

# INTRODUCTION

*Elizabeth Chien-Hale*

In 2000, I went to Hong Kong as an enthusiastic senior associate for an international law firm to launch its patent practice. While the firm was doing well with companies based in Hong Kong, China was our end goal, and the sky was the limit. However, reality set in quickly. In those days before China's entry into the World Trade Organization (WTO), the Chinese IP regime was out of step with international standards. Some of the major Chinese companies we approached were still unsure what constituted intellectual property (IP) rights, let alone how to use them to further their business objectives.

China has made rapid progress since then. To obtain approval into the WTO, which finally happened on December 11, 2001, China made all the necessary amendments to its patent, copyright, and trademark laws. China also revised relevant Implementation Rules covering different areas of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) to bring all such measures into full compliance with TRIPS protection of trade-related intellectual property rights and undisclosed information.

Upon my return to the United States from Hong Kong, I volunteered within the Intellectual Property Law section of the American Bar Association. My first China focused project within the section was to bring a delegation of ABA members on a fact-gathering trip to China in 2004. During the trip, we targeted three cities: Beijing, Shanghai, and Guangzhou. We visited various IP agencies including the State Intellectual Property Office (also known as the Chinese Patent Office), Trademark Office, National Copyright Administration, and the Supreme People's Court. We also held seminars to exchange our views with our Chinese counterparts. Finally, we conducted our own informal survey by visiting the streets and talking to the vendors. Most delegates reported at the end of the trip that they felt a tremendous sense of energy and commitment from Chinese government officials and

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practitioners to create and refine China's IP framework, despite the unfortunate reality of general street-level disregard for intellectual property rights.

Besides organizing delegation visits to China and hosting Chinese delegations when they come to the United States, the ABA Sections of Intellectual Property Law and International Law have joined hands whenever opportunities arose in forming several task forces to provide comments to the issued amendments on patent, trademark, and copyright laws by the various Chinese government agencies, including the National People's Congress and the State Council. Our volunteers worked tirelessly, often under strict deadlines and limited resources, to produce our comments, which generously shared our American perspectives and experiences in protecting intellectual property rights.

This book is yet another effort by the ABA Section of Intellectual Property Law to inform our members regarding intellectual property developments in China. This book is written for a seasoned practitioner who has a firm grasp of U.S. law; it is complete with chapters on all aspects of intellectual property protection, including patents, trademarks, copyrights, trade secrets, and antitrust.

Readers will notice that despite full compliance with the TRIPS standards, the Chinese IP system still maintains some "Chinese characteristics." Enforcement power is divided between two powerful and independent branches of the government, which would be a surprise to American practitioners, who are more accustomed to using the judicial branch as the primary way to address IP infringement issues. Another example is seen in China's continuing concern for abuse of intellectual rights as a way to suppress local companies by rich and powerful foreign patent owners.

After years of government-guided pushes to increase the numbers of IP filings and registrations by Chinese enterprises, China is now switching its emphasis from numbers to quality or use/monetization of the granted rights. As Chinese companies have matured in their general sophistication of international practices, Chinese laws have also been further amended since the 2001 amendments were made to all IP laws. Again in 2008, the Patent Law was substantially amended, and the Trademark Law was revised in 2013. We have seen several drafts of the amendments to China's Copyright Law and believe it too will be officially amended in the near future.

I hope that by the next edition of this book, we will be able to report even more good news for IP owners conducting business in China.

## CHAPTER 3

# Trademark Law of the People's Republic of China

Brian Edward Banner, Jessica Xu, and Drew Foerster

*"The sanctity of property is the basic prerequisite of economic enterprise, since incentive can have no meaning until society makes it possible for property to be held securely."*

—Edmond Burke

The Trademark Law of the People's Republic of China (PRC) was first adopted in 1982 and has been amended three times, first in 1993, then in 2001, and most recently in 2013 with an effective date of May 1, 2014. On that same day, the PRC promulgated a revision to the implementing regulations for the Trademark Law to accompany the new law itself. The new law wholly and clearly revokes the 1963 Trademark Administration Regulations but permits all other prior trademark regulations to remain effective as long as they are not inconsistent with the new law. The 2003 Regulations on the Verification and Protection of Well-Known Trademarks is one set of such prior regulations.

