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Taiwan & China

Taiwan & China: Update practices in trademark non-use cancellation proceedings

When a trademark owner actually uses the trademark in the marketplace, the trademark must be used on products and services that are consistent with the registered designated goods and services. Often, the evidence of actual trademark use shows the trademark is only used in some of the goods and services registered for. In a trademark revocation (non-use cancellation) proceeding, it is important to prove the registrant has actually used the trademark and whether the actual trademark use should be extended to similar goods.

This article highlights the differences in the latest determination of “identical goods / services” between Taiwan and China, and provides corresponding trademark portfolio strategies.

Analysis of Actual Practices in Taiwan:

The Taiwan Intellectual Property Office (IPO) and the Supreme Administrative Court hold different opinions on the determination of the “identical goods”.

(1) The Taiwan IPO published the “Notice on the Use of Registered Trademarks”.

The IPO published the “Notice on the Use of Registered Trademarks” on August 23, 2019. The notice stated “using the trademark on goods with a general concept of the same class (or group) of the designated goods, or with a specific concept (i.e. specific goods or services) under a generic concept of a relatively similar goods or services would generally be deemed as using the trademark in the ‘same nature of goods / services’ according to the general concepts in the society”. For example, “cosmetics” is a description of goods with a broader and more generic concept and “pressed face powder” is with a more limited and specific concept (i.e. a specific good of “cosmetics”). If the trademark owner is using the mark on a pressed face powder product, the trademark is still considered to be used in connection with the registered goods, “cosmetics”.

(2) The final decision made in the Taiwan Judicial Yuan 2019 annual “Intellectual Property Law Seminar”.

Yet, the final decision made at the Taiwan Judicial Yuan 2019 annual “Intellectual Property Law Seminar” are rather strict. The conclusion of the decision is summarized below.

Regarding “identical” goods being extended to goods / services of the “same nature”, if the examiner deemed the case as inappropriate, the examiner can re-examine the case based on objective facts such as the use, function, materials, manufacturing process of the goods / services, the trademark owner’s actual sales and production model and providers of the actual goods / services. If the nature of the goods / services is different, the mark is deemed as not used on those goods / services and those unused goods / services in the registration should be cancelled. When determining whether the goods / services have the same nature, it is not suggested to apply the concept of “similarity” of the goods / services in order to avoid excessively extending the protection of the goods applied for, thus losing the original intention of the Taiwan Trademark Act 63 I(2): the registered trademark owner should protect its trademark right by actively using the registered mark in the designated goods / services.

In *Supreme Administrative Court 2019 Panzi No. 133 Administrative Decision*, the court took a similar approach to the Taiwan Judicial Yuan. In this case, the designated goods of the contested mark are “crystallized fruits, cake, bread, cookies, candies”. However, the appellee can only provide the evidence of trademark use of the goods “cake”. The Supreme Administrative Court overruled the decision of the Intellectual Property Court and deemed the trademark use of preserving the rights is required to be in the way consistent with the original registered goods. Even if the goods of actual use and the goods of registered trademark are similar products in the same class or group, when the general concepts in the society of the two goods are not the same, it is still required to provide the evidence of actual use of each good respectively. Therefore, the goods “cake” and “bread” are not identical and should be designated separately at the initial filing. Also, general consumers can easily differentiate the difference between the two goods and the evidence of trademark use for “cake” cannot be regarded as evidence of use for “bread”.

Analysis of Actual Practices in China:

On the other hand, a more relaxed approach was taken in the Chinese actual trademark practices.

In *Supreme People's Court 2017 Zuigaofaxingshen No. 7122 Administrative Ruling*, the judge implied “when the contested trademark is used on designated goods, the mark can be regarded as

being used on the identical or similar goods”. The court also provided a broader explanation of “identical use”. The ruling deemed that a single evidence of trademark use can be extended to the use of trademark in other similar designated goods. In this case, the designated goods of the contested mark are “full outfit for babies, swimming suits, shoes, sneakers, hats, socks, gloves (for clothing), ties”. However, the trademark owner only provided the evidence of use for “sneakers”. The Supreme People’s Court deemed that the evidence of use for “sneakers” can be extended to “full outfit for babies” and other goods. Therefore, the appellee may keep the registration of all the designated goods.

However, the determination of the descriptions of goods / services in trademark applications in China is relatively strict. Applicants are required to file descriptions of goods / services strictly according to the “Classification of Specific Goods and Services” published by the China National Intellectual Property Administration (CNIPA). Hence, it is quite common that the actual trademark use for goods / services is not the same as the descriptions of goods / services originally registered for. According to the trademark actual practices in the Chinese courts, if the registered trademark is not used in the same goods / services as the original descriptions of goods / services applied for, the physical nature, commercial feature, social common understanding of the goods between the two marks will be compared comprehensively along with the “Classification Goods and Services”. Since this process is more complicated, the determination of the identical goods and/or services may not be more lenient than that in Taiwan.

For example, *Supreme People's Court 2017 Zuigaofaxingshen No. 5093* made a comprehensive analysis regarding whether the goods “packaged drinking water” is the same goods as “liquid drink”. The summary is as follows: (1) regarding the nature of the goods, both are drinkable liquids; (2) according to “2007 National Standard of Drinks” published 3 years ago by the Chinese Government, “packaged drinking water” is classified as “drinks”; (3) regarding their commercial features and social common understanding, both goods have the same distribution channels, and their target consumers are the general consumers; (4) classification of “Classification of Specific Goods and Services ” further stated that drinking water is a kind of drink. After comparing the two goods using the above multiple evaluation methods, both goods can be considered as identical use of the trademark.

Wisdom Commentary

An applicant shall plan precisely on the designated goods / services before filing a trademark application. Otherwise, the evidence of use for goods may not be considered as identical use in a trademark revocation proceeding.

For Taiwan trademark applications, the highest court for appeal in trademark cancellation procedure is the Supreme Administrative Court. Although the applicant may use a term with a

“generic concept” of goods / services for his trademark application, when the trademark is at dispute, the Supreme Administrative Court will still respect the Judicial Yuan’s opinion during the determination of whether a mark is deemed to be used. Therefore, the applicant shall base on actual use to plan carefully on the designated goods / services when applying a trademark to avoid the mark being cancelled in the future.

As for trademark applications in China, the CNIPA strictly requires applicants to comply with the CNIPA’s official Classification of Specific Goods and Services. However, when considering the actual use of the goods / services and there exists a difference between the items in the classification and the goods / services in the actual use, it is more beneficial to file the application based on the goods / services actually used in order to enforce the trademark rights in the future.

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