

Empirical Study on Determination and Protection of Well-Known Trademarks in China

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I. Determination on Well-Known Trademarks

The determination on well-known trademarks can be made administratively or judicially. Where a trademark owner considers that his right is infringed, he may file an application with the Trademark Office, the Trademark Review and Adjudication Board, or the People's Court according to Article 14 of the Trademark Law. Well-known trademarks are determined under the principles of determination by individual cases, determination on a needs basis, and passive protection. Administrative determination includes the Reply to Determination made by the Trademark Office and the Decision on Trademark Opposition made by the Trademark Review and Adjudication Board. Judicial determination includes court judgments. In court, the judge determines a trademark to be a well-known trademark only when he considers that trademark infringement does exist and thus the determination is necessary. In addition, the determination only constitutes a fact of the case and rationale for the judgment and is not elaborated in the written opinion. If the case is resolved by mediation, the determination of the well-known trademark will not be addressed in the mediation agreement. The determination of well-known trademark is a fact of the individual case. The determination is only part of the facts of the case, and is not an honor or legal authorization. The effect is mainly embodied in cross-class protection of the trademark. If protection is requested again for a previously upheld well-known trademark and the other party does not oppose, the court will not make the determination again.

1. The determination criteria of public well-knownness is based on domestic nationalism.

In the determination, the factors to be considered include the well-knownness, duration, extent, and geographical area of use and marketing, records of protection as a well-known mark. Note that in terms of evidence, Article 2 of the Provisions on the Determination and Protection of Well-Known Trademarks specifically stipulates that well-known trademarks must be trademarks familiar to the relevant public in China. For example, in the case of *Aquascutum*¹, the court held that the evidence outside Mainland China cannot prove the trademark's domestic well-knownness: "The evidence including outdoor ad photos and ad flyers submitted by *Aquascutum* does not indicate the time. Meanwhile, the registration of relevant trademarks

¹ Beijing High People's Court (2013), Administrative Division, Final, No. 1261.

outside Mainland China cannot prove the well-knownness of the cited trademarks at issue in Mainland China.”

2. Evidence must show establishment of well-known trademark prior to the application date of the opposed trademark.

The of time of establishment of the well-known trademark shown by the evidence is another important factor. **Evidence must show establishment of well-known trademark prior to the application date of the opposed trademark.** In the Apple case²: “*Well-known trademarks are determined based on the principle of determination by individual cases. In the present case, Apple does not submit any evidence to support that the cited trademark had been a well-known trademark before the application date of the opposed trademark. If the evidence of other cases is considered, it is mostly evidence used by Apple outside Mainland China. Therefore, the evidence of other cases submitted by Apple cannot prove that before the application for registration of the opposed trademark, the trademarks “蘋果 ping guo” and “APPLE” of Apple had been widely well-known to the relevant public in China after long-term and extensive advertisement and use.*” In light of the above, well-known trademarks obtained abroad are not necessarily entitled to the protection as well-known trademarks in China.

II. Protection of Well-Known Trademarks

Article 13 of the Trademark Law stipulates two types of protection of a well-known trademark. One is protection of well-known trademarks that are in the same class (identical or similar goods) but are not registered in China, where confusion is likely to occur³. The other is protection of registered well-known trademarks of different classes (encompassing multiple classes of goods), where the disputed mark is misleading and damage are likely to occur⁴. Specifically speaking, cross-class protection needs to satisfy certain conditions, including: 1. The trademark of another person had been well-known prior to the application date of the trademark at issue and has been registered in China; 2. the trademark at issue constitutes reproduction, imitation, or translation of the well-known trademark of another person; 3. the goods or services used by the trademark at issue are non-identical or dissimilar to the goods or services used by the well-known trademark of another person; 4. the

² Beijing High People’s Court (2013), Administrative Division, Final, No. 737.

³ Paragraph 2 of Article 13 of the Trademark Law: “Where a trademark in respect of which the application for registration is filed for use for identical or similar goods is a reproduction, imitation or translation of another person’s well-known trademark not registered in China and likely to cause confusion, it shall be rejected for registration and prohibited from use.”