In general, the most recent revision of this law responds to public concerns about complex trademark prosecution procedures, the rampant problem with bad faith trademark squatters, and difficult trademark protection issues unresolved by the prior law. Efficiency, protection, and enforcement measures are three key themes in the most recent revision. This chapter first

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profiles significant changes to the PRC's trademark regime and then runs through significant aspects of the new law while contrasting them with the corresponding aspects of U.S. law where relevant.

## A. Significant Changes to PRC Law

Some significant changes to the most recent revision compared to earlier versions of the law include the following:

- Article 7 was added, which states that PRC trademarks shall be registered and used in accordance with the principles of honesty and credibility.
- Sound marks were added to the list of types of marks that qualify for registration (Article 8). This list had already contained visually perceptible signs, words, devices, letters, numerals, three-dimensional signs, combinations of colors (consisting of more than two colors), and combinations thereof. Single colors and smell marks subject to potential registration in the United States still do not qualify for registration in the PRC.
- A provision was added prohibiting the registration of marks that mislead the public about either the geographic place of origin of the goods or the quality or other features of the goods (Article 10).
- Provisions were added that aimed to clarify the existing circumstances and venues for recognizing and enforcing a "well-known" mark, including enabling trademark owners to petition for such status as part of the initial application (Article 14).
- A provision was added to further clarify that the true trademark owner has the right to oppose registration of a mark or for the first time seek to invalidate a knockoff manufacturer's or branded product distributor's bad faith registration of the trademark (Article 15) or a similar mark the true trademark owner has previously used but has not as yet registered (Article 32). This tactic, known as "brand squatting," is a recognized and growing problem in the Chinese market.
- Obligations and responsibilities were added for the Trademark Office to foster and enforce good faith on private sector trademark agents and to enforce penalties for unethical behavior (Article 18).

- Various mandatory timelines were added in Trademark Office prosecution proceedings, oppositions, reviews, and new invalidity actions against registrations.

## B. Good and Bad Faith

As mentioned in the previous section, Article 7 of the PRC Trademark Law contains new language mandating that registration applicants act with honesty and credibility, which is one possible way to express a good faith mandate in Chinese. Because there are no concrete details illustrating how an applicant can fail to show good faith, and because the consequences for violating it are unclear, it is difficult to assess what future impact this mandate may have.

In addition, Article 15 of the Trademark Law contains new language prohibiting acts that effectively constitute bad faith behavior. The standards for assessing whether an applicant has behaved in this way, and the consequences for doing so, are clearer than they are for the good faith mandate of Article 7. First, even before the most recent 2013 revision to the Trademark Law, Article 15 already prohibited a private sector trademark agent, or any other sort of representative or agent, from designating its own name as the owner of the principal's trademark rather than the principal's name. In addition, the newest revision to the Trademark Law has added another section that prohibits anyone, not just agents or representatives, from registering another party's unregistered trademark when all the following conditions are met:

1. The other party had prior use of the trademark and is still using it.
2. The other party formally opposes the alleged bad faith registration application.
3. The applicant and the other party have had any sort of contact, such as (but not limited to) contractual or other business dealings.
4. The applicant has known of the prior trademark, which is a crucial condition for this kind of case.



Interestingly, even before the most recent 2013 revision to the Trademark Law, Article 32 already contained two prohibitions on what could also be considered bad faith behavior:

1. A registration applicant “infringing upon any other party’s existing prior rights”
2. A registration applicant “rushing” to register a mark in an “unfair manner” that was both already in use by another party and that also already had a “certain degree” of influence

### C. Trademark Application

The PRC Trademark Law deals with applications and has provisions similar to those found in U.S. law, such as the requirement that the owner must be the applicant and also recognition of six-month priority for purposes of a filing date in the PRC through the Madrid Protocol. It is generally recommended, though, that one register one’s trademark in the PRC directly with the Trademark Office rather than go through the Madrid Protocol process. Notably, PRC law and practice still do not allow for the sort of concurrent registration that is available in the United States.

