

INTA Comments on the CNIPA's Consultation to Draft PRC Trademark Law

February 27, 2023

The International Trademark Association (INTA) is pleased to submit these comments for consideration in promulgating the PRC *Trademark Law* (“*Draft Law*”).

The International Trademark Association (INTA) is a global association of brand owners and professionals dedicated to supporting trademarks and complementary intellectual property (IP) to foster consumer trust, economic growth, and innovation, and committed to building a better society through brands. Members include nearly 6,000 organizations, representing more than 33,350 individuals (trademark owners, professionals, and academics) from 181 countries, who benefit from the Association's global trademark resources, policy development, education and training, and international network. Founded in 1878, INTA is headquartered in New York City, with offices in Beijing, Brussels, Santiago, Singapore, and the Washington, D.C., Metro Area, and representatives in Amman, Lagos, and New Delhi. For more information, visit inta.org.

INTA supports the international development and harmonization of trademark legislation and regulation. The following comments were prepared by INTA's relevant committees and staff. We would welcome the opportunity to discuss these issues in-depth and to answer any questions. We hope you will find our comments helpful.

I. General Comments

INTA highly appreciates the dedication of the Chinese government in continued efforts to address bad faith trademarks in China. We applaud the efforts of affording expanded protection to well-known trademarks and geographical indications (GIs) and policing trademark infringements and IP violations. Meanwhile, we expect more clarification and enforceable provisions in the current draft, as some of these proposals may have unintended consequences that could, in practice, limit the efficacy of the available tools that we highlight in below specific comments for your further deliberation.

II. Specific Comments

Article	Content of the Article	Comments	Suggestions
General Provisions			
Article 5	Any natural person, legal person, or unincorporated organization that needs to obtain the exclusive right to a trademark that it uses or promises to use on its goods or services during production and business operations shall apply for trademark registration	There is no subsequent procedure or clarification regarding what constitutes “promises to use”.	It is recommended to clarify what is required of “promises to use” and complementary evidential requirements.

	with the administrative department for intellectual property under the State Council.		
Article 9	<p>The application for registration of trademarks and the exercise of trademark rights shall follow the principle of good faith.</p> <p>Trademark owners must not abuse trademark rights to harm the interests of the state, the public interest, or the legitimate rights and interests of others.</p>	It is welcomed change to include “trademark rights abuse”. Nonetheless, its definition and condition need further clarifying, especially whether “the use of trademarks” included or not in the scope of “trademark rights abuse”.	<p>It is recommended to clarify what constitutes “trademark rights abuse”.</p> <p>It is recommended to retain “the use of trademarks” should it not be covered in “trademark rights abuse”.</p>
Registrability of Marks			
Article 14	<p>A trademark submitted for registration shall bear noticeable characteristics and be readily distinguishable, and it may not violate public order or morality, may not conflict with the legitimate prior rights or interests of other parties.</p> <p>Unless otherwise specified, an applicant shall register only one identical trademark covering the same goods or services.</p>	The second paragraph may restrict the ability of legitimate trademark owners from refiling in certain circumstances.	It is recommended to limit the prohibition of duplicate applications to those made in bad faith, or further guidance be provided regarding whether applicants may respond in the office action replies to the justifications of refiling.
Article 15	<p>The following signs may not be used as trademarks: ...</p> <p>(5) those identical with or similar to the names and signs of important traditional cultural symbols, unless authorized...</p> <p>(9) those contrary to core socialist values, detrimental to socialist ethics or customs or excellent Chinese traditional culture or having other unhealthy effects.</p> <p>No names of administrative regions at or above the county level or domestic and foreign geographical names known to the public may be used as trademarks, except where geographical names have other meanings or constitute part of a</p>	<p>Paragraph 5 is largely overlapping with “excellent Chinese traditional culture” in Paragraph (9).</p> <p>The highlighted in the last paragraph needs clarifying regarding whether it is sufficient to refer to “known to the public” as criteria to determine the scope of “domestic and foreign geographical names”, otherwise “above the county level” seems redundant.</p>	<p>It is recommended to delete paragraph (5) and “above the county level” in the last paragraph.</p> <p>It is recommended to merge the last paragraph into article 16 (distinctiveness).</p>

