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Conflict between Trademark Right and Prior Copyright
--Case and Academic Research on Solutions to this Conflict
in the Chinese and Japanese Legal Systems

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Foreword

Conflict between different kinds of intellectual properties means between two types or more than two types of intellectual property rights established from the same object or similar objects, there are contradictions to each other. For example, a trademark consists of characters, letters, figures, signs, three-dimensional shapes, or color-combination and so on, when its design incorporates a value as creative expression, such trademark symbol itself, may be an object of copyright at the same time. When someone is the copyright owner of such symbol and another one is the trademark right owner of the same symbol or similar symbol, it tends to give rise to conflict with each other.

Under this situation or other similar circumstances in the field of intellectual property, the basic principle of first right protection is commonly adopted in many countries no matter which genealogy of law, although the legal systems in each country maybe are different.

In China, it was first-time clearly stipulated in Regulations for the Implementation of the Trademark Law of the Peoples Republic of China (hereinafter referred to as PRC) in 1993 that if an application of trademark registration infringes upon another party's existing prior rights, anybody can file an opposition before its registration to Trademark Office (hereinafter referred to as CTMO) or request for dispute adjudication after its registration to Trademark Review and Adjudication Board (hereinafter referred to as TRAB) *.Copyright had been included in aforesaid prior rights. In 2001, it is formulated in Article 31 in Trademark Law of the Peoples Republic of China (hereinafter referred to as Chinese Trademark Law) that No trademark application shall infringe upon another party's existing prior rights, according to this Article, registering another's copyrighted work as trademark without the authorization from the copyright owner shall be deemed as an infringement upon another's prior copyright, the application of the trademark registration shall not be approved or the registration of the disputed trademark shall be cancelled.

In Japan, according to Article 29 in Japanese Trademark Law, where the use in a given manner of a registered trademark in respect of the designated goods or designated services conflicts with another person's copyright taking effect prior to the filing date of the trademark application concerned, the holder of trademark right, exclusive right to use or non-exclusive right to use (hereinafter referred to as trademark right owner) shall not use the registered trademark in such a manner on the part of the designated goods or services giving rise to the conflict.

*In Chinese Trademark Law, the procedure of dispute adjudication on registered trademark is similar to the procedure of trial for invalidation, where the registration of disputed trademark is cancelled after adjudication in accordance with Article 41, the exclusive right to use the disputed trademark shall be deemed to be non-existent from the beginning.

In this report, I will try to combine theoretical research and cases-study in researching on the conflict between trademark right and prior copyright, because protection for intellectual property not only is the research object of Law Subject, but also is a set of practical arrangements of the legal regulation, emphasizing more importance on practice.

Concerning the theme of this report, the conflict between trademark right and prior copyright, there are different law systems, different theories, different viewpoints and different approaches in different countries, but many basic concepts in Japan are approximate to those in China. So, in this report, legal provisions, academic viewpoints and practical cases are mainly in the limit of situations in Japan and China.

And in my work field in TRAB, there are more and more cases concentrated on the issue whether a trademark registration infringes another's existing prior copyright. So, in this report, on the basis of practical adjudication experiences, I will try to illustrate the basic concepts about copyright and trademark right, illustrate the understanding about legal principle, and illustrate the adjudication standards in practice. For some issues often being debated in practice, I will analyze and summarize different opinions and different approaches, and then try to make it clear.

But owing to being constrained by my experiences, this report will be limited to how to solve specific problems in field of adjudication on trademark cases from the perspective of current legal framework in China. In the last chapter of this report, I will try to put forward some proposals on how to resolve this conflict more judiciously and more appropriately, and I will make some suggestions to the real owner of copyright or trademark right.

Keyword

The conflict between trademark right and poor copy right,

Trademark right, copyright, legal system, administrative procedure, civil procedure,

Article 29 in Japanese Trademark Law, Article 31 in Chinese Trademark Law

Creativity, substantial similarity, access, authorization

*This report is purely personal viewpoints of the author and does not necessarily represent the opinions of the organization to which the author belongs. Cases in this report are introduced purely for illustrate some concept or some viewpoint relating to the theme of this report, do not necessarily represent the opinions of the author.