⁴ Paragraph 3 of Article 13 of the Trademark Law: “Where a trademark in respect of which the application for registration is filed for use for non-identical or dissimilar goods is a reproduction, imitation or translation of the well-known mark of another person that has been registered in China, misleads the public, and is likely to damage the interests of the well-known mark registrant, it shall be rejected for registration and prohibited from use.”

registration or use of the trademark at issue misleads the general public and may damage the interest of the registrant of the well-known trademark⁵.

Here, the first question arises: Is there an order of application among the elements of Paragraph 3 of Article 13 of the Trademark Law? There have been courts which directly determined whether the trademark was a well-known trademark in the first place and next made judgment on other conditions. There have also been courts which first determined whether the trademark was a reproduction, imitation, or translation and whether the goods were similar, and then after examination of these conditions, determined whether the trademark was a well-known trademark. If the goods were not similar, the well-knownness of the trademark at issue would be evaluated to determine whether to grant cross-class protection. Conversely, where the trademark was similar and the goods were similar, a civil case would be adjudicated as a common trademark infringement case⁶. An administrative case would be adjudicated according to Article 30 of Trademark Law, namely, not granting registration of the goods in the same class; in other words, it would not be necessary to review the well-known trademark. Currently, the order of the determination conditions for well-known trademarks has been proposed in the Review Guidelines for Granting and Affirming Trademark-Related Rights in Administrative Cases (Draft for Comments) in 2014. In principle, the first inquiry is whether the trademark seeking protection has reached the well-known status.

The second question is: If the trademark is determined to be a well-known trademark of similar goods, is the protection under Paragraph 3 of Article 13 of the Trademark Law still applicable? The affirmative view argues that since dissimilar goods are granted protection of well-known trademark, goods of the same class naturally are granted the protection of well-known trademark as well. The negative view considers that since the law only stipulates protection of non-identical or dissimilar goods, the law is not applicable. In practice, we have found that the two views have both been adopted by the courts. In the Baidu case⁷, since it had been determined that the goods and services were similar, the Court considered that the

⁵ Article 2.2 of the Standards for Trademark Review and Adjudication of the State Administration for Industry and Commerce of China.

⁶ Paragraph 2 of Article 57 of the Trademark Law stipulates: "To use a trademark that is similar to a registered trademark in respect of the identical goods, or to use a trademark that is identical to or similar to the registered trademark in respect of similar goods, without the authorization from the trademark registrant shall be an infringement of the exclusive right to use a registered trademark due to likely confusion." Rule 1.3 of the Interpretation of the Supreme People's Court Concerning the Application of Laws in the Trial of Cases of Civil Disputes Arising from Trademarks stipulates: "Registering the text identical or similar to the registered trademark of another person as a domain name and engaging in the electronic commerce of relevant commodities via the domain name so that the relevant general public is liable to be misled shall be an act of causing damages to the exclusive right of use of the registered trademark of other people as provided in Paragraph 7 of Article 57 of the Trademark Law."

⁷ Beijing High People's Court (2011), Civil Division, Final, No. 30.

case could be adjudicated as a common trademark infringement case and did not further determine whether the trademark was a well-known trademark: “*Similar goods include not only similarity among goods and among services, but they also include similarity between goods and services. Where a certain association exists between the goods and services and the association is likely to cause confusion among the relevant public, the determination that the goods and the services are similar is proper.*” The accused infringing goods at issue are MP3 and MP4 digital players. As devices for downloading, storing, and playing audiovisual files, they **have a certain association** with the search service for audiovisual files provided via the Internet. In this case, Sanmu’s conduct at issue is likely to lead the relevant public to **confuse** the provider of the MP3 and MP4 digital players with the service provider of the Internet search engine, **or to consider that there is a certain relation between the two.**”

The third question is: What is the difference between “confuse” and “mislead” as provided in the law? The Standards for Trademark Review and Adjudication of 2005 mentions that confusion and misleading refer to misrecognition of the source of the goods or services. In addition, according to the guidance of the Interpretation [2009] No. 3, “likely to cause confusion” in Paragraph 2 of Article 13 of the current Trademark Law refers to “misrecognition” of the source of the goods or considering that there is a “certain association” between the business operators. “Mislead” in Paragraph 3 refers to weakening and depreciation of the well-known trademark by “having a certain degree of association”⁸. In practice, such terms often appear in judgments together. In the case of *Sany Heavy Industry*⁹, “*The goods such as the machine tool, the crane are neither identical nor similar [...] The marks of “Sany Machine Tools” and “Sany Heavy Industry” contain the entirety of the well-known*

