

Summary of the Interpretation of the Supreme People's Court on Application of Laws in the Trial of Civil Disputes over Well-known Trademarks Protection (promulgated on April 23, 2009)

On April 23rd, 2009, the Supreme People's Court promulgated the Interpretation of the Supreme People's Court on Application of Laws in the Trial of Civil Disputes over Well-known Trademarks Protection (the "Interpretation"), which will become effective on May 1st, 2009. The Interpretation provides for the concept of well-known trademarks, the scope of application of judicial recognition of well-known trademarks, the factors of recognition, burden of proof and the protection of well-known trademarks.

Pursuant to the Interpretation, a well-known trademark shall refer to a trademark that is widely known by the relevant public in China. In any of the following civil disputes, where one party makes claim based on facts related to the well-known trademark, then the People's Court may, using its own discretion, recognize the disputed trademark: (1) a trademark infringement action on the ground that a trademark is a copy, imitation or translation of a well-known trademark of others; (2) a trademark infringement or unfair competition action on the ground that an enterprise name is the same as or similar to a well-known trademark of others; (3) in a trademark infringement action, the defendant provides a defense or brings a counterclaim on the ground that the trademark of the plaintiff is the copy, imitation or translation of his prior unregistered well-known trademark. To prevent improper enlargement of the application of well-known trademarks, the Interpretation provides that in any of the following civil disputes, the People's Court shall not examine the issue whether the disputed trademark is a well-known mark: (1) the establishment of a trademark infringement or unfair competition is not based on the fact that the trademark is a well-known trademark; (2) the trademark infringement or unfair competition is not established because of failure to satisfy with other factors as required by the laws; (3) the infringement action is brought for the reason that the registered or used domain name is the same as or similar to the registered trademark of others, and the establishment of such infringement is not based on the fact that such trademark is a well-known trademark.

Pursuant to the Interpretation, the factors of recognition of a well-known trademark include: (1) the market shares, sales territory, profit and tax of the products bearing such trademark; (2) the period during which such trademark has been in use; (3) the manner, period, extent, capital investment and geographic scope of publicity or sales promotion of such trademark; (4) the record of protection of such trademark as a well-known trademark; (5) the reputation of such trademark in the market; (6) other factors supporting that such trademark is well-known.

Pursuant to the Interpretation, the party who makes a well-known mark claim shall assume the burden of proof. With regard to the trademark which was recognized as a well-known trademark

before by the People's Court or the State Administration of Industry and Commerce, in case that the defendant brings an opposition to such recognition, the plaintiff shall assume the burden of proof to establish that his trademark is well-known. As for the trademarks which are widely known by the general public in China, if the plaintiff has provided the basic evidence in this regard or the defendant has no opposition, then the People's Court shall recognize such trademark is a well-know trademark.

The Interpretation further specifies the standards of "likely to cause confusion" and "misleads the public and may cause damages to the interests of the registrant of a well-known trademark" related to the disputed trademark in the recognition of well-known trademark. The Interpretation also provides two circumstances under which, the registered trademark used by the defendant is a copy, imitation or translation of a well-known trademark of the plaintiff and a trademark infringement is established; however, the People's Court will not support the plaintiff's request to prohibit the defendant from using the defendant's mark. In addition, if the unregistered trademark which is claimed to be a well-known mark can not be used or registered as trademark in accordance with relevant provisions in the *Trademark Law of the People's Republic of China*, then the People's Court will not support such claim.

To avoid of abusing well-known trademarks by the parties in commercial activities, the Interpretation also provides that, in the civil disputes over the protection of well-known trademarks, the recognition of well-known trademarks made by the People's Court shall only appear in the fact and reasoning part of the decision; it shall not be written in the main body of the judgment; if the dispute has been settled under the Court's mediation, the mediation record shall not recognize the disputed trademark as well-known mark.

If you have any questions to the above, please feel free to contact us. Thank you.

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