CHAPTER I– Cause Analysis of the Conflict

In this chapter, to begin with, I will give brief introduction about some basic concepts about trademark right and copyright, as the background about my research, and these concepts will be illustrated further by actual cases in subsequent chapters.

1.1 What is trademark, what is trademark right

At first, we must understand the core concept about trademark.

In Chinese Trademark Law, trademark is defined as follows:

Article 8, Chapter 1:

An application may be made to register as a trademark any word, symbol, any letter of the alphabet, any number, three-dimensional symbol, and colour combination, or any combination thereof, that identifies and distinguishes the goods of a natural person, legal person, or other organization from those of others.

Article 4:

The provisions in this law concerning goods trademarks shall apply to service marks.

In Japanese Trademark Law, trademark is defined as follows:

Article 2, Chapter 1:

“Trademark” in this Law means any characters, figures, signs, three-dimensional shapes, or any combination thereof, or any combination thereof with colors (hereinafter referred to as a “mark”) :

- (i) which are used in respect of goods by a person who produces, certifies or assigns such goods in the course of business;
- (ii) which are used in respect of services by a person who provides or certifies such services in the course of business (other than as in (i) above).

From aforementioned provisions, we can comprehend the essence of trademark, that is, the distinguish mark for identification of goods or service, that means, only being used in the course of business, only being connected with certain goods or services, only enabling consumers to recognize certain goods or services connected with one’s business, can a mark be called as trademark.

As to trademark right, (strictly speaking, registered trademark right under registration system, in this report, unless specified, referred to as trademark right), it includes exclusive right to use, right to earning, right to disposing, and right of renewal, right to prohibit infringement, and so forth. Among these rights, the basic

is the exclusive right to use the registered trademark in connection with the designated goods or services.

1.2 What is work, what is copyright

In approaching the concept of copyright, we should understand the concept about work at first.

In Regulations for the implementation of the Copyright Law of the PRC, work is defined as follows:

Article 2, Chapter 1:

The term “work” used in the Copyright Law refers to original intellectual creations in the literary, artistic and scientific domain, in so far as they are capable of being reproduced in a certain tangible form.

Article 3

The term “creation” mentioned in the Copyright Law refers to intellectual activities from which literary, artistic and scientific work are directly resulted.

In Copyright Law of Japan, work is defined as follows:

Article 2, Chapter 1, Clause (1):

(i) "work" means a production in which thoughts or sentiments are expressed in a creative way and which falls within the literary, scientific, artistic or musical domain.

From aforementioned provisions, we can comprehend that the essence of work lays in creation or creativity, that is, some kind of original activity to choose and arrange words, music notes, colors, or shapes and so on. And, Article 9, Part 1, Clause 2, TRIPS states: Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such, here, “expressions” should be interpreted as creative expression in certain forms.

As to copyright, in civil law countries, the concept of copyright includes moral rights of authors; on the contrary, common law countries maintain the property feature of copyright.

From the origin of the word “copyright” in English, we can interpret it as the combination of “copy” and “right”, “copy” here means reproduction, which is the base of various kinds of property rights. And from the origin of the word “*droit d'auteur*” in French, we can interpret it as the combination of “*droit*” and “*auteur*”, “*droit*” here means right, “*auteur*” means author, so, we can understand that copyright means not only property rights and interests belonged to copyright owner but also moral rights belonged to the author.

As to moral rights of author, that mainly include right to make the work public, right to determine the indication of the author's name, right to maintain integrity. And as to property rights, that mainly include right of exploitation and the right to remuneration, that is, the right of exploiting one's work by means of reproduction, lending, performance, broadcasting, exhibition, distribution, making cinematographic, television or video production, adaptation, translation, annotation, compilation and the like, and the right of authorizing others to exploit one's work by the above-mentioned means, and of receiving remuneration therefor.