Under Article 6 of the PRC Trademark Law, the government requires registered trademarks for specific classes of goods. Such goods are not allowed to be sold on the market absent a registered mark. Laws other than the Trademark Law or its regulations specify which exact classes of goods fall under this mandate. Article 51 gives the State Administration for Industry and Commerce (SAIC) the power to order any party violating Article 6 to file an application for registration and to assess fines on revenues generated prior to registration.

Unlike in the United States where the U.S. Patent and Trademark Office (USPTO) faces no mandatory deadlines, the PRC Trademark Law requires the PRC Trademark Office to complete its examination within nine months of filing. As a practical matter, though, the Trademark Office has not caught

up with this legal mandate, and so as of November 2014 applications typically take anywhere from 14 to 17 months for preliminary approval.<sup>2</sup>

### D. Trademark Examination

Anticipation based on a prior registration for the same mark for the same or similar goods is a possible basis for refusal under Article 30 in a way similar to U.S.C. § 1052(d).

Like U.S.C. § 1052(a), Article 10 of the PRC Trademark Law prohibits registration of marks that incorporate deceptive or scandalous material. Of particular concern are marks suggesting false connections with people, organizations, or geographic locations. Article 16, though, permits already-registered marks that are geographically misleading to maintain their registered status as long as they were originally registered in “goodwill.”

Articles 11 and 12 prohibit the registration of generic and functional marks and permit the registration of descriptive marks only upon a showing of acquired distinctiveness (secondary meaning) with standards substantially similar to those in the Lanham Act and the USPTO’s regulations. However, whereas U.S. law provides some guidance in requiring use for five years, neither PRC law nor regulations contain any such clear-cut duration requirement.

Article 33 permits opposition to a preliminarily approved trademark within three months of publication. This is three times longer than the opposition term under U.S. law. Any interested party may oppose the registration application on the following grounds:

- Under Article 10 when the use of the mark would constitute fraud in advertising, which includes marks that inappropriately suggest a connection with a national or international body or symbol
- Under Article 11 if a mark is merely generic, descriptive, or symbolic

1. Matthew Dresden, *China Trademarks. Register Them in China, Not Madrid*, CHINA LAW

2. Dan Harris, *China Trademark Registrations: The Latest News from the Front*, CHINA LAW



- Under Article 12 if a mark's three-dimensional design is functional, is required to give goods "substantive value," or "merely indicates the shape inherent in the nature of the goods concerned"
- Under Article 13(2) when the mark (or its translation) is already well known but unregistered in the PRC through its use by another entity with prior rights, any grant of the pending registration would cause confusion; this section forbids not just registration but also use of the mark by anyone other than the prior rights holder of the unregistered mark
- Under Article 13(3) when the mark (or its translation) is already well known and is registered in the PRC and grant of the pending registration would both cause confusion and hurt the interests of the prior-registered party, even if the goods are not identical or dissimilar; this section forbids not just registration but also use of the mark by anyone other than the already-registered owner of the mark
- Under Articles 15 or 32 for bad faith
- Under Article 16 if the registered trademark contains a geographic indicator that does not identify the actual geographic origin of the goods, unless the registration was obtained in goodwill
- Under Article 30 if the pending trademark is the same as or similar to an already-registered trademark used in connection with the same or similar goods or services
- Under Article 31 if the same or a similar mark for the same or similar goods or services was the subject of an earlier registration application; if the two applications happen to arrive at the Trademark Office on the same day, then whichever had earlier use takes priority