⁸ Paragraph 1 of Article 9 of the Interpretation [2009] No. 3 “Interpretation of the Supreme People’s Court Concerning the Application of Laws in the Trial of Cases of Civil Disputes Involving Well-Known Trademarks” further explains what “likely to cause confusion” means: “Those that are sufficient to cause the relevant public to **misrecognize the sources** of the goods using the well-known trademark and the accused trademark, or sufficient to cause the relevant public to consider that there is a certain association such as authorization of use, business affiliation, etc. between the business operators using the well-known trademark and the accused trademark.” Paragraph 2, on the other hand, clearly explains what “**mislead the general public** and damage the right of trademark owner” means: “Those that are sufficient to cause the relevant public to **consider** that there is **an association to a certain degree** between the accused trademark and the well-known trademark, which **weakens** the distinctiveness of the well-known trademark and **depreciates** the market reputation of the well-known trademark, or **illegitimately exploits** the market reputation of the well-known trademark.” Another related judicial interpretation is Subparagraph 2 of Paragraph 1 of Article 1 of the Interpretation of the Supreme People’s Court Concerning the Application of Laws in the Trial of Cases of Civil Disputes Arising from Trademarks of 2002: “Reproduction, imitation, and translation of a well-known trademark, or the main part thereof, registered by another person for trademark use in non-identical or dissimilar goods mislead the general public and are likely to damage the interest of the registrant of the well-known trademark. This is an act of damaging the exclusive right of use of the trademark registered by another person stipulated by Paragraph 5 of Article 52 of the Trademark Act.”

⁹ Hunan Province High People’s Court (2012), Civil Division III, Final, No. 61.

trademark No. 1550869 “Sany” at issue. The two constitute the same meaning in terms of the Trademark Law, which is likely to *mislead* the relevant public and cause the relevant public to *misrecognize* the appellee as the source of the goods of the appellant and thus damage the legitimate rights of the registrant of the well-known trademark.” Moreover, is the provisions of Paragraph 3 of Article 13 of the Trademark Law applicable to the confusion theory or the dilution theory? How this part is interpreted is controversial. In practice, some judges consider that the Article introduces an “anti-dilution theory¹⁰.” Other courts consider that the Article is not purely an “anti-dilution theory,” but strengthens the protections of well-known trademarks¹¹. Others also consider that the Article simultaneously contains both: 1. the registration and use of the latter trademark constitute “cross-class confusion¹²” with the prior well-known trademark; 2. the registration and use of the latter trademark causes dilution (including blurring and tarnishment) of the prior well-known trademark¹³. Others consider that interpretation of the text of the law shows that misleading is the cause and damage due to dilution is the effect¹⁴. Some scholars consider that in view of China’s national conditions, applying dilution protection to well-known trademarks is unfavorable to the development of the country¹⁵. Others consider that anti-dilution criteria meeting China’s conditions shall be proactively established and that misleading means confusion plus association¹⁶. The person in charge of the IP Division of the Supreme People’s

¹⁰ Zhu Jianjun, Protection of well-known trademarks shall be limited, webpage: http://www.cnipr.net/article_show.asp?article_id=14135, last visit: May 12, 2015. The article mentions, “In view of the provisions of the Article, the Supreme People’s Court introduces an anti-dilution system for well-known trademarks through the interpretation of “misleading the general public.” (Wei Sen, *Analyses on Interpretation [2009] No. 3, Intellectual Property Rights*, 2010(1).

¹¹ Beijing High People’s Court (2013), Administrative Division, Final, No. 1992. It is mentioned in the case of Hermes, “Although Paragraph 2 of Article 13 of the Trademark Law includes ‘mislead the general public and damage the interest of the owner of the well-known trademark’ as a condition for protection of well-known trademarks and does not adopt a pure anti-dilution approach, the Paragraph is supposed to mean to scale up the strength of protection for well-known trademarks.”