	collective trademark or certification trademark. Registered trademarks in which geographical names are used shall remain valid.		
Article 16	<p>The following signs may not be registered as trademarks:</p> <p>(1) those consisting of only the generic name, design, model number or technical terms of the goods concerned.</p> <p>(2)(3)....</p> <p>Signs referred to in the preceding paragraphs (2) or (3) may be registered as trademarks if they have acquired distinctiveness through use and are readily distinguishable.</p>		<p>It is recommended to add in the end “domestic and foreign geographical names known to the public shall not be registered as trademarks. However, this excludes those that have any other meaning, or has acquired distinctiveness through use.”</p>
Article 21	<p>A trademark that is applied for shall not be identical to the applicant’s previous applications, registered trademarks, or trademarks that have been revoked, cancelled or declared invalid within the prior year for the same kind of goods, except in the following circumstances or where the applicant agrees to revoke the prior registered trademark:</p> <p>(1) due to production and operation needs, the trademark makes minor modifications to the prior trademark which has been in actual use, and the applicant can illustrate the differences;</p> <p>(2) for reasons not attributable to the applicant, the prior registered trademark was not renewed;</p> <p>(3) due to the failure to timely submit trademark use statements, the prior registered trademark that has been in actual use was cancelled;</p>	<p>The provision may restrict the ability of legitimate trademark owners to file and maintain defensive registrations.</p>	<p>It is recommended to delete this provision or take into serious consideration of comments therein and make sure to strike the balance of interests for all parties involved.</p>

	<p>(4) for reasons not attributable to the applicant, the prior registered trademark that has been in actual use was cancelled due to failure to provide evidence of use in response to an application to cancel the trademark on grounds of non-use for a consecutive three-year period;</p> <p>(5) the prior trademark was declared invalid due to conflicts with prior rights or interests of others, but the prior rights or interests in question no longer exist;</p> <p>(6) there are other legitimate reasons to justify repeated applications for trademark registration.</p>		
Article 22	<p>Applicants shall not apply to register trademarks in bad faith, including:</p> <p>(1) applying with no intent to use, or filing applications in bulk, which disrupts the management and order of trademark registration;</p> <p>(2) applying using fraudulent or other improper means;</p> <p>(3) applying for registration of a trademark that is detrimental to the national interest, the public interest, or that has other significant unhealthy effects;</p> <p>(4) applying with the intention of harming the legitimate rights or interests of others, or seek improper benefits, and in violation of Article 18, Article 19, Article 23 of this Law;</p> <p>(5) engaging in other bad faith behavior in the course of filing trademark applications.</p>	<p>INTA welcomes a dedicated article outlining some of the forms that bad faith may take. However, we are concerned Art 22.1.1 may capture good faith activity by legitimate trademark owners without having a significant impact on bad faith activity.</p>	<p>We recommend that paragraph (1) be deleted or that further guidance be provided to ensure this provision does not disrupt the ability for legitimate defensive filings or “bulk applications” by legitimate trademark owners. This could be accomplished by detailed implementing guidelines covering how to evidence the trademark owner has legitimate justifications for filing a large number of applications.</p> <p>It is recommended to expand the connotation of bad faith to capture “Applicants shall not apply to register trademarks in bad faith or other conduct which departs from accepted standards of ethical behavior or honest commercial</p>

			and business practices.”
Application for Trademark Registration			
Article 32	<p>Matters declared in the application for trademark registration and in other trademark matters and all information provided shall be truthful, accurate and complete.</p> <p>Where a party violates the preceding paragraph by fabricating or concealing important facts or deliberately submitting false materials, it shall bear the adverse consequences in the corresponding procedures; the department in charge of trademark enforcement may issue a warning and impose a fine of up to CNY 100,000 according to the circumstances; the party shall be liable for compensation if its actions cause losses to other parties.</p>	<p>INTA welcomes a dedicated article to impose appropriate consequences, including penalties for false statements or evidence, as referenced in the Model Law Guidelines.</p>	<p>It is recommended to clarify the distinction of penalties here as opposed to Article 67 in violation of Article 22.</p>
Examination and Approval of Trademark Registration			
Article 36	<p>If a holder of prior rights or an interested party believes that a preliminarily approved trademark violates Article 18, Article 19, the first paragraph of Article 20, Article 23, Article 24 or Article 25 of this law, they may, within two months from the date of the preliminary examination announcement, raise objections to the administrative department for intellectual property under the State Council. Any party that believes a preliminarily approved trademark violates Article 15, Article 16, Article 17, Article 21, the first and second paragraph of Article 22 or Article 26 of this Law may raise objections to the administrative department for intellectual property under the State Council within the same two-month period.</p>	<p>It is more reasonable to list absolute grounds before relative grounds. In addition, the third and fifth paragraphs of Article 22, which stipulate certain circumstances of bad faith applications, should be included as absolute grounds for opposition.</p> <p>As a newly added provision unsubstantiated in practice, it remains to be discussed whether Article 21 should be included as absolute grounds for opposition.</p>	<p>It is recommended to add to the effect that “Where any party believes that the provisions of Article 15, Article 16, Article 17, Article 21, the first to third and the fifth paragraphs of Article 22 or Article 26 of this law have been violated, ...”</p>

