INTA Comments on the Draft Certain Provisions for Regulating Application for Trademark Registration

September 8, 2019

The International Trademark Association (INTA) is pleased to submit these comments for consideration in promulgating the Certain Provisions for Regulating Application for Trademark Registration ("Draft Provisions")

INTA is a global organization of 7,200 brand owners and professionals from over 191 countries, including 269 members in China. INTA is a not-for-profit membership association dedicated to supporting consumer confidence, economic growth and innovation. Founded in 1878, INTA is a leader in global trademark research, policy development, and education. For more information please visit our website at www.inta.org.

The following comments were prepared by INTA advocacy committees and staff. We would welcome the opportunity to discuss these issues in-depth and to answer any questions. The below input is submitted in the format provided for this purpose. We hope you will find our comments helpful.

I. General Comments

INTA commends the initiative of the Chinese government to curb the problem of bad-faith trademark applications in China. We applaud the unified term of “bad-faith trademark applications without the intent to use” aligned with the Trademark Law, however we expect more emphasis on “stockpiling” in the current draft to formulize the current practice of Trademark Office in categorizing bad-faith trademark filings.

II. Detailed Suggestions

<table>
<thead>
<tr>
<th>Article No.</th>
<th>Content of the Article</th>
<th>Comments</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 3</td>
<td>Applications for trademark registration shall be based on Article 4 of Trademark Law and be for the purpose of use and based on the actual need to obtain exclusive trademark rights. Applications for trademark registration filed without intention to use shall be rejected.</td>
<td>The current draft reiterates the existing provisions of Chinese Trademark Law, but lack of categorization of bad-faith trademark application. Given the more acute stockpiling problem, we suggest listing it into a stand-alone provision.</td>
<td>Suggest adding one provision as below: Stockpiling large numbers of trademarks not for use, barring defensive registration by the legitimate trademark holder.</td>
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Application of trademark registrations shall not:

1. copy, mimic or translate others’ well-known marks that falls in the regulation of Article 13 of Trademark Law.

2. under Article 15 of Trademark Law, application of trademark registrations filed in the agent's or the representative’s own name without authorization, or by a party has contractual, business or other relationship knowing the existence of the prior marks.

3. under Article 32 of Trademark Law, applications infringed other’s prior legitimate rights, or trademark hijackings by illicit means with a certain reputation already used by another party;

4. applications of trademark registrations by fraud of other illicit means;

5. other situations that are against good faith principle, bad for social morality or with other bad influence.

### Article 4

Article 4 Trademark agents shall not accept client entrustments if they know or should have known that the applications for registration fall under following circumstances:

1. applications are filed without intent to use in

In practice, trademark agencies, as well as their legal representatives, shareholders and affiliates, have been found to have assisted their clients in filing for bad faith registration and stockpiling trademarks, as manifested in the recent model cases released by the

Suggest adding one provision as below:

Art 4.1 applies to the legal representatives or shareholders of said trademark agents. They shall not in any form assist the clients in bad faith registration or trademark stockpiling.
<p>| Article 6 | Trademark applications that are determined by trademark registration organ to have been filed without intent to use and which violate these Measures shall be rejected and not published for opposition. Trademarks published after initial examination that are opposed within the objection period [three months] based on violation of these Measure shall be rejected if trademark registration organ considers the opposition arguments are supported. Rejected trademarks or marks that are applied for review on refusal procedure shall be rejected for registration or refused upon review on an earlier rejection if the trademark registration office considers following examination that the mark violates these Measures. | The February draft included a procedure for third parties to file petitions to the CNIPA to promptly handle the petitions. Even though these petitions serve mainly as reference for trademark examiners to consider when making determinations to reject applications, this mechanism is widely supported by foreign brand owners. But the current version merely stated “ex-officio-spotted” scenario. | Suggest adding one provision as below: If any organization or individual discover bad-faith application, it may file a report to the CNIPA. When the CNIPA receives a report or discovers said acts, it shall promptly handle it according to law. |
| Art 8 | The transfer of a mark will not impact on the trademark | Suggest clarifying the circumstances/consequences where the assignee is a party. | |</p>
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<th>registration organ’s determination on whether the mark violates Article 3 of this Provision.</th>
<th>acting in good faith and where the assignee is the legitimate rights owners.</th>
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<td><strong>Art 9</strong> Any entity or individual can file a non-use cancellation with the trademark registration organ if a mark has not been used for consecutive three years. The trademark registration organ shall notify the registrant and request it to submit use evidence or reasons of non-use within two months after receiving the notice. The mark will be cancelled by the trademark registration organ if the registrant is not able to submit use evidence or provide reasons for non-use before the deadline.</td>
<td>Suggest granting to petitioners in non-use cancellations in the first instance the right to review and comment upon evidence of use filed by bad faith filers.</td>
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