¹² Before Interpretation [2009] No. 3 was promulgated, misleading the general public should have been literally interpreted as relating to cross-class confusion. Namely, the relevant public considers that the owner of a latter trademark is the same entity as the owner of a prior well-known trademark (i.e., direct confusion), or that the two have a certain association (i.e., indirect confusion). Since the promulgation of Interpretation [2009] No. 3, the scope of application of Paragraph 2 of Article 13 has extended from protection against “cross-class confusion” to “dilution.”

¹³ Beijing High People’s Court (2013), Administrative Division, Final, No. 72.

¹⁴ Zhou Yunchuan, Rules and Cases of Litigations Involving the Authorization and Determination of Trademark Rights, April 2014, p. 214.

¹⁵ Wang Simin, Analyses on Legal Transplant Issues Involving Trademark Dilution: From the Perspective of the Third Revision of the Trademark Law of China, *Journal of Law Application*, 2013(8).

¹⁶ Chen Canping, New Approach to Judicial Determination of Well-Known Trademarks, *Law Journal of Intellectual Property Rights Topics*, 2014(9). The article mentions: “misleading the general public and damaging the interest of the owner of the well-known trademark are related to Paragraph 3 of Article 16 of the TRIPs, and there are obvious differences in the damage to the interest of the owner of the registered trademark resulting from the use of the trademark. The term “misleading the general public” not only entails the meaning of confusing others, but it further includes the meaning of making others associate, which encompasses blurring, tarnishment, and degeneracy in the dilution

Court once commented: “*Damage arising from misleading shall not be simply understood by the meaning of market confusion as in common trademark infringement cases. It usually involves blurring of distinctiveness or depreciation due to misleading. It directly involves the scope of cross-class protection. Therefore, it takes the generation of an association to a certain degree rather than a low-degree association.*” Below we will proceed to a further discussion on how the law applies to actual cases.

1. Conditions of Paragraph 3 of Article 13 of the Trademark Law

(1) Reproduction, imitation, or translation

The determination on similarity between trademarks is usually made based on the form, pronunciation, and meaning of the text, the layout and colors of the logo, the similarity of the overall structure of the combination of each of the element, the similarity of the combination of the 3D design and colors, or whether the mark is likely to cause the relevant public to misrecognize the source of the goods or to consider that there is a certain association between the source and the goods of a prior trademark¹⁷. In the determination of whether a trademark is a reproduction, imitation, or translation, reproduction often means that the logo is identical, imitation emphasizes copying significant portions or features of the trademark, and translation refers to expression in another language with correspondence between the two¹⁸. In the Exxon Mobil case¹⁹, the Court considers that having correspondence with the major recognition portion constitutes imitation: “*Exxon is one of the major recognition portions of ExxonMobil, and the evidence submitted by Exxon Mobil has been able to prove that correspondences between ‘Exxon’ and ‘埃克森 aikesen’ and between ‘ExxonMobil’ and ‘埃克森美孚 aikesenmeifu’ have been formed, and this constitutes imitation of the trademark.*” In the case of Hermes²⁰, the Court considers, “the mark ‘hermes’ with a white background is an imitation of an extremely well-known trademark. Considering either the visual effects or an overall reading, ‘hermes’ constitutes the significant recognition portion of the opposed trademark, and this portion is completely identical to the cited trademark 1 ‘HERMES’. In view of the well-knownness of the cited trademark, the original Court decided that the opposed trademark constitutes a similar trademark of the cited trademark, and it is true that the opposed trademark is a reproduction and imitation of the well-known cited trademark.”

theory and fully embodies the wisdom of the lawmakers of our country and the art of the language of our country.”

¹⁷ Beijing First Intermediate People’s Court (2012), IP Administrative Division, First, No. 2.

¹⁸ Zhou Yunchuan, Rules and Cases of Litigations Involving the Authorization and Determination of Trademark Rights, Law Press, p. 231.

¹⁹ Beijing High People’s Court (2014), Civil Division, Final, No. 1790.

²⁰ Beijing High People’s Court (2013), Administrative Division, Final, No. 1992.