Article 41	<p>The intellectual property administrative department of the State Council shall examine and handle the application for trademark registration, trademark review and any other trademark matters a party has applied in a timely manner.</p> <p>The parties concerned may apply for withdrawal of the applications specified in the preceding paragraph. Where the intellectual property administrative department of the State Council finds it is appropriate to withdraw the application upon examination, the proceedings shall be terminated.</p>		<p>It is recommended to spell out the specific circumstances under which withdrawal requests shall be approved or disapproved.</p>
Article 42	<p>When carrying out trademark examination and review, the administrative department for intellectual property under the State Council may suspend the review or examination if the prior rights involved can only be ascertained based on the outcomes of another case currently under the trial by a people's court or under the handling by an administrative organ. The administrative department for intellectual property under the State Council shall timely resume the review or examination procedures once the circumstances requiring suspension have been resolved.</p> <p>The People's Courts shall hear cases on review of refused trademarks, decisions on denial of registration, and invalidations made by the administrative department for intellectual property under the State Council in accordance with Article 24 and Article 25 of this Law, subject to the factual state at the time of the appealed decision or ruling being made. If the status of the relevant trademarks changes</p>	<p>INTA believes this mechanism of suspension should be the norm and only in exceptional circumstances should a case not be suspended pending resolution of a relevant case. Especially in the scenarios of bad faith applications, and in light of the provision preventing refiling in Article 21, suspension shall be granted ex officio or at the request of interested parties, as referenced in the INTA Board Resolution, which recommends that governments consider "appropriate procedures that will allow for multiple proceedings which involve common questions of law or fact be consolidated into a single action."</p>	<p>It is recommended to elaborate on the specific circumstances in Paragraph 2 where the principle of fairness is obviously violated. INTA believes that the coherence of decisions of the administrative and judicial institutions is important to ensure effective action against bad faith filers. Disregarding the circumstances of the bad faith claim on the basis of the invalidation action while adjudicating same is likely to create disconnected decisions and unfairly disadvantage right holders. At the same time, the prohibition in Art. 21 deprives the right holder of any alternative to protect its rights. INTA recommends creating coherence and consistency between related case decisions by way of mandatory suspension of</p>

	after a decision or ruling is made, it shall not affect the trial of the decision or ruling by the People's Court, except when the principle of fairness is clearly violated.		administrative procedures until the judicial decision on invalidation/cancellation of the contested mark has been issued.
Declaration and Revocation of Registered Trademarks			
Article 44	Where a registered trademark violates Article 15, Article 16, Article 17, Article 21, the first and second paragraphs of Article 22 or Article 26, the intellectual property administrative department of the State Council shall declare the registered trademark invalid.	The third and fifth paragraphs of Article 22, which stipulate certain circumstances of bad faith applications, should be included as absolute grounds for invalidation.	Where a registered trademark violates Article 15, Article 16, Article 17, Article 21, the first to third and fifth paragraphs of Article 22 or Article 26, the intellectual property administrative department of the State Council shall declare the registered trademark invalid.
Article 45	Where a registered trademark violates Article 18, Article 19, the first paragraph of Article 20, Article 23, Article 24 or Article 25 of this Law, the prior rights owner or an interested party may, within five years upon the registration of the trademark, request the intellectual property administrative department of the State Council to declare the registered trademark invalid. Where the trademark violates Article 18, or Article 19 of this Law , or where unfair means have been used to preemptively register a trademark that has been used by others and has a certain degree of influence, the prior rights owner may request that the registered trademark be transferred to their name. Where the aforementioned registration was obtained in bad faith, the owner of a well-known trademark shall not be subject to the time limit of five years.	The fourth paragraph of Article 22 has been listed as one of the circumstances where trademarks violating Articles 18, 19, or 23 can constitute bad faith applications, and therefore trademarks in violation of the fourth paragraph of Article 22 shall not be subject to the time limit of five years. The provision may restrict the ability to request transfer of a trademark to certain circumstances, for instance excluding other prior rights under Article 23.	It is recommended to add "If the provisions of fourth paragraph of Article 22 have been violated, the time limit of five years will not apply. "