Article 35 provides that in oppositions, the Trademark Review and Adjudication Board (TRAB) has 12 months to announce its decision, with a six-month extension in special circumstances. There is no time deadline for proceedings in U.S. inter partes opposition practice. Like U.S. opposition procedure, a TRAB opposition may be suspended during civil action between the parties. Revised Article 35 significantly changes the appeals process if the Trademark Office approves a registration despite opposition.

party could appeal an adverse decision allowing the registration directly to the TRAB. This appeal is no longer possible under the new version of the law; instead, at the time of the appeal the only option a previously opposing party has is to move to invalidate the already-granted registration. On the other hand, if the Trademark Office refuses the registration, then the applicant may still appeal that adverse decision directly to the TRAB.

Article 34 permits a dissatisfied applicant to apply for review by the TRAB within 15 days of the refusal. The TRAB shall make a decision and notify the applicant within nine months of the application for review, with a possible three-month extension to that deadline. Under U.S. law, an applicant has six months from a final refusal to appeal ex parte to the TRAB; if the applicant does not appeal, then the application is considered abandoned.

Article 56 grants a trademark owner exclusivity for the mark only in the context of its use in conjunction with the classes of goods and/or services for which the mark obtained registration. This provision substantially mirrors U.S. law according to which registration grants the owner the prima facie right to exclusively use the mark for the classes of goods and/or services covered in the registration.

## E. Invalidation and Cancellation

Article 44 grants the Trademark Office the authority to invalidate a trademark registration for the following reasons at any time:

- Under Article 10 if the use of the mark effectively becomes fraud in advertising, which includes marks that inappropriately suggest a connection with a national or international body or symbol
- Under Article 11 if a mark becomes generic or otherwise loses acquired distinctiveness
- Under Article 12 if a mark's three-dimensional design is functional, is required to give goods "substantive value," or "merely indicates the shape inherent in the nature of the goods concerned"

These reasons are all also valid grounds for the Trademark Office to refuse a mark's initial registration in the first place. Third parties may petition the



Article 45 grants the Trademark Office the power to invalidate a trademark registration as requested by the holder of prior rights or an interested party within its first five years for reasons elaborated in the following list of other sections of the Trademark Law:

- Under Article 10(2)–(3) if the mark is the same as or similar to any sort of national or international name or symbol
- Under Articles 15 or 32 for bad faith; as with the grounds for invalidation listed in Article 44, there is no five-year statute of limitations to have the bad faith registration of another's unregistered well-known trademark invalidated
- Under Article 16 if the registered trademark contains a geographic indicator that does not identify the actual geographic origin of the goods unless the registration was obtained in goodwill
- Under Article 30 if the pending trademark is the same as or similar to an already-registered trademark used in connection with the same or similar goods or services
- Under Article 31 if the same or a similar mark for the same or similar goods or services was the subject of an earlier registration application; if the two applications happen to arrive at the Trademark Office on the same day, then whichever had earlier use takes priority

It is important to note the five-year cutoff for these factors in contrast to the lack of any cutoff point for the factors listed previously under Article 44.

Article 47, which is entirely new in this most recent 2013 revision to the Trademark Law, says that a now-invalidated registration resulting from actions brought under Articles 44 or 45 shall be deemed as nonexistent ab initio. The registrant shall be liable for compensating the losses caused, mala fide, to other parties. Trademark infringement damages, trademark transfer fees, or trademark royalties shall be refunded fully or partially if the non-refund thereof is in obvious violation of the principle of fairness.

Article 49 permits cancellation of a registered trademark if the registrant changes, without authorization, the mark, the name or address of the registrant, or other registration items. The Trademark Office can require the registrant to enter the changes or the registration will be canceled. Similarly, in the United States, all registrants are required to update the chain of title in

petition the Trademark Office to cancel a trademark registration when the trademark has unjustifiably not been used for three years.

In addition, Article 49 contains new language incorporating into PRC law standards for the cancellation of marks that were not generic when originally registered but that have become generic. Anyone may petition the Trademark Office to have a mark canceled on this basis.