(2) Whether the goods are similar

One of the purposes of inquiring whether the trademark is used on similar or related goods is to confirm whether the range of relevant public overlaps. Both cross-class confusion and dilution need to be based on the understanding of the relevant public. Since different goods or services correspond to different relevant publics, the determination on the understanding of well-knownness or misleading would be different. The determination of whether the trademark is used in similar goods should be made from the perspective of the relevant public and be based on an overall consideration of general understanding of the goods and common trade concepts of common consumers, along with the specific situation in the transaction of the goods²¹. Similar goods refer to being similar in function, use, production department, sales channel, and groups of consumers, or that the relevant public considers that the goods have a certain association and are likely to cause confusion²². The Supreme Court considers that depending on the situation, goods of specific associations may be included into the scope of similar goods without being confined to the goods classification²³. In the case of Quanyou²⁴, the Court determines that if the function and use are not identical, the goods are not similar, “*Although the furniture products in class 20 approved to be used with the trademark at issue and the accused sanitary ware both belong to daily consumer goods and the relevant public and channel of sales thereof partially overlap, their function and use are not completely identical.*”

(3) Subject of determination of “misleading the general public” and proof for “cross-class confusion” of well-known trademarks

The determination on whether the trademark misleads the general public can be made only with the subject of determination being the relevant public of the goods or services on or in connection with which the latter trademark is used. Suppose that a prior well-known trademark is in class A, and a latter registered or used identical or similar trademark is in class B, the relevant public of class B is not necessarily aware of the well-knownness of the trademark in class A. Therefore, class crossing does not necessarily lead to confusion or dilution. In the determination of cross-class confusion, the owner of the well-known trademark must provide evidence proving the existence of specific facts, e.g., those showing that the owner of the prior well-known trademark also uses the trademark in non-similar goods or services and therefore cross-class use of an identical or similar trademark would cause confusion among the relevant public. In the case of Liangmianzhen²⁵, “*Liangmianzhen company did not*

²¹ Supreme People’s Court (2014), Civil Division III, Final, No. 1

²² Interpretation [2002] No. 32.

²³ Court Issuance [2010] No. 12 and Court Issuance [2011] No. 18.

²⁴ Supreme People’s Court (2014), Civil Division III, Final, No. 1.

²⁵ Beijing High People’s Court (2013), Administrative Division, Final, No. 72.

provide evidence proving that the supplier of toothpaste (a designated good used with the cited trademark) also regularly manufactures shoes and socks (goods designated to be used with the opposed trademark), or that Liangmianzhen company has also used the same or basically the same logo as the cited trademark on shoe/sock products, thereby generating corresponding awareness among the relevant public. Meanwhile, the company also failed to provide evidence proving the existence of other facts that are sufficient to cause the registration of the opposed trademark to generate cross-class confusion with the cited trademark 1. Accordingly, based on the existing evidence, it cannot be determined that the registration of the opposed trademark is likely to cause confusion with the cited trademark 1 of Liangmianzhen company among the relevant public.” However, not every Court would adopt this criterion.

2. Determination on scope of cross-class protection

The scope of cross-class protection must be determined by specifically considering the distinctiveness, well-knownness, and relatedness of the well-known trademark²⁶. In many cases, the degree of relatedness is adopted as the major criterion for determining the protection scope of the well-known trademark. If the trademark at issue is not in the least related to the designated goods of the well-known trademark, the Court will consider that the likelihood of confusion or misleading is non-existent and thus will not grant protection. If the degree of relatedness is high, the trademark at issue will be considered to confuse and mislead the general public. There have also been cases where the trademark is extremely well-known, and therefore it only takes a determination on whether the two trademarks are identical or similar to decide that confusion or misrecognition is likely.

(1) Not belonging to similar goods and not related enough to confuse or mislead the public

In the case of Shiseido Li Yuan Cosmetics²⁷, “*Animal feeding and cosmetics obviously differ in function and use, and the consumer groups they target are also distinctively different. Therefore, considering as a whole the well-knownness of the cited trademark, the similarity of the opposed trademark and the cited trademark, and the relatedness of the goods or services respectively designated for the two trademarks, co-existence of the opposed trademark and the cited trademark is not likely to lead the relevant public to consider that the two trademarks have an association to a certain degree and to thereby blur the distinctiveness of the cited trademark, depreciate the market reputation of the cited trademark, or lead to illegitimate use of the market reputation of the cited trademark.*” In the case of TC

²⁶ The Standards for Trademark Review and Adjudication, 2005; Interpretation [2009] No. 3; Court Issuance [2010] No. 12.

