



The Trademark Prosecution Review

2024

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

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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: Trademark Hijacking Across the Region and How to Overcome it

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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.

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 'SRAM'

The trademark 'SRAM' of 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 'SRAM' 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 'SRAM' in 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 'SRAM' in 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 'SRAM'

The trademark 'SRAM' of 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 'SRAM' 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 'SRAM' in 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 'SRAM' 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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