedural changes was the handling of evidence. Questions arose regarding the TMO's capacity to produce evidence proposed by the parties and the extent to which parties could introduce new evidence at later stages of the proceedings. In response, the TMO clarified that the National Trademarks Bureau would assess the admissibility, necessity and value of the evidence presented by the parties, exercising discretionary power to accept or reject it without the possibility of appeal.

The transition to the new system has not been without challenges. As the TMO continues to issue decisions under the new regime, it is becoming increasingly clear that the success of the reforms depends on the TMO's capacity to balance the need for efficiency with the preservation of legal principles and fairness in trademark disputes.

Looking ahead, the Argentine TMO faces the task of refining its approach to align with the objectives of Law No. 27,444. The ongoing dialogue between the TMO and IP professionals will be crucial in shaping a trademark law framework that is both modern and respectful of established legal traditions. As Argentina continues to navigate these changes, the global IP community watches with interest, recognising the country's efforts to streamline its trademark law while grappling with the complexities of legal reform.

In conclusion, the Argentine TMO's journey post-Law No. 27,444 is a testament to the intricate process of legal evolution. The resolutions issued to implement the new procedures represent a significant departure from the past. As the TMO forges ahead, it must do so with an eye towards maintaining the delicate balance between efficiency and legal integrity, ensuring that Argentina's trademark law serves the needs of all rights holders in the IP ecosystem. The path forward is one of cautious optimism, as the TMO endeavours to honour the spirit of the law while navigating the practical realities of its application.

### **SAMPLE OF CASES REVIEWED**

In the five years since the implementation of new trademark regulations, a critical analysis of the resolutions issued by the TMO reveals a pattern of adherence to certain judicial principles, while others remain underdeveloped. The Supreme Court of Justice's rulings have set a precedent that the deciding authority need not address every argument presented, but rather those pertinent to the case's resolution. This selective consideration of arguments is evident in the TMO's approach to opposition procedures, where the focus is primarily on the potential confusion and similarity between the contested trademarks, in some cases to the expense of other relevant factors such as trademark notoriety, medical product coverage, or related goods and services.

The TMO's handling of cancellation actions further illustrates this selective reasoning. Copycat applications are routinely rejected, yet the examiners seldom explicitly label the contested trademarks as pirated. Instead, the emphasis is placed on the identical nature of the applied-for trademark to a previously registered one. This raises questions about the TMO's future approach to unregistered well-known or notorious trademarks and the application of the Paris Convention in such scenarios.

Moreover, in cancellation actions due to non-use, the TMO has consistently relied on specific statements to resolve cases. These statements often revolve around the trademark's lack of use within the prescribed period, disregarding other substantive arguments that might be presented by the parties involved. This narrow focus on use-related criteria reflects a cautious and conservative approach by the TMO, potentially overlooking the multifaceted nature of trademark disputes.

The TMO's methodology, while efficient in certain respects, may not fully capture the complexities of trademark law. For instance, the notoriety of a trademark can significantly impact its distinctiveness and the likelihood of confusion – a factor that should not be overlooked in opposition proceedings. Similarly, trademarks associated with medical products warrant a more nuanced analysis due to the potential implications for public health and safety. The relationship between trademarks and related products or services also merits consideration, as it can affect the scope of protection and the risk of market dilution.

The TMO's reluctance to delve into these aspects suggests a preference for a more formulaic approach to decision-making. While this may streamline the process and provide clear-cut resolutions, it also risks oversimplifying complex legal matters and failing to address the



broader context of each case. As the TMO continues to evolve, it will be essential to balance the need for procedural efficiency with the imperative to provide comprehensive and fair judgments that reflect the full spectrum of trademark law.

The past five years have seen the TMO make strides in certain areas, yet there remains room for growth and refinement. The adoption of a more holistic approach to trademark examination and dispute resolution could enhance the robustness of the TMO's decisions, ensuring that all relevant factors are given due consideration. As trademark law continues to adapt to the changing landscape of commerce and intellectual property, the TMO's practices will undoubtedly come under greater scrutiny, prompting further development and, hopefully, a more inclusive application of the law.

The TMO's approach to cancellation actions for lack of use has been characterised by a reliance on certain established statements, which has led to a pattern of decision-making that prioritises procedural technicalities over substantive examination. This approach is evident in cases where the TMO has rejected cancellation actions on the grounds that the subjective rights of the applicant have not been adversely affected, in cases where no opposition was filed against similar trademark applications. Furthermore, the TMO has claimed to conduct searches to verify the use of contested trademarks, yet it has not provided evidence of such searches, raising questions about the burden of proof and the TMO's role in evidencing use.

The TMO's reasoning in cancellation actions, particularly in Argentina, reveals a strict adherence to formal requirements for trademark renewal. The necessity for a sworn declaration of use, without the need to submit actual evidence, places the onus on the trademark owner to truthfully declare the use of their trademark. However, when claimants challenge the veracity of these declarations, the TMO defers to other institutions, such as the federal courts, to determine the truthfulness of the documents, thereby prolonging the resolution process.

This procedural stance taken by the TMO has significant implications for the trademark cancellation process. It suggests that the TMO is not equipped to investigate the authenticity of use declarations, effectively shifting the responsibility to the claimant and the courts. As a result, claimants face a lengthy and potentially burdensome process to challenge the validity of a trademark based on the accuracy of use declarations.

The TMO's preference for informative evidence over substantial proof of use or recognition further complicates the matter. By accepting primarily informative evidence, the TMO may inadvertently exclude crucial evidence that could influence the outcome of a case. This practice underscores the importance of presenting comprehensive evidence during the initial proceedings, as it may serve as a foundation for further legal action should the case be appealed to the federal courts.

In light of these observations, it becomes apparent that the new procedures have not necessarily streamlined the resolution process for claimants. Instead, they have introduced a level of complexity that requires claimants to navigate both administrative and judicial avenues to achieve a resolution. The TMO's current methodology, while perhaps efficient in certain respects, does not fully address the intricacies of trademark law and the need for a thorough examination of all relevant factors.

As the TMO continues to refine its processes, it will be crucial to consider the balance between procedural efficiency and the substantive rights of the parties involved. A more

nuanced approach that takes into account the full spectrum of evidence, including the notoriety of trademarks and the relationship between related products or services, could lead to more equitable and just outcomes. Ultimately, the evolution of the TMO's practices will play a pivotal role in shaping the landscape of trademark law and ensuring that the rights of trademark owners and claimants are adequately protected.

## CONCLUSIONS

Processes strive to align with the updated framework. The recent summary of cases under the revised Trademark Law reveals that the transition is still underway, with several critical aspects requiring further contemplation.

The intent behind the new regulation was to introduce a more agile and expedient pathway for resolving trademark disputes, thereby simplifying the claims process. However, the journey towards fully realising the established principles in case resolution reasoning appears to be ongoing. The resolutions thus far have illuminated the need for trademark professionals to explore alternative strategies to reach satisfactory outcomes. This may include, in some instances, resorting to the judicial system for certain claims, despite the prospect of extended durations to reach a conclusion.

The TMO's current approach, while streamlined in certain respects, has not yet achieved the anticipated level of flexibility and speed in decision-making. The principles that underpin the reasoning in case resolutions remain only partially integrated into the TMO's practices. As a result, professionals in the field are prompted to consider innovative methods to navigate the legal landscape effectively.

One such method may involve a more proactive engagement with the courts. While this approach may extend the timeline for resolving claims, it also opens the door to a more thorough examination of the issues at hand. The courts' involvement can provide a more comprehensive adjudication process, potentially leading to more nuanced and equitable decisions.

Moreover, the TMO's focus on procedural aspects over substantive examination has highlighted the importance of a balanced approach that considers both the letter and the spirit of the law. Its reluctance to delve into the veracity of use declarations, for instance, underscores the need for a mechanism that can adequately assess the authenticity of such claims.

In conclusion, the evolution of trademark law and the TMO's practices is an ongoing process. The new regulation has set the stage for change, but the full integration of its principles into the TMO's decision-making process is a work in progress. As the legal community continues to adapt, the pursuit of alternative avenues for claim resolution, including judicial intervention, may become increasingly prevalent. The ultimate goal remains clear: to establish a legal framework that is both efficient and just, capable of upholding the integrity of trademark law and protecting the interests of all parties involved.

In the broader context, the TMO's journey reflects the challenges inherent in legal reform. The transition from old to new, from established to innovative, requires patience, persistence and a willingness to embrace change. As the TMO navigates this path, the lessons learned will undoubtedly contribute to the refinement of trademark practices and the pursuit of justice within the IP domain. The road ahead may be long, but it is paved with the promise of progress and the potential for a more responsive and effective legal system.



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# Chile: Applying the IP law under the Madrid Protocol

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Villaseca Abogados

## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

SOME REFLECTIONS ON TRADEMARK CANCELLATION ACTIONS IN THE CONTEXT OF THE MADRID PROTOCOL

THE 'ALL-IN-ONE' POSITION OF PROVISIONAL REFUSALS AND THE ISSUE WITH RESPECT TO FORMAL OUT-OF-TIME REVIEW

## IN SUMMARY

The Madrid Protocol and its implementation by the Chilean Trademark Office (CL TMO) once again made the news in 2023. The CL TMO has given the Protocol a self-executing character and has only issued general instructions to its staff regarding the Protocol's application (ie, Exempt Resolution 184-2022). In this article, we discuss two important points. The first is related to the scarce regulation of the nullity action of a trademark registered in Chile that corresponds to a Madrid Protocol designation and the lack of legal certainty it causes for international users. The second is related to the 'all-in-one' approach adopted by the CL TMO related to provisional refusals, particularly in relation to the formal examination of designations in Chile and the tensions that this generates with IP Law 19,039.

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## DISCUSSION POINTS

- Analysis of trademark cancellation actions in the context to the Madrid Protocol
  - Provisional refusals of the Madrid Protocol made by the CL TMO, and particularly those derived from formal objections
- 

## REFERENCED IN THIS ARTICLE

- Exempt Resolution 184 of 2022
  - IP Law 19,039 of 1991 and its Regulations
  - Law 21,355 that modifies IP Law 19,039
  - Law 19,880 that Establishes Bases of the Administrative Procedures that Govern the Acts of the Bodies of the State Administration
- 

## SOME REFLECTIONS ON TRADEMARK CANCELLATION ACTIONS IN THE CONTEXT OF THE MADRID PROTOCOL

Regarding cancellation of a trademark, and after several changes over the past few years to IP Law 19,039, a trademark registration can only be cancelled in the following ways:

- Voluntary withdrawal: any party can voluntarily withdraw a registration. When made through a representative, special powers are required.
- Cancellation action: registration granted to signs deemed unprotectable by the IP Law may be invalidated on the basis that prohibitions for granting registration were ignored. Such an action must be filed within five years of the registration date.

Notwithstanding this, there is no time limit for filing an invalidation action against a mark registered in bad faith.

Also, in changes introduced by Amendment Law 21,355, a revocation action for lack of use is now available in Chile. As of 9 May 2022, the following revocation scenarios are also possible:

- For new trademarks, a registration granted after 9 May 2022 will be cancelled if the trademark has not been put to real and effective use in Chile within five years of when registration was granted, either by the owner or by a third party with his or her consent,

to distinguish one or more of the goods or services for which the registration was granted, or use was suspended without interruption for the same period.

- A cancellation action is also established when a trademark has become generic. This action can be exercised as of the entry into force of Amendment Law 21,355.

All these actions are heard at the first instance by the head of the CL TMO and at the second instance by the Industrial Property Court. In some circumstances, decisions of the Industrial Property Court may be appealed before the Supreme Court.

On the other hand, according to article 13 of IP Law 19,039, the form of a notification regarding cancellation actions against national (local) trademark registrations must be done in the terms indicated in articles 40 et seq of the Civil Procedure Code, for which foreign owners must establish domicile in Chile. In other words, a cancellation action against a person with no domicile or residence in Chile will be notified to their lawyer or representative referred to in article 2 of the IP Law.

Notwithstanding this, the CL TMO has decided to interpret the Madrid Protocol as being self-executing and, therefore, there is no need to reform Law 19,039 to apply it. Regarding the instructions for the processing of international trademarks under the Protocol relating to the Madrid Agreement under Exempt Resolution 184-2022, the referred article has been validated as being applicable to the international trademarks filed under the Madrid Protocol, but subject to the particularities that the instructions establish.

Hence, before provisional refusal of an international registration in Chile as a designated country, the holder of the registration must appear before the CL TMO and carry out formalities according to the national procedure, and must appoint a representative domiciled in Chile, in accordance with the provisions of the IP Law 19,039 and its Regulations.

In the context of a notification of cancellation action against the owner of a Chilean registration, there will be no problem with a national application or an international registration if the CL TMO provisionally refuses international registration during its procedure, owing to the obligation to appoint a local representative.

However, what happens in international registrations that appoint Chile as a designated country and do not receive any objection from the trademark office, being registered locally without the need to have appointed a local agent?

The foregoing presents a practical problem as it is unclear how or when the holder will become aware of the notification of cancellation, creating uncertainty for both parties. Moreover, owing to the implementation of the Madrid Protocol in Chile (starting on 4 July 2022), no cases have yet been presented, hence no jurisprudence or criteria in this regard have been established by the CL TMO, the Industrial Property Court or the Supreme Court. From our perspective, an amendment to Chilean law reinforcing the need to appoint a local representative in any case is necessary.

### **THE 'ALL-IN-ONE' POSITION OF PROVISIONAL REFUSALS AND THE ISSUE WITH RESPECT TO FORMAL OUT-OF-TIME REVIEW**

Another very important issue, which will surely be very interesting for users of the Madrid Protocol interested in designating Chile, has to do with the criteria being adopted by the CL TMO when issuing provisional refusals, particularly those derived from formal objections.

To fully understand the above, we must start by confirming that designations in Chile, once they enter the national territory, should follow the same legal treatment as trademark applications filed directly in the country.

Notwithstanding this, while holders of designations in Chile, as happens in many countries, will only see provisional refusals in a centralised form, in the national file of the trademark application associated with each designation, different concepts are used and associated with the normal procedure of processing a trademark. For example, the WIPO will notify the owners of a provisional refusal, which may be of a formal or substantive nature or based on an opposition filed by an interested third party. But in Chile, there is a legal procedure that must be complied with and that perhaps is not being fully respected with regard to Madrid Protocol designations. In other words, the Office could be forcing the procedure to comply with the requirements of the Protocol, but in such a way that it might be ignoring important rules.

Before entering into the analysis, it should be noted that, to date, the CL TMO has formulated three types of provisional refusals, which may be manifested individually or simultaneously in the same case, adopting an all-in-one solution:

- Those based on substantive objections: by legal mandate, the CL TMO must conduct a substantive examination with respect to every trademark application in Chile, and designations in Chile are no exception. This kind of examination, by explicit mandate of article 22, paragraph 4 of IP Law 19,039, must be carried out once the period for filing an opposition by interested third parties has concluded. The objective of this exam is to determine whether the designation in Chile incurs any grounds for refusal established by IP Law 19,039. If any of these hypotheses is verified, the CL TMO will issue a provisional refusal (eg, when a designation is confusingly similar to a mark previously applied for or registered in Chile by a third party or when the CL TMO considers that a trademark application is generic or descriptive with respect to the goods and services it has specified).
- Those based on oppositions: likewise, it is important to consider that IP Law 19,039 requires that any trademark application filed in Chile be advertised so that any interested party may file an opposition against it. While all trademark applications filed in Chile must be published, by legal mandate in the Official Gazette, designations in Chile, by a decision of the CL TMO, are published in an electronic gazette created by the CL TMO for this purpose. If, within 30 days of publication, the designation in Chile is opposed, the CL TMO will issue a provisional refusal.
- Those based on formal objections: finally, perhaps the most controversial case has to do with the provisional refusals associated with formal objections. Normally, the CL TMO, through the trademark conservator, carries out a formal examination of any trademark application filed in Chile after its filing and prior to its acceptance for prosecution, which will then result in its publication for opposition purposes. Thus, if it considers, for example, that it is necessary to specify further the designated goods and services, it will issue an official action requesting the applicant amend the situation. For this purpose, article 22, paragraph 1 of IP Law 19,039 grants a term of 30 days to correct the problem, which does not affect the right of priority. If the above does not occur, the Office may declare the abandonment of the application for failure to comply with the official action. In practice, in most cases it grants a new period of 30 days, and possibly even more than one.

Notwithstanding this, in the case of designations in Chile, something different happens, which could be considered at odds with the contents of IP Law 19,039. In fact, the CL TMO has altered the usual order of the procedure *ex officio*, carrying out the formal examination after the publication of the extract of the designation in Chile in the Office's electronic gazette. Moreover, the formal examination is no longer performed by the trademark conservator as required by domestic law but is carried out directly by the head of the TMO.

In practice, the CL TMO has adopted the strategy of carrying out the formal examination within the substantive examination stage, thereby changing its legal nature. The Office has justified this situation, for example, based on the impossibility of determining the object of protection clearly and unequivocally because the goods and services are drafted in terms that are too broad, ambiguous and confusingly similar to other classes, making it impossible to carry out the substantive examination and grant such goods and services.

While the above could be acceptable for a provisional refusal under the WIPO rules, we must remember that the Chilean designation is also part of an internal regulated procedure – a situation that cannot be forgotten under the pretext of complying in any way with the obligations of the Madrid Protocol. What really corresponds at the moment is to carry out the formal examination within the stage established by IP Law 19,039. Basically, the current implementation of the Madrid Protocol in Chile led by the CL TMO has no mirror in certain aspects of IP Law 19,039.

In other words, the Office is creating a new cause for non-registrability not contemplated in article 20 of IP Law 19,039, in circumstances where the sanction for non-compliance with a formal requirement is not rejection, but abandonment. For clarity, the abandonment of a trademark application is very different from its rejection, as the former occurs at the formal stage of the procedure and implies that the CL TMO does not rule on the merits of the application. On the other hand, rejection is an institution of strict law, and its grounds are expressly established in article 20 of IP Law 19,039, and the CL TMO cannot add new grounds.

At the end of the day, we believe that the CL TMO has run into a practical problem with the implementation of the Madrid Protocol in Chile, as it has dispensed with a modification of the Law, has interpreted the Protocol as being self-executing and has only issued general instructions for its staff to apply it in a certain way (ie, Exempt Resolution 184-2022). This has generated many inconsistencies that could contravene the express text of IP Law 19,039.

Certainly, the CL TMO could issue a partial refusal before the publication of the designation in the electronic gazette, but after that it would have to wait to know if there are oppositions and then carry out the substantive examination. Eventually, other impediments could arise, turning the procedure into a very complex one for the holders of the designations in Chile, generating a lack of legal certainty.

It seems that one solution to this is, in addition to the CL TMO correctly applying the domestic law, complying with the legal obligation to appoint a representative in Chile in all trademark applications, including designations of the Madrid Protocol, as established in article 2, paragraph 1 of IP Law 19,039, as in this way, the formal examination could be carried out normally by the Office. Unfortunately, the position of the CL TMO, as stated in article 12(4) of Exempt Resolution 184-2022, is to require representation only when an action will be taken before the Office.



For the moment, and as long as the CL TMO does not follow IP Law 19,039 in its entirety, Exempt Resolution 184-2022 will continue to govern as, in accordance with Law 19,880 that Establishes Bases of the Administrative Procedures that Govern the Acts of the Bodies of the State Administration, it will remain in force and is presumed to be legal, imperative and enforceable against its addressees, from its entry into force, unless the Act is challenged, ex officio or upon request, and it is declared ineffective by order of the administrative authority or the competent judicial court.

To date, there is no news of any challenge to Exempt Resolution 184-2022. If a challenge arises in the future, its effects should not be retroactive as, for this to occur, it is required by law that not only must there be favorable consequences for the interested parties, but also the rights of third parties must not be infringed.

In any case, to avoid any issues in the future, it would be advisable to voluntarily designate a representative in Chile from the beginning as established in IP Law 19,039 to allow the CL TMO to potentially perform the formal review at the appropriate time.

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# Mexico: Practical considerations for pursuing oppositions

**Santiago Pedroza**

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## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCES IN THIS ARTICLE

OPPOSITION PROCEDURE DECISIONS

CURRENT CHALLENGES IN PRACTICE

TIME LIMITS FOR FILING AN APPEAL AGAINST AN ADVERSE OPPOSITION DECISION

OTHER PRACTICAL RECOMMENDATIONS

## IN SUMMARY

The opposition is a procedure that takes place in parallel to the prosecution of a trademark application and can be filed by any third party who has an interest and considers that the applied-for mark is prohibited by Mexican IP law.

Once the application and the opposition are processed, the Mexican IP Office will refuse registration (if the opposition proves favourable) or issue the certificate of registration and opposition decision (if the opposition proves unfavourable). In both cases, appeal is available.

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## DISCUSSION POINTS

- Overview of the two types of opposition decisions
  - Current challenges in practice
  - Time limits for filing an appeal against an adverse opposition decision
  - Other practical recommendations
- 

## REFERENCES IN THIS ARTICLE

- Federal Law for the Protection of Industrial Property (FLPIP)
  - Federal Law on Contentious Administrative Procedure (FLCAP)
- 

The opposition system in Mexico is turning eight years old. During its development, the procedure has undergone changes in the interests of better functioning and better protection of the legal spheres of rights holders and consumers of goods and services.

In summary, the opposition is a procedure that takes place in parallel to the prosecution of a trademark application and can be filed by any third party who has an interest and considers the applied-for mark is prohibited by Mexican IP law.

Once the opposition is filed, the Mexican IP Office (IMPI) will conduct the registrability examination of the applied-for trademark and will notify the applicant of opposition, granting a statutory term of four months to file a formal reply thereto.

After this term lapses and if the applicant responds to the opposition, IMPI will grant both the parties a common five-day term to file closing arguments.

IMPI will then continue with the official examination of the opposed application and will issue its decision, either by refusing registration or by granting it if the opposition result was unsuccessful.

Articles 229 and 203 of the Federal Law for the Protection of Industrial Property (FLPIP) establish the following:

Article 229.

After the period of two months referred to in article 225 of this Law, once the evidence has been processed, the proceedings shall be made available

to the applicant and to the persons who have filed oppositions so that, where appropriate, submit claims within a period of five days, which shall be considered by the Institute. Once this period has elapsed, the corresponding resolution shall be issued without further formality.

Article 230.

Once the application process has concluded and the legal and regulatory requirements have been satisfied, the title shall be issued.

In the event that the Institute denies the registration of the trademark, it shall notify the applicant in writing, stating the reasons and legal grounds for its resolution.

The Institute shall issue the resolution that corresponds to the oppositions received, stating the reasons and legal grounds for its resolution.<sup>[1]</sup>

As previously mentioned, there are two types of decision within an opposition procedure.

## **OPPOSITION PROCEDURE DECISIONS**

### **Refusal Of Registration**

The registrability examination and the opposition procedure both concluded that, if the examiner considers the opposition to be grounded or the applied-for mark is prohibited by the Law, IMPI will refuse the trademark registration and the opposition would be considered successful.

IMPI's refusal decision is not final as it can be appealed before the Federal Court on Administrative Affairs (FCA) through a nullity claim.

Likewise, the FCA's decision may also be appealed at the second instance through an amparo suit before a federal court with a panel of three judges.

### **Granting Of The Certificate Of Registration**

Likewise, the registrability examination and the opposition procedure both concluded that, if the examiner considers the opposition to be ungrounded and the applied-for mark is not prohibited by the Law, IMPI will proceed to grant the certificate of registration and to issue a resolution that corresponds to the oppositions received, stating the reasons and legal grounds for its resolution.

Initially there was not much clarity about the possibility of appealing the opposition decision and the title issued by IMPI, nor many criteria in this regard.

At first, many nullity claims filed against the issuance of a certificate of registration were dismissed by the FCA, which argued that those affected by the granting of a trademark registration must file the administrative invalidation action of this trademark registration before IMPI, considering IMPI is the authority empowered and entitled to decide whether the administrative invalidation action of a registration is valid (but not the FCA).

In other words, the invalidation action of a trademark registration is not the jurisdiction of the FCA, as there is an express procedure for this purpose, and it is processed before IMPI.

Now there is greater clarity and criteria issued by the Superior Chamber of the FCA that establishes that the nullity claim is appropriate against the two decisions, the issuance of the certificate of registration and the opposition decision, and the FCA is the competent authority for this purpose.

If a favourable resolution is obtained in the appeal stage by virtue of a nullity claim, the nullity of the opposition resolution will be declared, and the trademark registration granted will be declared illegal and, therefore, lose all its effects.

In other words, IMPI's decisions regarding an opposition procedure are not final and can be appealed jointly before the FCA through a nullity claim. The legal effects are that the opposition resolution is declared null, and the trademark registration previously granted is declared illegal and loses all its effects.

The aforementioned is not recognised by the following:

OPPOSITION PROCEDURE. THE RESOLUTION ISSUED MAY BE CONTESTED JOINTLY WITH THE TRADEMARK REGISTRATION BEFORE THE FEDERAL COURT OF ADMINISTRATIVE JUSTICE.

In accordance with article 120 of the Industrial Property Law, the opposition procedure may be filed by any third party who considers that the application for trademark registration or publication falls within the assumptions provided for in articles 4 and 90 of the Industrial Property Law. Industrial Property; therefore, the result of the procedure will be to determine if the hypotheses in which the granting of the trademark registration or its publication are not actually updated. Derived from this, it is clear that between the resolution that ends the opposition procedure and the granting of the trademark registration, there is a common cause that consists of determining whether or not any impediment to granting the latter is updated; and in that sense, taking into account the contiguity of the case, both acts can be disputed simultaneously in the federal administrative litigation trial.

Contentious Administrative Trial No. 785/19-EPI-01-1/1911/21-PL-09-04.- Resolved by the Jurisdictional Plenary of the Superior Chamber of the Federal Court of Administrative Justice, in a session of 27 April 2022, unanimously with 11 votes in favour.- Judge Rapporteur: Alfredo Salgado Loyo.- Secretary: Lic. Enrique Camarena Huezca.

(Thesis approved in the session of 29 June 2022)<sup>[2]</sup>

The above criterion represents a great advance in Mexico in terms of IP law, precisely regarding the opposition procedure, because it provides clarity and legal certainty to the holders of industrial property rights regarding the possibility of challenging adverse decisions of opposition procedures.

Likewise, this precedent is of utmost importance as, in the absence of promulgation and publication of the FLPIP Regulations, there is currently not much clarity about the legal avenues and available resources to appeal adverse decisions derived from opposition procedures. In a certain way, before the issuance of this criterion, the IP rights holders were unable to defend them.

It is highly likely that the pending FLPIP Regulations follow the criteria adopted by the court in the above thesis, which would result in a success because it clearly represents an important improvement and strengthening of the industrial property legal system in Mexico.

Likewise, the legal figure of the opposition has evolved since its introduction in 2016: currently, if we file an opposition and it does not succeed, we must be prepared to challenge the ruling that IMPI gets to issue in opposition proceeding, in all relevant appeal instances, which as previously mentioned, would be before the FCA through a nullity claim and, possibly, at a second appeal stage through an amparo suit before a federal court of administrative affairs, with a panel of three judges.

Otherwise, the result of the opposition may negatively impact any invalidity action that would later be attempted against any eventual registration to be granted for the above-mentioned trademark, because in recent cases counterparties and the Mexican courts are beginning to apply the notion of 'reflective res judicata'.

Reflective res judicata in this case means that as both the invalidity action and the opposition proceedings require IMPI to conduct an analysis on the likelihood of confusion between the trademarks in conflict, if when resolving the opposition IMPI considered that the trademarks under analysis are not confusingly similar, this should also apply in any invalidity action, which would force IMPI to deny that invalidity action.

### **CURRENT CHALLENGES IN PRACTICE**

Article 52 of the Federal Law on Contentious Administrative Procedure (FLCAP) states the following:

ARTICLE 52.- The final sentence may:

1. Recognise the validity of the contested resolution.

...

1. Declare the nullity of the contested decision.

...

1. Declare the nullity of the contested resolution and also:

1. Recognise the plaintiff the existence of a subjective right and condemn compliance with the correlative obligation.
2. Grant or restore to the plaintiff the enjoyment of the affected rights.<sup>[3]</sup>

In daily practice, we have been experiencing that in almost all cases in which an opposition is unfavourable, IMPI proceeds to issue the certificate of registration, but the opposition decision is not issued until several months have passed.