²⁷ Beijing High People’s Court (2014), Administrative Division, Final, No. 664.

Pharmaceutical²⁸, **“Concrete and non-alcoholic beverages differ significantly in terms of function, use, production department, and sales channel. Even if the well-knownness of the cited trademark in Mainland China is considered, the application for registration of the opposed trademark does not necessarily lead the relevant public to consider that the sources of goods of the two are related in some way. Therefore, the opposed trademark does not mislead the general public and does not damage the interest of TC Pharmaceutical.”** In the reexamination case of Longines²⁹, **“The evidence submitted by Longines proves that its trademarks ‘LONGINES’ and ‘浪琴 langqin’ had been famous to a certain degree in the field of timepiece products prior to the application for registration of the opposed trademark, but the trademarks had not reached status of a well-known trademark. In addition, flushing machine products and the timepiece products of Longines are neither similar products, nor are they closely related. The opposed trademark does not mislead the general public and damage the interest of Longines.”**

(2) Not belonging to similar goods but related enough to confuse or mislead the public

In the case of Chanel³⁰, **“Both the goods designated for the opposed trademark and the goods approved to be used with the cited trademark 2 are everyday products. The simultaneous presence of the two on the market is likely to mislead the general public and further cause dilution.”** In the case of Nike³¹, **“The plaintiff Nike is a sporting goods company, while the defendant is a cosmetics company. However, the accused infringing products and their packages are marked with sporting human figures and the text ‘YOUTHFUL POWER, SPORT CHARMS’ at obvious positions. In the advertising materials, it is also repetitively emphasized that ‘Nike skincare is a real sports skincare brand.’ Since the accused trademark and the well-known trademark at issue are completely identical, and the accused infringing goods also emphasize the sports theme, the accused trademark is able to lead the relevant public to consider that the accused trademark and the well-known trademark have an association to a certain degree, and thus the accused trademark has illegitimately used the market reputation of the well-known trademark at issue.”** In the case of Intel³², **“The toner cartridges and ink cartridges of the accused Inteljet are categorized as printing supplies. Although they are not identical or similar goods of the goods approved for the registered trademark of the plaintiff, in a general sense, both are related to the computer and are often used together. In addition, from the perspective of the consumers, certain coincidence may exist between the two.”**

²⁸ Beijing High People’s Court (2014), Administrative Division, Final, No. 1686.

²⁹ Beijing High People’s Court (2012), Administrative Division, Final, No. 1740.

³⁰ Beijing High People’s Court (2013), Administrative Division, Final, No. 2019.

³¹ Shandong Province, Qingdao Intermediate People’s Court (2012), IP Civil Division, First, No. 142.

³² Beijing Second Intermediate People’s Court (2011), Civil Division V, (IP), First, No. 89.

*Therefore, the aforementioned exploitation behavior of Inteljet is able to lead the relevant public to consider that the logo it used has a certain association with the well-known trademark of the plaintiff. The accused trademark wrongfully exploits the market reputation of the well-known trademark of the plaintiff. Such is an infringement behavior of reproducing the well-known trademark registered by another person in China in identical or non-identical goods, which **misleads** the general public and is likely to damage the interest of the owner of the well-known trademark, as stipulated by Paragraph 2 of Article 13 of the Trademark Law.”*

3. Determination criteria for the dilution theory

In the case of cross-class protection, the Court rarely adopts the dilution theory. In the iconic case of Coca Cola³³, “*The goods designated for the prior well-known trademark are beverage goods. This class of goods is categorized as daily consumer products, which have a very wide range of relevant public. The existing evidence of the present case does not show that Coca Cola has used the logos identical or basically identical to the two cited trademarks in restaurant services, nor does it show the industry custom of cross-class operation of beverage products and restaurant services. Therefore, when the relevant public sees the opposed trademark in restaurant services, although they may make an association with the two cited trademarks based on the high similarity between the two, they will generally not consider that the opposed trademark is related to Coca Cola. In summary, although the registration of the opposed trademark does not constitute cross-class confusion with the two cited trademarks, it constitutes dilution of the two cited trademarks.*” In the case of International Nutrition³⁴, “*Paint products have a certain distinction from the goods approved for the cited trademarks 1 and 2. However, considering the intersection of the relevant public of the two as well as the distinctiveness and well-knownness of the cited trademarks 1 and 2, the use of the opposed trademark in the aforementioned goods will lead the relevant public to make an association with the cited trademarks 1 and 2 when seeing the opposed trademark. Based on this association, they will be aware that the relevant goods are not provided by International Nutrition or related to the company. Therefore, the opposed trademark damages the exclusive, unitary, and fixed association between the cited trademarks 1 and 2 and the milk powder products, which blurs the distinctiveness of the cited trademarks 1 and 2 and damages the interest of the plaintiff.*” Only when the relevant public of the goods or services designated for a latter trademark generally thinks of a prior well-known trademark when seeing the latter trademark, but is aware that the goods or services are not provided by or related to the owner of the

