



International Trademark Association
Representing the Trademark Community since 1878

Alan C. Drewsen
Executive Director

April 13, 2007

Mr. An Qinghu
Director General
China Trademark Office

Dear Mr. An:

The International Trademark Association (INTA) appreciates the opportunity to provide its comments to the China Trademark Office (CTMO) as the CTMO considers changing its practice regarding registration of marks for retail services in China.

INTA consistently has supported registration of marks for retail services, as more fully detailed in the attached resolution and report adopted by INTA's Board of Directors, which we hope you will find assists you in your deliberation. We respectfully encourage the CTMO to give favorable consideration to amending its practice to recognize retail services as a valid area for registration. Trademark protection has long been applied to services as well as goods. We do not believe that there is any reason that retail services should be excluded from such protection.

Affording trademark protection to retail services would be, in our view, consistent with China's position as one of the world's leading marketplaces and as a key player in the developing global economy. Services have become increasingly significant in the modern global market, and the trend in China is no exception. It is important to note that the National Bureau of Statistics of China reports that over the last five years, the average growth rate of total retail sales of consumer goods in China is 12.16%, and is trending upward.

In China, as in other sophisticated market economies, the retail market segment is a major industry in its own right, and has become increasingly important to the trade in goods themselves. We believe that retail services facilitate sales and enhance consumer choices, and for that reason, among others, we believe that protection of the brand names of those engaged in this important market segment is in the best interest of consumers, retailers, and governments. We also believe that providing protection to branded retail services will, among other benefits, reduce counterfeit trade and the deceptive sale of inferior products.

Although some national registries (principally in certain European countries) have taken the position that retail services are merely "ancillary" to the sale of goods, we do not believe that this position can be supported, and recent trends show that this view is largely outmoded. A significant milestone in Europe was the change in 2000 of its

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practice to register retail store service marks by the Office for Harmonization in the Internal Market (OHIM) which administers the Community Trade Mark system. Also, the Japan Patent Office has permitted registration of retail service marks as of April 1, 2007. Global and local Chinese brands in retail services have assumed increasing prominence, especially in the mass market, and cannot be said to be merely “ancillary.” In many ways, the retail service sector is driving economic growth in China. Chinese brands such as Guomei Dianqi (home appliances) Lianhua supermarket, Wumei supermarket, Juranzhijia (居然之家, home furnishing), and Wanfujin Baihuo (department store), as well as foreign brands such as Carrefour, Wal-Mart, B & Q, Marks & Spencer and Home Depot are among the more recognizable names today in China, signifying source, quality and dependability to consumers, all of which are core trademark functions.

On behalf of trademark owners, INTA believes that China, already one of the leading jurisdictions in the protection of trademark rights, should join the ranks of those other major jurisdictions that provide protection to retail service marks. We stand ready to support your efforts, and would be happy to provide additional information to you, upon your request.

Thank you again for this opportunity to share with you our position on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan C. Dawson". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.