Considering the fact that the FLPIP Regulations have not yet been published and are due to clarify the particularities of the opposition procedure, a lot of confusion and nervousness among practitioners, law firms and trademark holders in Mexico has been generated in relation to the possible appeal stage against adverse opposition decisions.

Ideally, the certificate of registration and the decision should be issued by IMPI jointly because the course of action to challenge the conflicting registration would be the filing of a nullity action before the FCA against the opposition decision and the trademark registration certificate jointly.

Furthermore, having a complete picture of the panorama or scenario, and knowing the reasoning and foundation on which an IMPI decision was based, is essential to proposing a good and effective litigation strategy. Likewise, it provides certainty and greater clarity to clients about the costs, times and implications that each of the appeal stages may have.

Owing to the delay that exists between the issuance of the certificate of registration and the opposition, we have adopted as a 'practical remedy', filing a brief before IMPI to expedite the issuance of the opposition decision, as an effort for the authority to be more efficient in issuing both resolutions jointly until the regulations to the Law are published.

### **TIME LIMITS FOR FILING AN APPEAL AGAINST AN ADVERSE OPPOSITION DECISION**

For the purpose of filing an appeal before the FCA through a nullity claim, we have a term of 30 business days after being served with an opposition decision. As mentioned, a current issue almost all the users and practitioners are experiencing is the great disparity of time that exists between the issuance of the registration certificate and the decision that led the examiner not to consider the arguments expressed in an opposition to be sufficient and well founded. In some cases, this disparity in time in issuing this decision reaches more than four to five months – a period that we consider excessive.

For the purposes of expediting the issuance of the examiner's decision regarding the opposition and reducing the time disparity with respect to the issuance of the trademark registration certificate, a practice that many colleagues have implemented in the absence of legal regulations in this regard is to file an additional writ before IMPI expressly requesting the issuance of the opposition decision so that, in the near future, both decisions will be issued jointly and it will be possible to evaluate, in a faster and efficient manner, potential litigation strategies to the clients as well as the chances of success.

### **OTHER PRACTICAL RECOMMENDATIONS**

The opposition procedure has several advantages, including the following:

- It is a procedure instituted against a trademark that has not yet been registered and, therefore, does not have constituted rights per se.
- It is a procedure carried out at the same time or simultaneously as the trademark application prosecution, so the time frame of the issuance of a decision is faster.
- The costs are reduced compared to a litigation action.
- The unfavourable opposition decision and the potential certificate of registration can be appealed before two subsequent instances.

However, before recommending that a client pursue or take the opposition procedure as a course of action, it is very important to consider certain particularities, among which is

the penalty or impossibility of initiating an invalidation action in the event of obtaining an unsuccessful opposition claiming the same arguments and evidence.

For example, if an opposition has been promoted and it is unsuccessful or unfavourable, namely, it does not prevent the granting of the trademark registration in question, the possibility of filing an invalidation action against such trademark registration is prevented based on the same arguments and evidence as those filed in the opposition.

For example, if an opposition is filed based on the likelihood of confusion and it is unsuccessful, the possibility of filing an invalidation against the resulting trademark registration based on likelihood of confusion would be precluded. Consequently, a potential invalidation action would have to be filed on a different basis (eg, deceptiveness or bad faith).

However, it might be difficult to invoke these different causes of invalidation (deceptiveness or bad faith) because, in the end, any argument related to them would have to be linked to the likelihood of confusion, and if IMPI's determination concluding the absence of likelihood of confusion becomes firm, this determination will become *res judicata*, affecting the possibility of successfully cancelling the conflicting registration before IMPI.

Article 259 of the new Mexican IP law outlines the penalty to file a nullity action based on the same arguments and evidence presented in the opposition:

Article 259.- A nullity action shall not be admitted, when the opposition provided in Article 221 of this Law has been filed, provided that the arguments asserted in the nullity action, as well as the evidence, are the same as those filed in the opposition and the Institute has already ruled on them.<sup>[4]</sup>

This new provision is intended to avoid the filing of idle oppositions, which tends to delay and hinder the trademark registration process in Mexico, and consolidate the opposition procedure as a more robust and reliable mechanism in preventing the granting of trademark registrations that may affect prior third parties' rights.

All these particularities must be considered when deciding the best course of action to take in terms of success rate, times and costs.

In conclusion, if pursuing an opposition, keep in mind that the opposition decision is appealable.

However, considering the FLPIP is still pending the publication of its regulations, and because the FCA and the Federal Courts on Administrative Affairs have just started to have precedents on the origin, jurisdiction and scope of opposition decisions, and certificates of trademark and their effects, there are several particularities that could influence the decision to opt for an invalidation action or the opposition procedure.

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#### Endnotes

[1] [https://www.jpo.go.jp/e/system/laws/gaikoku/document/index/mexico-e\\_industrial-property.pdf](https://www.jpo.go.jp/e/system/laws/gaikoku/document/index/mexico-e_industrial-property.pdf).

[2] [https://www.tfja.gob.mx/media/media/biblioteca/revistas/2022/Rev\\_TFJA\\_Sep\\_2022.pdf](https://www.tfja.gob.mx/media/media/biblioteca/revistas/2022/Rev_TFJA_Sep_2022.pdf).



[3] [https://www.diputados.gob.mx/LeyesBiblio/pdf/LFPCA\\_270117.pdf](https://www.diputados.gob.mx/LeyesBiblio/pdf/LFPCA_270117.pdf).

[4] [https://www.jpo.go.jp/e/system/laws/gaikoku/document/index/mexico-e\\_industrial-property.pdf](https://www.jpo.go.jp/e/system/laws/gaikoku/document/index/mexico-e_industrial-property.pdf).



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# United States: Best practices for filing and prosecuting trademarks before the USPTO

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## Summary

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## IN SUMMARY

This article summarises general principles of trademark prosecution in the United States.

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## DISCUSSION POINTS

- The types of trademarks that can and cannot be registered
  - Common law trademark rights
  - Non-traditional trademarks
  - Opposition to trademarks and petitions for cancellation
  - Transferring ownership of trademarks
  - Best practices for trademark licensing and assignments of trademarks
  - Trademark need-to-knows in the United States
- 

## REFERENCED IN THIS ARTICLE

- The Trademark Manual of Examining Procedure
  - *Wal-Mart Stores, Inc v Samara Bros*
  - *Seabrook Foods, Inc v Bar-Well Foods, Ltd*
- 

## WHAT CAN BE REGISTERED?

In the United States, a trademark<sup>[1]</sup> is a device that is used to indicate the source of goods or services to which it is applied, and gives the owner the exclusive right to use the mark on those goods or services. As such, a registered trademark does not give the owner exclusive rights to prevent anyone from using the mark in any context. Rather, it gives the owner protection in connection with the specific goods and services with which the mark is registered throughout the United States and, in some instances, with those that are considered related or in the natural zone of expansion.

In addition to those rights, a trademark registration in the United States provides the owner with the following rights and privileges:

- the right to use the ® symbol to indicate registration with the United States Patent and Trademark Office (USPTO);
- listing of the trademark in the USPTO database of registered marks, which provides notice to anyone searching for the same or a similar mark;
- presumptive nationwide rights, which may ease the burden in federal litigation;
- the ability to use the registration as proof of ownership in any trademark-related disputes; and
- the right to register the trademark with US Customs and Border Patrol to prevent counterfeit goods from entering the country.

Almost anything can be a trademark if it is used to indicate the source of goods or services. For example, trademarks can range from words, images and designs to sounds, smells, colours, shapes of goods and even the trade dress of a restaurant or other establishment. While all of these can be registered with the USPTO, some of them are held to a heightened level of scrutiny and require a showing of secondary meaning.

### WHAT CANNOT BE REGISTERED?

While the format of a trademark can vary, there are some restrictions as to what can be registered. Words, images or designs that are generic cannot be registered as trademarks. Marks are considered to be generic when the term is one that the purchasing public considers to be the common or class name for the goods or services.<sup>[2]</sup> For example, the word 'book' for books is generic and cannot function as a trademark for those products (although it might be protectable if used for a completely unrelated item, such as the name of a restaurant). Similarly, sounds, smells, colours or shapes that are functional cannot be registered.

Other trademarks may be registrable only under certain circumstances. Specifically, marks that are descriptive of an ingredient, quality, characteristic, function, feature or purpose of the goods or services, or geographically descriptive of the place where the goods or services are produced, are difficult to register on the Principal Register.<sup>[3]</sup> Some marks that would be refused registration on the Principal Register may be registered on the Supplemental Register. For example, trademarks that are merely descriptive or primarily merely a surname may be amended to the Supplemental Register and given the opportunity to acquire distinctiveness.

In the United States there are two registers: the Principal Register and the Supplemental Register. The Principal Register is for trademarks that are inherently distinctive and capable of functioning as an indicator of the source of goods and services. The Supplemental Register is a secondary register for trademarks that contain some descriptive or non-distinctive element and are not inherently capable of indicating source, but may become capable over time. A mark may only be registered on the Supplemental Register if it is in use in US commerce (or based on a home country registration if owned by a foreign applicant).

Marks that are registered on the Supplemental Register do not enjoy the same rights and privileges as those on the Principal Register. A mark registered on the Supplemental Register may use the ® symbol and be used as constructive evidence and notice of ownership of the mark and priority use. However, registration on the Supplemental Register is not presumptive evidence of the validity of the registration, nor of the ownership of the mark or the exclusive right to use it in the United States.

Marks that cannot be registered on either the Principal Register or the Supplemental Register include:

- marks that are likely to be confused with prior registered marks;
- marks containing deceptive matter and matter that may falsely suggest a connection with persons living or dead, institutions, beliefs or national symbols;
- marks that lead consumers to believe goods or services originate in a place where they do not;
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flags, coats of arms or other insignia of the United States, a state or municipality, or a foreign nation;

- names, portraits, or signatures of particular living individuals without their consent, or deceased US presidents without the consent of their living spouse; and
- titles of single creative works (eg, titles of books, albums and songs)

## COMMON LAW TRADEMARK RIGHTS

In the United States, common law trademark rights are unregistered rights that are based on the use of a trademark in commerce in a particular geographic area. Common law trademark rights can be enforced only in the geographic area in which the trademark is used.

Common law trademark rights grant the owner some of, but not all, the rights granted in a federal registration. They include the right to use the trademark in connection with the goods and services in that geographic area (but not necessarily the right to expand beyond that), as well as the right to enforce those rights in both the Trademark Trial and Appeal Board (TTAB) and federal or state court.

## NON-TRADITIONAL TRADEMARKS

Non-traditional trademarks such as sound, scent, colour and trade dress are held to higher standards than traditional trademarks. Like traditional trademarks, non-traditional marks must be capable of indicating the source of the goods and services and must not consist of material that is descriptive of or generic for the goods or services. However, non-traditional marks are not protectable to the extent they provide a functional purpose for the goods or services.<sup>[4]</sup>

Aside from those differences, the procedure for prosecuting non-traditional marks is substantially the same as for traditional trademarks.

To be registrable, non-traditional trademarks cannot be functional and must have acquired distinctiveness. Both elements must be met: if the applied-for mark is functional but has acquired distinctiveness, this is not sufficient to obtain registration. Similarly, if the mark is not functional but has only been used minimally for two years, registration on the Principal Register may be difficult.

The most common type of non-traditional trademark is trade dress. The Supreme Court has distinguished between two types of trade dress – product design and product packaging.<sup>[5]</sup> Product design trade dress cannot be inherently distinctive and, therefore, is registrable on the Principal Register only with a claim of acquired distinctiveness.<sup>[6]</sup> If the product design has not obtained acquired distinctiveness, it may be registered on the Supplemental Register.<sup>[7]</sup>

The bar for establishing distinctiveness for a trade dress application for the Principal Register is high, and a mere statement of five years' use (which is the standard for traditional marks) is generally not sufficient. Additionally, when providing evidence of acquired distinctiveness, it should show use of the product design trade dress alone, rather than together with other marks, in order to give greater weight to the evidence of sales and advertising figures.<sup>[8]</sup> The applicant must be able to show that consumers would recognise the specific configuration of the trade dress mark, and not the goods or services in general.

Meanwhile, product packaging trade dress can be inherently distinctive. When determining if a proposed product packaging trade dress is inherently distinctive, the USPTO considers whether the:

- proposed mark is a 'common' basic shape or design;
- mark is unique or unusual in the proposed field;
- proposed mark is a mere refinement of a commonly adopted and well-known form of ornamentation for a particular class of goods viewed by the public as a dress ornamentation for the goods; or
- proposed mark is capable of creating a commercial impression distinct from the accompanying words.<sup>[9]</sup>

Any one of these factors by itself may be determinative as to whether a mark is inherently distinctive.<sup>[10]</sup>

If the non-functional product packaging, product design or other trade dress mark has not acquired distinctiveness, it may be registered on the Supplemental Register.

### HOW ARE OPPOSITIONS HANDLED?

All applications on the Principal Register are published in the Official Gazette and are open for opposition by any third party. An opposition, or a request for an extension of time, must be filed with the TTAB within 30 days of publication of the mark. A 30-day extension of time is granted without cause (and at no cost); an additional 60-day extension of time is available for good cause (and upon payment of a fee). A further 60-day extension of time (for a total of 180 days) may be granted if consent from the applicant is obtained (and upon payment of an additional fee). The most common grounds on which an additional 60-day extension is granted are if more time is needed to investigate the claim, seek counsel or negotiate a settlement.

If an opposition is not filed at the end of this period or the appropriate extension of time was not initially requested, or both, a potential opposer must wait until the application matures to registration to file a petition to cancel. If an application is based on intent to use and an applicant takes advantage of all five extensions of time to show use, a potential opposer may have to wait three years to take action against a mark.

The notice of opposition must be filed together with the required fee, which is currently US\$600 per class. It is possible to oppose only some of the classes covered by an application; not all classes have to be opposed.

Possible grounds for opposition include:

- priority or likelihood of confusion;
- descriptiveness; and
- genericness.

While the initial costs to file an opposition (or cancellation) may be minimal, the entire proceeding could take years and cost hundreds of thousands of dollars, depending on how extensive discovery is, whether a consumer survey is obtained and whether the action goes through to trial. Much like regular litigation, it is difficult to estimate the cost of a proceeding because of the many different factors involved.

## HOW ARE CANCELLATIONS HANDLED?

A petition for cancellation can be filed at any time after a registration issues; however, some grounds for cancellation are not available once a registration has been registered for five years. The petition for cancellation must be filed together with the required fee, which is currently US\$600 per class.

Common grounds on which a petition to cancel can be filed at any time include the following:

- the mark has been abandoned;
- the registration was obtained by fraud;
- the mark is generic; and
- the mark is geographically deceptive.

The grounds most notably missing from this list are likelihood of confusion or priority and descriptiveness. They are missing because marks that have been registered for five years on the Principal Register and used continuously during that time are afforded additional rights by virtue of their incontestable status; in a petition for cancellation, third parties cannot claim prior use of a mark (and therefore superior rights) against a registration that is incontestable.

Assuming the opposition or petition for cancellation has been filed in a timely manner and properly served, and the appropriate filing fees have been paid, the TTAB will institute the proceeding and issue a scheduling order outlining the deadlines for the proceeding.

Ultimately, if a decision is rendered, it determines only whether that particular mark is registrable; it does not have any bearing on whether a party can use a mark.

## WHAT ARE THE PENDENCY LEVELS FOR THE PAST 12 MONTHS?

The time between filing a new trademark application with the USPTO and first examination on average is 8.3 months.<sup>[11]</sup> The average time between filing a new application and that application registering is 14.6 months.<sup>[12]</sup> This assumes that the application does not face any substantive issues, multiple office actions or oppositions by third parties, which can increase the timeline to registration.

## HOW TO TRANSFER OWNERSHIP OF TRADEMARKS

During the course of a trademark's life, a number of different occurrences can affect title. For example, like other property, trademarks can be sold or transferred. Similarly, security interests can be granted to IP rights. Or perhaps a change of name or merger has affected the structure or name of the owner of record. Some occurrences affect title immediately (like an assignment); others simply preserve a party's interest (such as a security interest). Most transfers affecting title can be recorded with the USPTO; some must be recorded within a certain amount of time to preserve rights against third parties.

The USPTO recently updated its process for recording assignments and other documents relating to ownership, to streamline and modernise the process.<sup>[13]</sup> The aesthetic of the platform has changed, though the key functionalities remain similar to the old system.

## LICENSING AND ASSIGNMENT BEST PRACTICE

### Licensing

Many trademark owners license their trademarks to other parties to develop the brand in specific areas where it does not traditionally operate. For example, the owner of a trademark most known for clothing might license another to use the mark on accessories, because the owner does not have the capability to develop and make the accessories. Other trademark owners may have a corporate structure such that one entity owns the trademark for tax purposes but allows another related entity to use it. If done with a proper licence, these types of arrangements can increase the value of the brand and strengthen the trademark owner's rights; however, if done improperly, they could denigrate the value of the trademark or create a situation in which the trademark owner has legally abandoned the mark.

A key point in US licensing is to avoid 'naked' licensing. This is when a trademark owner allows another party to use its trademarks without sufficient control. The amount of control required to avoid naked licensing depends on the context. Elements that can point toward retention of control include:

- a written licence agreement;
- the licensor's periodic review of licensed goods or services;
- appointment of a quality control officer; and
- establishment of trademark use guidelines.

### **Assignment**

An assignment transfers all right, title and interest in a trademark from one party to another. To be a valid assignment, an assignment must transfer the goodwill associated with the trademark.

An assignment cannot be terminated; once the assignment has been executed, the mark has been sold and transferred to the new owner. While the assignor may attempt to preserve certain rights contractually (ie, if the assignee does not sell US\$1 million worth of widgets in a five-year period, the mark reverts back to the assignor), courts may not view this as an assignment but rather as a licence; if viewed as a licence, it may be viewed as a naked licence, thereby calling into question the assignor's rights in the mark.

Applicants should be aware that in the United States, the law prohibits the transfer of intent to use trademark applications. The exception to this rule is when the purchaser is the successor to the business to which the trademark pertains, and that business is ongoing and existing.

### **WHAT ARE THE FIVE KEY NEED-TO-KNOWS FOR THE JURISDICTION?**

1. Search before filing to see if anyone else is using or has registered the mark in question or one that is substantially similar to the mark: searching to determine if anyone else is using the mark in connection with proposed goods and services can save time, money and frustration. If the proposed mark is not available, a new one can be picked and cleared before the product or services are launched, and the application process will likely be much smoother.
2. USPTO's new trademark search platform: the USPTO recently launched a new trademark search platform to replace the prior one. The new system was designed to be more user-friendly, though as a caveat the USPTO appears to still be working on resolving functionality issues because the new search platform sometimes yields



incomplete results and, in a small number of cases, lists incorrect application and registration statuses.<sup>[14]</sup>

3. File early: current examination wait times can be frustrating to trademark owners looking for quick answers; it is recommended to file new applications early in the branding and product launch process. Additionally, filing early preserves rights to the mark even if the client is a few years from market.
4. Tailor your goods and services, especially for registrations based on home country registrations: there has been an increase in non-use challenges brought by third parties against these types of registrations (both at the TTAB and via the newly created expungement proceedings). Instead of filing to cover a broad range of goods and services, consider tailoring your goods and services and filing for those goods and services that you actually have an intent to use in the United States.

Post-registration audits: when filing maintenance or renewal documents, trademark owners should take a careful look at their goods and services and proactively delete any items that are no longer in use. There has been an increase in post-registration audits, and proactively deleting goods and services can save costs later.

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#### Endnotes

[1] The term 'service mark' is often used to refer to use in connection with services instead of goods. For convenience, we'll use 'trademark' to refer to both throughout this article.

[2] TMEP section 1209.01(c).

[3] TMEP section 1209.01(b).

[4] TMEP section 1202.02(a)(viii).

[5] Wal-Mart Stores, Inc v Samara Bros, 529 US 205 USPQ2d 1065, 1069 (2000).

[6] TMEP 1202.02(b)(i).

[7] id.

[8] id.

[9] Seabrook Foods, Inc v Bar-Well Foods, Ltd, 568 F.2d 1342, 1344, 196 USPQ 289, 291 (CCPA 1977).

[10] TMEP section 1202.02(b)(ii).

[11] <https://www.uspto.gov/trademarks/application-timeline>.

[12] id.

[13] <https://assignmentcenter.uspto.gov/>.

[14] <https://tmsearch.uspto.gov/search/search-information>.



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# Specialist Chapter: Common Mistakes to Avoid When Filing Trademark Applications in China

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## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

WHAT SHOULD BE KNOWN WHEN CHOOSING A TRADEMARK?

HOW TO CHOOSE GOODS AND SERVICES

FORMALITY ISSUES ARE ALSO IMPORTANT

ENDNOTES

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## IN SUMMARY

Chinese trademark law and practice have characteristics distinct from their counterparts in other countries and areas. Many foreign applicants failed to obtain trademark registration in China because of their inadequate or improper understanding of the Chinese Trademark Law, the Implementing Regulations of the Trademark Law, and specific requirements of the China National Intellectual Property Administration (CNIPA). In China, once an application is filed, no amendment to the trademark specimen is allowed, nor can the designated goods or services be voluntarily amended either, unless the CNIPA so requires. This article provides some guidance on the common mistakes to avoid at the outset in filing a trademark application in China.

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## DISCUSSION POINTS

- What should be known when choosing a trademark?
  - How to choose goods and services
  - The importance of formality issues
- 

## REFERENCED IN THIS ARTICLE

- Provisions of the Supreme People's Court on Several Issues Concerning the Trial of Administrative Cases of Trademark Authorisation and Confirmation
  - Chinese Trademark Law
  - Guidelines for Trademark Examination and Trial 2021
- 

## WHAT SHOULD BE KNOWN WHEN CHOOSING A TRADEMARK?

### Suggestive Marks Face High Rejection Risk And Provide Limited Protection

It is advisable to choose a mark with strong distinctiveness, such as a fanciful or an arbitrary one, which will offer a strong level of protection against infringement. While suggestive marks may save time and cost in marketing and advertising to gain customer recognition, they leave their owners vulnerable to infringement, which could eventually cost even more. In Chinese examination practice, the boundary between a suggestive mark and a descriptive mark is considered vague. In other words, a suggestive mark is likely to be rejected on the grounds of lack of distinctive characteristics, and hence, it is difficult for these to be approved for registration.

- Case 1: the application for trademark 'Chlorophyll TEA LEAF in logo' on the goods "shampoo; anti-wrinkle cream; acne cream; hair generating oil; cosmetics", etc, in Class 3 was finally determined as lacking distinctive characteristics by the Supreme People's Court of China, even though the applicant argued that the trademark is a suggestive mark and not a descriptive mark.<sup>[1]</sup> The Court held that when paying average attention, the relevant public would regard the trademark as a direct description of the characteristics of the raw materials, ingredients and other aspects of the above-mentioned goods,<sup>[2]</sup> and in addition, the descriptive part of the trademark

is not expressed in a unique way, which does not give the trademark a significant feature as a whole and, therefore, cannot serve to identify the source of the goods.<sup>[3]</sup>

- Case 2: Meishi Daren Company, the trademark owner of '85 °C' series trademark, claimed that Bright Dairy Company used a label '85 °C' identical to its registered trademark for similar goods, specifically, in a prominent position on the packaging of Bright Dairy's 'Youbei' series of fresh milk products, and Bright Dairy also highlighted the label '85 °C' in advertising. The first instance judgment held that Bright Dairy's use of '85 °C' constitutes infringement. Bright Dairy was dissatisfied with the decision and filed an appeal. The court of second instance deemed that Bright Dairy's use of '85 °C' on the accused infringing products is only for the purpose of explaining to the relevant public the process characteristics of its pasteurisation technology, which still falls within the scope of reasonable description of the characteristics of its products and does not constitute use of Meishi Daren's registered trademark; rather, it is a legitimate use of expressing temperature and, therefore, does not constitute trademark infringement.<sup>[4]</sup>

From Case 1, we can see that a suggestive mark carries with it a high risk of being rejected, and it is quite hard to be granted the exclusive rights to the mark. On the one hand, this kind of trademark may lack distinctive characteristics or potentially mislead the relevant public regarding the goods; however, if the trademark is granted exclusive rights, it will pose a potential threat to the third parties' use of the composing words even in a descriptive manner, as it will render the third parties hesitant about whether to use the words included in the registered mark, regardless of whether they are descriptive or not.

In Case 2, the likelihood of confusion among the relevant public is the key factor in determining whether trademark infringement is established. If a trademark is not of strong distinctiveness in distinguishing the relevant goods or is even not used thereon, its protection scope will be limited.

### **It Is Not Advisable To Include A Generic Term In A Trademark**

A generic term is likely to cause rejection due to it misleading the relevant public about the quality or other characteristics of the goods, and the chance of overruling the decision is very slim.

- Case 1: the application for trademark 'FINESSEREFLEX' for "surgical instruments and instruments for ophthalmology" was finally determined as lacking distinctive characteristics by the High People's Court of Beijing Municipality, even though the same trademark had been approved for registration in many other countries.<sup>[5]</sup> The Court held that when used for "surgical instruments and instruments for ophthalmology", the trademark would be regarded as the combination of the word 'FINESSE', meaning "refinement or delicacy of workmanship, structure, or texture", and the word 'REFLEX', meaning of "mirror lens". Therefore, it was deemed that the trademark is descriptive and can hardly identify the source of the goods.
- Case 2: the application for trademark 'Coldmelt' on all the designated goods including "unprocessed plastics; metal foam; machines and apparatus for the treatment of materials; semi-processed plastics; concrete; plastic-based liquefiable dowels; glass fibers", etc, in Classes 1, 6, 7, 17, 19, 20 and 21 was finally determined as lacking distinctive characteristics and rejected by the High People's Court of Beijing Municipality.<sup>[6]</sup> The fact that the same trademark was approved for registration in

other countries did not contribute to the legal basis for approval in China. The Court opined that the trademark is the combination of the words 'Cold' and 'melt', which constitute a description of the characteristics or contents of the designated goods.<sup>[7]</sup> Although the combination is a coined term, it would be easily perceived by the related public as two descriptive words, and hence each part of which will be taken into consideration by the Court.

In light of the above two cases, if a trademark includes a generic term or a combination of generic terms, and where the meaning of any such term has some connection with the characteristics of the designated goods, the trademark as a whole will probably be rejected.

### **There Is Not Only One Chinese Counterpart To A Trademark In Latin Alphabet**

Chinese counterparts, based on transliteration of a Latin mark, could be numerous. They are generally regarded as dissimilar to each other, and thus there is no such thing as a universally recognised counterpart to prevent others from using different versions based on similar pronunciation. The registration of a trademark in letters does not protect the trademark against use or registration of a trademark in Chinese characters with the same or similar pronunciation, and vice versa. It is highly advisable to file an application for the registration of a Chinese version of a Latin mark. If there is not a ready Chinese name for a foreign brand, it is very likely that Chinese consumers will create one by way of translation or transliteration in actual use and the Chinese name is at risk of being squatted.

For example, the letters in trademark 'CATENI' have three syllables, which correspond to three Chinese characters. However, for each syllable, there are several different Chinese characters with the same pronunciation; that is, there is more than one Chinese counterpart for each syllable. The relevant Chinese public tend to write 'CATENI' in Chinese characters more often than in the Latin alphabet for the sake of language habits. In view of this, it is advisable to register a Chinese name for 'CATENI' and use that name for publicity purposes. Otherwise, the relevant public may use a Chinese name of their own choice, thus running the risk of any arbitrary version being pre-emptively registered by some unauthorised parties.

### **When A Trademark Comes From The Name Of An Enterprise**

If a trademark contains the name of an enterprise, in its full form or an abbreviation, and the name is substantially different from the name of the trademark applicant, it will not be approved for registration.<sup>[8]</sup> In addition, if a trademark only contains the applicant's full company name, or the distinctive part of which is just the applicant's full company name, it will be rejected due to lack of distinctive characteristics.<sup>[9]</sup>

In one case, the application for trademark 'STRAIGHT2BANK' for the goods "computer; computer software", etc, in Class 9 was finally determined by the Beijing Intellectual Property Court as violating Article 10.1(7) of the Trademark Law, because the applicant's company name, STANDARD CHARTERED PLC, is inconsistent with the trademark, which includes the term 'BANK', and the trademark would mislead the relevant public that the goods come from banks or have special association with banks. Although evidential materials were filed by the applicant showing the use of the trademark, they were not adopted by the Court.<sup>[10]</sup>

Based on our experience, for the approval of an application for a trademark that includes the term 'BANK', it is required that the trademark applicant be a real bank and the term 'BANK' be included in the company name.