Article 49	<p>Any natural person, legal person, or unincorporated organization may apply to the administrative department for intellectual property under the State Council for cancellation of a registered trademark if any of the following circumstances apply, but shall not damage the rights of trademark registrants or disrupt trademark management: ...</p> <p>(3) use of a registered trademark causes confusion among relevant public as to features of the goods, such as the quality, source, or origin of the goods;</p> <p>(4) the registrant of a collective trademark or certification trademark violates Article 63 hereof, and the circumstances are especially serious; or</p> <p>(5) the use and exercise of exclusive rights of a registered trademark seriously harms public interests and cause significant adverse effects.</p> <p>The administrative department for intellectual property under the State Council may cancel the registered trademark, ex officio, if the preceding fourth or fifth paragraph applies.</p>	<p>The third paragraph may place too heavy burden to trademark owners, especially in the license agreement situation. It also needs clarifying regarding the scope and criteria of “misleading”, for instance whether misleading is relevant to the features of specific goods on which the trademarks are attached.</p>	
Enforcement/Administration and Use of Trademarks			

Article 60	<p>A trademark registrant may use the trademark, or by concluding a trademark licensing contract, may authorize another person to use the registered trademark. The licensor shall supervise the quality of the goods on which the licensee uses a registered trademark, and the licensee shall guarantee the quality of the goods on which the registered trademark is to be used.</p> <p>Where a licensor or licensee violates the first paragraph of this Article, thereby causing damage to consumers, the department responsible for trademark enforcement shall order correction within a specific period of time, where the illegal revenue exceeds CNY 50,000, a fine less than twenty percent of the illegal revenue can be imposed; where there is no illegal revenue or the illegal revenue is less than CNY 50,000, a fine of up to CNY 10,000 may be imposed.</p>	<p>INTA believes there should be no mandatory requirements to register licenses of registered trademarks, as referenced in the Model Law Guidelines.</p> <p>It also needs clarifying regarding what supervision should be observed by licensors and measures taken by licensee, before evaluating whether administrative fines are proportionate to damages caused.</p>	
Article 61	<p>A trademark registrant shall, within 12 months after every five-year period from the date of approval of the registration, declare to the administrative department for intellectual property under the State Council that the registered trademark is in use on the approved goods, or provide justifiable reasons for non-use. The trademark registrant may provide a combined declaration on the use of multiple trademarks within the above period.</p> <p>If the trademark registrant does not provide a declaration prior to the expiration of the above period, the administrative department for intellectual property under the State Council shall notify the trademark registrant, and if the trademark registrant does not submit a declaration within six months from</p>	<p>INTA appreciates the intent of increasing use requirements, but are concerned that, in practice, this could potentially limit the ability of legitimate trademark owners to protect their brands through defensive registrations. We are further concerned that this new system will impose unnecessary costs on legitimate trademark owners who would need to furnish periodic declarations of use or justifications for non-use.</p>	<p>It is recommended to clarify the important aspects of this system, including:</p> <ul style="list-style-type: none"> - A trademark holder need not show or declare use on every good or service covered by a trademark. - Defensive registrations will remain available and can justify non-use. - Standards for the submission of proof of use.

	<p>the date of receipt of the notice, the registered trademark shall be deemed abandoned and the administrative department for intellectual property under the State Council shall cancel the registration.</p> <p>The administrative department for intellectual property under the State Council shall conduct random checks to confirm the authenticity of such declarations, and if necessary, may require a trademark registrant to provide additional relevant evidence or entrust a local intellectual property management department to verify the authenticity of such evidence. Where, upon random inspection, a statement is found to be untrue, the administrative department for intellectual property under the State Council shall cancel the registered trademark.</p>		
Article 62	<p>The holder of the exclusive right to use a registered trademark shall have no right to prohibit others from performing the following acts that are consistent with business practices:</p> <p>(1) using one’s name and address in good faith;</p> <p>(2) for the purpose of indicating the kind, nature, quality, functions, purposes, weight, quantity, value, geographic origin or other features of the goods, using the geographical name, generic name, graphics, models, technical terms or other symbols relating to such indication of goods;</p> <p>(3) using its registered trademark for the sole purpose of indicating the purpose of use, target or scenario of use of goods, except</p>	<p>INTA is supportive of the inclusion of the first and third paragraph, as referenced in the Model Law Guidelines.</p> <p>However, further clarification is needed regarding “mislead the public” in the second paragraph, including the criteria to determine actually misleading and/or potentially misleading, and whether, in particular, bad faith be considered as a deciding factor in the finding of misleading.</p> <p>In light of revised article 4, the functionality of other non-traditional marks shall also be included in this provision.</p>	

