

THE WHY AND HOW OF IP - EPISODE 4:

Why is a similarity search necessary before applying for a trademark registration in China?

As a Chinese trademark agency, we often encounter applicants who directly instruct us to apply for a trademark application for registration without conducting any prior search. After a few months, if lucky, we will receive a notice of preliminary approval for publication, but there is a higher risk of receiving a notice of rejection. Although the applicant can continue to request for appeal after receiving the rejection notice, there is no sure answer about whether the refusal can be successfully overcome, what the extra costs will be, and what the effect will be on the applicant's plans to develop business in China.

I WHY:

When filing an application for registration of a trademark in China, the China Intellectual Property Office (hereinafter referred to as the CNIPA) will examine the application in the following two aspects in accordance with the relevant provisions of the Trademark Law of the People's Republic of China (hereinafter referred to as the Trademark Law).

A/ The first aspect is formal examination of the application. This is mainly to check whether the identity certificate, power of attorney, trademark specimen, classification, and specified goods or services meet the requirements.

B/ The second aspect is substantive examination of the application. This part mainly includes:

- 1) whether the mark can be used as a trademark;
- 2) whether the mark has sufficient distinctive characters as a trademark in respect of the designated goods or services;
- 3) whether there are any prior identical and similar trademarks for similar specified goods or services.

1) Whether the mark can be used as a trademark

According to Article 10 of the Trademark Law, a variety of signs shall not be used as trademarks, mainly signs that are the same or similar to the names, national flags, national emblems, military flags of China and foreign countries, signs that are the same or similar to the names, flags and emblems of intergovernmental international organizations, signs that are ethnically discriminatory, deceptive, misleading, harmful to socialist morality and customs or have other adverse effects, and signs containing geographical names of administrative divisions at or above the county level or foreign geographical names known to the public, etc.

Examples of unacceptable signs:

-  (contains WTO)

- , **CHINAR** (similar to CHINA)



- (contains FRANCE)



- (similar to the American flag)

2) Whether the mark has sufficient distinctive characters as a trademark in respect of the designated goods or services

If a trademark is to be registered in China, it should also have the characteristics sufficient to enable the relevant public to distinguish the sources of goods or services. When judging whether a trademark has significant distinctive characteristics, the Chinese examiner will comprehensively consider the meaning, pronunciation and appearance of the trademark, the goods or services specified for use by the trademark, the cognitive habits of the public relating to the goods or services specified for use by the trademark, and the actual use in the industry of the goods or the services specified for use by the trademark. If the trademark is only composed of the general name, graphics, model, etc. of the specified goods or services, it will be judged to lack distinctive features and will be rejected in accordance with Article 11 of the Trademark Law, apart from certain exceptions.

Examples of unacceptable signs:

- **MULLER** (Specified goods: Grinding apparatus)

- **ro** (too simple)



- (too complicated)

-  (common symbols)

3) Whether there are any prior identical and similar trademarks for similar specified goods or services

Article 30 of the Trademark Law stipulates that if a trademark applied for registration is the same as or similar to another party's trademark that has already been registered or

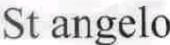
preliminarily approved for the same or similar goods, the Trademark Office shall reject the application. That is to say, after a trademark registration application is filed, the Trademark Office will conduct a search for the trademark to confirm whether there are any prior trademark rights constituting an obstacle.

Specifically, the examiner will check whether the same or similar trademark exists for the same or similar goods or services according to the standards for trademark examination and adjudication.

If so, the examiner will cite the previous trademark(s) to issue a notice of rejection. This is in sharp contrast to the EU intellectual property office or the French Industrial Property Office. As you might know, when applying for a registered trademark in the EU or France, EUIPO or INPI will not invoke the prior right to reject the later application but only examine the registrability of the trademark itself. Therefore, in short, whether a trademark can be registered in China will largely depend on the Trademark Office's examination.

In China, in principle, similar goods or services refer to goods or services belonging to the same subclass under the same class (Under exceptional circumstances, some goods/services not belonging to the same subclass are similar according to the remarks in the classification). Therefore, two identical or similar trademarks covering different goods but belonging to the same subclass will be considered as similar trademarks, and the one with earlier filing date will be cited to refuse the later one.

It should be noted that when conducting searches, the Chinese examiner compares not only the overall impression of the trademarks to the public, but also their meanings and pronunciations. In addition, the independent and significant parts of a combined trademark will also be examined separately. Typical cases that are considered being similar trademarks in the standards for trademark examination and adjudication are listed below for your reference:

	
DMG	DMC
CROWN	皇冠 (English meaning: CROWN)

In the above table, the left and right trademarks have been determined as similar trademarks, and the one filed later would be rejected.

In addition, the number of the active trademarks in China is very large (*33 548 million by June 2021**), and it continues to grow at the rate of millions every year. For a trademark to be registered, it will face numerous crises, especially in class 35 (advertising and business services), class 30 (convenience food), class 25 (clothing, shoes and hats), class 9 (scientific instruments), class 29 (food), class 43 (catering and accommodation services), class 33 (wine), class 5 (Medicine), class 41 (education and entertainment), class 3 (daily chemical products), etc., i.e. it is more likely to encounter the same or a similar prior trademark.

Meanwhile, according to our observation, in today's rapidly changing economic situation, a significant number of applicants prefer to put the trademark into commercial use in the process of application for registration, that is, before it is registered, which means that the applicant needs to invest a lot of manpower, material resources and time when the registration prospect is still uncertain.

Once the trademark registration is unfortunately blocked, all plans may be blocked, the early efforts fall short, and great losses arise.

II HOW:

To avoid a severe situation as described above, it is naturally advisable to make a similarity search before filing the trademark application for registration. The Chinese proverb "repair the house before it rains" could hardly be more appropriate.

Even though a similarity search might not identify every potential obstacle trademark, it will provide you with greater confidence if you intend to put the trademarks into use in advance or produce business plans.

However, if the same or similar prior trademarks were indeed found, making some adjustments to the application strategy (such as adding graphics, colors or increasing or decreasing letters to strengthen the overall look of the trademark) or taking necessary measures against the prior trademarks that will apparently constitute obstacles according

to the analysis of professional attorneys (for example, three-consecutive-year non-use cancellation, opposition, invalidation, etc.) will be necessary and helpful to increase the chances of success of registration.

Furthermore, in this situation, it can be imagined that if you directly filed the application without prior search, your trademark may have been rejected, leaving you in a passive position through the subsequent appeal procedure, which is time-consuming, laborious and without guarantee of success.

In summary, the prior search can help detect problems in advance as much as possible, and offer the opportunity to solve them beforehand, so as to place the applicant in an active position; On the contrary, giving up the prior search is a more risky choice, and the applicant is more likely to be forced into a passive position. Therefore, as attorneys, we generally advise the applicant to conduct necessary similarity searches before filing trademark application for registration, and to try to prevent the trademark from being widely used before it is stably registered, so as to avoid potential unnecessary infringement disputes.

IPSIDE CHINA is part of the SANTARELLI GROUP. Our team is made of more than ten members. Existing since 2016, we are committed to assisting clients with Chinese trademark applications, oppositions, appeals, non-use cancellations, etc. Using English, French and Japanese as our working languages to communicate smoothly with clients all over the world is one of our strengths.

**The data was taken from <https://www.cnipa.gov.cn/col/col2711/index.html>*