### An Application For A Trademark Containing A Slogan Will Probably Be Rejected

A slogan is deemed as lacking distinctive characteristics under Article 11.1(3) of the Trademark Law. For example, the applications for 'WHEN TOMORROW FALLS',<sup>[11]</sup> 'EXPANDING HUMAN POSSIBILITY'<sup>[12]</sup> and 'LIFE WELL LIVED'<sup>[13]</sup> were all rejected by the Chinese courts on the grounds of lacking distinctive characteristics, even though they had been approved for registration in many other countries and areas.

We recommend that when applying for a trademark in China, the mark should be identical to the version in actual use, including the capitalisation of the letters, especially when the designated goods are medical devices in Class 10, as the Chinese supervisory agency is quite strict about this class of goods.

### HOW TO CHOOSE GOODS AND SERVICES

A common mistake of many trademark applicants is that they think an application in the name of a class heading can give them full protection for goods and services in that class. Actually, claiming the class heading does not mean full class protection in China. Adopting the local sub-class system for the goods and services is advisable. Take "clothing" in subclass 2501, designating "clothing" as the goods in a Chinese trademark application will not automatically encompass "shoes; hats; hosiery; gloves; scarves; waistbands".

It is advisable to designate the goods in both specific and broad categories to allow more smooth and flexible use of the trademark.

For example, some e-commerce platforms request that the name of the products to be sold should align with the goods recorded in the registration certificate or should at least be covered by the recorded goods in broad description. If the products differ from the goods in the recorded descriptions, the products will not be allowed to be sold on their e-commerce platforms.

For recordation of a trademark licence, if the goods have been designated as belonging to a very broad category only, such as "electronic machines", no specific goods such as "printers" can then be recorded as the licensed goods, because in licensing only the designated goods will be accepted.

It will be better if the applicant, when sending the instruction for a trademark application, also provides a brief introduction or a link to the goods, which can avoid mistranslation in the application as a result of language or cultural difference.

Most, if not all, of the goods and services in Nice Classification are acceptable in China, including "cryptocurrency"-related goods and services, "slot machines [gaming machines]" and 'online retail services for downloadable digital music'. A comprehensive version of China's subclass system can be found at the [WIPO website](#).<sup>[14]</sup>

### FORMALITY ISSUES ARE ALSO IMPORTANT

All the components included in a trademark specimen to be filed should be clear; otherwise, a clearer version must be submitted. If the re-filed version is still unclear, the application will be rejected and the filing date will lapse. In light of this, if the trademark to be filed includes complicated components, the applicant should pay more attention to the image clarity of the trademark specimen to be filed.

For instance, a company filed an application for its package on which there are many components, among which the net weight part is too small to be recognised. The examiners required the applicant to file a clear specimen, but the re-filed image was still vague. Under this circumstance, the applicant has no further chance of filing a clearer version, nor will this unclear part be allowed to be removed from the filed application. The applicant, if they intend to remove the net weight part, must file a new application.

### File With The Valid Business Registration Certificate

In some countries, the validity period of business registration is recorded in the business registration certificate. If the certificate expires when an application for trademark registration is filed, the application will be rejected. But if no validity period is indicated in the certificate, there will be no such kind of problem.

If a trademark contains Chinese characters or Japanese characters, but the writing is not identical to the Chinese standard characters, with some parts added or removed, it is likely that the registration of the trademark will be deemed as bringing negative influence, and the application will accordingly be rejected.

In one case, a company applied for the registration of trademark " ", in which a vertical stroke and a horizontal stroke are missing from the standard character 'ó' **It was deemed that this could easily lead the public to believe that it is a modified Chinese character, which belongs to the non-standard use of Chinese characters and is misleading to the public, especially minors, and in this sense may have a negative influence on the culture, education and other social interests of the country.**<sup>[15]</sup>

Filing applications for the same trademark in a large number of broad classes within a short period of time can expose the applications to the risk of being rejected. The CNIPA may suspect that the applicant has no intention of truly using the trademarks on so many goods and services in different industries, and that the applications are maliciously filed to occupy trademark resources. As such, the CNIPA may require the applicant to submit proof of use or intent-to-use for the trademark.<sup>[16]</sup>

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## Endnotes

- 1 The Supreme People's Court Judgment No. 12497/2019. ^ [Back to section](#)
- 2 Provisions of the Supreme People's Court on Several Issues Concerning the Trial of Administrative Cases of Trademark Authorisation and Confirmation. ^ [Back to section](#)
- 3 Article 11.1(2) of the Chinese Trademark Law. ^ [Back to section](#)
- 4 Shanghai Intellectual Property Court Judgment No. H73MZ289/2018. ^ [Back to section](#)
- 5 The High People's Court of Beijing Municipality judgment (2020)JXZ7137. ^ [Back to section](#)
- 6 The High People's Court of Beijing Municipality judgment (2019)JXZ9122. ^ [Back to section](#)



- 7 Article 11.1(3) of the Chinese Trademark Law. [^ Back to section](#)
- 8 Article 3.7.2.5 of the Guidelines for Trademark Examination and Trial 2021. [^ Back to section](#)
- 9 Article 3.3.10 of the Guidelines for Trademark Examination and Trial 2021. [^ Back to section](#)
- 10 Beijing Intellectual Property Court Judgment No. J73XC3998/2016. [^ Back to section](#)
- 11 The High People's Court of Beijing Municipality Judgment No. JXZ1306/2023. [^ Back to section](#)
- 12 The High People's Court of Beijing Municipality Judgment No. JXZ7251/2021. [^ Back to section](#)
- 13 The High People's Court of Beijing Municipality Judgment No. JXZ2214/2022. [^ Back to section](#)
- 14 [https://www.wipo.int/madrid/memberprofiles/result?countries=9135&d\\_atafields=10076](https://www.wipo.int/madrid/memberprofiles/result?countries=9135&d_atafields=10076). [^ Back to section](#)
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# Specialist Chapter: How to Develop an Effective Regional Prosecution Strategy

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De Penning & De Penning

## Summary

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## IN SUMMARY

This article provides guidelines for developing an effective regional trademark prosecution strategy for the Asia-Pacific region. It sheds light on a few common challenges faced in maintaining a multi-jurisdictional trademark portfolio and provides solutions to avoid them.

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## DISCUSSION POINTS

- Prerequisites to trademark filing – due diligence
  - National phase applications versus filing through the Madrid Protocol
  - Trademark registration procedure in APAC countries
  - Cost of filing trademark application
  - Periodic audits of trademark portfolio
  - Trademark watch
- 

## REFERENCED IN THIS ARTICLE

- WIPO Global Brand Database
- Indian Trade Marks Act 1999
- Trade Mark Law 2019 of Myanmar

## INTRODUCTION

Jeff Bezos once said: “Your brand is what people say about you when you are not in the room.”<sup>[1]</sup>

This famous quote speaks volumes on the importance of a trademark. The journey from trademark registration to being viewed as a ‘brand’ is indeed an arduous task that requires thorough planning and strategy in successfully registering the trademark across different jurisdictions. In this article, the focus is on this process in the Asia-Pacific (APAC) region.

## PREREQUISITES TO TRADEMARK FILING – DUE DILIGENCE

### Trademark Search In The Relevant Classes

It is imperative to conduct due diligence prior to initiating and adopting a trademark. The first step is to conduct thorough trademark searches in the relevant jurisdictions, and there are approximately 40 countries in the APAC region.

A brief search can be conducted on the [WIPO Global Brand Database](#) to ascertain if there are any identical and similar trademarks existing in any jurisdiction in the APAC region. This search is subject to the available digital records and linkage of each jurisdiction to the WIPO Global Brand Database.

Further, prior to initiating trademark searches across multiple jurisdictions, it is essential to identify the key jurisdictions critical to the business model and create a road map by liaising internally with the marketing and sales team.

### Translation And Transliteration Of The Trademark In APAC Countries

It is vital to understand the translation and transliteration of the trademark (word mark or composite label marks) in each country as per its colloquial language, to ensure that the word aspect of the proposed trademark does not have a scandalous or derogatory meaning. In a majority of jurisdictions, a word with scandalous or derogatory meaning in the local language is prohibited from registration.

As a corollary, in India, the Trade Marks Act 1999<sup>[2]</sup> puts an embargo under absolute grounds for refusal of registration if a trademark “comprises or contains scandalous or obscene matter”.

Instances of some of the trademarks that had to be amended in some countries are as follows.

Trademark	Country (where considered to be derogatory)	Revised trademark in the particular jurisdiction
Pajero <sup>[3]</sup> (of Mitsubishi Motors Corporation)	Spain	Montero
Bensi <sup>[4]</sup> (of Mercedes - Benz)	China	Benchi
Pinto <sup>[5]</sup> (of Ford Motor Company)	Brazil	Corcel

In view of the foregoing, it is imperative to understand whether a trademark is derogatory, scandalous or has any negative connotation in a particular jurisdiction prior to globalising the trademark. This strategy will by and large prevent formal objections on this ground and circumvent delays in the global launch of products and services.

### Trademark Search Reports And Opinion

Based on the aforesaid parameters, it is advisable to conduct detailed trademark searches in various databases and seek opinions on the test of distinctiveness, descriptiveness and negative connotations (if any) attributable to the trademark. This activity should be comprehensively undertaken prior to adoption and use of the trademark in each jurisdiction.

This rationale for detailed trademark search reports and opinions is to help businesses make informed decisions and ensure smooth prosecution of their trademarks across jurisdictions, allowing them to embark upon globalising their brands.

### NATIONAL PHASE APPLICATIONS VERSUS FILING THROUGH MADRID PROTOCOL

In all APAC countries, trademark protection can be obtained through registration, by filing an application for registration with the national or regional trademark office and paying the required fees.

The Madrid System has several apparent advantages, namely, facilitating filing a single application in one language to protect the mark in multiple countries, payment of single set of fees and enabling efficient management of the trademark portfolio through a centralised system. However, the Madrid System is not recommended in countries with a unique system of sub-classification. For example, in China, South Korea and Japan, each class of goods and services is further divided into subclasses, with a list of standard items of goods and

services and separate group codes. Provisional refusals are issued based on examination of similar group codes; therefore, proprietors of trademarks should refer to the group code system in these jurisdictions<sup>[6]</sup> and opt for national filing to protect the trademark.

Of all the APAC countries, Taiwan, Myanmar and the Pacific Island nations (Fiji, Kiribati, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu) are not signatories to the Madrid Protocol. Samoa<sup>[7]</sup> is the only Pacific Island nation that is signatory to the Madrid Protocol.

Hence, the decision to apply for a trademark registration through a national application or through the Madrid System will depend on the jurisdictions involved. It is advisable to do preliminary research before filing a blanket international registration application for all APAC countries.

### TRADEMARK REGISTRATION PROCEDURE IN APAC COUNTRIES

Trademarks can be registered in approximately 18–24 months in northern Asian countries, such as China, Japan, South Korea and Taiwan, and in Association of Southeast Asian Nations countries, including Singapore, Malaysia, Thailand, the Philippines, Vietnam, Indonesia, Cambodia, Laos, Brunei and Myanmar, as well as in India and Sri Lanka. However, it takes longer to obtain registration in, for example, Afghanistan, Bangladesh, Bhutan, Kiribati, Nepal, Solomon Islands, Timor-Leste, Tuvalu and Yemen. This is mainly due to the lack of digitisation in the administrative mechanism in the respective trademark offices.

The filing requirements and procedures vary in several jurisdictions, and for a better understanding we list the procedural differences between Indonesia, Myanmar, Nepal, the Philippines and Vietnam below.

Country	Procedures
Indonesia	Under the new trademark law in Indonesia, enacted in 2016, after the filing stage, all trademark applications are first published. Once the application is published, within a period of three months, any third party may oppose the trademark application. At the end of three months, the application enters the substantive examination stage. Thereafter, it may proceed to be registered. <sup>[18]</sup>
Myanmar	Myanmar did not have any trademark statute or procedure for registration until 2019. Prior to 2019, all trademarks were registered without going through the process of examination, publication and opposition.  The Trade Mark Law (2019) came into force on 1 April 2023. The Ministry of Commerce had announced a “soft opening period” for the partial implementation of the new law starting from 1 October

	<p>2020. During this period, the Ministry has been accepting applications for re - registration of trademarks that had been previously registered via declarations of ownership filed with the Office of Registration of Deeds, and assigned the application numbers for each re - registration application.<sup>[[9]]</sup> In the grand opening, the applications filed to date during the soft opening will be allotted a filing date.</p>
Nepal	<p>The applicant is required to submit an application for trademark registration. Thereafter, the application is examined.</p> <p>After examination, if it is found registrable, the Department of Industries (the Department) shall register the trademark in the name of applicant and issue a certificate. The department then publishes the registered trademark. A statement with respect to the renewal or cancellation of registration is also published for the benefit of the general public. Any person may oppose a trademark against the statement published by the department within 35 days of such publication.</p> <p>To register trademarks owned by foreign entities, it is mandatory for the applicant to provide a certified or notarised copy of a valid trademark registration certificate from its home country or some other jurisdiction. This certificate from a foreign jurisdiction should be for the same mark, in the same class, and it should be in the name of the same applicant.</p>
Philippines	<p>Once a trademark is registered in Philippines, proof of use should be submitted within three years of the filing date of application. Proof of use need not be filed before the registration.<sup>[[10]]</sup> The registration will be cancelled if proof of use is not filed within the stipulated time.</p> <p>A registrant is required to prove continuous use of the mark by filing cogent evidence</p>

	<p>between the fifth and sixth year anniversary of the registration date.</p>
Vietnam	<p>In Vietnam, trademark registrations are subject to the first - to - file principle. Therefore, trademarks can only be protected exclusively through registration, except for well - known trademarks.</p> <p>From the date on which the trademark application is received by the National Office of Intellectual Property of Vietnam (IPVN), the same shall be examined in the following order:</p> <ul style="list-style-type: none"> <li>• a trademark registration application shall have its formality examination done within one month of the filing date; and</li> <li>• a trademark application shall be published within two months of it passing the formality check. The application is open for opposition and comment from third parties.</li> </ul> <p>Trademark applications in Vietnam undergo a subsequent examination to determine their eligibility for registration on substantive grounds. The outcome of this examination is typically available within nine to 12 months of the date of the decision to accept the trademark application. To explain further, once the substantive examination is completed, if a trademark application satisfies the necessary criteria, the IPVN will issue a decision expressing the intention to grant a certificate of trademark registration. At this point, the applicant will be required to pay the fees for the granting and publication of the registration.</p> <p>If the application has been opposed, the substantive examination report is issued at the same time irrespective of a pending opposition. A substantive examination is carried out by examiners of the IPVN within six months of the date of publication. Therefore, there may be a</p>

	<p>situation where the applicant is required to contest the opposition and also respond to the substantive examination report, simultaneously.</p> <p>Previously, Vientam's trademark law stated that a mark that had been expired for less than five years could still be cited as a citation to refuse protection for a similar or identical trademark with a later filing date. However, a recent amendment stated that expired marks cannot be the reason for refusing present trademark registrations.- [[11]]</p>
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While the procedure or steps for registration remain more or less the same in most countries, the broad steps are mentioned below.

### Filing And Formality Check

A trademark application is first evaluated on a preliminary level, wherein the examiner checks for compliance with the basic formality requirements, such as payment of the applicable fee, submission of documents in the prescribed format, adequate stamping requirements wherever applicable, proper classification of the goods and services under the applicable trademark classes and appropriate goods or service description, etc.

### Examination Of Application

The mark is then evaluated on merit on two grounds, broadly classified as the absolute and relative grounds of refusal. If an objection is raised, the applicant will be given a certain period of time to respond with an argument or alternative proposal. The statutory time to respond to the refusal letter varies from one country to another – usually 30 to 90 days' time is given for responding, and extensions may be available.

### Absolute Grounds Of Refusal

Absolute grounds of refusal are often the first threshold that a mark passes through in its journey towards registration. These grounds test a mark on the fundamental requirements stipulated under the applicable laws. The absolute grounds of refusal are largely similar in most jurisdictions and cover the tests of whether the mark is:

- distinctive;
- descriptive of the goods and services for which it is applied;
- customary in the language or trade;
- likely to deceive the public or cause confusion;
- composed of scandalous or obscene matter or is it likely to hurt the religious sentiments of any class;
- composed of prohibited emblems or names, etc.



The absolute grounds of refusal are designed to maintain the sanctity of the trademark system by ensuring that marks adhere to the basic requirements stipulated under governing legislation.

### **Distinctiveness And Non-descriptiveness Of A Mark**

As the trademark is a crucial instrument of connection between a business and its customers, the primary test of a strong mark is its ability to individualise the goods or services of the owner of the trademark from those of others. There is no exhaustive method to evaluate distinctiveness of a mark, and different categories of marks may attract different standards or levels of distinctiveness. For example, establishing the distinctiveness of a composite mark comprising phonetic and figurative elements may be easier than that of a colour mark or a two letter mark. Based on the distinctiveness level, trademarks are broadly classified into the following categories, ranging from the strongest to weakest.

- **Coined marks:** these are the marks that were originally created or invented, do not have any dictionary meaning in the relevant language and were never used until the applicant coined it as its trademark. Although a coined mark may suffer initial setbacks (eg, additional investment towards its creation, higher marketing investment, a longer time in building market recognition, and confusion or uncertainty on the consumers' part in pronunciation of a coined, unfamiliar term), adopting a coined mark paves the way in building a brand's independent recognition and reputation, especially in the long term.
- **Arbitrary marks:** an arbitrary mark is one that consists of existing word(s) unrelated to the goods and services offered under the trademark. Arbitrary marks come with the advantage of easier recollection value.
- **Suggestive marks:** a suggestive mark is one that suggests the kind, quality, quantity, nature, purpose or other characteristic of the goods and service without bearing any direct or immediate reference to the goods and services in question.
- **Descriptive marks:** a descriptive mark is one that clearly describes the kind, quantity, quality, intended purpose or any other characteristic of the goods or service. Given the ability of descriptive marks to impart immediate information about the goods and services, it might be highly alluring to adopt these marks; however, these marks lack individuality and would not be able to function as source indicators.
- **Generic marks:** at the lowest rung of the distinctiveness spectrum are generic marks, which are commonly accepted terms or indications used in the particular trade to connote the goods and services in question. These marks are the weakest and are not granted registration.

Thus, adopting a coined or arbitrary mark is clearly advantageous from the perspective of building a multi-jurisdictional brand portfolio, as the chances of such a mark facing objection is much lower compared to the other categories of marks. The acceptance of a mark as being distinctive and non-descriptive, in one or more jurisdictions, may have persuasive value in other jurisdictions where the mark faces objections under similar grounds of refusal, and the applicant may strategise the order of filing in different jurisdictions accordingly.

### **Relative Grounds Of Refusal**

Relative grounds of refusal evaluate a mark with respect to the prior rights of other third-party marks, to eliminate a likelihood of confusion among the public. Below are few effective strategies and other relevant factors concerning the relative grounds of refusal.

- Analysis of various factors: an objection based on relative grounds can be overcome based on a comprehensive analysis of factors such as: the degree of identity or similarity between the marks; the nature of the goods or services; the extent to which the rival goods or services are similar or identical to one another; the commonality of trade channels, the end point of sales, target consumers, the mode of purchase and the price of goods or services; and the nature of consumers, their level of sophistication, the extent of their fastidiousness and the deliberation exerted behind a purchase.
- Rules of comparison of marks: in overcoming the objections based on relative grounds, the two most commonly invoked rules are the rule of anti-dissection of trademarks and the rule of identifying the dominant feature of marks. While the rule of anti-dissection of marks requires the marks to be compared in their entirety without being split into individual components, the second rule of determining the dominant feature allows the rival marks to be broken down into parts to identify the dominant element based on which a consumer recalls these marks. Both the rules are based on the reasoning that an average, reasonably prudent buyer is not expected to remember every detail in a mark, but rather the mental impression that a mark creates in its totality.
- Consistency in legal positions: while building a multi-jurisdictional brand portfolio, it is essential to maintain consistency in the legal grounds and submissions relied upon across jurisdictions. In today's highly competitive environment businesses are keen on expanding their brand's footprint across multiple jurisdictions, and it is not uncommon for a mark to face a conflict or challenge from a common entity's prior registered or pending application in more than one jurisdiction. In these situations, it is important that the applicant focuses on building their strategies of attack and defence from a holistic perspective, taking into account the multiple jurisdictions of interest, rather than focusing on the hurdles faced in each jurisdiction from an isolated standpoint. Lack of foresightedness and understanding has often caused applicants to unwittingly take contradictory legal positions in different proceedings or countries that later may prove fatal to the applications in the long run. In addition to defending the trademark, an applicant can also explore the possibilities of peaceful worldwide coexistence with conflicting trademarks.
- Goods and service description (differences in): another aspect that proves to be crucial in overcoming hurdles based on relative grounds is clarity in the specification of goods and services. Often, the conflicting marks cited by the examiner may relate to entirely different categories of goods and services despite falling under the same trademark class. It is well accepted that the trademark classification is merely a tool for administrative convenience and cannot be solely relied on to determine substantive issues in the registration process. Conflicting goods cannot be held similar merely for the reason that they fall under the same class. For example, Class 03 of the NICE system of classification covers cosmetic preparations as well as substances for laundry use. The proprietor of a trademark cannot enjoy monopoly over the mark for the entire class of goods, when the mark is used only for some goods falling under the class.

## Publication And Oppositions

A third party wishing to oppose the registration of a trademark should file their grounds of opposition within the opposition period. The opposition period in APAC countries usually ranges from one month to four months from the date of publication. For example, it is 30 days in the Philippines, two months in Singapore and Malaysia, three months in Brunei and four months in India.

### Opposition Procedure

If the mark is opposed by a third party, a separate opposition procedure is often followed, which varies in every jurisdiction. Evidence is placed on record and hearings are held to determine the fate of registration of the mark. The time required to obtain an outcome of the opposition proceeding differs from one country to another and depends on various factors, such as agency backlog, the level of digitisation and the functioning of the judiciary in the concerned jurisdiction.

### Registration Of The Trademark

Once the trademark is published, and no opposition is filed, it proceeds to registration. A trademark registration usually lasts for 10 years and is renewable for successive 10-year periods.

## COST OF FILING TRADEMARK APPLICATION

The cost of registering trademarks varies from country to country. For example, in Thailand, the designated fees for filing an application are based on the number of goods or services. They allow only five goods or services in a class. If the designated goods or services in any class are more than five, the official fees are payable at flat rates instead of per item basis.

In Singapore, there is a cost difference of approximately US\$100–150 based on whether the applicant chooses to file the trademark application manually or online. Further, the cost of filing is lower if the applicant chooses the goods or service description from the pre-approved database of the Intellectual Property Office of Singapore; if the description of the goods or service is not from the pre-approved list, additional charges are payable.

In Indonesia, the fees for applying for a trademark are dependent upon the category of the applicant; if the applicant is a micro or small business, then the charges per class for registering a trademark are lower than the charges applicable to a public limited company.

In countries such as Pakistan and Afghanistan, there is one-time fee chargeable at the time of filing the application, until the application faces opposition. In these countries, the applicant does not have the option to file multi-class applications.<sup>[12]</sup>

In some jurisdictions such as China, owing to the further subdivision of NICE classification, the number of classes in which a trademark is to be protected increases, which increases the overall cost. There are more than 700 classifications of goods and services that have been approved by the Chinese government. This classification system has been the result of years of feedback from trademark owners and industry experts. The system is designed to help trademark applicants select a classification for their application as well as to provide a basis for the examiner's search for prior applications.<sup>[13]</sup>

## PERIODIC AUDITS OF TRADEMARK PORTFOLIO

A robust trademark portfolio requires that the trademark applications, both pending and registered, in multiple jurisdictions be kept updated at all times from a factual and legal standpoint. Periodic audits, at least on an annual basis, bring to the fore any gaps or lacunae in the brand protection that may otherwise go unnoticed. A comprehensive audit not only covers the aspects relating to maintaining the applications but also the actual use of the mark in commerce. Further, a brand audit ensures that any change (eg, recording an ownership change, a new licensing or changes to the specification of goods and services) pertaining to a trademark is recorded in all the jurisdictions where the trademark application is pending registration or has been registered. These audits also provide the applicant the opportunity to review their IP policies, apprise themselves of any relevant changes or procedural requirements in the legal system and keep up with the changes in view of the emerging situations or market trends of each jurisdiction.

### **TRADEMARK WATCH**

An effective trademark strategy would be incomplete without a trademark watch service, wherein the applicant engages the services of professional IP practitioners in the jurisdictions of business interest to periodically assess the latest trademarks published. These watch services help to identify any potentially conflicting third-party mark. As time is of the essence in all intellectual property matters, timely identification and curbing of third-party conflicting marks lays the foundation of a strong trademark portfolio.

### **PROTECTION IN THE METAVERSE**

Businesses today are increasingly keen on securing and protecting their trademarks in the metaverse. As the APAC region covers some of the most populous nations and considering the increasing growth rate of the millennial population in this region, it is expected that the IP landscape in the APAC region will be greatly influenced by the metaverse in the coming years. Business owners should secure their trademarks not just in the real world, but also in the metaverse to prevent misuse of their rights from pre-emptive or mala fide filings.

### **CONCLUSION**

In putting together an effective multi-jurisdictional brand portfolio, the IP owner needs to factor in multiple important aspects such as: overall and stage-wise budgets, key jurisdictions of interest, timelines for launch of the mark, filing of trademark applications, market investments and future business developments.

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### **Endnotes**



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# Specialist Chapter: Letters of Consent in Chinese Prosecution Procedures

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## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

BASIC INFORMATION ON TRADEMARK COEXISTENCE AND TRADEMARK COEXISTENCE AGREEMENTS

DEVELOPMENT OF LETTERS OF CONSENT IN CHINA

REVIEW CASES INVOLVING LETTERS OF CONSENT

CONCLUSION AND FUTURE FEASIBLE STRATEGIES

ENDNOTES

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## IN SUMMARY

Letters of consent submitted in prosecution procedures are not only a legal issue, but also concern the consumer protection and the economic interests of the related entities. Owing to China's change of business mode from high-speed growth to high-quality development, the China National Intellectual Property Administration (CNIPA) is now changing its attitude to letters of consent in prosecution procedures. Since October 2021, the CNIPA has gradually tightened its acceptance of letters of consent in trademark refusal review cases. The examiners of the CNIPA confirmed this change during the on-site Q&A session at the Dongguan Trademark Festival in June 2023. Trademark applicants need to pay attention to this change and find feasible solutions when a refusal notification is issued.

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## DISCUSSION POINTS

- Basic information on trademark coexistence and trademark coexistence agreements
  - The development of letters of consent in prosecution procedures in China
  - Review cases involving letters of consent
  - Conclusion and future feasible strategies
- 

## REFERENCED IN THIS ARTICLE

- Guidelines for the Administrative Trial of Trademark Granting and Verification Cases
- CNIPA's Annual Report 2022

Whether letters of consent or trademark coexistence agreements are accepted and recognised in trademark refusal review cases has been a hot topic of discussion in China. China adopts the first-to-file principle and conducts relative ground examination. Owing to the surge in trademark applications in recent years, the total number of valid trademarks in stock has reached more than 40 million; such a large number of valid registrations makes it difficult to smoothly register a new trademark. According to CNIPA's Annual Report 2022, among all the trademark applications filed in 2022, only 52% of the trademark applications passed preliminary examination, whereas 14.4% were partially rejected and 33.6% were totally refused.<sup>[1]</sup> In the overall 48% rejection, a large portion was rejected owing to other parties' prior identical or similar marks. If a trademark is rejected because of a prior identical or similar trademark, is it still possible to consider the approach of obtaining a letter of consent from the prior right holder to support the review arguments that the trademarks will not cause confusion in the public, in order to obtain registration in the refusal review procedure?