1.3 The differences between trademark right and copyright

As abovementioned, trademark right and copyright are two different kinds of rights. But when a trademark is designed in a creative way, the trademark symbol itself, as a work resulted by creation, may be an object of copyright at the same time. Under this kind of situation, it will lead to an overlap between trademark right and copyright. The key differences between trademark right and copyright lie in as follows:

1.3.1 The legislative purpose

The legislative purpose of trademark law is, through the protection of trademarks, to encourage producers to guarantee the quality of their goods and maintain the reputation of their trademarks, and thereby to promote the development of economy and to protect the interests of consumers.

The legislative purpose of copyright law is, to secure protection of the copyright of authors in their literary, artistic and scientific work, to secure protection of rights and interests related to copyright, encouraging the creation and dissemination of work which would contribute to the development of culture and sciences.

1.3.2 The object

The object of trademark right is trademark, the distinguish mark for identification of goods and services, and which consists of characters, letters, figures, signs, three-dimensional shapes, or color-combination and so on.

The object of copyright is work, includes work of literature, art, natural science, social science, engineering technology and the like which are created in the following forms: (1) written work, (2) oral work, (3) musical, dramatic, and choreographic work, (4) paintings, engravings, sculptures and other artistic work, (5) photographic work, (6) architectural work, (7) cinematographic work, (8) maps as well as diagrammatical work of a scientific

nature, such as paintings, charts, and models, (9) computer software, and so forth.

Here, artistic work refers to two-or three-dimensional work created in lines, colors or other form which, when being viewed, impart aesthetic effect, such as paintings, work of calligraphy, sculptures and so on. Besides the function of being viewed for aesthetic enjoyment, this kind of work can also be used as a mark affixed to goods, packages of goods, or in the course of the provision of services, to relating articles, so, when it has the function to identify the origin of goods or services, it can also be recognized as a trademark.

1.3.3 The nature

The nature of copyright lies in creativity, which will be illustrated in detail in following section 3.2.1 based on some practical cases.

The nature of trademarks right lies in distinctiveness, that is, the ability to indicate the source of goods or services and to distinguish one's goods or services from others.

Creativity is not stipulated by Trademark Law; however, creativity in some trademarks which are designed in a unique way will be helpful to make these trademarks possess inherent distinctiveness.

1.3.4 The value

The value of copyright is based on work itself, including the ideas expressed externally and the expressing way.

The value of trademark right doesn't lie in the trademark symbol itself, if without being used actually in the course of business, any mark just can be called as symbol but not trademark. Only by being used actually and connected with certain goods or services, can the value of trademark be condensed in the business reputation.

1.3.5 The content

The content of copyright includes moral rights of author as well as property rights.

The content of trademark right includes property rights only.

1.3.6 The effectiveness

The effectiveness of copyright only enable copyright owner to prohibit other's exploitation without his authorizing, disable copyright owner to prohibit other people achieving the copyright in identical work or similar work based on independently creation.

But as to trademark right, the effectiveness of trademark right enable the trademark owner have more powerful right to prohibit infringement, that is, the owner of a registered trademark right is able to use it exclusively in respect of the designated goods and services; but any other trademark application identical with or similar to the registered trademark used in the same or similar goods shall be refused, or any using of this kind of trademark shall be deemed to constitute infringement of a registered trademark right, the trademark owner may demand the infringer cease the infringing acts and pay damages.

1.3.7 Acquisition of the right

Both in Japan and in China, a trademark right shall come into force upon registration of its establishment, that means, any person desiring a trademark registration shall file an application to the specific government authority accompanied by the required documents, and only when the application complies with the relevant legal provisions after examination, it shall be approved for publication and granted an exclusive right to use. Maybe this kind of formality system is just the cost of exclusivity.

However, copyright adopt a non-formality system that requires no registration. Once a work is completed, the copyright shall be established automatically, no any requirements such as whether making public or not.

Nevertheless, there still exist copyright registration systems both in Japan and in China. In Japan, Section 10 Chapter 4 in Copyright Law stipulate registration of the true name, registration of the date of the first publication, registration of the date of creation, registration of copyright, and registration procedures and so forth. In China, there are no specific provisions about copyright registration in Copyright Law, but there is a departmental rules issued by National Copyright Administration of the PRC. Whether registering or not depends on the free will of the copyright owner. Although registration is not a requisite for acquiring a copyright, it still has advantages in some sense, for instance, when there is a dispute case involving copyright, it can be admitted as prima facie evidence to judge the ownership of copyright.