	where such use misleads the public.		
Article 67	Where an application for trademark registration is filed in bad faith in violation of Article 22 of this Law, administrative sanctions such as a warning or a fine up to CNY 50,000 shall be imposed by the department responsible for trademark enforcement; where the circumstances are especially serious, a fine more than CNY 50,000 but less than CNY 250,000 may be imposed, and any illegal gains shall be confiscated.	We applaud the efforts of enhanced provision to create true deterrence against bad faith actors. We would welcome additional clarification regarding what may constitute “especially serious circumstances” that could subject applicants to elevated fines.	
Article 69	A trademark agency shall not accept the entrustment of a principal if it knows or should have known that the trademark entrusted by the principal for registration application falls under any of the circumstances prescribed by Article 22 hereof. Trademark agency practitioners shall comply with the law, have a good credit standing and good character, be familiar with trademark laws and regulations, and have the capability to engage in trademark agency business in accordance with the law. Trademark agency practitioners are not allowed to engage in trademark agency business in two or more trademark agencies at the same time.	It would be challenging for trademark agencies to make decisions regarding whether the entrustment fall under Article 22, which lists several circumstances of bad-faith applications, and therefore it places unrealistic burden and imposes on penalties.	
Protection of Exclusive Right to Registered Trademarks			
Article 72	Any of the following acts shall constitute an infringement on the exclusive rights to the use of a registered trademark: (3) using a trademark in e-commerce that is identical with or similar to the registered trademark	It remains to be seen how the third paragraph would be compatible with the first and second paragraph, which are normal trademark infringing behaviors.	

	on the same kind of or similar goods without obtaining licensing from the registrant of the registered trademark, and is likely to mislead the public;		
Article 74	<p>A dispute that arises from an act infringing upon the exclusive right to use a registered trademark prescribed in Article 72 hereof shall be settled by the parties concerned through negotiation; the parties can also apply to an arbitration institution for arbitration in accordance with the written arbitration agreement concluded by the parties; where the parties concerned are unwilling to engage in negotiations or the negotiations have failed or no written arbitration agreement has been concluded, the trademark registrant or an interested party may bring a lawsuit to the People's Court, or request the department responsible for trademark enforcement to resolve the dispute.</p> <p>When addressing the dispute, if the department responsible for trademark enforcement is of the opinion that the infringement is established, it shall order the relevant party to immediately cease the infringing acts and shall confiscate and destroy the infringing goods and instruments mainly used for manufacturing the infringing goods and forging the registered trademark. Where the illegal business revenue is CNY 50,000 or more, a fine of up to five times the illegal business revenue may be imposed thereon; where there is no illegal business revenue or the illegal business revenue is less than CNY 50,000, a fine of up to CNY 250,000 may be imposed thereon. If a party is unaware of the infringing nature of such goods and is able to</p>	<p>The addition of confiscation of illegal income in the administrative penalty is in line with the provisions of the Administrative Penalty Law and is conducive to combatting the infringing behaviors.</p> <p>The draft provides judicial determination procedures for mediation of infringement disputes and provides administrative adjudication relief procedures for infringement establishment and compensation, which is of paramount importance. However, there still lacks clear guidance and basis for the corresponding connection between the administrative adjudication, administrative investigation and punishment procedures.</p>	