As far as past practice is concerned, letters of consent have been accepted in quite a large number of the refusal review cases and successfully helped many applicants register trademarks. However, since October 2021, the CNIPA has gradually accepted fewer letters of consent (or coexistence agreements) in trademark refusal review cases. At the Dongguan Trademark Festival in June 2023, the examiners of the CNIPA held an on-site Q&A session, during which the examiners confirmed that this is the case. It is foreseeable that in future

prosecution cases, the examination of consent letters will be more stringent and the letters will be less likely to be accepted.

In this article, the author predicts the development of the trend of letters of consent in China by analysing the basic information and development history of letters of consent in China, as well as giving examples of the contrary adoption of letters of consent in some review cases, to help trademark applicants better plan their trademark strategies in China in the future.

### **BASIC INFORMATION ON TRADEMARK COEXISTENCE AND TRADEMARK COEXISTENCE AGREEMENTS**

With regard to trademark coexistence, the World Intellectual Property Organization (WIPO) defines that “Trademark coexistence describes a situation in which two different enterprises use a similar or identical trademark to market a product or service without necessarily interfering with each other’s businesses.”<sup>[2]</sup> In the case of coexistence of trademarks, trademarks belong to different entities, rather than being jointly owned by two entities.

The coexistence of trademarks is due to the fact that trademarks, as a kind of identification symbol, have relatively certain and limited numbers. Through the arrangement and combination of different elements, the same and similar trademark symbols will inevitably appear. The trademark right itself is a kind of exclusive right. To avoid the loss caused by the similarity of trademarks, the right owners often have to sign a trademark coexistence agreement between two or more parties within the scope that they think will not cause confusion.

Regarding trademark coexistence agreements, the International Trademark Association (INTA) defines that:

A coexistence agreement is an agreement by two or more persons that similar marks can coexist without any likelihood of confusion; it allows the parties to set rules by which the marks can peacefully coexist. Both parties are permitted to use the same mark in connection with the same or similar goods or services. Usually the agreement is limited by geographic boundaries.<sup>[3]</sup>

A trademark coexistence agreement is a declaration document issued by the right holder of a prior registered trademark for another entity, agreeing to the coexistence of the two parties’ marks. In practice, a trademark coexistence agreement is used as important evidence in refusal review cases where the applicant submits to the examiners and judges to overcome the obstacle of prior trademark rights.

After the cited trademark right holder issues the coexistence agreement, it is deemed as a certain concession of the protection scope of its own trademark right. According to Article 15.12 of the Guidelines for the Administrative Trial of Trademark Granting and Verification Cases issued by the Beijing High People’s Court (2019), if the cited trademark right holder files an opposition or invalidation against a trademark on the ground that the disputed trademark and the cited trademark constitute similar trademarks after the cited trademark holder has issued a coexistence agreement, this claim shall not be supported, unless the agreement is invalidated or revoked according to the law.

### **DEVELOPMENT OF LETTERS OF CONSENT IN CHINA**



Letters of consent in prosecution procedures in China have gone through a dynamic development process, including non-recognition, conditional recognition and prudent recognition, which reflects the general trend of China's economic development in past years.

In the beginning, China's market economy was developing relatively slowly, and enterprises had not attached enough importance to trademarks, the number of trademark applications was small and the chance of encountering prior identical or similar trademarks during the substantive examination procedure was relatively low. Under these circumstances, the Trademark Office strongly protected the first-filing and originality of trademarks, and thus firmly opposed trademark coexistence agreements. By doing this, market entities could see the economic value brought by their trademarks, which effectively enhanced people's awareness of trademarks and attached importance to them, promoting the development of intellectual property rights in China.

With the development of China's market economy and the internationalisation of intellectual property rights, the attitude of resolute disapproval of letters of consent no longer met the market's needs. The high-speed, stable and diversified development of the market economy led to an unprecedented increase in the registration and use of trademarks, and the limited nature of trademark resources was highlighted. To adapt to the development of the market, the attitude towards trademark coexistence agreements in the trademark prosecution cases also changed from the earlier disapproval to conditional approval. Examiners and judges comprehensively considered elements, such as the goods and services designated by the trademarks, the geographical area of use, the originality and popularity of the trademark, and recognising a bona fide coexistence agreement that the two parties signed on the basis of honesty and good faith, to achieve efficiency and fairness in review examination and trial procedures. However, for some special industries, such as those related to public health, trademark coexistence agreements were relatively less recognised and even opposed by trademark offices or courts. This is a kind of administrative method to safeguard the basic interests of the general public and develop the market in an orderly way. During this period, the Beijing High People's Court issued several regulations regarding coexistence agreements, including 'Several Legal Issues Needing Attention in the Current Intellectual Property Trials' (2018) and 'Guidelines for the Administrative Trial of Trademark Granting and Verification Cases' (2019), in which the Beijing High Court held that:

to determine whether the trademark at issue and the cited trademark constitute similar trademarks, the coexistence agreement can be used as prima facie evidence to exclude confusion.

...

If the disputed trademark and the cited trademark are similar in composition and are used on the same or similar goods, and the owner of the cited trademark has issued a coexistence agreement, in the absence of other evidence proving that the coexistence of the two parties' trademarks is very likely to lead to confusion among the relevant public, it can be determined that the disputed trademark and the cited trademark do not constitute similar trademarks.

According to cursory statistics, the total number of cases involving coexistence agreements that were fully or partially upheld by the CNIPA from 2018 to the end of 2021 was more than 50% in all the review cases filed.

With the improvement of China's business environment, China's business mode is upgrading from high-speed growth to high-quality development, in which trademark protection and brand building plays a great role. Protecting the interests of consumers, producers and operators has always been one of the legislative purposes of the Trademark Law. However, with the increase in the number of cases involving trademark coexistence agreements and subjectivity in determining the likelihood of confusion, there is a tendency for examiners to simplify and expand the acceptance of trademark coexistence agreements in their examination (according to the CNIPA's examiners). The CNIPA has also noted that whether to accept a coexistence agreement and the degree of acceptance of a coexistence agreement are not only legal issues, but are also economic issues. In real economic activities, consumers are usually unaware of signing a coexistence agreement and have no way of knowing the content of the agreement. Allowing the coexistence of similar trademarks under different entities increases the cost of consumer identification, and even leads to damage to the interests of consumers. In addition, some registrants of prior trademarks, after issuing the coexistence agreement due to the consideration of private interests, called it off later because of the changes to market conditions and business situations, and lodged lawsuits for trademark disputes, contract disputes or even administrative disputes. This also results in a waste of administrative and judicial resources. Under these circumstances, to balance private rights and public interests, the CNIPA has again adjusted and limited the acceptance of trademark coexistence agreements. During the on-site Q&A session at the Dongguan Trademark Festival in June 2023, examiners of the CNIPA confirmed the change in their examination of letters of consent. They will examine the cases mainly based on whether the trademark itself will cause confusion and mislead in the public, and will only take the coexistence agreement as a preliminary consideration, not as an important consideration. This adjustment in examination practice has already led to a reduction in the acceptance rate of coexistence agreements by administrative and judicial authorities.

## REVIEW CASES INVOLVING LETTERS OF CONSENT

### Statistics And Analysis Of Cases Concluded By The Appeal Board Of CNIPA In Recent Years

According to cursory statistics through Mozhilun's online database, the number of refusal review cases involving letters of consent concluded by the Appeal Board of CNIPA in 2018–2023 is as follows.

Year	Number of review cases	Result: total refusal	Result: total preliminary approval	Result: partial approval
2018	1,459	637	500	219
2019	2,050	969	580	366
2020	2,310	983	805	410
2021	2,850	1842	502	438
2022	2,480	1,948	80	437

2023 (until 8 June 2023)	512	393	18	101
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From the above chart, it is easy to see that from 2018 to 2020, the number of review cases in which letters of consent were recognised increased year by year, but from 2021 onwards, the number decreased year by year. After further examination of the 18 review cases in 2023 in which letters of consent were accepted by the CNIPA, most of them were re-adjudication cases as per courts' rulings. Considering that the CNIPA and the courts have already deeply communicated and exchanged opinions on the issue of letters of consent, it is expected that the number of cases in which the letters of consent are accepted will decrease further in the future.

### Comparison Of Similar Cases Involving Letters Of Consent

During the searches, the author also found some contrary review decisions. For some review cases before October 2021, letters of consent had been accepted and recognised by the CNIPA. However, in subsequent cases after October 2021 in which the applicants applied for the same or similar trademarks and encountered the same prior cited marks, even if the applicants submitted letters of consent, the CNIPA refused to accept them based on the latest practice.

#### The Pre-October 2021 Cases Are As Follows.

	Applied - for trademark	Prior trademark	Class	Result	Authority	Issuing time
1	P•àç7 No. 30848551	P•Á8 No. 9779591	36	Accepted	Appeal Board of CNIPA	2019
2	No. 44567857	No. 29526411	9	Accepted	Appeal Board of CNIPA	2021.9
3	No. 42572151	No. 21175663	21	Accepted	Appeal Board of CNIPA	2021.1

#### The Cases After October 2021 Are As Follows.

	Applied - for trademark	Prior trademark	Class	Result	Authority	Issuing Time
			1			

	No. 56909815	P•Á8 No. 9779591	36	Unaccepted	Appeal Board of CNIPA	2022
2	No. 62558844	No. 29526411	9	Unaccepted	Appeal Board of CNIPA	2022.12
3	No. 47458831	No. 21175663	21	Unaccepted	Appeal Board of CNIPA	2021.10

From the above examples, it can be concluded that the degree of acceptance of consent letters or coexistence agreements in the refusal review cases is getting tighter and tighter. Although the official authority previously accepted letters of consent in similar cases, they are now adopting a prudent attitude towards consent letters, and the submission of coexistence agreements or consent letters is no longer an effective strategy to overcome the refusal.

## CONCLUSION AND FUTURE FEASIBLE STRATEGIES

With the country's emphasis on IP rights and increasing public awareness of IP protection, the number of trademark applications in China is growing by leaps and bounds. By the end of 2022, the number of effective trademark registrations in China was 42.67 million. The increase in prior applications and registered trademarks means there is a high chances of refusal due to prior similar trademarks. In the past, trademark coexistence agreements were being widely used and chosen by trademark applicants as a time-consuming but feasible solution. However, with the country's shift to a high-quality economic development mode and the protection of consumers' and business entities' interests, the CNIPA's acceptance of letters of consent has reduced. In some cases, even is there is precedent (ie, prior identical trademarks have been approved for registration based on consent letters), examiners do not accept the consent letters in refusal review cases of later trademarks in the same situation. Applicants need to be aware of this change in practice and respond to it proactively.

While adjusting the degree of acceptance of letters of consent, the good news for applicants is that the CNIPA is now accepting suspension requests in some trademark review cases. There are seven circumstances where examination shall be compulsorily suspended, including if the status of the cited trademark must be based on the results of another case that is under trial by the people's court or being handled by the administrative authorities, CNIPA should suspend the refusal review examination upon the applicant's explicit request. Therefore, trademark applicants should pay attention to the recent change in trademark practice in China, or should consult with experienced trademark attorneys on specific issues to avoid wasting time and energy.

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## Endnotes



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# Specialist Chapter: Trademark Hijacking Across the Region and How to Overcome it

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## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

HOW TO PROTECT AN APPLICANT'S OWN TRADEMARK RIGHTS

CASE EXAMPLES

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## IN SUMMARY

With the continuous strengthening of China's national strength and the promotion of the Belt and Road Initiative, more and more Chinese brands have become known by overseas consumers. It is important to let Chinese companies know how to protect their own brands overseas – especially in the Asia-Pacific region.

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## DISCUSSION POINTS

- Ways on how to protect your trademark rights
  - Case examples
- 

## REFERENCED IN THIS ARTICLE

- Belt and Road Initiative

When it comes to overseas trademark protection, it is natural to think of a huge and spectacular overseas trademark protection map of Chinese enterprises from all walks of life marching towards more than 200 countries and regions around the world. Indeed, all types of Chinese enterprise have potential demand for product export. The destination country of export may be any country or region in the world, depending on the enterprise.

In recent years, with China's continuous strengthening and the promotion of the Belt and Road Initiative, more and more Chinese brands have become known by overseas consumers. Because of this, the Asia-Pacific region has become a high incidence area for trademark registration. For example, Longjing tea, Biluochun, Dahongpao, Xinyang Maojian and other tea brands are registered as trademarks by the same tea dealer in South Korea; Hongtashan, Ashima, Yunyan, Hongmei and other cigarette trademarks were registered by a Philippine businessman; and the trademark of white rabbit milk candy is not uncommon in Japan, the Philippines, Indonesia and being pre-empted.

## HOW TO PROTECT AN APPLICANT'S OWN TRADEMARK RIGHTS

Most countries in the Asia-Pacific region have many similar legislative provisions to curb the act of trademark pre-emption. Enterprises can protect their rights in the following ways.

### Submitting Public Opinions For The Marks Under Examination

Some countries and regions, such as Korea, can accept public opinions for the marks under examination, which is also known as third-party observation. At the stage of trademark examination by the Trademark Office, the trademark owner or interested party unilaterally submits a formal written letter stating the specific reasons for opposing the trademark registration (eg, it is similar to a previous application or registered trademark; and agents and dealers, etc, maliciously rushed to register others' previous well-known trademarks), and the trademark examiner judges whether to approve the reasons for the opposition according to their authority. Then they decide whether to reject the trademark registration application. Public opinions proceedings usually do not require the participation of trademark applicants. The public opinion procedure provides an opportunity for the person who pre-empted the trademark application to oppose the malicious pre-emption of others. There is no specific

deadline to file public opinions before the Trademark Office, and they can be filed during the trademark examination procedure. Compared with objection, cancellation and invalidity procedures, the administrative procedure is often flexible and more cost-effective.

### **Opposition Procedure Against Marks Under Publication Period**

If a trademark is found to be pre-empted by others overseas, the applicant may file an opposition application during the publication period according to local regulations and request to stop the registration of the trademark. At present, most countries and regions have set up a publication period in the trademark registration process. Some countries and regions implement the publication procedure before substantial examination, which puts the opposition procedure before substantive examination, such as Macao and some South American countries. Others adopt the publication procedure after finishing substantial examination, such as Korea, Taiwan and China.

### **Invalidation Application Against The Registered Trademark**

If the registration of the disputed trademark has been approved due to the expiration of the trademark opposition period or the failure of the opposition, the pre-empted registrant can also use the invalidation procedure to request that the corresponding competent department invalidate the registered trademark and continue to strive to protect its own rights and interests. For the request for invalidation, in some countries it needs to be filed with the trademark authority, and in some countries it needs to be filed with the court. Most national laws stipulate that the request for invalidation must be filed within five years of the date of registration of the disputed trademark.

### **Revocation Or Cancellation Of The Registered Trademark**

For registered trademarks, most countries and regions have established a procedure for revoking trademarks that have not been used for some years without justifiable reasons, usually for three or five years. If an enterprise finds that another person has pre-empted the registration of a trademark in the process of an overseas trademark application or monitoring, it can use the cancellation procedure to apply for the cancellation of the registration of the trademark if it is judged that it is not actually used according to the situation of the registrant.

### **Send A Warning Letter To The Pre-emptor Or Infringer**

Sending a warning letter to the pre-emptor or infringer can be a deterrent. In some cases, it can directly resolve the dispute, and in some cases, it can produce certain legal effects (eg, evidence of malicious infringement) that promote the settlement of disputes at a lower cost. Especially when trademark infringement occurs, enterprises can send warning letters to infringers based on the trademark rights they have obtained.

### **Negotiation And Reconciliation**

Negotiation and reconciliation are also important ways to deal with overseas trademark disputes. If trademark rights and interest disputes can be resolved through negotiation and reconciliation, the cost is usually lower than going through the judicial process, the cycle is shorter and, in some cases, the commercial effect is better. Negotiation and reconciliation often need some legal procedures to encourage cooperation, such as pressuring the other party through prosecution.

### **Mediation Or Arbitration**



After the trademark rights and interest dispute occurs, enterprises can choose mediation or arbitration to solve the dispute according to the agreement reached in advance or after the event. Mediation or arbitration is more party-oriented. Mediation agreements and arbitral awards are often legally enforceable, and their international enforcement is usually easier than the extraterritorial enforcement of court decisions. In addition to national mediation and arbitration institutions, the WIPO Arbitration and Mediation Center also provides specialised arbitration and mediation services for intellectual property disputes.

### **Litigation Procedure**

Litigation is one of the most important ways to deal with disputes over overseas trademark rights and interests. Especially in countries and regions where the judicial system is relatively perfect, the right holder often seeks relief through litigation procedure. Chinese enterprises can choose to bring a lawsuit in court when their rights and interests are damaged due to rush registration and infringement of trademarks overseas. In the world, safeguarding rights through litigation is usually a long process and has a relatively high cost, but it is one of the best ways to strengthen protection.

### **Administrative Relief**

Resolving disputes through administrative measures is also an important remedy for enterprises. Especially for countries or regions where the judicial system is not perfect, the choice of administrative relief is often more efficient and effective. In particular, the malicious pre-emptive registration of trademarks clearly violates the principle of good faith. Most countries and regions with trademark systems around the world have prescribed restrictive measures against this vicious act. Administrative measures usually include daily supervision and administrative law enforcement. The authorities implementing administrative measures vary between countries and regions, including customs, police (such as intellectual property police) and market anti-monopoly bureaus. Before taking advantage of administrative remedies, enterprises should fully understand the functions of relevant local administrative departments and applicable administrative procedures and practices, and seek administrative remedies in accordance with relevant procedures and regulations on the basis of evaluating the expected results.

### **CASE EXAMPLES**

To help enterprises cope with trademark rush registration, the following are several cases of rights protection in different countries.

#### **China: Opposition Against Trademark Application For In 'SRAM' Class 21**

SRAM, founded in 1987, is one of the largest high-end bicycle parts brands in the world. Its components are mainly manufactured in its factories located in Portugal, Taiwan, mainland China and the United States, and distributed and sold as original equipment manufacturers equipment and aftermarket parts in the global high-end market. In recent years, the 'SRAM' trademark has been frequently registered maliciously in mainland China by other parties, but the determination of the applicant to maintain the brand has never wavered. Through targeted monitoring, the applicant has continuously cracked down on the maliciously registered trademark and achieved good results.

In this case, all trademarks under the name of the opposed party are the same or similar to well-known brands of others. The party maliciously attempts to plagiarise already famous

trademarks, demonstrating that they consistently plagiarise and imitate other parties' trademarks, and try to attach importance to the popularity of other trademarks, causing confusion and misunderstanding among the relevant public. The acts of the opposed party are clearly in bad faith.

We also stated that before the application date of the opposed trademark on 27 September 2017, the opponent's 'SRAM' trademark had established a certain influence in the relevant public areas in China through extensive use and publicity for sports water cups, bicycles, bicycle parts, bicycle equipment and other goods. The opposed trademark is identical to the opponent's trademark 'SRAM'. The goods designated by the opposed trademark are closely related to the goods designated by the opponent's prior use of the trademark. The registration and use of the opposed trademark will inevitably lead to confusion among consumers, thus damaging the rights of the opponent and the interests of consumers. This is to try to prove that the opponent's trademark indeed has actual use in China; hence, the holder of the opposed trademark clearly has knowledge of the opponent's brand. Therefore, the application of the opposed mark should not be deemed as in good faith.

In the opposition decision, the CNIPA supported these arguments and decided to not register the subject hijacking trademark.

#### **Indonesia: Opposition Against Trademark 'Zâ'**

The trademark ~~'Zâ'~~ Beijing Sankuai Technology Co, Ltd (Sankuai), was pre-empted by an individual named Yu Weng Kiang in Indonesia. Sankuai had registered the trademark and widely used it in China, but had not registered the ~~'Zâ'~~ trademark in Class 12 in Indonesia.

To protect its legal right, Sankuai filed a trademark opposition application against this mark. Sankuai provided the registration certificate of the trademark ~~'Zâ'~~ China and many countries and regions around the world. The application date of these trademarks was earlier than the application date of the pre-emptive registrant in Indonesia. Further, there were hundreds of trademarks under the name of the pre-emptive registrar that they had no real intention to use, and the malicious nature was clear. Sankuai provided evidence of the use of the trademark ~~'Zâ'~~ Class 12 (bicycles) and other goods in mainland China (Meituan bike sharing), and also provided evidence of the use of the trademark in the catering industry in Indonesia (Meituan app). The date of use is earlier than the date of application of the pre-emptive registrant in Indonesia.

Finally, the Indonesian Trademark Office supported the opponent's arguments, and decided to not register this trademark.

#### **Philippines: Opposition Against Trademark 'Zâ'**

The trademark ~~'Zâ'~~ Beijing Sankuai Technology Co, Ltd (Sankuai), was pre-empted by an individual named Alex Shih in the Philippines. Sankuai had registered the trademark and widely used it in China, but had not registered the ~~'Zâ'~~ trademark in Class 5 in the Philippines.

To protect its legal rights, Sankuai filed a trademark invalidation application against this mark. Sankuai provided the registration certificate of the trademark ~~'Zâ'~~ China and the evidence of its extensive use in China. The application date and use date of the trademark were earlier than the date of the application of the pre-emptive registrant in the Philippines. Further, there were 46 records of famous domestic brands under the name of the person who scrambled for the registration, and the malicious nature of the application is clear. The ~~'Zâ'~~ under the name of Sankuai had been designed as highly significant, and the trademark

applied for by the registrant in the Philippines is consistent with it, which falls under malicious imitation of other well-known trademarks.

Finally, the Philippine Trademark Office supported the applicant's arguments and decided to not register this trademark.

Generally, I hope that through the introduction of this article, more and more Chinese enterprises will pay enough attention to the protection of their own brands. No matter which country in the Asia-Pacific region they are in, proactive rights protection can effectively help enterprises better carry out business activities in local markets.



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# Australia: The Prosecution Landscape From Pendency to Use Requirements

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LegalVision

## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

WHAT CAN I REGISTER?

WHAT CAN I NOT REGISTER?

HOW ARE UNREGISTERED RIGHTS PROTECTED?

HOW ARE NON-TRADITIONAL MARKS PROSECUTED?

HOW IS TRADE DRESS PROTECTED?

HOW ARE OPPOSITIONS HANDLED?

HOW ARE CANCELLATIONS HANDLED?

WHAT ARE PENDENCY LEVELS FOR THE LAST 12 MONTHS?

HOW TO TRANSFER OWNERSHIP OF TRADEMARK REGISTRATIONS

LICENSING AND ASSIGNMENT BEST PRACTICE

WHAT ARE THE FIVE KEY 'NEED TO KNOWS' FOR THE JURISDICTION?

ENDNOTES

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## IN SUMMARY

Australian law provides protection for a range of traditional and non-traditional trademarks. Both registered and unregistered trademarks are recognised and protected in Australia, either by way of formal registration under trademark legislation, or the protection afforded by the consumer law and the common law tort of passing off. Australia's trademark legislation provides avenues for the opposition to registration of trademarks, as well as removal of trademarks from the register.

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## DISCUSSION POINTS

- What can and cannot be registered as a trademark
  - How unregistered trademark rights are protected
  - How non-traditional marks and trade dress are protected
  - How trademark oppositions and cancellations are handled
  - Trademark licensing and assignment best practice
  - Key 'need to knows' for Australia
- 

## REFERENCED IN THIS ARTICLE

- [Trade Marks Act 1995 \(Cth\)](#)
- [Competition and Consumer Act 2010 \(Cth\)](#)
- [Copyright Act 1968 \(Cth\)](#)
- [BP plc \[2014\]](#)
- [Kraft Foods Group Brands LLC v Bega Cheese Limited \[2020\]](#)

## WHAT CAN I REGISTER?

Australian trademark legislation (the Trade Marks Act 1995 (Cth)) provides for registration through the Australian trademarks office (IP Australia) of a sign used or intended to be used to distinguish a trader's goods or services from those of others in the marketplace.

### Registrable Signs

Signs that may be registered as a trademark in Australia include words, logos, phrases, letters, numerals, symbols, foreign characters, signatures, images, devices, colours, sounds, scents, shapes, movements, aspects of packaging or a combination of these. The most common types of trademarks registered in Australia are words and logos.

A single 'series' trademark registration may be granted for two or more trademarks that resemble each other in material particulars, and differ only regarding statements or representations as to the goods, services, number, price, quality, names of places or the colour of any part of the trademark.

### Use Or Intention To Use

Trademarks are only validly registered in relation to the goods or services, or both, for which they are used or intended to be used. An exception to this are 'defensive' trademark registrations, which may allow extremely well-known trademarks to be registered regarding goods or services not provided by the applicant.

### **Other Types Of Trademark Registrations**

IP Australia also provides for registration of:

- certification trademarks (including geographical indications), used to distinguish goods or services that meet a certain standard or characteristic from those that do not; and
- collective trademarks, used to distinguish goods or services provided by members of an association from those of non-members.

### **WHAT CAN I NOT REGISTER?**

Trademark registrability is assessed on both inherent and relative grounds. The most common objections relate to inherent distinctiveness and similarity to existing trademarks.

#### **Descriptive Or Non-distinctive Trademarks**

A trademark cannot be registered if it lacks capacity to distinguish the applicant's goods or services from those of other traders. A trademark generally cannot be common to the trade, descriptive of some aspect of the goods or services, or likely to be required to be used by another trader lacking improper motive. Depending on the severity of such an objection, an applicant may be able to overcome this by demonstrating evidence of use (or in some cases intended use) of the trademark.

#### **Identical Or Similar To Prior Trademarks**

A trademark cannot be registered if it is substantially identical, or deceptively similar, to an existing trademark application or registration with an earlier priority date, claiming the same or closely related goods or services. However, this type of objection may be overcome if the applicant can demonstrate prior use or honest concurrent use of their trademark.

#### **Other Grounds For Rejection**

A trademark application may also be rejected if the trademark:

- is scandalous or its use would be contrary to law;
- is likely to deceive or cause confusion;
- contains restricted financial terms such as 'bank' and 'credit society' in relation to Class 36 services, unless the applicant is appropriately authorised; or
- contains prohibited signs including flags, emblems or armorial bearings as prescribed by the Paris Convention for the Protection of Intellectual Property.

### **HOW ARE UNREGISTERED RIGHTS PROTECTED?**

#### **Australian Consumer Law**

The Australian Consumer Law (being Schedule 2 to the Competition and Consumer Act 2010 (Cth)) contains provisions relating to misleading and deceptive conduct. These provisions

may be relied upon to protect rights in an unregistered trademark, if the defendant has used a confusingly similar trademark in a way that is misleading or deceptive, or likely to mislead or deceive. Available remedies include an injunction and compensatory damages.

### Passing Off

Being a common law jurisdiction, unregistered trademarks can also be protected in Australia by the common law tort of passing off. Available remedies include an injunction, damages and exemplary damages. The plaintiff must establish that:

- there is goodwill or reputation in its branding, packaging, get-up, etc;
- the defendant has made a misrepresentation (either implied or express) that their goods or services are those of the plaintiff, or are in some way associated with or authorised by the plaintiff; and
- the plaintiff has suffered, or is likely to suffer, damage as a result of the misrepresentation.

### Best Practice

Although the above actions provide a valuable safety net for protecting unregistered trademarks, there is a high evidentiary burden to be met to establish a claim of passing off or misleading and deceptive conduct. It is therefore strongly advised that trademarks should be registered to enable the owner to take action for trademark infringement under the Trade Marks Act 1995 (Cth). Available remedies include an injunction, and an account of profits or damages, as well as additional damages for flagrant infringement.

## HOW ARE NON-TRADITIONAL MARKS PROSECUTED?

### Registered Non-traditional Trademarks

Non-traditional trademarks, such as shapes, sounds, scents and aspects of packaging, can be registered in Australia. Once registered, they can be enforced by way of trademark infringement proceedings under the Trade Marks Act 1995 (Cth). The examination procedure and requirements for non-traditional trademark applications are essentially the same as for traditional trademarks.

However, it may be more difficult to satisfy the distinctiveness requirements for a non-traditional trademark, for example proving that a particular colour alone is in fact capable of acting as a badge of origin for one trader's goods or services. As an example, in the BP case,<sup>[1]</sup> the applicant (otherwise known as British Petroleum) attempted for over a decade to register the colour green as a trademark in Australia in respect of fuels and service stations, and despite its extensive use was ultimately unsuccessful.