Article 50 of the PRC Trademark Law denies third-party registrations of the same or similar mark for one year following the cancellation or non-renewal of a previously registered mark. This appears to be a one-year grace period for registrants. In the United States, registrants are given a six-month grace period for required maintenance filings.

Article 54 grants appeals within 15 days from adverse Trademark Office cancellation decisions to the TRAB and a further court appeal within 30 days of an adverse decision from the TRAB. It also requires the TRAB to issue a written decision within nine months of filing. A three-month extension of the deadline is permitted in special circumstances.

Under Article 55, if an adverse decision on cancellation is not appealed within time limits set forth in Article 54, the registered mark is canceled and the Trademark Office publishes the cancellation. This process extinguishes the applicant's exclusive right to use the trademark at issue.

## F. Administrative Supervision of Trademark Licensing

Article 43 requires the licensor to record trademark licenses at the Trademark Office in order to be able to enforce the trademark rights against a third party that has acted in good faith. This section also burdens the licensee with the requirement of meeting the licensor's quality levels for the licensed goods.

## G. Standards for Assessing Infringement

Article 57 and its implementing regulations define trademark infringement as including acts that under U.S. law would be considered both direct



a positive legislative attempt to expand the previously more limited scope of trademark infringement claims in the PRC. These acts include the following:

1. Unauthorized use of an identical mark on the same class of goods or services
2. Unauthorized use of a similar mark on the same or similar goods that is likely to cause confusion. This “likely to cause confusion” standard for infringement is new in the most recent revision to the Trademark Law; previously it had merely arisen as a factor in judicial determinations of trademark infringement under the Trademark Law rather than counting as an explicit factor in the text of the law itself. Interestingly, though, it is still not an explicit factor in oppositions to trademark registrations under Article 33.
3. Sale of any goods that infringe a registered mark. However, Article 64 of the Trademark Law enables a defendant to escape compensation liability from this provision if that defendant sold infringing goods without knowledge that he or she infringed a registered trademark and if the defendant proves he or she obtained the goods by legitimate means and provides information on the supplier of the goods.
4. Unauthorized production, sale, or counterfeiting of labels of another’s registered mark
5. Unauthorized changing and using another’s registered trademark
6. Intentionally providing convenience of activities and facilitating others to commit trademark infringement. Article 75 of the Implementing Regulations provides greater specificity for what activities could constitute facilitation, including printing, mailing, warehousing, “internet merchandise trading platform” services, or even providing a place of business.
7. Other acts that have caused any other damage to another’s exclusive right to use a registered trademark

In the United States, contributory trademark infringement liability applies only if the service provider (such as Amazon or eBay) has more than general knowledge of the direct infringement or if the service provider has reason to know that its service is being used to sell counterfeit goods and some contemporary knowledge of which particular product listings are

infringement liability is potentially greater under PRC law (in particular Article 57(6) and Article 75 in the Implementing Regulations that elaborates on it) than under U.S. law.

Article 59, which is entirely new in this most recent 2013 revision to the Trademark Law, limits the registrant from prohibiting others from properly using generic, functional, and/or merely descriptive terms or trade dress. It permits a prior unregistered user of a mark subsequently registered in good faith by another to continue the unregistered use within its original scope. The registrant may, however, require the prior unregistered user to add a differentiating mark to its use of the trademark at issue.

#### **4. Administrative Enforcement**

Article 52 gives the SAIC the power to fine, enjoin, order correction, or circulate a notice of criticism for anyone who passes off a trademark as registered when it is not so registered or anyone who uses an unregistered mark prohibited by Article 10 regarding international or national symbols as well as other sorts of protected marks.

It is very important to note that Article 60 requires the trademark holder to “consult” with the alleged infringer before being able to petition the SAIC to investigate the suspected infringement and before being able to sue the alleged infringer. As a practical matter, though, this same article allows the trademark holder to file a lawsuit if the parties are not “willing” to negotiate with each other over the issue.