	<p>prove that the products are obtained by legitimate means and can provide information on the suppliers of the goods, it shall be ordered to stop selling the goods by the department responsible for trademark enforcement, and the infringing goods shall be confiscated. The department responsible for trademark enforcement may also inform the department responsible for trademark enforcement at the location of provider of infringing goods for said department to handle the case.</p> <p>If a party has committed trademark infringement or other trademark violations, refused to comply with the law or obstructed the enforcement of the law on two or more occasions within five years or falls under any other serious circumstances, it shall be subject to heavier sanctions by the department responsible for trademark enforcement.</p> <p>As to a dispute over whether actions constitute infringement on exclusive trademark rights or over the amount of damages for infringement on the exclusive right to use a trademark₁, the parties concerned may apply for administrative ruling or mediation to the administrative department for intellectual property that is addressing the infringing dispute, or may bring a lawsuit to the people's court in accordance with the Civil Procedure Law of the People's Republic of China.</p> <p>Where an agreement is reached upon mediation by the administrative department for intellectual property, parties may</p>	
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	<p>apply to the People's Court for judicial confirmation; where the parties concerned fail to reach any agreement, the administrative department for intellectual property may make an administrative ruling on whether infringement is established. Where the parties are dissatisfied with the ruling, they may bring a lawsuit to the people's court in accordance with the Civil Procedure Law of the People's Republic of China.</p> <p>Where a dispute arises between the relevant party and the trademark registrant or interested party over the exclusive right to use the registered trademark, the parties may file suit with a People's Court for a judgment on whether the registrant's exclusive trademark rights have been infringed.</p>		
Article 75	<p>The department responsible for trademark enforcement shall have the power to investigate any act in violation of this Law. Where a crime of infringing exclusive trademark rights is suspected to have been committed, the case shall be promptly transferred to a judicial department for handling in accordance with law.</p> <p>Where the above act does not warrant criminal responsibility or criminal punishment under the law, but warrants administrative punishment, the relevant judicial organs shall promptly transfer the case to the department responsible for trademark enforcement.</p>	<p>The provision clarifies a two-way transfer mechanism for investigating and handling trademark infringement cases between administrative and criminal proceedings.</p>	

Article 77	<p>The amount of damages for infringement on the exclusive right to use a trademark shall be determined based on the actual loss suffered by the right holder or profits gained therefrom by the infringer as a result of the infringement; if it is difficult to determine both the loss of the right holder and the profits gained by the infringing party, the amount of damages may be reasonably determined in reference to the multiples of the trademark for royalties. Where an infringer infringes upon another party's exclusive right to use a trademark in bad faith and falls under serious circumstances, the amount of damages may be determined as not less than one time but not more than five times the amount that is determined according to the aforesaid methods. The amount of damages shall cover the reasonable expenses paid by the right holder for stopping the infringing act.</p>	<p>It needs clarifying whether royalties are listed as equally one of the options as loss or profits for the determination of awarding damages.</p>	
Article 78	<p>If the infringement of the right to exclusive use of a registered trademark harms national interests or social public interests, and the owner of the right to exclusive use of a registered trademark or interested parties does not file a lawsuit, and the department responsible for trademark enforcement does not deal with the infringement, the procuratorial organ may file suit before a People's Court in relation to the infringement of exclusive trademark rights.</p>	<p>The public interest litigation regarding trademark infringement is a new system introduced in the draft Law. However, its operational procedures need further clarifying.</p>	

Article 83	<p>Where a malicious application for trademark registration causes losses to another party in violation of Article 4 of Article 22 of this Law, the other party may sue in a People's Court for compensation for its losses. The amount of compensation shall at least include the reasonable expenses paid by the other party to oppose the malicious application for trademark registration.</p> <p>Where, in violation of Item 3 of Article 22 hereof, a malicious application for trademark registration damages national interests, or social public interests, or causes major adverse effects, the procuratorate shall, in accordance with the law, file a suit in the People's Court for the malicious application for trademark registration.</p>	<p>We welcome the proposal of Article 83. We also welcome confirmation that certain bad faith activities that harm national interests, social public interests, or causes major adverse effects warrant state-driven legal action. However, we expect clarification made regarding the distinction between Article 67 and this provision.</p>	<p>We further recommend that this cost recovery system be available through CNIPA as part of opposition and invalidation proceedings. In other words, to consolidate cost recovery with the underlying administrative challenge to the application or registration directly. This consolidation will create greater efficiency.</p> <p>Punitive damages should apply in the circumstances of malicious trademark squatting.</p>
Article 84	<p>Whoever files a trademark lawsuit in bad faith shall be imposed sanction by the people's court pursuant to law. Where the malicious trademark lawsuit causes losses to others, compensation shall be made. The amount of compensation shall at least include the reasonable expenses paid by the other party to respond to the malicious trademark lawsuit.</p>	<p>It remains to be seen whether the expenses recovered should be dealt with in the ongoing proceeding or separate litigations filed by legitimate brand owners.</p>	
Article 87	<p>Where administrative penalties are imposed in violation of this law, the department that imposed the penalties shall record them in the credit record and publicize the record in accordance with the provisions of relevant laws and administrative regulations.</p>	<p>INTA welcomes the proposal of public accountability through credibility record.</p>	
Non-traditional Marks			