### Unregistered Non-traditional Trademarks

Non-traditional trademarks may also be enforced under the misleading and deceptive conduct provisions of the Australian Consumer Law, and under the common law tort of passing off. For each of these actions, the plaintiff would need to establish the required reputation in the particular aspect of their branding that forms the non-traditional trademark. Protection by way of trademark registration would, therefore, be beneficial, as a trademark infringement action under the Trade Marks Act 1995 (Cth) does not require evidence of reputation.

## HOW IS TRADE DRESS PROTECTED?

Trade dress is a broad term that loosely refers to the overall image or appearance of a good or service. For example, trade dress can incorporate the distinctive colours, shapes, logos, signage, word marks or patterns that form part of the packaging of certain products.

If the trade dress of a particular product or service is capable of distinguishing the source of the product or service from those of other traders, then the trade dress may satisfy the requirements for trademark registration in Australia.

Distinctive shape trademarks, for example, are routinely filed in Australia to protect the trade dress of a particular product. Popular registered shape trademarks in Australia include the shape of the Crocs shoe (Australian trademark No. [1823669](#)) and the distinct packaging of the Vegemite jar (Australian trademark No. [1842067](#)). Filing an application for a shape trademark registration may be more attractive than filing for design registration, given the less onerous requirements surrounding use before filing.

However, rights can still be accrued within trade dress that is otherwise unregistrable as a trademark or design. The Australian Consumer Law and the tort of passing off can both protect owners of unregistered trade dress when their trade dress is copied by imitators, if this imitation is either likely to mislead or deceive or misrepresent the source of the particular goods or services in question. Any goodwill or reputation established within the trade dress through its unregistered use can be relied upon within either of these two claims.

If particular aspects of the relevant trade dress satisfy the requirements of a 'work' within which copyright subsists, it may also be protected by Australia's copyright legislation (the Copyright Act 1968 (Cth)).

## HOW ARE OPPOSITIONS HANDLED?

Trademark oppositions are handled before IP Australia and can involve oppositions to:

- the registration of a particular trademark;
- the removal of a trademark registration on the basis of non-use;
- an extension of time of more than three months; or
- an amendment to a trademark application.

The first two oppositions above are generally the most common type of proceedings.

Once a trademark application has been accepted for registration, or a removal application has been filed, the registration or the removal action may be opposed by a third party. The opposition proceeding stages are:

1. the opponent (in a non-use application, this is usually the registered owner) files a notice of intention to oppose followed by a statement of grounds and particulars to specify its basis of opposition;
2. the applicant (in a non-use application, this is the party that filed the non-use action) files a notice of intention to defend, failing which the trademark application or non-use application will lapse;
3. parties are then given the opportunity to file evidence if they wish to do so, namely evidence in:



- support of the opposition filed by the opponent;
  - answer filed by the applicant; and
  - reply filed by the opponent, which is limited to addressing material raised in the evidence in answer (if filed);
4. either party may then request a hearing in the matter, which can be oral or by way of written submissions, or both, or alternatively a request can be made for a decision on materials filed (without a hearing or submissions); and
  5. IP Australia issues a decision within three to four months of the hearing date.

Costs may be awarded to the successful party in any type of opposition proceedings.

### **HOW ARE CANCELLATIONS HANDLED?**

In Australia, a trademark may be removed or cancelled by a third party for non-use based on two grounds, namely:

1. as at the filing date, the owner had no intention in good faith to use the trademark, and has not used the trademark in relation to the claimed goods or services, or both in Australia; and
2. the owner has not used the trademark in relation to the claimed goods or services, or both, in Australia for a continuous period of three years.

A non-use application on the second ground is only available where, if the application was filed:

- before 24 February 2019, five years have passed since the filing date of the application; or
- on or after 24 February 2019, three years have passed since the trademark particulars were entered in the Register.

The onus is on the person who would like to preserve the registration to oppose the non-use application and demonstrate use of the trademark in the relevant period (or acceptable reasons for non-use).

The relevant non-use period ends one month before the non-use application is filed. This is to allow an interested party to contact the owner to attempt to resolve the matter amicably, without the risk that the owner may be prompted to commence use to defeat a potential non-use action.

### **WHAT ARE PENDENCY LEVELS FOR THE LAST 12 MONTHS?**

In a straightforward case, registering a trademark in Australia takes a minimum of seven months. When filing a trademark application through IP Australia's standard process, the usual time frame for an application to be examined is three to four months (though this can be expedited with adequate reasons). There is also an option to request a preliminary Headstart assessment before filing a formal application, which provides an indication within five business days as to whether the trademark application is likely to encounter

any examination issues. For issues or objections raised during the examination stage, IP Australia aims to review any responses and respond to the same within a month.

In relation to processing times for oppositions, a decision in relation to an opposition proceeding will usually be issued within three to four months of the scheduled hearing date. However, the wait times for a hearing date to be set will vary depending on the type of decision requested. Notably, the current wait time for an oral hearing date to be scheduled is approximately 12 months from when it is requested. For an opposition that will be determined by way of written submissions only, the current wait time for the relevant date to be set is seven months from when it is requested.

## HOW TO TRANSFER OWNERSHIP OF TRADEMARK REGISTRATIONS

To transfer or assign ownership of a standard trademark application or registration, the assignor or the assignee must notify IP Australia of the change in ownership as soon as it occurs.

Importantly, IP Australia requires documentary evidence to support a request for assignment of a trademark. Common forms of evidence include providing a deed of assignment or sales agreement, which must include details of the assignor and assignee and the official number of the trademark in question (among other details) to ensure the assignment is valid. Both parties must sign the agreement, and notarisation or legalisation are not required.

It is also possible for an assignment to transfer the ownership of the trademark in whole or in part. In practice, this can mean that an assignee will acquire ownership of the trademark for some of the goods and services, and the assignor will continue to own the trademark for the remaining goods and services it is registered for.

Once IP Australia reviews and approves an application to record an assignment (together with the relevant evidence), the owner of the trademark will be updated on IP Australia's database, and the assignee will be considered the registered trademark owner.

If an assignor intends to assign trademark rights that have not been applied for or registered with IP Australia, the *Kraft v Bega* case<sup>[2]</sup> established that the underlying goodwill in the business must also be assigned to ensure the assignment is valid.

## LICENSING AND ASSIGNMENT BEST PRACTICE

### Licensing

Under Australian law, registered trademark owners are granted the exclusive right to use, or authorise the use of, their registered trademark. For use by a licensee to be considered use authorised by the trademark owner, the owner must exercise some element of control over the licensee or their use. Otherwise, use by the licensee may not be considered attributable to the owner of the trademark. This may result in the owner being unable to rely on such use to defend their rights, for example to defeat a non-use attack on the registered trademark.

While it is best practice to ensure that a formal written agreement is in place between the registered owner and the licensee that specifies the scope of the licence and any other essential terms, this agreement alone will not constitute 'control' for the purposes of establishing use in non-use proceedings. The registered owner should also ensure that it regularly exercises either quality control over the goods or services or financial control over the licensee's trading activities, or both (eg, where the licensee is a subsidiary or associated entity).

## Assignment

With respect to the assignment of rights in a trademark, this is also allowable under Australian law. It is generally best practice to ensure that written agreements (such as sale of business agreements or assignment deeds) are in place to record the assignment of both registered and unregistered rights within the trademark, if applicable. To ensure unregistered rights are adequately captured by the agreement, the document should explicitly refer to the goodwill accrued within the trademark throughout its period of use. Failure to include reference to these unregistered rights may impact the assignee's future rights.

Written agreements should then be provided to IP Australia to record the transfer of ownership of the trademark on the trademark register.

## WHAT ARE THE FIVE KEY 'NEED TO KNOWS' FOR THE JURISDICTION?

### Common Law And Unregistered Rights

Australia is a common law country, which recognises both unregistered as well as registered trademark rights.

### Acceptance Deadline Is Not A Response Deadline

If an adverse report is issued by IP Australia during examination of a trademark application, the applicant will be given a 15-month deadline from the date of the adverse report. This is an acceptance deadline rather than a response deadline, so any responses should be filed well ahead of the deadline to ensure that the application is placed in order for acceptance before the deadline expires.

### Cancellation Of A Trademark Registration

Trademark registrations can only be cancelled or removed before IP Australia if:

- IP Australia revokes registration on the basis that the mark should not have been registered;
- the owner surrenders its registration voluntarily;
- the registration is not renewed in time; or
- the registration is successfully removed following a non-use application.

If a third party wishes to have a registration cancelled on any other basis (such as on grounds of prior use), then it would need to commence proceedings before a prescribed court.

### Deferment Of Acceptance

Trademark applicants can seek to defer their application acceptance deadlines (instead of relying on extensions of time) in certain situations. For example, if a cited trademark is yet to achieve registration, an applicant can defer its acceptance deadline to await the outcome of the cited mark. Other grounds for deferral include:

- waiting to determine whether a cited registered trademark is renewed during the renewal grace period;
- relevant court action is pending;
- awaiting the outcome of a non-use proceeding filed against the cited mark; and

- if the applicant requires more time to compile evidence of use or negotiate consent from the owner of a cited mark.

### Trademark Use Requirements

Trademark registrations in Australia are subject to an intention to use requirement at the time of filing, and an ongoing use requirement once the trademark has been on the register for three or five years, depending on when the mark was first applied for. However, unlike some other countries (such as the United States), there is no initial requirement to provide evidence of use to obtain or maintain a trademark registration. Evidence of use or an intention to use generally only needs to be produced if subject to challenge by a third party by way of opposition or non-use removal, or if such evidence of use is relied upon to overcome a third-party mark cited during examination of the application.

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### Endnotes

- 1 BP plc [2014] ATMO 59 (17 June 2014). [^ Back to section](#)
- 2 Kraft Foods Group Brands LLC v Bega Cheese Limited [2020] FCAFC 65. [^ Back to section](#)

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# China: What Rights Holders Need to Know About Trademark Prosecution

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## Summary

[IN SUMMARY](#)[DISCUSSION POINTS](#)[REFERENCED IN THIS ARTICLE](#)[PROSECUTION OVERVIEW](#)[REGISTRATION FILING](#)[OPPOSITION AND CANCELLATION](#)[ASSIGNMENT AND LICENSING](#)[TAKEAWAYS](#)[ENDNOTES](#)

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## IN SUMMARY

As a fast-growing jurisdiction with dynamic IP legislation updates and robust trademark filing activities in recent years, China has attracted the attention and interest of legal practitioners and brand owners. That the number of trademark applications and registrations in China is more than tenfold larger than in any other major jurisdiction may imply opportunities and may amplify troubling issues in trademark prosecution. It is important to understand what makes trademark prosecution in China special and what can be done to deliver good practice.

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## DISCUSSION POINTS

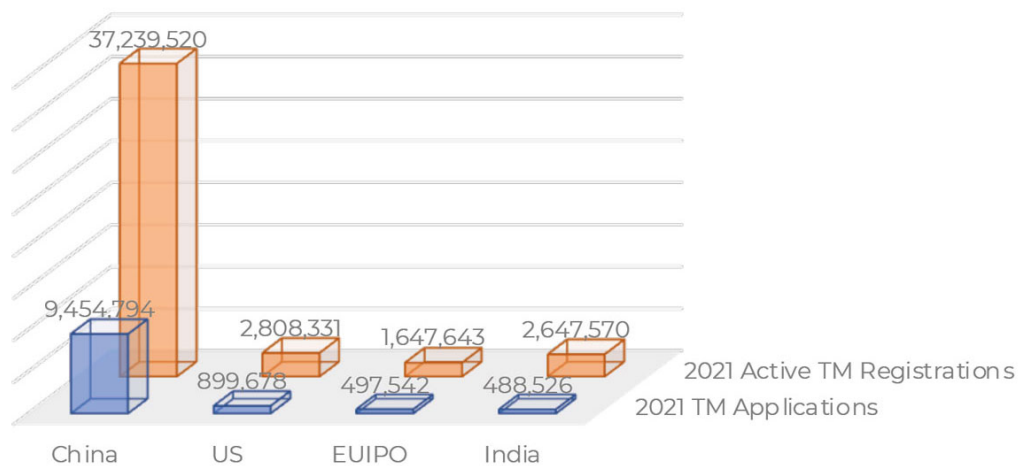
- Reasons for higher refusal rates in China
  - Measures taken by the office against bad faith
  - The importance of use evidence in different procedures
  - General procedures to follow and pitfalls to avoid
  - Licensing and assignment best practices
- 

## REFERENCED IN THIS ARTICLE

- 14th Five-Year Plan for Patent and Trademark Examination
- Trademark Law
- *Christian Louboutin v CNIPA*
- Anti-Unfair Competition Law
- Several Provisions on Regulating the Application for Registration of Trademarks (2019)

## PROSECUTION OVERVIEW

According to statistics issued by the World Intellectual Property Organization (WIPO), China housed over 9.45 million trademark applications (class count) and 7.76 million trademark registrations (class count) from resident and non-resident applicants in 2021.<sup>[1]</sup> The volume of filing activity with the China National Intellectual Property Administration (CNIPA) topped the rankings, followed by the United States Patent and Trademark Office, the European Union Intellectual Property Office and the offices of India. China also led with 37.2 million active trademark registrations in 2021, followed by 2.8 million in the United States and 2.6 million in India.<sup>[2]</sup>



While the strong performance in filing activity should be celebrated, new applications are facing increased risk of refusal due to similar prior trademarks in the first-to-file jurisdiction. On top of that, the CNIPA has rigorous standards regarding a trademark's registrability based on its legality and distinctiveness. In 2021, 43% of applications were refused (27.8% total refusal and 15.2% partial refusal) during preliminary examination by the CNIPA (not including international applications extended to China through the Madrid System), according to the office's annual report that year.<sup>[3]</sup>

In the background, the CNIPA has been working to shorten the pendency of trademark registration, refusal review and other procedures. The 2021 annual report notes the average examination pendency of four months for trademark registration, making it a seven-month registration cycle. The 14th Five-Year Plan for Patent and Trademark Examination, released by the CNIPA on 20 January 2022, expects to further shorten the examination pendency of refusal review from the six months it was in 2020.<sup>[4]</sup>

## REGISTRATION FILING

As set forth in the Trademark Law of China:

any sign that distinguishes the goods of a natural person, legal person, or other organizations from those of others, including any word, device, letter, number, three-dimensional sign, color combination, sound and combination thereof, may be registered as a trademark.

Despite that the types are not listed exhaustively in different languages, other signs such as positions, smells and tastes are not officially accepted or cannot be filed for registration in practice. Therefore, general protection of these new trademark types is still developing in theory in China. It is not impossible to register a non-traditional trademark, but it is not easy and is more likely to be an isolated case – it took nearly 10 years for Christian Louboutin's red sole trademark application to be eventually affirmed as registrable by the Supreme People's Court (SPC) as a single-colour trademark applied to a specific position.

**International Registration No. 1031242, Or No. G1031242, Registered With The CNIPA**



If registration of a trade dress is desired, such as with the above-mentioned red sole trademark, it may be filed as a device (figurative trademark) or a three-dimensional trademark depending on the presentation of the trade dress. Regarding the latter option, it is further required that the sign does not merely indicate the shape inherent in the nature of the goods concerned, or achieve technical effects or give the goods substantive value. In practice, three-dimensional trademark applications for the shapes of products or a products' containers are generally refused owing to a lack of distinctiveness, which is difficult to overcome. When such a trade dress cannot be protected by trademark registration, remedies may be sought pursuant to the Anti-Unfair Competition Law of China, which prohibits acts of confusion against one's trade dress, on the condition that the trade dress has acquired certain influence through use.

Regardless of the type, a sign should also be legally allowed for registration and use. While the lack of distinctiveness is still likely necessary to overcome, a sign considered illegal cannot be used as a trademark, let alone registered, such as those identical or similar to state names, flags or emblems, discriminative against any race, consisting of misleading or fraudulent advertising, or detrimental to socialist morals or customs or having other unhealthy influences. As a result of cultural differences, many may find it difficult to understand the final type of violation, which can be further explained according to CNIPA's Guidelines for Trademark Examination and Trial and a judicial interpretation issued by the SPC as: the sign itself or its elements are likely to have negative impacts on public norms, good atmosphere and habits, or public interest or social order, etc, in China. Words (including abbreviations and translations) and graphics with negative or indecent meanings are likely to fall within this scope and should be avoided.

With millions of active trademark registrations in place, it is not uncommon for an aspiring brand owner to find an identical or similar prior trademark filed by another applicant



coincidentally, or by a hoarder or a squatter in bad faith. There are actions to take pursuant to laws and regulations trying to strike a balance between the first-to-file principle and the rights and interests in and to prior unregistered trademarks. As China has been taking a harder line on bad faith filing and registration, any person now has the right to try to oppose or cancel these trademarks. If a specific unregistered trademark is cited, its prior use and reputation (mainly in China) will have to be established to fight against an identical or similar registration, which requires substantial evidence to prove that the unregistered trademark has become well known or at least influential to a certain extent among the relevant public before the confusing registration was filed. Thus, it is always safest to make sure that your client is the first to file; however, if unfortunately they are not, it is critical to seek other ways to register, such as through copyright and preserving evidence of use for possible actions.

## **OPPOSITION AND CANCELLATION**

The actions available to annul a trademark include opposition, invalidation and cancellation, with different requirements of the acting parties and trademark status, and distinct consequences and remedies.

### **General Procedures**

For any action, the filing should go through formal examination first, which takes around two months before the CNIPA confirms acceptance of the case by issuing an official filing receipt. The CNIPA will then serve the documents to the respondent and notify the party to file a response, if any, to be subject to another round of formal examination. Other actions except invalidation (there will be a cross-examination procedure if a response is filed, on which opinions may be submitted by the acting party) will move on to substantive examination to be concluded with a decision by the CNIPA. The procedures, including cross-examination, are conducted in writing only and follow prescribed time limits strictly. Extra submissions are generally not acceptable unless they may otherwise be approved by the examiners in special scenarios.

### **Applicable Scenarios**

The grounds of action include absolute (bad faith, legality and distinctiveness) and relative (prior rights) reasons. The former can be cited by anyone in an action including opposition, invalidation and cancellation (based on loss of distinctiveness or no trademark use for three consecutive years after registration), and the CNIPA may also act ex officio against registrations of trademarks with illegal elements or obtained by improper means, as well as registrations not compliant with the law. On the contrary, when it comes to similarity, only an interested party, such as the owner of a prior right, is entitled to act.

Before the 2019 amendment of the Trademark Law, bad faith was implied as a violation contrary to the good faith principle set forth in the general provisions and reflected in some examples scattered in the law and relevant provisions but not always consistently applied in practice. It is now provided in Article 4.1 that “Bad faith trademark registration applications that are not intended for use shall be rejected”, and there is further clarification on the factors to consider in the Several Provisions on Regulating the Application for Registration of Trademarks (2019), including:

- the quantity and classes of the applications and registrations, and the transaction history of the person and affiliates;

- the industry and operation;
- previous decisions or rulings on bad faith or trademark infringement;
- similarity to others mark with certain reputation; and
- similarity to famous people, trade names or other commercial signs, etc.

The change has broadened the choices and provided clearer guidance for parties trying to protect their brands.

Non-use cancellation plays an important role in encouraging trademark registrants to use their trademarks and avoid idleness and wasting resources, especially considering the gigantic figure of active trademark registrations. In recent years, the CNIPA has adopted more stringent standards on the authenticity and validity of the evidence of use, so the action can be an effective tool against identical or similar prior registrations that do not seem to be violating the law in any other ways, as long as they have been registered for more than three years. An action may be filed against some or all of the designated goods or services as needed, with prima facie evidence of the trademark at issue not found used on the Internet. As the action is available to anyone, some may prefer to file in an irrelevant third party's name to avoid direct conflict with the trademark registrant.

### Consequences And Remedies

Successful opposition and invalidation actions both lead to the loss of rights ab initio, while cancellation decisions do not have retroactive effects as revocation happens when a trademark no longer functions after being registered. Although the decisions will only come into force when no appeals are filed, the effective dates are different. Opposition and invalidation decisions take effect from the dates when they are made, contrary to cancellation effective from the publication date after a decision is issued.

When brand owners resort to invalidation and non-use cancellation actions, trying to clear the path for their own applications that are filed alongside or soon after favourable decisions are delivered, they may be surprised and perplexed to find their applications still refused owing to these prior trademarks no longer being valid. This is because a one-year phase-out period is provided according to Article 50 of the Trademark Law, and a situation requires actions to keep the current applications alive or re-filing, or both:

If a registered trademark is revoked, nullified or subject to no renewal upon expiration of the period of validity, the Trademark Office shall not approve any application for the registration of a trademark identical with or similar to the said trademark within one year as of the day of the revocation, nullification or cancellation.

In the event of dissatisfaction with a decision from opposition, invalidation or non-cancellation procedures, different remedies are available to the parties. A review by the CNIPA applies to post-opposition (except for the opponent) and post-cancellation procedures, while the parties appealing against an invalidation decision will have to file an administrative lawsuit with the Beijing Intellectual Property Court.

Action	Period	Grounds	Party	Timeline	Remedies
Opposition		Absolute reasons	Anyone	Within 12 months of	Opponent: to file an

	Within three months of publication			expiration of publication period Plus six months after approval in special situations	invalidation action Respondent: to file a review
Relative reasons	Prior rights holder				
Invalidation	After registration	Absolute reasons	Anyone	Within nine months of receipt Plus three months after approval in special situations	To file an administrative lawsuit
After registration, within five years of registration	Relative reasons	Prior rights holder			
After five years from registration	Relative reasons based on a well - known trademark	Owner of well - known trademark			
Non - use cancellation	After three years from registration	Absolute reasons	Anyone	Within nine months of receipt Plus three months after approval in	To file a review

				special situations	
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## ASSIGNMENT AND LICENSING

Regardless of any agreement, approval and publication of assignment by the CNIPA is mandatory for the assignee to enjoy the exclusive trademark rights as set forth in the Trademark Law. It is also provided that the assignor and the assignee should sign an agreement and jointly apply for assignment, but the agreement need not be submitted along with the application in practice, nor are formalities such as notarisation or legalisation in addition to signature or company seal necessary. Simple as the procedure and requirements may seem, trademark assignment is a big deal to be handled carefully in case anything goes wrong, especially considering there is generally around a five months' wait (during which the application can be withdrawn), and ex officio refusal is likely if bad faith is detected by the CNIPA.

Below is a checklist of what to look out for before entering into a trademark assignment.

- Is the trademark to be assigned valid? Is there any ongoing action that may cause invalidation, revocation or the rights to be undermined in any other ways? Assignment also applies to a trademark filed but not yet registered, but if it becomes invalid in the course of the CNIPA's examination, the assignment will not be approved.
- Does the assignor own any trademarks similar to the one to be assigned? Identical and similar trademarks should be assigned together pursuant to the Trademark Law, which include those designated as similar goods. Similarity is generally determined according to the Classification for Similar Goods and Services formulated and practised by the CNIPA based on the Nice Classification system, but do not let that define the classes as the standards of similarity may develop as the client's business needs do. Make sure to cover the items that may cause concern, even if they may not be similar according to the law at the time.
- Does the trademark to be assigned meet the requirements of legality and distinctiveness? Is there any sign of possible bad faith in the filing and assignment history of the assignor? The CNIPA will reject the assignment if the trademark is considered a violation. Past assignment of a trademark filed or registered in bad faith does not make a difference to its nature even if the assignee is not aware of the situation.
- Has the trademark to be assigned been licensed? In the case of an ongoing trademark licence, it will continue to be effective during the agreed term between the licensor (assignor) and the licensee, unless otherwise agreed by the parties.

As for the trademark licence, it may be recorded with the CNIPA for publication upon an application filed by the licensor, which is not required to give the licence effects. However, if the licence is not recorded, it shall not be cited against a bona fide third party. Similarly, the official recordal procedure does not require submission of the agreement, but a form that sets out the basic facts of the licence, including the licensor, the licensee, the licensed trademark and goods and services, and the term and type of the licence (eg, exclusive licensing, sole licensing or general licensing). It is of significant importance to distinguish between and choose from the three licensing types with different scopes of rights. The licensee under exclusive licensing is the most powerful and has the right to take action

independently when infringement occurs. In general, recording a trademark licence means more to the licensee as a way to make its rights known and better protected against third parties.

Besides the basic facts as mentioned above, attention should be paid to the following aspects, some of which are listed separately for the licensor and the licensee as they usually have quite different concerns.

Licensor	Licensee
<ul style="list-style-type: none"> <li>• Standard and compliant trademark use</li> <li>• Preservation of use evidence</li> <li>• Quality control</li> </ul>	<ul style="list-style-type: none"> <li>• Trademark validity and stability</li> <li>• Licensing history, especially any conflicting licensees</li> </ul>
<ul style="list-style-type: none"> <li>• Due diligence investigation</li> <li>• Payment of royalties</li> <li>• Non - infringement</li> <li>• Action against trademark infringement</li> <li>• Arrangement on the manufacture or sale upon expiration of the licence</li> </ul>	

## TAKEAWAYS

In summary, the five key need-to-knows for trademark prosecution with the CNIPA in China are:

- China is a first-to-file jurisdiction, so filing is recommended as early as possible;
- China houses the most trademark applications and registrations, with a considerably high refusal rate, for which applicants should be well prepared;
- the CNIPA rigorously examines on absolute reasons for refusal (bad faith, legality and distinctiveness) in various procedures;
- it is critical to preserve evidence of trademark use in China to establish the reputation and influence that may be cited against others; and
- assignment of trademark rights is not recognised until approved and published by the CNIPA, while licences need to be approved.

In mid-January 2023, the CNIPA published the most recent draft amendment to the Trademark Law for comments from the public, which has triggered debates among interested parties due to the suggested changes that may substantially affect the landscape of trademark prosecution and enforcement. Regardless of how the amended law will eventually turn out, combating bad faith should remain a key issue to be facilitated by more measures.

## Endnotes

- 1 WIPO Intellectual Property Statistical Country Profile 2021 – China,  
<https://www.wipo.int/edocs/statistics-country-profile/en/cn.pdf>. [^ Back to section](#)
- 2 WIPO Worldwide IP Filings Reached New All-Time Highs in 2021, Asia Drives Growth,  
[https://www.wipo.int/pressroom/en/articles/2022/article\\_0013.html?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=Search%3A+WIP+2022+%28EN%29&utm\\_term=IP+Statistics&utm\\_content=search+ads&gclid=CjwKCAiAzKqdBhAnEiwAePEjkcceeqxOdq40RPv1hq1y6DIZjD9j0XJnTjVWVbyTUIqIfqNV5rQqbRoC-JQQAvD\\_BwE](https://www.wipo.int/pressroom/en/articles/2022/article_0013.html?utm_source=google&utm_medium=cpc&utm_campaign=Search%3A+WIP+2022+%28EN%29&utm_term=IP+Statistics&utm_content=search+ads&gclid=CjwKCAiAzKqdBhAnEiwAePEjkcceeqxOdq40RPv1hq1y6DIZjD9j0XJnTjVWVbyTUIqIfqNV5rQqbRoC-JQQAvD_BwE). [^ Back to section](#)
- 3 China National Intellectual Property Administration 2021 Annual Report,  
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- 4 The 14th Five-Year Plan for Patent and Trademark Examination,  
<https://www.cnipa.gov.cn/module/download/downloadfile.jsp?classid=0&showname=%E4%B8%93%E5%88%A9%E5%92%8C%E5%95%86%E6%A0%87%E5%AE%A1%E6%9F%A5%E2%80%9C%E5%8D%81%E5%9B%9B%E4%BA%94%E2%80%9D%E8%A7%84%E5%88%92.pdf&amp.filename=304695a3b4d34a00a38dce5f844d9fd3.pdf>. [^ Back to section](#)



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# India: Solutions for Addressing Grievances to Enhance Efficiency of Trademark Dispute Resolution

[Manisha Singh](#) and [Omesh Puri](#)

[LexOrbis](#)

## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

CRITERIA FOR TRADEMARK REGISTRATION

TRADEMARK REGISTRATION PROCESS

NON-TRADITIONAL TRADEMARK REGISTRATION

TRADE DRESS PROTECTION

TRADEMARK OPPOSITION PROCEEDINGS

TRADEMARK OWNERSHIP CHANGES AND TRANSFERS

TRADEMARK CANCELLATION OR RECTIFICATION

ENFORCEMENT OF TRADEMARK RIGHTS

RECENT DEVELOPMENTS

CONCLUSION

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## IN SUMMARY

This comprehensive study delves into the realm of trademark protection and enforcement in India, with the Trade Marks Act 1999 serving as the governing legislation for registration and enforcement. It explores the safeguarding of both registered and unregistered marks, the criteria for registration, enforcement mechanisms and recent developments. The analysis delves into passing off for unregistered marks, the registration process, non-traditional trademark registration, trade dress protection, opposition proceedings, changes in ownership, cancellation and rectification, enforcement remedies and recent initiatives.