Article 61 authorizes (but does not explicitly require) the SAIC to investigate alleged infringement and punish it. If criminal in nature, the matter must be transferred to a judicial authority for settlement under the criminal laws.

If the SAIC determines that infringement has occurred, Article 60 states that the SAIC shall enjoin further acts of infringement and shall confiscate and destroy the infringing goods and instruments mainly used in making the infringing goods. The newest revision clarifies and potentially expands the scope of discretionary fines the SAIC may impose by specifying that the fines are levied on illegal earnings; if the illegal earnings were above RMB50,000 (~USD 8,000), then this fine could be up to five times this



owned by others within five years, heavier punishments may be ordered. Disputes over the amount of damages for infringement may be resolved by mediation through the SAIC or by lawsuit in accordance with the Civil Procedure Law of the PRC.

Article 62 lists the power of SAIC offices above the county level to investigate alleged infringements.

As far as disputes concerning uniform resource identifiers (URIs) are concerned, the China Internet Network Information Center resolves disputes under the Uniform Domain Name Dispute Resolution Policy for web sites ending in the .cn top-level domain.

## 1. Judicial Enforcement

Article 64 requires the registrant to prove use of the registered mark during the three years prior to the lawsuit for infringement where the defendant raises the defense of nonuse. If nonuse is proven, the alleged infringer shall not be liable for compensation. At this point, the former defendant may also petition to have the trademark canceled under Article 49, as already mentioned.

Article 65 provides a judicial mechanism to a registrant or other interested party, prior to commencement of a lawsuit, to prevent soon-to-be committed acts of trademark infringement or continuing acts of trademark infringement through court-ordered temporary injunctive relief and to effect the seizure and preservation of allegedly infringing assets. This measure is very similar to a U.S. ex parte temporary restraining order and to the seizure procedures available through federal courts that usually target counterfeit goods.

Article 66 of the Trademark Law provides a judicial mechanism to a registrant or other interested party to preserve evidence of infringement (a prelitigation evidence preservation order [EPO] or just preservation order) prior to commencement of a trademark infringement lawsuit upon a showing of one of the following conditions:

1. Evidence could be destroyed.
2. Evidence could be lost.

An EPO is not unique to the Trademark Law; it is generally available for all civil lawsuits under Article 74 of the PRC's Civil Procedure Law.<sup>3</sup> The Supreme People's Court has actually issued special guidance for this procedure, though, when conducted in advance of trademark litigation.<sup>4</sup> There is no equivalent in U.S. law, and it can be a very useful tool. Typically such orders will take a couple of days to more than a week to issue, upon which the court itself sends officers to the alleged infringer's place of business to gather evidence. The officers' entry may not be forceful; if the alleged infringer refuses entry, then the worst that may result is a fine that PRC courts do not often order.

Article 67 provides that where infringement by the unauthorized use of the identical registered mark for the same goods is criminal in nature (including but not limited to counterfeiting), the infringer not only could face civil liability toward the true trademark owner but also may face criminal liability. These procedures generally correspond to their equivalents in U.S. law and practice.

Article 63 lists various means for calculating infringement damages in order of preference; if the first cannot be calculated, then the second measure will determine the amount of damages, and so on. In any case, the aggrieved party may also recover reasonable expenses incurred to prevent the infringement; according to Article 17 of the "Interpretation of the Supreme People's Court Regarding Several Questions on the Application of Law in the Adjudication of Civil Disputes Involving Trademarks,"<sup>5</sup> these reasonable expenses may even include plaintiff's attorneys' fees. If the infringer acted "maliciously" and the "circumstances" are "serious" (not

3. An evidence preservation order should also not be confused with a property/asset preservation order available under Chapter 27 of the PRC's Civil Procedure Law to ensure that the alleged infringer does not abscond with assets that could be used to pay off a possible judgment. An evidence preservation order available under PRC law also should not be confused with the much more powerful Anton Piller Order available in several countries with legal systems connected to English common law, including notably Hong Kong and Singapore. An Anton Piller Order permits plaintiff attorneys to enter the premises of the alleged defendant with no advance warning in order to preserve evidence from destruction.