³³ Beijing High People’s Court (2012), Administrative Division, Final, No. 943.

³⁴ Beijing High People’s Court (2013), Administrative Division, Final, No. 210.

well-known trademark, shall the well-known trademark be determined to be eligible for anti-dilution protection. Through a three-step determination, the Court assesses whether to grant cross-class protection against dilution³⁵.

(1) Whether the unique correspondence is recognized

If the relevant public of a latter trademark thinks of the well-known trademark and the goods or services designated for it when seeing the well-known trademark, it can be determined that the relevant public of the latter trademark recognizes this unique correspondence. The inherent distinctiveness and well-knownness of the well-known trademark determine the unique correspondence. If the well-known trademark has low inherent distinctiveness (e.g., descriptive vocabulary or existing vocabulary), it often requires a higher level of well-knownness to lead the relevant public of the latter trademark to be aware of the unique correspondence of it. However, if the prior well-known trademark has higher inherent distinctiveness (e.g., made-up vocabulary), the well-knownness requirement will be lower. If the well-known trademark is a makeup word that has higher distinctiveness, since the word does not have an inherent meaning, unless there is coincidence or malicious registration, the mark will generally not be registered by another person for goods or services of a latter trademark. Therefore, the relevant public of the latter trademark does not have an inherent recognition of it. Compared to trademarks of lower inherent distinctiveness, it may lead the relevant public to recognize the unique correspondence when it reaches a relatively low level of well-knownness.

(2) High similarity between the two that leads to association

The relevant public of a latter trademark can make an association with the prior well-known trademark when seeing the latter trademark. Association is a prerequisite for the generation of dilution. If no association is generated between the two trademarks, then the unique correspondence of the well-known trademark is not damaged. Only when the two trademarks are identical or are highly similar will the relevant public be likely to make an association with the prior well-known trademark upon seeing the latter trademark. Therefore, the idea of generation of association in the protection against dilution shall be based on the presupposition that the two trademarks are identical or are highly similar.

(3) Relevant public of the latter trademark is aware that the latter trademark and the prior well-known trademark are not related

Only when the relevant public is aware that the latter trademark and the well-known trademark are not related will the registration of the latter trademark, in the long run, not lead the relevant public to naturally think of the well-known

³⁵ Beijing High People's Court (2012), Administrative Division, Final, No. 669.

trademark upon seeing the trademark. Thereby, the unique correspondence of the prior well-known trademark is damaged, and dilution is likely to occur.

IV. Result of the Empirical Study

We have selected 32 decisions involving well-known trademarks. 13 decisions (accounting for 41%) were rendered based solely on the theory of confusion; 16 decisions were rendered based on both confusion and dilution theories (accounting for 50%); and 3 decisions were rendered based solely on dilution theory (accounting for 9%). The result shows that currently, courts in China make the determination on cross-class protection of well-known trademarks mainly based on the confusion theory. In other words, it is first determined whether confusion among the relevant public is caused, and next determine whether dilution is caused. The dilution theory where the relevant public makes an association with the prior well-known trademark upon seeing the latter trademark, but is aware that the two are not related, was applicable in fewer cases. In terms of the relation between the degree of goods relatedness and the confusion or dilution theory, in 22 cases (accounting for 69%), the Court determined that the goods were not similar but confusion was likely to occur due to high relatedness. In 7 cases (accounting for 22%), the goods were not similar and confusion was unlikely to occur, and therefore cross-class protection was not granted. In 3 cases (accounting for 9%), the goods were not similar and dilution was likely to occur, and therefore cross-class protection was granted.

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