Article 4	For the purpose of this Law, a trademark shall include trademark for commodities and service marks and shall mean a <u>mark</u> which can be used to identify and distinguish the source of commodities or services, including text, graphics, alphabets, numbers, three-dimensional mark, color combination, sound or other elements , and a combination of the aforesaid elements, and may be registered as a trademark pursuant to the law.	It is welcomed change from the current “etc.” into “or other elements”, making it clear that other types of signs shall be registerable. Nonetheless, the nature and scope need clarifying.	It is recommended to specify other types of signs. It is recommended to change “elements” into “signs” to be consistent with TRIPS Agreement.
Article 17	No application for registration of a three-dimensional symbol as a trademark may be granted, where the symbol merely indicates the shape inherent in the nature of the goods concerned, or it is only dictated by the need to achieve technical effects or the need to give the goods substantive value.	In light of revised article 4, functionality applies to other non-traditional marks such as sound marks, as referenced in legislation or practice in the USA, EU, Australia, Japan, and Korea.	It is recommended to clarify “For application for registration of a three-dimensional sign or non-traditional signs as a trademark , registration shall not be granted if the shape or features is merely derived from the characteristics of the commodities or the shape or features of commodities is necessary to obtain technical effects or the shape or features gives the commodities substantial value”.
Geographical Indications and Certification/Collective Marks			
Article 6	A collective trademark refers to ... A certification trademark refers to ... Geographical indications may be registered as certification trademarks or collective trademarks.		It is recommended to add in the third paragraph “... trademarks, provided that the applicant meets the legal qualifications for ownership and registration of geographical indications as trademarks, collective marks, or certification marks under

			applicable national law.
Famous and Well-Known Marks			
Article 10	<p>A holder of a trademark that is well known by the relevant public may, if he or she holds that his or her rights have been infringed upon, request for well-known trademark protection in accordance with this Law.</p> <p>The protection of well-known trademarks follows the principles of case-by-case examination, passive protection, and confirmation upon application.</p> <p>The scope of protection of a well-known trademark shall be appropriate to the trademark's distinctive features and reputation.</p> <p>The following factors shall be comprehensively considered when confirming the well-known status of a trademark:</p> <p>(1) the extent of the relevant public's familiarity with the trademark;</p> <p>(2) the duration, manners and geographical scope where the trademark has been constantly in use;</p> <p>(3) the duration, extent and geographical scope of any promotional campaign carried out for the trademark;</p> <p>(4) status of the trademark's domestic and foreign applications and registrations;</p> <p>(5) the record of protection of the trademark, especially protection as a well-known trademark;</p> <p>(6) the value of the trademark; and</p> <p>(7) other factors making the trademark well-known.</p>	<p>The WIPO JR emphasizes that no factor should be considered mandatory, and a mark could be well known even where none of the six enumerated factors in the JR are present.</p>	<p>It is recommended to be consistent with the WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (the JR).</p> <p>For more reference, please see INTA Board Resolution outlining the association's recommended best practices for WKMs registries.</p>
Article 18	<p>....</p> <p>Where a trademark is a reproduction, imitation, or translation of another party's well-known trademark known to the general public, and is likely to cause the relevant public to believe that the trademark is closely connected with the well-known trademark, thus diminishing the distinctive features of the well-known trademark, or disparaging or improperly free-riding on the market reputation of the well-known</p>	<p>We appreciate the expanded protection afforded to well-known marks, especially to those that are not registered in China, which is consistent with Article 2(3)(A)(i) of the JR.</p> <p>It needs clarifying though how this provision should be compatible as a whole in consideration of registration status and</p>	<p>We recommend that the references in this provision to "public" be further aligned and amended to "relevant public" in consistent with above provision in Article 10.</p>

	trademark, its use shall be prohibited, and an application to register the trademark shall be refused.	resulting effects of misleading/association.	
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We thank the China National Intellectual Property Administration for the opportunity to submit the above comments. INTA welcomes future communication with the CNIPA Treaty and Law Department. Should you have any questions, please contact our Chief Representative, Ms. Monica Su at msu@inta.org.