1.3.8 The term of protection

Generally speaking, the duration of a copyright shall begin at the time of the creation of the work, the rights of authorship, alteration, and integrity shall be in force without limitation as to time; the term of protection of the right of publication, the right of exploitation and right to remuneration shall be the life time of the author and fifty years after his death (in the case of a work of joint authorship, following the death of the last surviving co-author) in principle, but

also provides for certain exceptions. In other words, copyright is a kind of one-time right, can not be renewed, once expires, the related work would fall into the public domain.

The term of trademark right shall remain valid for a period of ten years from the date of approval for registration, and may be renewed for another period of ten years. There is no limitation about the times of renewal. In other words, if the registrant intends to continue, only an application to renew the registration needed, the term of protection of his trademark right shall be unlimited.

Why the term of protection of copyright is limited? The reason lies in the purpose of copyright legal system. If a copyright is regarded as a right which should be maintained forever, public use of the work would be obstructed, and cultural development would be hindered. However, if the term were extremely short, it would not reward the author sufficiently for exerted endeavors, and may impede creative activities.

1.3.9 Limitations on right

In Japan, Article 30 to Article 50 in Japanese Copyright Law stipulates limitation on copyright; in China, there are similar provisions in Article 22 and Article 23 in Chinese Copyright Law. Generally speaking, the limitations on copyright mainly apply to fair use, statutory licensing, and compulsory licensing, and so on. About fair use, for example, it refers to the cases where a work is used for the user's personal purposes such as study, research or entertainment; or the cases where a published work is used in newspapers for the purpose of reporting current affairs; or the cases where a work included in library materials is reproduced by the library for the purposes of display or preservation; or the cases where an artistic work located or displayed in an outdoor public place is copied, photographed, or video recorded for private use; and so on.

Limitations on trademark right mainly apply to descriptive fair use, the narrative fair use, fair use by virtue of prior use, and so on. For instance, when a registered trademark contains the common name, shape or model of the goods in respect of which it is used, or directly indicates the quality, main raw materials, efficacy, intended purpose, quantity and other features of the goods, or contains a geography name, the trademark owner has no right to prohibit others from fair using it.

1.4 The similarities between trademark right and copyright

Although there are so many differences between trademark right and copyright as what mentioned before, and although copyright doesn't belong to the category of

traditional industrial property, there are still some similarities between these two kinds of rights as both of them belong to intellectual property rights.

1.4.1 Inherent property in common

Intellectual property rights are generally used to protect achievements
□intellectual property□through intellectual endeavors by human beings, this is the same definition as that of “Intellectual Property Right ”mentioned in Article 2 of the Convention Establishing WIPO.

As intellectual property, there are some characters in common, that is, intangibility, exclusivity, territoriality, reproducibility and time –limitation.

Intangibility

Although work shall be represented in a certain tangible form, copyright itself is intangible, is not occupancy of some tangible articles, but the ownership of some intangible rights, the scope of the rights can not be controlled by occupancy of some articles so that its boundary often is not clear, and so is trademark right.

If used by any other party, the intellectual right can not be consumed tangibly, that means, it can be used by many parties on the same time. And as mentioned in the beginning, from the same object, two types or more than two types of intellectual property rights may be established, thus lead to the conflict of interests and conflict of rights.

Exclusivity

Intellectual property rights apply to intangible matter exclusively □ as mentioned in the previous section 1.3.6 about effectiveness of rights.

Reproducibility

For copyright, work shall be capable of being reproduced in a certain tangible form; reproduction is the base of various kinds of property rights.

For trademark right, the object of the right, the trademark symbol, only if can be reproduced in a certain tangible form, can it be affixed to many pieces of goods or packages of goods, or articles relating to services.