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## DISCUSSION POINTS

- Trademark protection in India
  - Criteria for trademark registration
  - Non-traditional trademark registration
  - Trade dress protection
  - Trademark ownership changes and transfers
  - Trademark cancellation or rectification
- 

## REFERENCED IN THIS ARTICLE

- Trade Marks Act 1999
- Trade Marks Rule 2017
- Emblems and Names (Prevention of Improper Use) Act 1950
- Intellectual Property Rights (Imported Goods) Enforcement Rules 2007

India's intellectual property regime is governed by the Trade Marks Act 1999 and the Trade Marks Rule 2017, which provide a comprehensive mechanism for the registration and enforcement of trademark rights in India. The Indian trademark regime extends protection to both registered and unregistered marks. In the case of misuse of a registered mark, the right holder can initiate an infringement action against the infringing party. On the other hand, for unregistered marks, the right holder can seek protection under the law of passing off. To establish a claim for passing off, the plaintiff must: demonstrate established goodwill or reputation of their mark attached to relevant goods or services; prove misrepresentation by the defendant likely to deceive the public; and show damage suffered or likely to be suffered by the plaintiff.

## CRITERIA FOR TRADEMARK REGISTRATION

In India, a mark capable of being represented graphically and distinguishing the goods or services of one entity from others can be registered as a trademark. This includes various forms such as devices, brands, headings, labels, tickets, names, signatures, words, letters, numerals, shapes of goods, packaging, a combination of colours and even sound marks.



However, certain types of marks cannot be registered in India. The following categories of marks are ineligible for registration:

- marks that lack distinctive character;
- descriptive marks that provide information about the goods or services, such as their quality, quantity or geographic origin, and cannot be registered;
- marks that have become customary in the current language;
- marks that cause confusion and deception;
- marks that are likely to hurt religious sentiments;
- marks that contain obscene or scandalous matter;
- marks that are prohibited under the Emblems and Names (Prevention of Improper Use) Act 1950;
- marks that exclusively consist of the shape of goods resulting from the nature of the goods themselves or those necessary to obtain a technical result or give substantial value to the goods;
- marks identical or similar to well-known marks;
- marks that are prevented by copyright law; and
- marks that are protected by the law of passing off as unregistered trademarks, which cannot be used or registered by other parties as trademarks.

### **TRADEMARK REGISTRATION PROCESS**

The application for trademark registration can be filed either online or offline with the Trade Marks Registry. After fulfilling the required procedural formalities, the application undergoes extensive examination on different absolute and relative grounds for refusal. If any objections arise, the applicant gets one month to respond after receiving the examination report. If the objections persist, a hearing is scheduled to present the oral arguments of both parties. If the examiner is satisfied with the response, the mark is advertised in the Trade Marks Journal, and four months is allowed for third-party opposition. If the application is refused after the hearing, an appeal can be filed with the concerned high court within three months. If no opposition is filed during this period, the mark proceeds towards registration.

### **NON-TRADITIONAL TRADEMARK REGISTRATION**

India also allows the registration of non-traditional trademarks, such as colour marks, motion or animated marks, sound marks and shape marks.

- Registration of a combination of colours as a trademark can be applied for by submitting a reproduction of the mark in colours with colour codes.
- Where a mark contains a shape of the goods or its packaging or is a three-dimensional mark, the reproduction of the mark must contain different views of the trademark and a description of the nature of the mark in words. If the representation of the trademark provided by the applicant does not show clearly all the features of the trademark, the registrar may require up to five further views of the trademark.
-

For a sound mark, a sound recording must be submitted in MP3 format, not exceeding 30 seconds in length and recorded in a medium that allows easy and clear audible replay with a graphical representation of its notation.

- For a motion mark, an appropriate representation of the mark clearly showing the motions must be filed.

## TRADE DRESS PROTECTION

The current market scenario poses numerous challenges for businesses, where the overall packaging of a product significantly influences a consumer's purchasing decisions. Elements such as packaging design, colour combinations and product shape, texture, graphics and illustrations are collectively known as trade dress. These elements are safeguarded to mitigate misuse by other parties seeking to imitate the product's overall appearance to capitalise on its established goodwill and reputation. Indian trademark law specifically has a provision for trade dress protection including the shape of goods, packaging and colour combinations. To qualify for protection, the overall appearance of the product must be distinctive, either inherently or through acquired distinctiveness.

Rights holders often face the challenge of selecting the most appropriate IP legislation for safeguarding a particular shape. Generally, if the shape of a product is novel, original and undisclosed to the public, it should be protected through design registration. However, where the right holder has not registered the shape under design law, it may still be protected under trademark law or the common law tort of passing off if it has acquired distinctiveness through prolonged and continuous use. To successfully claim passing off, the right holder must demonstrate that the specific shape has become distinctive of their goods or services, is exclusively associated with them and that its use by others would confuse the public.

## TRADEMARK OPPOSITION PROCEEDINGS

Opposition against a trademark application can be filed on both absolute and relative grounds for refusal. Any individual can file an opposition against a conflicting mark, and these opposition proceedings involve three stages: the pleading stage, the evidence stage and the hearing stage.

- Pleading stage: the pleading stage commences with the filing of a notice of opposition, which outlines the grounds on which the opposition is filed against the conflicting mark. The notice of opposition must be submitted within four months of the date of the mark's advertisement in the Trade Marks Journal. This period is non-extendable. Upon receiving the notice of opposition, the applicant (proprietor) of the mark has two months (non-extendable) to file a counterstatement. Failure to submit a counterstatement results in the application being deemed abandoned.
- Evidence stage: once the counterstatement is received, the opponent must present evidence supporting their opposition by way of an affidavit within two months of the date of official service of the counterstatement by the Registry. Alternatively, the opponent can inform the registrar that they do not wish to provide any evidence and submit a letter relying on the contents of the notice of opposition. Subsequently, upon receiving the opponent's evidence, the applicant is given two months to present their evidence in support of the application. The applicant also has the option to submit a reliance letter, simply relying on the statements made in their counterstatement. Failure by either the opponent or the applicant to file evidence in the form of an

affidavit or reliance letter results in the opposition or application being deemed abandoned. Once evidence is received in support of the application, the opponent has one month to file evidence in reply.

- Hearing stage: after the completion of the evidence stage, the registrar schedules a hearing on the merits of the case and renders orders either allowing or dismissing the opposition.

## **TRADEMARK OWNERSHIP CHANGES AND TRANSFERS**

Assignment and licensing are allowed for both registered and unregistered marks in India. However, the recordal of a licence can only be done for registered marks. In the application for recording a licence, the parties must file within six months of the date of signing the agreement. Additionally, the records for the name and address must be updated with the Trade Marks Registry. Trademarks are valid for 10 years from the application date and must be renewed every 10 years thereafter.

## **TRADEMARK CANCELLATION OR RECTIFICATION**

Cancellation or revocation of trademark proceedings can be initiated through two avenues: before the Trade Marks Registry or a concerned high court.

### **Proceedings Before The Trade Marks Registry**

The cancellation proceedings commence with the filing of Form TM-O, along with a statement of the case submitted by the applicant, who is referred to as the “aggrieved person”. In this statement, the nature of the applicant’s interest, facts and relief sought are outlined. Subsequently, a copy of the petition is served to the registered proprietor by the Trade Marks Registry.

Once the application is received, the registered proprietor must file a counterstatement within two months to defend their trademark registration. However, this period may further be extended by one month if required. Following the filing of the counterstatement, the Registry serves a copy of the same to the applicant within one month.

If the registered proprietor fails to submit a counterstatement within three months, the applicant for rectification may proceed to file evidence in support of the application, as stipulated. The subsequent proceedings mirror those of opposition proceedings, as mentioned above.

### **Proceedings Before The Concerned High Court**

Alternatively, revocation petitions can be filed before five high courts in India, based on the jurisdiction of the registered trademark. The five high courts are in Ahmedabad, Chennai, Delhi, Kolkata and Mumbai.

To commence revocation proceedings, any person who claims to be aggrieved (ie, any person substantially interested in getting the mark removed from the Register or any individual whose rights may be significantly affected by the impugned registration) may initiate action.

## **ENFORCEMENT OF TRADEMARK RIGHTS**

There are various remedies available to the aggrieved parties for trademark infringement, which include civil, criminal and border enforcement measures.

- Civil remedies: in civil proceedings, third parties using the infringing mark can be enjoined, meaning they can be restrained from further use of the mark. Additionally, the court can award damages to compensate the trademark owner for the losses incurred owing to the infringement. The court may also order the rendition of accounts, delivery and destruction of infringing products to prevent further misuse of the trademark.
- Criminal remedies: in criminal proceedings, offenders found guilty of trademark infringement can face imprisonment and be subjected to fines. The court can seize the infringing copies and deliver them to the rightful owner.
- Border enforcement: border enforcement measures involve the prohibition of the import of infringing material, aiming to prevent counterfeit goods from entering the country. The government of India has empowered IP owners to protect their intellectual property rights at Indian borders through the Intellectual Property Rights (Imported Goods) Enforcement Rules 2007. To utilise this protection, it is essential to have a validly registered trademark or IP right. The period of protection granted by Customs is five years from the date of recordation of rights with the Customs authorities or upon the expiration of the trademark or IP right registration validity, whichever comes earlier. After this initial five-year period, the right holder needs to submit a fresh notice to continue the protection.
- Preliminary injunction and permanent injunction: in trademark infringement cases, the plaintiff can seek a preliminary injunction before the trial. To obtain a preliminary injunction, the plaintiff must establish a prima facie case, demonstrate the likelihood of irreparable injury if the relief is not granted, and show that the balance of convenience favours granting the injunction. If these conditions are met, the court may grant a preliminary injunction to protect the plaintiff's rights until a final decision is made. After the trial or if the plaintiff obtains relief through summary judgment, the court may pass an order granting a permanent injunction. This injunction permanently restrains the defendant from using the infringing mark.
- Appeals and Supreme Court jurisdiction: if a judgment is passed by a district court, an appeal can be filed in the relevant high court. If the judgment is passed by a single judge of the high court, the appeal may be brought before the division bench. Appeals to the Supreme Court of India are allowed only on questions of points of law.
- Anti-Counterfeiting measures: anti-counterfeiting is a critical aspect of trademark enforcement. The Indian Penal Code (IPC) defines 'counterfeiting' as an act intending to deceive by causing one thing to resemble another. Counterfeiting is considered an act of cheating under Section 420 of the IPC, punishable with imprisonment of up to seven years and a fine. Sections 102, 103 and 104 of the Trade Marks Act define offences, penalties and procedures related to falsification and falsely applying for trademarks. Offenders can face imprisonment ranging from six months to three years, along with a fine. Offences defined under the Trade Marks Act are cognisable, allowing police officers of designated ranks to arrest offenders without a warrant and initiate investigations. Before taking any action under the Trade Marks Act, police officers must seek an opinion from the registrar of trademarks on the facts of the case. This helps ensure proper enforcement of trademark rights and deter counterfeit activities.

## RECENT DEVELOPMENTS

Recent developments in the field of intellectual property in India have focused on improving electronic systems for easy stakeholder access and providing transparent mechanisms for grievance redressal. Initiatives have been undertaken to expedite case disposal and reduce backlogs.

- Open house for discussion of grievances: at the National Intellectual Property Conference 2022, the Union Minister of Commerce and Industry proposed the establishment of an open house communication system to address concerns and grievances within the IP fraternity. The IP Office promptly implemented this suggestion and began conducting open house sessions on 17 October 2022. These sessions allow direct communication and discussions regarding various IP-related matters. Open house discussions occur every week from Monday to Friday from 4.30pm to 5.30pm (IST) and have successfully addressed multiple challenges faced by stakeholders across different IP offices.
- IPO Grievance Portal: the IP Office has also launched the Grievance Portal, providing stakeholders with a platform to lodge complaints against officials for unnecessary demands or other issues faced during the processing of their applications. The portal aims to facilitate the quick resolution of grievances.
- Update on disposal of trademark opposition cases: to address the pending trademark opposition cases, the IP Office informed the Delhi High Court of plans to hire 250 contractual opposition hearing officers dedicated to reducing the backlog. According to a status report, the number of officials handling opposition matters has increased, resulting in a slight decrease in the pending cases. However, as of 31 December 2022, a total of 238,951 trademark opposition cases remained pending. The intended mass hiring aims to significantly reduce this backlog.
- Functioning of the Intellectual Property Division at the Delhi and Madras high courts: following the abolition of the Intellectual Property Appellate Board (IPAB), the commercial divisions of the high courts at Delhi, Mumbai, Chennai, Gujarat and Kolkata have taken over pending appeal matters and revocation and rectification actions. The Delhi High Court established the Intellectual Property Division (IPD) to handle IP matters, resulting in faster case disposal, especially in appeals from refusal orders issued by the Registrar of Trade Marks. The IPD started functioning on 28 February 2022 and currently has separate benches presided over by Hon'ble Mr Justice C Hari Shankar and Hon'ble Ms Justice Pratibha Singh. The Madras High Court has also created an IP Division, and the Madras High Court Intellectual Property Rights Division Rules 2022 govern its proceedings.

These developments aim to enhance the efficiency and effectiveness of IP dispute resolution, offering stakeholders timely and fair adjudication of their rights.

## CONCLUSION

The Trade Marks Act plays a pivotal role in shaping India's trademark registration and enforcement framework. With a focus on both registered and unregistered marks, the Act provides a robust system to protect the rights of trademark owners. Additionally, the creation of the Intellectual Property Division in the High Court of Delhi and Madras and the hiring of more hearing officers are significant steps toward improving the efficiency of trademark

hearings and enforcement in India. As India continues to evolve as a major player in the global market, trademark protection remains essential for businesses to safeguard their brands and intellectual property.



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# Taiwan: Draft Amendments Aim to Attract More Rights Holders to Apply for Protection

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## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

TAIWAN TRADEMARK APPLICATION PROCESS

THE PUBLIC REVIEW SYSTEM AFTER THE TRADEMARK IS APPROVED: OPPOSITION AND INVALIDATION

THE INTRODUCTION OF A 2023 TAIWAN TRADEMARK LAW DRAFT

CONCLUSION

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## IN SUMMARY

This article introduces the trademark application process in Taiwan, from examination to the registration and publication process, and the most recent Taiwan Trademark Law draft in 2023.

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## DISCUSSION POINTS

- Trademark application process
  - Trademark examination
  - The rights of third parties during the period of trademark publication
  - The latest Taiwan Trademark Law draft in 2023
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## REFERENCED IN THIS ARTICLE

- Taiwan Trademark Act
- Enforcement Rules of the Trademark Act

## TAIWAN TRADEMARK APPLICATION PROCESS

The basis for the registration of trademark rights can generally be divided into two types: first to register and first to use. First to register is the main way to obtain trademark rights in Taiwan. After the applicant files a trademark application, it goes through two processes: procedural examination and substantive examination.

Procedural examination refers to the review of the documents provided by the trademark applicant to confirm whether the submitted documents comply with the Taiwan Trademark Act and whether the identification of designated goods or services are acceptable. If the application does not comply with these requirements, an official notice by the Taiwan Intellectual Property Office (TIPO) will be issued.

After procedural examination, the TIPO begins to examine whether the applied trademark is distinctive or has grounds of refusal for non-registration, such as likely causing confusion, trademark squatting and likely causing confusion with another's well-known trademark.

If the application overcomes all the issues raised in the examination, the trademark will be published for registration.

## THE PUBLIC REVIEW SYSTEM AFTER THE TRADEMARK IS APPROVED: OPPOSITION AND INVALIDATION

Who can file an opposition or invalidation against a registered trademark?

Anyone (for opposition) or an interested party (for invalidation) who thinks that a registered trademark lacks distinctiveness, or it could likely cause confusion with a previously registered trademark, or other legal provisions stipulate that it cannot be registered. In those cases, a party can file in opposition or for invalidation to the TIPO to revoke the registration.

Recently, the most famous case in Taiwan regarding trademark opposition was STARLUX Airlines v Songlin Travel Agency for the Chinese trademark “~~✂~~Chinese translation of



‘STARLUX’). Zhang Guo-Wei, the founder of STARLUX Airlines, publicly announced the establishment of his new company in November 2016, and widely publicised and reported it through the media. When he tried to apply for the “” trademark in 2017, however, it had been applied for by Songlin Travel Agency in December 2016, and designated in the same services of sightseeing and tourism transportation services and provision of catering services with STARLUX Airlines. After about two years’ fight, STARLUX Airlines finally won the opposition case by proving that the trademark had been intently squatted by Songlin Travel Agency.

## THE INTRODUCTION OF A 2023 TAIWAN TRADEMARK LAW DRAFT

### Abolition Of Opposition Procedure

In view of the similarity between opposition and invalidation, the Legislative Yuan decided to abolish the opposition procedure, and the illegality of trademark registration is uniformly resolved through the invalidation procedure. At the same time, the restrictions qualifying applicants are relaxed. Namely, anyone will be able to file for invalidation against illegal trademark registrations.

### Trademark Attorney Certification

According to Taiwan’s trademark laws and regulations, those who can perform trademark agency business are “specialized professionals (such as lawyers and accountants) “ or “trademark attorneys”. The newest draft of Taiwan Trademark Act requires a stricter qualification of trademark attorney. They must:

1. pass the trademark professional ability certification examination held by the TIPO; or
2. have engaged in trademark examination work for a certain period of time; and
3. apply for registration as a trademark attorney in the TIPO; and
4. complete a certain number of hours of on-the-job training each year.

### Acceptance Of Accelerated Approval System

If the trademark applicant needs to obtain the trademark rights earlier, he or she may apply to the TIPO for accelerated examination after stating the facts and reasons as to why the application needs this procedure and paying the accelerated examination fee.

## CONCLUSION

Internationalisation has always been the goal pursued by Taiwan’s intellectual property legal system. Through the newest Trademark Act amendments, trademark registration procedures can be simplified and costs can be reduced, thus encouraging more trademark owners to apply for trademark protection. Furthermore, more Taiwan enterprises will be willing to invest in brand and innovation to improve the effectiveness of products and services, thereby promoting market competition and economic development.



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# Thailand: Examiners' Unique Approach to Distinctiveness Underscores Complex Registration Process

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The Legal Co Ltd

## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

WHAT CAN I REGISTER?

WHAT CAN I NOT REGISTER?

HOW ARE UNREGISTERED RIGHTS PROTECTED?

HOW ARE NON-TRADITIONAL MARKS PROSECUTED?

HOW IS TRADE DRESS PROTECTED?

HOW ARE OPPOSITIONS HANDLED?

HOW ARE CANCELLATIONS HANDLED?

WHAT ARE THE PENDENCY LEVELS FOR THE LAST 12 MONTHS?

HOW TO TRANSFER OWNERSHIP OF TRADEMARK REGISTRATIONS

LICENSING BEST PRACTICE

WHAT ARE THE FIVE KEYS 'NEED-TO-KNOWS' FOR THAILAND

ENDNOTES

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## IN SUMMARY

The trademark registration process in Thailand is a complex and time-consuming process. The examiner in Thailand has a unique approach to considering whether a trademark is distinctive. More interesting is what the examiner considers to be acceptable goods and services under the item-by-item meaning of the goods and services.

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## DISCUSSION POINTS

- What can I register and what can I not register?
  - How are unregistered rights protected, and how is trade dress protected?
  - How are non-traditional marks prosecuted?
  - How are oppositions and cancellations handled?
  - What are the pendency levels for the past 12 months?
  - How to transfer ownership of trademark registrations, and licensing best practices
  - What are the five key 'need-to-knows' for Thailand
- 

## REFERENCED IN THIS ARTICLE

- Thai Trademark Act BE 2534 (1991)
- Examiner Registration Manual BE 2565 (2022)
- Penal Code
- Ministerial Regulation No. 5 BE 2560 (2017)
- Civil and Commercial Code
- Unfair Contract Terms Act BE 2540 (1997)

## WHAT CAN I REGISTER?

In Thailand, you can register the following types of trademarks and service marks, including word marks and device marks:

- word marks: these are trademarks consisting of words or letters;
- device marks: these are trademarks consisting of images or, logos, or a combination of both;
- service marks: these are trademarks used to distinguish services from physical products;
- three-dimensional marks: these are trademarks comprising the shape or packaging of a product;
- sound marks: these are trademarks comprising a distinctive sound;
- collective marks: these are trademarks used by members of an association or group to identify themselves with a particular trade, service or geographical origin; and
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certification marks: these are trademarks used to indicate that a product or service meets a certain standard or certification.

The proposed trademark must be distinctive, not prohibited under applicable laws and not similar or identical to pending or registered trademarks of other persons.

One problematic aspect of trademark registration in Thailand is how a distinctive trademark is considered. The examiner in Thailand has a unique approach to considering whether the proposed trademark is distinctive.

A distinctive trademark is a mark that is capable of distinguishing the goods or services of one trader from those of another. According to the Thai Trademark Act BE 2534 (1991) and its amendments,<sup>[1]</sup> a trademark is considered distinctive if it:

- does not describe the nature, quality or characteristics of the goods or services;
- is not a commonly used or recognised term in the relevant trade or industry;
- does not indicate the geographical origin of the goods or services; and
- is not deceptive or misleading.

There was a case where a bank brought a case against the Department of Intellectual Property (DIP), which oversees the Trademark Office, under which the examiner determined that the trademark below was unregistrable due to the non-distinctive nature of the proposed mark.



## Make THE Difference

In most cases, the examiner tends to consider any abbreviated mark to be non-distinctive. The same goes for captions or descriptions of goods or services. The examiner tends to ignore whether the proposed mark directly references the goods or services. On the other hand, the Trademark Act clearly requires direct reference as the primary test. In this particular case, the bank did not agree with the examiner's decision. The case was brought to the Supreme Court's consideration and the Supreme Court decided in the ruling No. 2587/2559<sup>[2]</sup> that:

If the words or statement that the Plaintiff applied for a service mark registration did not have direct characteristics or natures of commercial bank services as applied, the said words or statement could be deemed as having distinctiveness in itself as prescribed in Section 80 in conjunction with Section 7 paragraph two (2) of the Trademark Act B.E. 2534 (1991). In applying for registration of the service mark "TMB Make THE Difference", as the service mark which would be used for Class 36 commercial bank services, they had a nature of generic description not directly related to the commercial bank services which was the service item the Plaintiff applied for registration in any way. The said statement had a nature of suggestive word only not a descriptive word that enabled the public or the service users to immediately know or understand the nature or characteristic in relation to commercial bank activities specifically but the service users had to use their imagination or find additional information to know that the Plaintiff's commercial bank services were different from others. Moreover, the statement "Make THE Difference" was not commonly used in commercial bank services in any way. Therefore, the statement "Make THE Difference" did not convey the characteristic or nature of commercial bank directly and was not commonly used in commercial bank services that Plaintiff applied for registration. As a result, Plaintiff's service mark "TMB" with the statement "Make THE Difference" which are component parts of the image of the service mark have inherent distinctiveness and are registrable and the Plaintiff does not have to disclaim exclusive right in using the statement in Roman letters "Make THE Difference".

### WHAT CAN I NOT REGISTER?

A trademark that does not have a specific character within the meaning of the first paragraph of Section 7 of the Trademark Act BE 2534 (1991) has characteristics that can be used by the public in all industries, all businesses and groups of individuals. Therefore, it lacks the feature that makes the public or the user of the product aware of and understand that the product using the trademark is different from other products.

The most common aspects of a product that parties attempt to register relate to the general meaning used by the public in industries and businesses. All groups of persons may use and should not grant any person the exclusive right to use marks related to general meaning of a product, including generic terms and product names. Examples – see the Examiner Registration Manual BE 2565 (2022)<sup>[3]</sup> – and commonly used symbols are as follows:

- international expressions, such as 'international' and 'global';
- 'guaranty', 'warranty', etc;
- model or product numbers (eg, series numbers, classes and generation types);
- colour names and their classes, such as green, green, dark silver and dark grey;
- readings of numbers, letters and counts (eg, AB, One, First, Twin, Double and XLVI (Roman numerals));
- names of diseases, such as covid-19, HIV, Ebola and H1N1;
- country-related language, such as 'American', meaning about the country;

- currency symbols, such as baht and dollar;
- mathematical symbols, such as +, -, %, Alpha, Beta,  $\Sigma$  and  $\beta$ ;
- commonly used pictograms, such as those related to disability and gender symbol; and
- others, such as Eco3D, 4D, tec, technology, original, organic and classic.

Any words or statements directly referring to the characteristics or services of the product or services that are non-distinctive must be clear to consumers immediately or must only require a little judgment to understand. For example, 'STEELSCREWS' means screws made of steel. When applied to a product, threaded nails made of metal, it may cause consumers to immediately understand that it is a product of threaded nails made of steel. Thus, 'STEELSCREWS' is non-distinctive.

Translation of a non-distinctive trademark is considered non-distinctive even if there are several meanings and one of these meanings directly addresses the characteristics of the product. This consideration includes an abbreviation of that word. For example, the word 'cool' has many meanings, including excellent, modern or cold. When used with goods in Class 17 (window film) it is understood as a window film product that cools the temperature, so it is a term that directly refers to the properties of the product. If used with 'shirt' in Class 25, it is understood as a beautiful and modern product, so it is a word that directly refers to the properties of the product. Another example is the word 'max' – it is an abbreviation for 'maximum', and this can be considered non-distinctive.

Words or text intentionally misspelled can be non-distinctive if, considering a colloquial accent, they can be understood as words or text that have a meaning and that meaning directly describes the characteristics or properties of the product.

Words or text that are written by combining two or more words with two or more meanings, and the meanings of these words may be easily interpreted as a direct description of the appearance or properties of the product, are non-distinctive. For example, 'Clearview', which combined the two words 'clear' and 'view', translates to a clear vision. When used for contact lens products, it can be understood as a contact lens product that makes things clearly visible; it directly describes the features of the product.

Words or statements that directly refer to the characteristics or properties of goods, even if invented to have special characteristics, are considered to be non-distinctive.

Comparative consideration of whether a trademark is identical or similar is another issue. The word 'identical' means that the mark is the same and the word 'similar' means that the mark is so similar that it may confuse or mislead the public as to the ownership or origin of the goods. Consider whether a trademark is identical or similar not only comparing images, words and text that appear but also all elements of the trademark. All pronunciations, colloquial accents and items that are sought to be registered for use with trademarks should be considered. The same goes for whether the members of the public that use the goods under the trademarks are part of the same groups and have sufficient knowledge to distinguish between the goods under the two trademarks (Supreme Court Decisions No. 3271/2560 and No. 8156/2560).<sup>[4]</sup>

## HOW ARE UNREGISTERED RIGHTS PROTECTED?

In Thailand, unregistered trademarks can still receive protection under the old, but still in effect, Penal Code. Penalties under the Penal Code<sup>[5]</sup> are very low, and it is more difficult to prove ownership and enforce the rights of an unregistered trademark owner compared to a registered trademark owner.

To protect an unregistered trademark in Thailand, the owner can take the following steps.

- Monitoring: it is important to monitor and watch out for any instances of infringement or unauthorised use of the unregistered trademark.
- Taking legal action: if an infringement occurs, the owner of the unregistered trademark can take legal action against the infringing party. This can involve filing a complaint with the police and filing a lawsuit and providing evidence of ownership, the use of the mark and the infringement.

### HOW ARE NON-TRADITIONAL MARKS PROSECUTED?

In Thailand, non-traditional marks can be prosecuted under the same legal framework as traditional marks. This includes marks with a combination of colours, figurative elements or sounds, or a combination thereof. Notably, scent marks are not recognised under the Trademark Act BE 2534 (1991). To obtain protection for non-traditional marks, the owner must apply for registration with the DIP under the Trademark Act. The application must include a clear representation of the mark. For sound marks, under Ministerial Regulation No. 5 BE 2560 (2017), it is necessary to describe the sound in detail and sound files need to be submitted. While the Ministerial Regulation does not specify any format of sound files, MP3 is the most commonly recognised. Sound notes, graphs and others that represent the characters of sounds can be also submitted.