4. Interpretation by the Supreme People's Court of the Issues Relating to Application of Law to Pre-trial Suspension of Acts of Infringement of Exclusive Right to Use Trademarks and to Evidence Preservation (2nd Legal Interpretation of 2002, promulgated Dec. 25, 2001, effective Jan. 22, 2002).



further specified), a court may multiply damages by up to three times the base amount calculated under one of these methods:

1. The registrant's lost sales
2. The infringer's illegal profits
3. What reasonable royalties would have been

When damages are difficult to determine under all of these measures, the people's court shall render a damages judgment up to 3 million RMB (~USD 480,000) depending on the circumstances of infringement. (The previous upper limit was only RMB500,000 (~USD 80,000).) Of note, whenever these damage calculations require reference to books and information held by the alleged infringer (and only after the plaintiff has provided as much evidence as is practicably possible), the court may order the alleged infringer to turn over account books and other information for damage calculations. If the alleged infringer does not comply, or if the alleged infringer supplies false documents or information, then the court may proceed with damage calculations based only upon the evidence supplied by the plaintiff. It is worth noting, though, that this information might already be in the hands of the plaintiff through a prelawsuit EPO under Article 66. Interestingly, the plain text of this provision does *not* explicitly reference the possibility for treble damages because of the infringer supplying false documents or information, whereas (as noted elsewhere in this chapter) up to treble damages are available when the actual infringement was malicious.

## J. Well-Known or Famous Mark Protection

Article 14 introduces the factors for assessing whether a mark is "well known." These differ from the standards for "famous" mark status under U.S. law. Both legal systems enable owners of such marks to bring actions for dilution by blurring or tarnishment; in the United States, this cause of action is clearly contained in the law,<sup>6</sup> whereas in the PRC this cause of action arises from the Supreme People's Court's official interpretation of more general provisions in the Trademark Law.<sup>7</sup>

6. 15 U.S.C. § 1125(c).

7. Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law to the Trial of Cases of Civil Disputes over the Protection of Well-Known

The following list details the factors and evidence taken into consideration in determining whether a mark warrants well-known status under PRC law and regulations:<sup>8</sup>

1. The degree of knowledge or recognition among the relevant sector of the public
2. The length of time the mark has been in use, including evidence concerning the scope and history of the use of the mark and the scope and history of its registration (if any)
3. The scope of the duration, extent, and geographic area of the mark's advertising
4. Other evidence, including historical sales information for the most recent three years
5. Whether the mark has been recognized as well known by the PRC or any other government in the past

The factors for famous mark status in the United States<sup>9</sup> overlap a great deal but contain the following differences and additional factors that are not explicitly mentioned in the PRC law's provisions:

1. U.S. law does not explicitly mention anything like the last factor that takes into consideration previous formal recognition as a famous or well-known mark.
2. U.S. law requires recognition among the public in general<sup>10</sup> whereas PRC courts do not.<sup>11</sup>
3. U.S. law takes into account the degree of inherent or acquired distinctiveness of the mark.
4. U.S. law takes into account the degree to which the party claiming prior rights in the mark has had "substantially" exclusive use of it.

Most countries in the world grant well-known mark status to foreign marks even if those foreign marks are nowhere near as well known in the

8. Trademark Law Article 14; Regulations on the Verification and Protection of Famous Trademarks (Order No. 5, promulgated by the SAIC on Apr. 17, 2003), art. 3.

9. 15 U.S.C. § 1125(c)(2)(A)(i)-(iii), (B)(ii)-(iii).

10. 15 U.S.C. § 1125(c)(2)(A).

11. Xue Hong, *Domain Name Dispute Resolution in China: A Comprehensive Review*, 18