Territoriality

Now that intellectual property rights shall arise upon establishment of such rights according to various domestic legal systems in each country or region respectively, the validity of intellectual property rights is only limited to that legal territory thereof. And if desire to be protected in other country or religion,

the extent of protection, as well as the means of remedy, shall be governed by the laws of the legal territory where protection is claimed, independent of the existence of protection in the legal territory of origin of the intellectual property rights.

Time –limitation

Because intellectual property rights are established according to some certain legal systems but not to the possession of some tangible articles, the term of protection is a statutory limited period as what mentioned in section 1.3.8 about the term of protection.

1.4.2 Expression in common

Work as a production of author's thoughts or sentiments, must be expressed to the outside in various creative ways.

Trademark symbol itself is also a form of expression.

At present, in most countries, the compositing factors of trademark mainly are any kinds of visual signs such as character, letter, figure, number, or three-dimensional symbol, and colour combination, and so forth. Consequently, in this issue about conflict between trademark right and prior copyright, the common circumstances is whether a trademark symbol is identical with or similar to another's artistic work, which refers to two-or three-dimensional work created in lines, colors or other form.

When a trademark is designed in a unique way, and being viewed, impart aesthetic effect, its distinctiveness will be enhanced. Therefore, under the expression in common, there is aesthetic feature and creative activity in common.

Just because of this kind of expression in common, trademark symbol may be object of copyright at the same time, and when these two types of rights belong to different right owners, conflict seems inevitable.

In practice, about the conflict between trademark right and prior copyright, the common types will be introduced in the following section.

1.5 The common types about the conflict

1.5.1 Painting work and figurative trademark

Except some figurative trademark merely consists of very simple lines, very ordinary geometric figure or very commonplace marks, figurative trademark is often designed by trademark applicant or other people commissioned by the

trademark applicant, so, as a result of creative activity, it may be a painting work too.

1.5.2 Calligraphy work and word trademark

In eastern countries, calligraphy work is also a kind of artistic work, it is expressed the calligrapher's thinking or feeling in a creative way, it is a cultural product of mental activity too.

Word trademark mainly consists of words such as Chinese characters, foreign letters, numbers and so forth, word types and font of character without restriction. Hence, a calligraphy work can be used as a word trademark.

1.5.3 Artistic work located in outdoor public place and trademark

As previously mentioned in the section 1.3.9 about the limitations on right, if an artistic work is permanently located in outdoor open places, it is permissible to photograph it or copy it just for private use. But when this kind of photograph or copying is just directly reproducing such artistic work in a two-dimensional form without any new original activity, it can not be called as derivative work, and when it is registered as a trademark without the authorization from the copyright owner of such artistic work, it shall lead to the conflict between the copyright of such artistic work and the trademark right of the said two-dimensional trademark.

In addition, there is another possibility about the conflict between work of applied art and trademark.

Work of applied art refers to an artistic work embodied in or applied to an object for utilitarian purpose, whether handicraft or produced on an industrial scale.

This kind of work has a double nature: it may be regarded as artistic work; however, especially when it is applied to an object produced on an industrial scale, its exploitation and use do not take place in the specific cultural field but rather in the industrial and commercial field, this brings work of applied art to the borderline area between copyright and industrial property.

The purpose of creation has nothing to do with whether the creation is a copyrightable work or not. When being viewed, it impart aesthetic effect, it can fall into the protection for copyright; when it satisfies the prescribed requirements for registration under industrial property laws, it can fall into the protection for industrial property, that is, when it can be used to industrially mass-produced utilitarian articles, it can fall into the protection for industrial

design; when it has acquired distinctiveness after long-time broadly using in business, it can fall into the protection for trademark or be protected under anti-unfair competition law.

So, for this kind of copyrightable industrial design, not only there exist the possibility of conflict between copyright and trademark right, but also exist the possibility of conflict between copyright and design right, or the possibility of conflict between design right and trademark right.