The DIP will examine the application and determine whether the mark is distinctive and not confusingly similar to existing registered marks. If the mark meets these requirements, it will be published for opposition, allowing third parties to challenge the registration. If no opposition is filed within the specified period, the mark will be registered.

Once registered, the owner of the non-traditional mark can take legal action against infringers, similar to traditional marks. Infringement of non-traditional marks can occur through acts such as unauthorised use, reproduction or imitation of the mark.

### HOW IS TRADE DRESS PROTECTED?

Trade dress often refers to the visual appearance of a product or its packaging that identifies and distinguishes it from other products in the market. Unfortunately, the Trademark Act BE 2534 (1991) does not explicitly protect the trade dress of a product.

*Thairath, a local newspaper, reported that a Thai restaurant copied recipes, table designs, ordering forms and the ordering system from a Japanese restaurant. At the same time, the newspaper also cited the DIP's responses that while the Japanese restaurant had a patent registration over a specific system, it had nothing to do with the overall appearance of the restaurant.*<sup>[6]</sup>

Later, in 2019, a local tea chain store brought a case against another local tea chain store claiming that the defendant used a trade name and trademark together with an animal logo, all of which were similar to those of the plaintiff. In 2021, the Central Intellectual Property and International Court (CIPITC), which is the lower court, ruled in favour of the plaintiff. The



Court reasoned that the defendant used a similar word and the animal's name in its store name and product names, including cups bearing an animal's head in the same position as that of the plaintiff. Also, the defendant was in the same business as the plaintiff. All of these could deceive the public into believing that the defendant's business is associated with that of the plaintiff. It constituted a passing off under the Trademark Act BE 2534 (1991).

To enforce trade dress rights, the owner must bring a civil action in court. In cases of infringement, the owner is entitled to request for injunctive relief, damages and other remedies.

### HOW ARE OPPOSITIONS HANDLED?

In Thailand, trademark oppositions are handled by the DIP, which is responsible for the registration of intellectual property rights in the country. If the DIP decides to allow the trademark to be registered, the mark will be published in the Trademark Gazette. At this point, any interested party may file an opposition to the registration of the mark within 60 days of the publication date. The opposition must be filed in writing and must specify the grounds for opposition.

After an opposition is filed, the DIP will review the opposition and any response filed by the trademark applicant. Based on the evidence and arguments presented, the DIP will decide whether the trademark should be registered. Currently, the DIP takes around two years to render a decision.

If the DIP decides to reject the opposition and allow the trademark to be registered, the mark will be registered and published in the Trademark Gazette. If the DIP decides to uphold the opposition, the trademark application will be refused, and the applicant will have the right to appeal the decision to the CIPITC.

### HOW ARE CANCELLATIONS HANDLED?

Trademark registration may be cancelled on certain grounds, including non-use, invalidity or cancellation for the public interest.

#### Non-use Cancellation

If a trademark has not been used in Thailand for a continuous period of three years or more, any interested person may file a request for cancellation of the trademark registration on the grounds of non-use. The request must be filed in writing and must provide evidence of the trademark's non-use. Section 63 of the Trademark Act stipulates that "if it is proved that...with the goods which it was registered". The burden of proof rests with the plaintiff to prove the non-use of all items registered. In other words, it is necessary to prove the non-existence of items registered, which is extremely difficult.

The consideration of the Board of Trademarks in Thailand has been in accordance with the Supreme Court's judgments, based on the concept of the burden of proof in the accusatorial system that "the person who asserts the matter must prove it", where the precedent is held by the Supreme Court (see Supreme Court Decision No. 7774/2540).<sup>[7]</sup> If the plaintiff is lucky enough to be able to prove the non-use of one item out of many goods registered, the Board of Trademarks or the CIPITC, as the case may be, will cancel the trademark in question. In addition, a token of use is considered use. Supreme Court Decision No. 4006/2533<sup>[8]</sup> ruled that "use of the mark even for a short period of time and in relation to a small number of products still constitutes use."

### Invalidity Cancellation

A trademark registration may be cancelled if it is found to be invalid. Invalidity may arise if the trademark was registered in violation of the law or if it is identical or confusingly similar to a prior registered trademark. Any interested person may file a request for cancellation of a trademark registration on the grounds of invalidity.

### Cancellation For Public Interest

A trademark registration may also be cancelled for public interest. This may occur if the trademark registration conflicts with public policy or if the trademark is used in a manner that is likely to mislead the public. The DIP may initiate a cancellation action on its own initiative or upon the request of any interested party.

In each case, the cancellation request must be filed in writing with the DIP. The DIP will review the request and any evidence provided and will notify the trademark owner of the request. The trademark owner will be allowed to respond to the request, and the DIP may, in theory, conduct a hearing to allow both parties to present evidence and arguments.

Based on the evidence and arguments presented, the DIP will decide whether the trademark should be cancelled. If the trademark is cancelled, the cancellation will be published in the Trademark Gazette. Currently, the DIP will take no less than two years to decide. The trademark owner will have the right to appeal the decision with the CIPITC.

### WHAT ARE THE PENDENCY LEVELS FOR THE LAST 12 MONTHS?

Trademark pendency can vary depending on various factors, such as the complexity of the application, the workload of the DIP and the number of applications filed. The working environment was interrupted by the covid-19 pandemic, and applications accumulated owing to the number of applications that were filed before and during the pandemic.<sup>[9]</sup>

The DIP has been taking steps to streamline and expedite the trademark registration process in recent years. For example, the DIP has implemented an online filing system for trademark applications, which can help to speed up the processing time. Additionally, the DIP has increased the number of examiners handling trademark applications to reduce the backlog of pending applications. However, it could take as long as two years for a straightforward application to maturely register.

Earlier in 2023, the DIP implemented a fast-track trademark registration, meaning that an application may take four months to get examined if the list of goods or services the mark relates to is not more than 10 items, and six months if the list of goods or services is not more than 50 items, provided that the application meets the following requirements:

- the application and supporting evidence as listed below is filed simultaneously online;
- the trademark or service mark – not including a combination of colour, three-dimensional or sound marks – is a letter, word or device, or combination thereof;
- the application covers only one class and not more than 10 or 50 items of goods or services;
- the applicant submits proof of the necessity for urgent use of the mark (eg, a marketing plan and a plan for using the mark); and
-

the applicant submits a search result conducted from certain databases (eg, the Thai Trademark Office's online database, TMview, and the WIPO Global Brand Database).-  
[10] [11]

## HOW TO TRANSFER OWNERSHIP OF TRADEMARK REGISTRATIONS

The transfer of ownership of a trademark registration can be accomplished by filing a request with the DIP. The process involves the following steps.

- Draft a deed of assignment: the current owner and the new owner of the trademark registration execute a deed of assignment, which is a legal document that transfers ownership of the trademark from the current owner to the new owner. The deed of assignment must specify the details of the trademark, including the trademark registration number, the goods or services for which the trademark is registered and the date of registration.
- Submit the deed of assignment to the DIP: the new owner of the trademark registration should submit the deed of assignment to the DIP, along with a request to transfer ownership of the trademark registration. The request should include details of both the current owner and the new owner, as well as the trademark registration number.

## LICENSING BEST PRACTICE

A trademark licence agreement is a legal contract between the trademark owner (licensor) and the licensee, which permits the licensee to use the trademark. Consideration is not a prerequisite.

While Thailand is based on freedom of contract, for a trademark licence agreement, under the Trademark Act BE 2534 (1991) and its related subordinate rule, the trademark licence agreement should clearly specify the scope of the licence, including the specific goods or services for which the trademark can be used, the geographic area where the trademark can be used and the duration of the licence. The agreement should also include provisions on the quality control of the goods or services to ensure that they meet the standards of the trademark owner.

In addition, under the Civil and Commercial Code, an agreement made in advance exonerating a debtor from their own fraud or gross negligence is void. Also, under the Unfair Contract Terms Act BE 2540 (1997), the following terms may cause legal issues:

- exempt or restricted liability arising from breach of contract;
- allowing contract termination without reasonable grounds or without any material breach by the other party;
- allowing one party to delay or not comply with its contractual obligations without reasonable grounds; and
- allowing one party to enforce further obligations on the other party on top of those agreed to on the date of contract execution, etc.

As required by the Trademark Act BE 2534 (1991), the trademark licence agreement must be in writing and signed by both parties. The agreement must be registered and recorded with the DIP. Failure to register and record the agreement will result in the agreement being void.

## WHAT ARE THE FIVE KEYS 'NEED-TO-KNOWS' FOR THAILAND

The following are the five key need-to-knows for trademark registration in Thailand.

- **First-to-file system:** Thailand operates a first-to-file system, meaning that the first person or entity to file a trademark application for a particular mark will generally have priority over subsequent applicants. Therefore, it is important to file your trademark application as soon as possible to secure protection for your mark in Thailand.
- **Use of trademark:** unlike some other countries, Thailand does not require the use of a trademark to register it. However, if a trademark has not been used in Thailand for three consecutive years after registration, it may be subject to cancellation.
- **Trademark classes:** trademarks are categorised into 45 classes based on the goods or services for which they are used. It is important to select each very specific item for your trademark application. The item "pharmaceutical preparations" in Class 5, which may be allowed elsewhere, will not be accepted in Thailand as it is considered too broad. An acceptable description of goods in this regard would be 'pharmaceutical preparations for pain-killing'.
- **Examination process:** after filing a trademark application, the DIP will examine to determine whether the trademark is eligible for registration. The examination process can take an extremely long time, and the DIP may issue an office action requesting additional information or clarification. It is important to respond to the office action within the specified period to avoid abandonment of the application.
- **Renewal:** trademark registrations in Thailand are valid for 10 years from the date of registration and can be renewed for successive 10-year periods. It is important to renew your trademark registration in a timely manner to ensure that your mark remains protected in Thailand.

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## Endnotes



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# Specialist Chapter: Benelux Sees Surge in Post-Pandemic Trademark Filings

Peter van der Wees and Marloes Smilde

Markedly

## Summary

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## IN SUMMARY

This article provides an overview of all relevant aspects of Benelux trademark law as well as filing statistics over the past years. The chapter shows that the Benelux trademark field is holding strong and has seen a considerable rise in trademark filings over the period 2020–2022.

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## DISCUSSION POINTS

- What can be filed and what not to file
  - How to enforce IP rights in the Benelux – both court and office proceedings
  - Filing statistics
- 

## REFERENCED IN THIS ARTICLE

- Benelux Office for Intellectual Property (BOIP)
  - Benelux Convention on Intellectual Property (BCIP)
  - Paris Convention
  - Dutch Domain Name Authority (SIDN)
  - Belgian Center for Arbitration and Mediation (CEPANI)
  - Luxembourg Domain Name Registry (Restena)
  - District Court of The Hague
  - Benelux Trademark and Design Association (BMM)
- 

## LEGAL FRAMEWORK

The three countries of the Benelux (the Netherlands, Belgium and Luxembourg) are not governed by separate trademark laws. Instead, Benelux trademark law is governed by the Benelux Convention on Intellectual Property, the current version of which entered into force on 1 March 2019. This replaced the Benelux Trademark Law 1971, which was the first law to provide uniform trademark protection across multiple EU member states. The convention is in line with the EU Trade Marks Directive (2015/2436) and is therefore similar in its material aspects and provision of rights.

In addition, the Benelux is a member of all major international trademark treaties and agreements, including the Paris Convention, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Madrid Agreement and Protocol, the Nice Agreement and the Locarno Agreement. The EU IP Enforcement Directive (2004/48), which provides specific remedies for IP rights infringement, has been implemented in the national laws of the Benelux countries.

## UNREGISTERED MARKS

The Benelux Convention on Intellectual Property does not provide for the protection of unregistered trademarks. The only exceptions to this are well-known marks as prescribed

by the Paris Convention. When no registration exists, no trademark rights can be invoked. Timely registration is therefore essential.

## REGISTERED MARKS

### Who Can Apply?

As a rule, anyone can apply for trademark protection in the Benelux. However, special requirements exist with respect to ownership of collective marks and certification marks. The representative's place of residence or registered office should be in the European Economic Area.

### Formal Requirements

No power of attorney is required to file for trademark protection in the Benelux (or the European Union). This is required in the case of a request for withdrawal or limitation of a trademark, however. A priority claim must be substantiated, but this can be done with a scan or photocopy of the priority document.

### What Can And Cannot Be Protected?

The legal definition of a 'trademark' in the Benelux is quite broad and the requirement of graphical representation has been abolished. Benelux legislation and practice regarding the admissibility of trademarks are largely in line with European practice. Despite changes to the law on 1 June 2018 and 1 March 2019, non-traditional trademarks, especially three-dimensional trademarks, are generally difficult to obtain.

### Costs

The Benelux has a fee-per-class system. As of January 2022, the official fees are:

- €244 for an application in one class;
- €27 for the second class; and
- €81 for each additional class.

There are no official publication or registration fees. Renewals are calculated in a similar manner:

- €263 for the first class;
- €29 for the second class; and
- €87 for the third and subsequent classes.

Additional fees are due for expedited applications (ie, to obtain registration within 48 hours) as well as collective and certification trademark applications.

## PROCEDURES

### Examination Procedure

The Benelux Office for Intellectual Property (BOIP) maintains the Benelux Trademarks Register. The registration procedure is fairly efficient and is completed almost entirely electronically. An application is checked first on formal grounds and then on absolute grounds. No check on relative grounds is conducted. After publication, an opposition period lasting two months commences. This term is not extendible.



If there are no objections, the application proceeds to registration after approximately four months. If an Office Action or refusal is issued, the applicant is granted an initial term of one month within which to overcome such objections. This may be extended to a maximum of six months. If an expedited registration is requested (following payment of the above-mentioned additional fee), an accelerated check on formalities is conducted. If no objections arise, the mark is registered within a few working days. With this type of application, the check on absolute grounds and publication takes place after registration, implying that the registration may eventually be cancelled.

### **Opposition**

An opposition can be lodged based on a prior identical or similar trademark application or registration for identical or similar goods. Opposition may also be filed based on a mark with a reputation against a mark applied to dissimilar goods, provided that the younger mark takes unfair advantage of, or is detrimental to, the distinctive character or reputation of the earlier mark. In line with article 6bis of the Paris Convention, an opposition may also be filed based on a mark being non-registered but well known. Recently the grounds for opposition have been extended to unauthorised filings by agents and protected designations of origin and geographical indications.

The opposition grounds do not need to be substantiated within the opposition form, meaning that it is possible merely to file a formal opposition. An opposition must be filed before the end of the two-month publication period, or the next working day if the term ends on a day that is not a working day.

Opposition fees are €1,045. This is a relatively large amount, but only 40 per cent is due when the opposition is filed. The remaining 60 per cent is only payable if a case is not settled within the regulatory cooling-off period.

The opposition procedure for the BOIP is similar to that for the EU Intellectual Property Office. The statutory two-month cooling-off period begins when the opposition is deemed admissible. This term can be extended with the consent of both parties for four month-long terms until an amicable settlement has been reached. If no extension is applied for, the opponent must file its arguments and further evidence within two months. The defendant or applicant is then granted a further two-month period in which to file counterarguments and request proof of use (where applicable). When both parties have filed arguments (and, where applicable, have exchanged proof of use and comments), the BOIP will issue a decision.

The opposition proceedings are conducted in the language in which the application was filed (ie, Dutch, French or English). This standard language can be changed, but only with the consent of the trademark applicant. If the application was filed in English, however, the language of the proceedings may be chosen by the opponent.

If the opposition is awarded or rejected in full, the opposition fees of €1,045 must be paid by the losing party. The cost decision is an enforceable judgment.

### **Appeal**

Appeals against BOIP decisions must be brought before the second chamber of the Benelux Court of Justice. The appeal deadline is two months after the notification of the final BOIP decision.

### **Registration Term**

Registrations are valid for 10 years from the application date. The use requirement begins five years after the date of registration.

### Removal From The Register

Any interested party, including the public prosecutor, may invoke the invalidity of the registration if the mark:

- is a sign that is not distinctive;
- is misleading;
- has become the usual denomination for the goods or services involved;
- was filed in bad faith;
- is contrary to public order or morals;
- conflicts with article 6ter of the Paris Convention; or
- conflicts with international or EU legislation providing protection for geographical indicators on wines, traditional specialities or plant species.

In addition, invalidity on relative grounds may be requested by any interested party as long as the older trademark rights owner is part of the procedure. This applies if the trademark:

- conflicts with a geographical indication or constitutes an agent mark;
- is similar or identical to a prior trademark registered for similar or identical goods or services; or
- is similar to a trademark with a reputation in the Benelux for dissimilar goods or services, or is similar to a well-known trademark (in the sense of article 6bis of the Paris Convention).

Finally, revocation may be requested by any interested party if the mark has not been put to genuine use within five years of registration. Use by a licensee (and indeed any genuine use with prior authorisation from the mark owner) is sufficient to maintain rights in a Benelux mark.

### Removal From The Register

Any interested person can apply to the BOIP for invalidity (on the basis of absolute grounds) or revocation (on the basis of a prior right). Invalidity based on relative grounds can be filed by prior trademark owners or licensees. Proceedings with the BOIP are generally swifter and less expensive than court proceedings. Moreover, they generally follow the same structure as Benelux opposition proceedings and EU cancellation proceedings.

### Search Option

The BOIP does not carry out an examination on relative grounds during the registration procedure. However, it does provide a useful and comprehensive search tool (also available in English), which can be accessed at [www.boip.int/en/trademarks-register](http://www.boip.int/en/trademarks-register). If this search tool is not sufficient, the TMview trademark search engine is also useful (- [www.tmdn.org/tmview/welcome](http://www.tmdn.org/tmview/welcome)).

## ENFORCEMENT

Registered trademark rights in the Benelux are efficiently enforced. While there is no single specialist court for general trademark disputes, most district courts and courts of appeal have judges who focus on IP matters. The District Court of The Hague has highly specialised judges thanks to its exclusive jurisdiction over European trademark and design matters.

Most infringement actions will relate to the use of an identical or similar sign for identical or similar products or services. An action can also be brought for an infringement of a well-known trademark. The remedies available can first consist of an injunction. After this, a recall of infringing products can be demanded, as well as the surrender or destruction of the infringing products. The infringer may also be required to provide all the relevant information to enable the plaintiff to calculate the damages caused by the infringement. This information may include the number of infringing products bought, sold and still in stock, along with the profits made. In addition, the infringer can be ordered to provide the contact details of the supplier of the infringing goods. In both summary and main proceedings, a claim may be brought for the legal costs incurred to end the infringement. This works both ways. If the defendant prevails, he or she may also request compensation for their legal costs. It is not possible to claim punitive damages in the Benelux.

In the case of a trademark infringement, a rights holder may bring a claim for the surrender of profits made by the infringer from the sale of the infringing products. A claim for compensation of damages, however, can only be brought in proceedings on the merits.

Interim relief is available. Under certain circumstances (particularly a threat of irreparable damage to the trademark owner), ex parte injunctions are also available. An application for an ex parte injunction is granted only if the plaintiff can make a prima facie case of infringement. Additional claims – such as a request for compensation of damages – cannot be granted in ex parte cases. As a rule, interim relief can be obtained provided that the infringement persists. The trademark owner must continue to pursue proceedings on the merits so that an interim injunction retains its effect.

### **Acquiescence**

The holder of a prior trademark that has acquiesced for a period of five successive years in the use of a registered later trademark, while being aware of such use, will no longer be entitled to prohibit the use of the later trademark (article 2.30 of the Benelux Convention on Intellectual Property). This rule does not apply when the younger mark was filed in bad faith.

The timeframe for the resolution of an enforcement action will depend on the type of remedy sought. If the case is sufficiently urgent, ex parte injunctions and interim relief can be obtained almost immediately. As a rule, interim relief cases will be decided within approximately 14 days. Cases on the merits are commonly decided in six to 12 months.

Finally, although trademark infringement is mentioned in the Dutch Penal Code, public prosecutors have not shown a great interest in pursuing common IP cases in the Netherlands. An exception may be IP infringement that is related to large criminal cases.

### **OWNERSHIP CHANGES AND RIGHTS TRANSFERS**

Assignment is possible without the goodwill of the business. However, it must be made in writing. The recording of assignments, licences and liens with the BOIP is efficient and straightforward. A scan or photocopy of the underlying document is usually sufficient. To record a licence, lien or limitation, an executed power of attorney of all parties concerned is

required. Again, a scan or photocopy of the document is usually enough. No notarisation or legalisation is required.

## RELATED RIGHTS

In the case of service marks that also constitute the company name, it is likely that trade name rights apply. These rights are governed by the respective Dutch, Belgian and Luxembourg trade name laws. Under certain circumstances, device marks, or combined word or device marks, may also be protected under the copyright laws of the Benelux countries. This is because the scope of protection under such laws is not limited to artistic works and the threshold for copyright protection in the Benelux is considered to be fairly low.

Design rights are governed by the design chapters in the Benelux Convention on Intellectual Property, as well as European legislation. When it comes to unfair competition, various national laws against unfair competition come into play. In the Netherlands, for example, slavish imitation may be considered a form of tort. As a rule, however, a claim of unfair competition will require additional circumstances. As such, slavish imitation is commonly claimed only in conjunction with a claim of infringement of other IP rights.

## ONLINE ISSUES

On the basis of registered trademark rights, among other things, the trademark owner can object to unauthorised use in domain names, websites, hyperlinks, online ads and metatags. Benelux legislation provides no specific provisions regarding online IP matters. Apart from dispute resolution policy options, the courts have exclusive jurisdiction over these proceedings.

The '.nl' Dispute Regulation Policy (2008, amended in 2010) provides the legal framework for taking action against a conflicting '.nl' domain name. In this instance the WIPO Arbitration and Mediation Centre is the administrative body. It may order the transfer of a domain name when:

- it is identical or confusingly similar to a trademark or trade name protected under Dutch law in which the complainant has rights;
- it is identical or confusingly similar to a personal name registered in the General Municipal Register in the Netherlands, or the name of a Dutch public legal entity, association or foundation registered in the Netherlands under which the complainant undertakes public activities on a permanent basis;
- the registrant has no rights to or legitimate interests in the domain name; or
- the domain name has been registered or is being used in bad faith.

The WIPO arbitration system works very efficiently and Dutch arbiters are considered experts in their field. As a result, UDRP proceedings will generally form a cost-effective solution for '.nl' domain name conflicts. The legal situation in Belgium is comparable. Alongside court proceedings, it is possible to initiate alternative dispute resolution proceedings at the Belgian Center for Arbitration and Mediation (CEPANI). In Luxembourg, however, legal proceedings are necessary in the event of a dispute regarding a .lu domain name. The range of action available to the .lu registry, Restena, is limited to enforcing court decisions.

## STATISTICS

Trademark and design filings in the Benelux remained strong throughout the recent pandemic years. In fact, the number of filings with the BOIP rose between 2020 and 2021 to 24,000, an increase of approximately 14 per cent. Similar figures for 2022 show a drop back down to pre-pandemic levels. The only IP right that does not follow this pattern is the Benelux design right, which has been almost fully supplanted by the European Design Registration. Interestingly, the number of provisional trademark refusals made by the BOIP has risen between 2020 and 2022, from 3.6 per cent to 5.7 per cent. It will be interesting to see whether this trend will continue, or whether it will also drop to pre-pandemic levels.



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# Germany: Trademark Procedures Before the DPMA

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## Summary

IN SUMMARY

DISCUSSION POINTS

REFERENCED IN THIS ARTICLE

5 KEY NEED TO KNOWS

LEGAL FRAMEWORK

PROCEDURES

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OWNERSHIP CHANGES AND RIGHTS TRANSFERS

RELATED RIGHTS

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## IN SUMMARY

This article outlines trademark procedures in Germany before the German Patent and Trademark Office (DPMA), including application and registration as well as opposition and cancellation proceedings. Requirements for proof of use are also discussed. The article also describes enforcement against infringements, changes of ownership, licensing, online domain disputes, and additional protections under German copyright and trade practices.

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## DISCUSSION POINTS

- Requirements and criteria for registration of trademarks, as well as reasons for non-eligibility
  - Overview of the application, DPMA examination, appeals, oppositions, publication and registration
  - Use requirements and non-use revocation
  - Enforcement and remedies
- 

## REFERENCED IN THIS ARTICLE

- German Patent and Trademark Office (DPMA)
  - The Federal Patent Court (BpatG)
  - Federal Court of Justice (BGH)
  - Federal Act of Criminal Procedure (StPO)
  - Act on the Remuneration of Lawyers (RVG)
  - German Unfair Practices Act (UWG)
  - DENIC eG
  - German Customs Office
  - World Intellectual Property Organization
  - Paris Convention
  - Act on the Protection of Trade Marks and other Signs 1994
- 

## 5 KEY NEED TO KNOWS

1. DPMA examines absolute grounds for refusal, particularly lack of distinctiveness. There is no refusalex officio based on older conflicting trademarks.
2. Germany is a first-to-file country.
3. Three-month period after publication of registration in which to file an opposition, based on older rights.
4. Trademarks must be put to genuine use within five years, or they can be subject to revocation, but only on request and not ex officio.

5. Commercial designations are protected against newer identical or confusingly similar trade designations and trademarks once they are first used in Germany (without registration).

## LEGAL FRAMEWORK

### National Law

German trademarks, EU trademarks and German trademarks based on international registrations, names and non-registered trade designations are all enforceable in Germany. German trademarks are governed by the Act on the Protection of Trade Marks and other Signs 1994 (Trademark Act), which implements the EU Trade Marks Directive (2015/2436).

EU trademarks are governed by the EU Regulation (2017/1001), the EU Commission Delegated Regulation (2018/625) and the EU Commission Implementing Regulation (2018/626). International registrations that extend to Germany are governed by the Madrid Protocol, the Madrid Agreement and the Trademark Act. Names and non-registered commercial designations are governed by the Civil Code and the Trademark Act.

### International Treaties

Germany has also acceded to several multilateral and bilateral international treaties. These include the Paris Convention for the Protection of Industrial Property, the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks, and the Agreement on Trade-Related Aspects of Intellectual Property Rights.

### Unregistered Marks

Commercial designations are protected against newer identical or confusingly similar trade designations and trademarks once they are first used in Germany. However, details of this protection can be complex. The protection may be locally restricted, for example, or there may be coexistence in the case of natural persons with the same name.

Unregistered trademarks and other commercial designations (eg, business symbols) are protected against newer identical or confusingly similar trademarks and commercial designations only from the date on which they acquire a sufficient degree of public recognition in the specific German market. The required minimum threshold is determined on a case-by-case basis. If the sign is distinctive, a degree of recognition of between 20 per cent and 25 per cent of relevant consumers is sufficient to pass the threshold test. However, if the sign is descriptive or not distinctive for other reasons, it must also have acquired distinctiveness through its use in Germany. The recognition threshold for this is set at 50 per cent. Unregistered trademarks used only outside Germany to the required substantial degree may be afforded protection in accordance with article 6bis of the Paris Convention only if the mark is well known. This will usually require between 60 per cent and 70 per cent recognition. These requirements must be proved by opinion polls conducted in accordance with requirements established by precedent.

### Registered Marks

Any natural or legal person may apply for and own a trademark. While representation is not necessary before the German Patent and Trademark Office (DPMA) or the Federal Patent Court (BpatG) – which has jurisdiction over certain trademark matters (although



not infringement cases) – applicants or owners with no domicile, seat or commercial establishment in Germany must appoint a German representative. German attorneys at law and German patent attorneys must be duly empowered, although no power of attorney need be submitted to the DPMA or the Patent Court. Other representatives must submit a power of attorney in writing (either in German, or the original with a German translation). No notarisation is required. However, foreign applicants and owners may need to comply with their local formal requirements.

Registration may be applied for a mark that consists of any sign capable of being represented clearly and in a definitively determinable way. This includes in particular words, numbers, graphical devices and three-dimensional shapes. The represented sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings in a legal manner.

Signs are not eligible for registration if, among other things, they:

- are devoid of any distinctive character;
- are descriptive;
- are used by competitors to describe their goods and services;
- consist exclusively of the shape which results from the nature of the goods as such, are necessary to obtain a technical result or give substantial value to the goods;
- are contrary to public policy or accepted principles of morality;
- could potentially deceive the public – for example, in regard to the nature, quality or geographical origin of the goods or services;
- consist of legally protected signs and have not been authorised by the competent authorities; or
- have been applied for in bad faith.

However, the grounds mentioned under the first three of these points may be overcome by acquiring around 50 per cent distinctiveness.

## PROCEDURES

The DPMA will examine the trademark application with regard to formalities (eg, correct classification of the goods or services and full payment of the application fees) and absolute grounds for refusal. It does not conduct an ex officio search for older conflicting trademarks. Any deficiency will be raised by the DPMA in an official action that grants the applicant at least one month in which to reply. These periods are extendable on request. This decision may in turn be appealed within one month of notification, either by an administrative appeal to the DPMA or by a direct full appeal to the Patent Court, depending on the status of the person at the DPMA who first issued the decision. A decision of a DPMA appeal division may be appealed to the Patent Court. On rare occasions, decisions of this court may be appealed to the Federal Court (BGH). Publication and registration of a trademark occur when the DPMA has issued the allowance. Without any official action, this is likely to be completed between three and six months from the application, although the actual time can vary greatly. The trademark has effect from the date on which it is recorded in the Trademark Register.

An opposition may be filed three months after a trademark registration is published, provided that the corresponding fees are also paid. The rights on which the opposition is based, and

the scope of that opposition, must be clearly indicated. An additional fee must be paid for each right to which the newer mark is opposed. An opposition may be based on older German trademarks and EU trademarks, international trademarks in force in Germany and trade designations which are protected in Germany. It is also possible to base an opposition on older trademark applications. If and to the extent that an opposition succeeds, the opposed trademark will be expunged from the register once the ruling is final and binding.

Oppositions can also be based on protected geographical indications, and protected designations of origin. Generally, opposition proceedings are documentary proceedings with no oral hearing. A typical case will involve one or two rounds of short submissions. Currently opposition proceedings before the DPMA can take at least a year for the first decision to be reached. An admissible opposition that is based on older rights will succeed if the newer mark or the goods and services claimed in its specification are identical or confusingly similar to the older right on which the opposition is based. This includes a danger of association with the older mark. In general, the scope of protection afforded to older well-known, famous or notorious trademarks will be broader. Finally, an opposition can also be based on the grounds that the opposed trademark was registered in bad faith, particularly in the name of an agent or other representative of the (normally foreign) trademark owner.

To support settlement negotiations between the parties to the proceedings, the DPMA may grant a cooling off period of at least two months within which to try to reach an amicable settlement. This period may be extended by a further joint request by the two parties.

The owner of the contested application may defend by requesting proof of use of the opposing trademark. The DPMA requires proof of use rather than simply the putting forward of a plausible case. However, in place of full proof, affirmation in lieu of an oath is still permitted pursuant to section 43(1) of the Trademark Act. The five-year period for which proof of use of the opposing trademark must be furnished will begin five years before the filing date or priority date of the challenged trademark.

The grace period for using the trademark on which the opposition is based (the period during which the use of the trademark does not have to be proven) begins essentially on the date on which the opposition period expires. In case an opposition is filed, the commencement date of the grace period is the date on which the final decision of opposition proceedings becomes final and binding or the date of withdrawal of all oppositions. For trademarks whose application was filed with the DPMA after 14 January 2019 the beginning and end of the grace period for use is entered in the Trademark Register (section 25 (20a) of the Trademark Ordinance). An opposition will also be rejected if the younger opposed trademark was filed during the period during which the older trademark was not in genuine use. This applies even if the older trademark was subsequently put to genuine use by the owner and the lack of use cured vis-à-vis other third parties.

A trademark that is not put to genuine use within five years of expiration of the opposition period or the final decision in opposition proceedings is deemed invalid. However, if maintenance fees are paid, the mark will continue to exist on the public records, because no declaration or evidence of use is required. After the five-year grace period for commencing genuine use, any third party may file a request for revocation at any time. If the owner does not object to this within two months, the mark will be revoked. In case of an opposition, the third party is informed and may then proceed with revocation proceedings before the DPMA by paying another official fee within a month of notification or file a revocation action based on non-use with the German regional court that has special jurisdiction in the subject.

If the owner can prove that it has commenced genuine use before the revocation request is filed, the trademark will not be revoked. This is the case even if the trademark had not been used for more than five years. However, use that commences less than three months before the cancellation request after the owner became aware of its potential filing will not be considered.

Any party may file a request for revocation, and the trademark may be cancelled, if:

- there are absolute grounds for refusing trademark protection (usually overlooked by the DPMA during examination), if:
  - the absolute ground of refusal still exists at the time that the decision on the application for cancellation is made; and
  - cancellation is requested within 10 years of the registration date;
- the trademark has become the common name in the trade for the goods or services in respect of which it is registered as a consequence of acts or the inactivity of the owner; or
- use made of the mark is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

In respect to the enumerated number of statutory absolute grounds, a trademark may be cancelled *ex officio* by the DPMA if the procedure is commenced during the first two years after the registration date and the registration manifestly contravenes a finite number of provisions. These grounds may apply only to some of the goods and services for which the trademark is registered. In this case the cancellation will concern only that part of the trademark.

As an alternative to opposition proceedings, especially after the expiry of the non-extendable three-month opposition period, the owner of older rights may file at any time a request for cancellation based on its older trademark or trade designation standing in force in Germany (ie, relative grounds). However, even if the relative grounds are proven to exist, the registration may not be cancelled if the owner of the older mark has knowingly tolerated the use of the newer mark for the goods or services in respect of which it is registered for a period of five consecutive years – unless the newer mark was obtained in bad faith or the owner of the older right has consented to registration and use of the younger mark. Furthermore, cancellation is not possible if the older mark could have been cancelled on the date of publication of registration of the younger trademark.

Cancellation requests based on original or subsequent absolute grounds for refusal, lack of standing to own a trademark, lack of genuine use or because of the existence of earlier rights (only by the owner of such rights) may be filed with the DPMA. An action for cancellation for revocation or because of the existence of earlier rights may also be commenced before the competent higher regional court.

The trademark may be renewed 10 years after the application filing for some or all of the goods and services for which it is registered by payment of the applicable maintenance fee. All renewals and deletions will be recorded in the register, which may be accessed online at [www.register.dpma.de](http://www.register.dpma.de). Any owner may at any time relinquish their trademark completely or regarding certain goods or services by filing a corresponding written request with the DPMA.

## ENFORCEMENT

Civil infringement proceedings may be based on a conflict with older rights. Typically, infringement claims will first be asserted against the infringer in the form of a letter that asks them to cease and desist, and to pay a contractual penalty in case of contravention. The latter requirement is a unique feature of the German legal system and is intended to disperse the danger of repeated infringement. Unless the infringer gives such an undertaking, the action requesting an order to cease and desist will remain admissible.

The rights holder may seek an interlocutory injunction from the competent regional higher court if the matter is urgent, which is legally presumed. (The competence of specific chambers is concentrated on the state level in a few courts in each state.) The petitioner must request injunctive relief soon after learning about the infringement. This period is not legally defined, although it is generally agreed to be within one month. Some courts grant a period of up to two months, but longer periods are granted only under special circumstances. Unless the infringer acknowledges the court order as final and binding, the petitioner will have to institute normal infringement proceedings.

The following remedies are available in civil infringement proceedings:

- claims to cease and desist, which do not depend on the infringement being culpable;
- claims for actual damages, which may be demonstrated via three alternative methods:
  - licence analogy;
  - actual damages suffered by the rights holder; and
  - profits made by the infringer which are attributable to the infringement, or unjust enrichment;
- claims for destruction and recall, or permanent removal from sale, unless this would be disproportionate – in order to secure the enforcement of such claims, under certain circumstances a sequestration can be ordered by interlocutory injunction;
- claims for information concerning the origin and sales channels of unlawfully marked goods or services (in special cases, these claims may also exist against certain third parties);
- claims that the infringer submit or allow access to banking, financial or commercial documents where these are required for the assertion of the compensation claim, unless this would be disproportionate – the court has the power to guarantee confidentiality protection;
- information claims, which under certain circumstances may be granted through an ex parte interlocutory injunction; and
- claims for the publication of the final judgment.

Reasonable attorneys' fees and court fees are awarded, depending on the extent to which a party prevails. Court and attorney fees are assessed on the basis of fee statutes that provide for lump sums and cap recoverable amounts. German attorneys at law are not permitted to charge fees below such amounts.

Wilful trademark infringement is a crime and may be punished. The local public prosecutor's office is empowered by the Federal Act of Criminal Procedure (StPO) to commence proceedings on its own initiative or upon receiving a complaint. The abilities of the rights holder to influence the investigation, including the speed at which it is conducted, are limited.

Both the seizure and eventual destruction of imported counterfeit goods in Germany are possible under German and EU regulations. Detailed information regarding this is available from the German Customs Office at [www.zollnGLISH\\_VERSION/d0\\_protection\\_property/a0\\_trademark/index.html](http://www.zollnGLISH_VERSION/d0_protection_property/a0_trademark/index.html).

## OWNERSHIP CHANGES AND RIGHTS TRANSFERS

A change of ownership with regard to a German trademark takes place outside the register either through the operation of law (eg, legal succession) or on the basis of an agreement (eg, assignment). While it is not mandatory to record such a change in the register, this is highly recommended in order to ensure that rights can be enforced without delay. The validity and the form of such a change of ownership depend on the applicable law. There are no formal requirements with regard to a registered trademark. A German representative who is a German attorney at law or patent attorney may request the recording of a change of ownership in the register without submitting a copy or original of the underlying legal instrument. In all other cases documentary proof must be submitted.

Trademark licences are also granted outside the register. A licensee may themselves start infringement proceedings only with the consent of the licensor/owner of the licensed right. There is no statutory requirement to register a licence. Trademark licences are entered in the Register at the request of the proprietor of the trademark (licensor) or of the licensee if the respective other party consents. The entry contains information about the licensee, the type of licence and any restrictions. A fee is charged for the registration, amendment and cancellation of a licence in the Register. It is also possible to have licences for trademarks for which protection has been extended to Germany recorded in the International Register.

Commercial designations and names are regarded as being inextricably associated with the relevant business operation or company and may not be transferred without the business operation as such or licensed to another company. The related legal issues are complex.

## RELATED RIGHTS

A trademark that is an individual and sufficiently original creative work may also be protected by copyright. This applies not only to device marks, but on rare occasions may also include slogans that meet a high standard of originality. Furthermore, there may be a nexus between trademark infringement and the German Unfair Trade Practices Act (UWG). This legal area is mapped out by many precedents and is highly complex. To a certain extent, enforcement resembles trademark infringement matters, but claims differ substantially.

## ONLINE ISSUES

The country code top-level domain '.de' is managed by DENIC eG. A dispute concerning a '.de' domain name may be registered with DENIC in order to prevent its transfer. Disputes must be resolved amicably or, if this is not possible, in court. A substantial body of trademark case law applies equally to cyberspace as it does to the offline world. For example, a domain name that is similar or identical to a registered trademark also requires use for identical or similar goods or services in order for a trademark-based claim to succeed. Cases of famous marks or bad-faith domain name registration may be different. Bearing this in mind, precedents

have established that metatags can be infringing. AdWords usage, on the other hand, will not normally constitute infringement unless the displayed advertisement contains something that is infringing.

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# Israel: New Practice Paper Indicates Increasingly Strict Stance Toward Descriptive and Non-Distinctive Marks

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## Summary

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## IN SUMMARY

The legal framework of the Israeli trademark registration process, its prosecution and enforcement. In the past several years, Israel has become extremely strict in its examination practice, specifically regarding non-distinctive marks. Just recently, a new Practice Paper has been circulated determining the distinctiveness of word marks and design marks. Applicants should become aware of this recent stance.

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## DISCUSSION POINTS

- Scope of protection of registered trademarks and unregistered mark
  - Trademark registration procedure, maintenance and renewal
  - Trademark enforcement
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## REFERENCED IN THIS ARTICLE

- The Trademarks Ordinance (new version – 5732/1972)
  - The Trademarks Regulations 1940
  - The Trademark Regulations (Implementation of the Madrid Protocol) (5767/2007)
  - Work instructions for determining distinctive marks – Practice Paper (2023)
  - The Unjust Enrichment Law (5739/1979)
  - The Commercial Torts Law (5759/1999)
  - The Consumer Protection Law (5741/1981)
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## LEGAL FRAMEWORK

Relevant national laws include:

- the Trademarks Ordinance (new version – 5732/1972);
- the Trademarks Regulations 1940;
- the Trademarks Order (Protection of Industrial Property) 1934;
- the Merchandise Marks Ordinance 1929, as amended;
- the Merchandise Marks Regulations 1935;
- the Appellations of Origin (Geographical Indications) (Protection) Law (5725/1965);
- the Appellations of Origin (Procedure of Registration of Appellations of Origin Originating in a Foreign Country) Regulations (5727/1967);
- the Appellations of Origin (Procedure before Appeal Committee) Regulations (5727/1966);
- the Symbols Protection Act (5735/1974);
- the Trademark Regulations (Implementation of the Madrid Protocol) (5767/2007);



- the Unjust Enrichment Law (5739/1979);
- the Commercial Torts Law (5759/1999); and
- the Consumer Protection Law (5741/1981).

Israel has signed the following international treaties:

- the Paris Convention for the Protection of Industrial Property (1883), Stockholm (1967);
- the Agreement on Trade-Related Aspects of Intellectual Property Rights;
- the Nice Agreement on the International Classification of Goods and Services (1957), Stockholm (1967);
- the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958), Stockholm (1973); and
- the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

### UNREGISTERED MARKS

While the Trademark Ordinance predominantly provides protection for registered trademarks, it also protects unregistered well-known trademarks.

Unregistered marks that are not considered well known may be protected under:

- the Commercial Wrongs Law (5759/1999), incorporating the tort of passing off;
- the Consumer Protection Law (5741/1981), according to which a lawsuit may be initiated against a third party using the mark in a manner that deceives the consumer public; and
- the Law of Unjust Enrichment (5741/1981), according to which unfair competition and unfair use of one's goodwill in a mark is prohibited.

According to Israeli law, there is no specific use requirement for establishing the mentioned rights. Each case is judged on its own merits, and the duration, extent, nature of use and nature of the mark are all taken into consideration to determine eligibility for protection. Unregistered rights may also be protected under different laws, including the Unjust Enrichment Law, the Commercial Torts Law and the Consumer Protection Law.

### REGISTERED MARKS

Any person or legal entity may obtain protection for a mark. No power of attorney is required before filing, but one must be submitted to the Israeli Trademark Office (ITO) at a later stage. No notarisation or legalisation is required.

#### Scope Of Protection

Marks that are usually eligible for registration include those that are fanciful, arbitrary or distinctive, or that have acquired distinctiveness.

The following marks are not eligible for registration:

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a mark referring to a connection with the president of Israel or his or her household, or to presidential patronage, or a mark from which a connection or patronage might be inferred;

- flags and emblems of the state, its institutions, foreign states or international organisations, and any mark resembling any of these;
- public armorial bearings, official signs or seals used by any state and signs resembling any of these, and any sign from which it might be inferred that the owner enjoys the patronage of, or supplies goods or renders services to, a head of state or government, unless it can be proved that the rights holder is entitled to use it;
- a mark in which any of the following words appear: 'patent', 'patented', 'by royal letters patent', 'registered', 'registered design', 'copyright', 'to counterfeit this is forgery' or words to that effect;
- a mark that is or may be injurious to public order or morality;
- a mark that is likely to deceive the public, contains a false indication of origin or encourages unfair trade competition;
- a mark containing a geographical indication that may be misleading as to the real geographical area from which the goods originated;
- a mark containing a geographical indication that is literally correct, but that contains a false representation to the effect that the goods originated in a different area;
- a mark identical or similar to emblems of exclusively religious significance;
- a mark on which the representation of a person appears, unless the consent of that person has been obtained (in the case of representation of a deceased person, the consent of his or her successors is required unless reasonable grounds exist for not obtaining it);
- a mark identical to one belonging to a different owner that is already registered in respect of the same goods or description of goods, or so nearly resembling such a mark as to cause likely confusion;
- a mark consisting of numerals, letters or words that are in common use in trade to distinguish or describe goods or classes of goods, or that bear direct reference to their character or quality, unless the mark has a distinctive character;
- a mark whose ordinary significance is geographical or a surname, unless represented in a special manner or unless having a distinctive character;
- a mark identifying wines or spirits that contains a geographical indication, if the wine or spirit did not originate in that geographical area;
- a mark identical or misleadingly similar to a well-known trademark, even if the mark is not registered with respect to goods for which the mark is well known or with respect to goods of the same description;
- a mark identical or similar to a well-known registered trademark, even with respect to unrelated goods or services, if the mark sought to be registered might indicate a connection between the goods with respect to which the mark is sought and the registered owner of the trademark, and the registered owner of the trademark might be harmed as a result of using the mark sought; and

- a mark identical to, resembling or containing the name or business name of another person or entity, if the mark is likely to deceive the public or to cause unfair competition.

## PROCEDURES

### Filing And Examination Proceedings

Multi-class trademark applications are available in Israel. The mark is examined several months after filing. Proceedings may be accelerated under certain conditions. The examination is conducted based on absolute as well as relative grounds. With respect to absolute grounds, it should be noted that in recent years the ILTMO has become significantly strict with its examination practice in relation to descriptive and non-distinctive marks.

Indeed, in the past year a new Practice Paper has been circulated by the ILTMO, according to which descriptive or non-distinctive word elements appearing in basic or standard typeface, lettering or handwritten style typefaces are not registrable. Where standard typefaces incorporate elements of graphic design as part of the lettering, those elements need to have sufficient impact on the mark as a whole to render it distinctive. When these elements are sufficient to distract the consumer's attention from the descriptive meaning of the word element or are likely to create a lasting impression of the mark, the mark is registrable. The mere 'addition' of a single colour to a descriptive/non-distinctive word element, either to the letters themselves or as a background, is not sufficient to render the mark distinctive. Use of colors is common in trade and would not be seen as an indication of origin. However, it is possible that an unusual and memorable arrangement of colors could render a mark distinctive.

With respect to the figurative elements in the mark, descriptive or non-distinctive verbal elements combined with simple geometric shapes are unlikely to be acceptable, in particular when these shapes are used as a frame or border. On the other hand, geometric shapes can add distinctiveness to a sign when their presentation, configuration or combination with other elements creates a global impression which is sufficiently distinctive.

A figurative element is considered to be descriptive and/or devoid of distinctive character whenever:

- it is a mere depiction of the goods and services;
- it consists of a symbolic or stylised portrayal of the goods and services that does not depart significantly from their common representation;
- and/or it is common in the trade.

A figurative element which does not represent the goods and services but has a direct link to the characteristics of the goods and services will not render the mark distinctive, unless it is sufficiently stylised.

With respect to both the word and figurative elements in the mark, principally, a combination of figurative elements and word elements, which if considered individually are devoid of distinctive character, does not give rise to a distinctive mark. That said, a combination of such elements when considered as a whole could be perceived as an indication of origin due to the presentation and composition of the sign. This will be the case when the combination results

in an overall impression which is sufficiently far removed from the descriptive/non-distinctive message conveyed by the word element.

A unique procedure in Israel relates to a refusal based on the existence of a corresponding pending application (inter partes proceedings). If such a refusal is issued, the parties may resolve the conflict by reaching a settlement approved by the registrar. Otherwise, the registrar will issue a decision based on three criteria:

- the applicants' good faith in choosing the trademark;
- the extent of use of the respective marks; and
- the filing dates of the applications.

According to local practice, and because Israel belongs to those common law countries where trademark rights may commonly be acquired by use, more emphasis is given to first use and to volume of use than to the date of filing.

A response to the examiner's objection must be filed within three months. If no response is submitted by this deadline or no extension of time is requested, the ITO will ultimately close the file. Extensions are available up to eight months from the date on which the response should have been filed, while the applicant is required to finalise the examination within two years of the first office action.

Once accepted, the mark will be published in the Trademarks Gazette.

### **Opposition**

Upon publication, third parties have three months to oppose the registration. If no opposition is filed, the mark will proceed to registration. The opposition period cannot be extended.

Once the opposition is filed, the applicant has two months to respond by filing a counterstatement. Two months thereafter, the opponent must file their evidence in support of the opposition. Subsequently, the applicant has two months to file their counterevidence and the opponent may then file evidence in response. The evidence is submitted in the form of affidavits. An oral hearing is then scheduled before the ITO (unless the parties reach a procedural agreement to waive cross-examinations). The parties then proceed to submit their oral or (usually) written summations and summations in reply. A decision will be issued thereafter. Such a decision is final and binding, unless it is appealed to the relevant district court.

### **Registration**

If no opposition is filed within the opposition period or if an opposition has been dismissed, the mark proceeds to registration.

### **Renewal**

Registered trademarks are valid for 10 years from the application date.

### **Removal From Register**

Any person may file an invalidation action to remove or amend a trademark from the register on the grounds that it is not eligible for registration. Such an application should be filed within five years of the registration date. However, if an application is filed in bad faith, there is no five-year limit.

A registered mark may become vulnerable to non-use cancellation action three years after its registration date. A cancellation action against a registered mark may be initiated by any third party on the grounds that there was no good-faith intention to use the trademark in connection with the goods for which it was registered, and that there has been no good-faith use of the trademark during the three years preceding the application for cancellation.

Cancellation and invalidation actions should usually be submitted to the registrar at first instance. The registrar's decision may then be appealed to the relevant district court at second instance. However, some actions may be submitted to the first instance court.

### **Searches**

Official trademark searches are conducted for any identical or confusingly similar marks, word marks and device marks for as many classes as requested.

## **ENFORCEMENT**

### **Civil Proceedings**

A request for interim remedies is one of the most valuable tools for the protection of trademarks. The plaintiff will be granted an interlocutory injunction if the court is convinced that the plaintiff has a good chance to win the suit and that the balance of convenience leans in its favour. A plaintiff who superfluously delays action may not be granted interim remedies. There is no rule as to how much time must pass before it constitutes such a delay: this depends on the circumstances of each case. The main lawsuit, including the request for a permanent injunction, can be filed at any time within seven years of the date of infringement. However, in extreme circumstances, a superfluous delay might stop the plaintiff from bringing the claim to court.

If the plaintiff prevails, they are entitled to an injunction preventing the continuation of the infringements and, in some cases, destruction of the goods and a financial remedy.

### **Administrative Proceedings**

According to the Customs Ordinance, Customs is entitled to detain imported goods that are suspected of infringing trademarks.

It is possible, although not mandatory, for rights holders to file a complaint while recording their registered trademarks with Customs. It is highly recommended that such a complaint be filed if the rights holder is aware of specific shipments of infringing goods bound for Israel or if they wish to bring certain trademarks to the attention of Customs.

Notwithstanding this, Customs is authorised to seize suspected goods (whether as a result of a complaint submitted by the rights holder or as a result of a random examination of shipments arriving in Israel). Once such goods are seized, Customs must send appropriate notice to the rights holder and the importer.

In most cases involving small shipments, Customs initiates a short procedure while agreeing to destroy the goods based on a written opinion submitted by the rights holder, in which it indicates the reasoning behind its belief that the goods are indeed infringing and provides that it will compensate the importer for any financial damage that may be inflicted as a result of the seizure, as well as joining Customs in any lawsuit initiated by the importer.

In other cases (mostly, when the shipment includes a high number of goods or expensive goods), Customs initiates a long procedure, under which the rights holder must file a lawsuit.

As an initial step, the rights holder must submit a bank guarantee to Customs to compensate the importer for any financial damage that may be inflicted as a result of the seizure or the filing of a lawsuit.

Whether a long or short procedure is being instigated, on receiving the customs notification, the rights holder has three working days (with a possible further three-day extension) in which to respond. To complete the short procedure, they may submit the required bank guarantee and relevant documents. Only after the bank guarantee has been submitted will Customs advise the rights holder of the importer's details and allow it to obtain a sample of the seized goods. As such, if the rights holder decides to proceed with the short procedure, they will not receive any details regarding the shipment.

Upon filing the bank guarantee, the rights holder can either settle the matter amicably with the importer or file a lawsuit against it within 10 working days of the notice date (an extension of 10 further working days is available upon filing a reasoned request). Should the rights holder choose to take no further action, the goods will be released.

### **Criminal Proceedings**

The knowing infringement of a trademark constitutes a criminal offence. In recent years, IP police units have been downsized and their action is now limited. However, the activity levels of local police stations that do not specialise in intellectual property have increased.

The police may act on the basis of information obtained by its own investigation or a complaint initiated by the trademark owner. The trademark owner (or its representative) is usually required to assist the police by giving a deposition and testify to the nature of the infringement. It is still possible for trademark owners to file private criminal complaints.

## **OWNERSHIP CHANGES AND RIGHTS TRANSFERS**

### **Assignment**

A pending or registered trademark may be assigned with respect to all or some of the goods or services covered thereby. The assignment should be recorded with the ITO, among other things, in order to avoid claims of non-use and to properly maintain any goodwill of the trademark. To record an assignment in Israel, a copy of the deed of assignment executed by the assignor is required. This must state that to the best of its knowledge the recordal of the assignment will not cause confusion among the public (if such statement is not included in the assignment document, a separate document may be provided). In addition, an executed power of attorney on behalf of the assignee is required.

### **Licence**

Recordal of a licence agreement in Israel is mandatory. Recordal of a licensee or registered user can take place only with respect to registered rights. If a licensee is not recorded as a registered user, the trademark registration may be cancelled for non-use. Further, not recording a licence may have other implications, including regarding the goodwill of the mark and its associated owners. A recorded licensee can take action against infringements in certain circumstances.

To record the registered user, the licence agreement should indicate:

- the relationship between the owner and the authorised person, including the extent of the owner's control over the authorised person's use;

- the goods in respect of which authorisation is sought;
- the conditions or limitations that are to apply to the use of the mark;
- the period of validity of the authorisation, if its registration is requested for a determinate period; and
- a statement that, to the best of the licensor's knowledge, the recordal of the licence will not cause confusion among the public (if the general agreement includes no statement to this effect, a separate statement may be provided).

In addition, a power of attorney signed by the licensee should be submitted. No notarisation or legalisation is required.

### **Merger**

A copy of the merger certificate is required. The certificate must reflect a public official or agency attesting to the merger. In addition, a power of attorney must also be filed.

### **Change Of Name**

One of the following documents is required to record a name change with the ITO:

- a copy of the name change certificate, which attests to the change of name and is made by a public official or agency;
- a copy of the official publication of the change of name; or
- a copy of a notary confirmation indicating that the change of name was registered with the proper authorities in the owner's incorporating country.

### **Change Of Address**

One of the following documents is required to record a merger with the ITO:

- a copy of the merger certificate, which attests to the merger and is made by a public official or agency;
- a copy of the official publication of the merger; or
- a copy of a notary confirmation indicating that the merger was registered with the proper authorities in the owner's incorporating country.

As all documents are filed electronically, simple copies are sufficient. However, the ITO retains the right to request the original/certified documents, if necessary.

## **RELATED RIGHTS**

Under specific conditions, a trademark logo that has artistic value or a slogan may be protected under copyright law. Three-dimensional marks may be protected under design law.

The issue of trademarks overlapping with other IP rights is a complex one and has barely been addressed by the Israeli courts. It appears that most cases will turn on their circumstances, but clear guidelines have yet to be established. That said, the courts have addressed the registration of 3D trademarks and slogans as trademarks, ruling that, in certain cases, the shape of a product may be protected as a 3D trademark if it has acquired distinctiveness and is used as a trademark, and that a slogan filed for registration should

be examined in the same manner as any other mark and should not be a priori considered inherently non-distinctive. These judgments were endorsed by the ITO.

### ONLINE ISSUES

The Israel Internet Association (ISOC-IL) operates as the registry for domain names under the '.il' ccTLD. The IL-DRP is an alternative dispute resolution procedure intended to resolve disputes regarding the allocation of domain names under the '.il' ccTLD. It is not intended to create or replace judicial precedent or jurisprudence.

Under the rules for allocation of domain names under '.il', the IL-DRP will review third-party challenges to an existing allocation of a domain name by ISOC-IL on a case-by-case basis. Disputes regarding the allocation of a domain name by a holder may be brought by a third party on the following grounds:

- the domain name is identical or confusingly similar to a trademark, trade name, registered company name or legal entity registration of the complainant;
- the complainant has rights in the name;
- the holder has no rights in the name; and
- the application for allocation of the domain name was made or the domain name was used in bad faith.

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