According to Article 2 Protected works: (7) in The Berne Convention (The Berne Convention for the Protection of Literary and Artistic work), each contracting state has the freedom to determine how to protect such borderline productions in this complex area, granting protection under copyright or under specific industrial property protection. In China, work of applied art often fall into the category of design eligible for protection under the Patent law. But whether a work of applied art falls into the category of artistic work eligible for protection under the Copyright Law or fall into the category of industrial design, it is all included in the prior rights provided in Article 31 of Chinese Trademark Law. There are also many practical cases about the conflict between design right and trademark right in China, but this issue will not be discussed in this report.

Up to now, there have been few trademark cases involving conflict between trademark right and prior copyright in work of applied art.

1.6 Cause analysis of the conflict

1.6.1 Internal cause – the specific characters of trademark, work, and intellectual property rights

Firstly, from previously section 1.3 and 1.4 about the differences and similarities between copyright and trademark right, we can find the closely relationship between these two types of rights in many aspects. The overlap between trademark and work because of their inherent characters makes it possible that a copyrightable work can be used as a trademark or a trademark symbol itself can be an object of copyright.

Secondly, the intangibility of intellectual property right makes its boundary inherently blurred and disables its owner realizes there is another form of right held by another party on the same intellectual products immediately.

Thirdly, because of the territoriality and time –limitation, when the territory and period of protection on one intellectual property right is overlapped with another, it shall lead to the conflict. Especially with economic globalization and information dissemination via the internet, the intellectual products can spread beyond boundary immediately, but intellectual property rights are still

limited to certain territory. On the other side, if one posterior right owner wants to exploit his right in the term of protection of the prior right, there also will be crossover in term of protection.

1.6.2 System cause – the legislation system

In most countries around the world, there isn't a unified intellectual property right code. Each department law such as trademark law or copyright law was legislated separately, and under each department law, there are always diverse stipulations about the acquisition of right or about the conditions under which work or trademark shall be protected, which is often inconsistent with each other. In the meantime, various intellectual property rights are often administered by different administrative authorities.

1.6.3 External cause – free ride

The essence of conflicts of rights is conflict of interests. Intellectual product can often make economic benefits, especially when it acquires some popularity, it will bring more competition advantages to its owner. The reason why a work is registered as a trademark often lies in that the trademark right owner wants to use the popularity of this work without paying for it. While sharing the reputation of this work free of charge, the trademark right owner wants to increase consumers' buying motive and then take a bite out of the economic interests of the prior copyright holder.

1.7 Legal grounds

1.7.1 Trademark Law

In Chinese Trademark Law, besides Article 31, there is another article about the conflict between trademark right and prior rights. The first sentence of Article 9 states: A trademark seeking registration shall be so distinctive as to be distinguishable and shall not infringe upon the prior legitimate rights of others.

1.7.2 Copyright Law

Given prior right is based on corresponding special law; its scope of protection shall also be decided by the corresponding special law. Whether a device constitute a copyrightable work or not, how to judge the ownership of copyright, what is the criteria about substantial similarity of work, all of these issues and other issues like that shall be considered according to specific provisions in Copyright Law in principle.

1.7.3 Anti-unfair Competition Law (Unfair Competition Prevention Law)

Although in the rulings decided by TRAB, as a general, we don't directly apply relating articles in other laws, so does the Appeals Department of Japan Patent Office (hereinafter referred as JPO), we still refer to other laws. Maintenance of the order of fair competition is also one of the purposes of the Trademark Law. Intellectual property right law, by means of granting the exclusive right to someone for his intellectual achievements, enable the right owner obtain the monopoly position and competitive advantage, enable the right owner to prohibit other from improper using his right, and take it for granted as the inevitable outcome of the fair competition, in this sense, intellectual property right law is consistent with the legislative purpose of Anti-unfair Competition Law. And actually, there are many articles in Chinese Trademark Law embodied the spirit of Anti-unfair Competition Law. Moreover, by combining specific prohibitive actions list with general principle provision, Anti-unfair Competition Law can provide additional protection for intellectual products.

1.7.4 Related international treaties

International treaties relating to intellectual property rights are one of bases for domestic legislation in those signatory states, can further strengthen the harmonization of inter-protection for intellectual property rights between the signatories.

Both Japan and China are signatories to the following international treaties.

Paris Convention for the Protection of Industrial Property

Article 6 quinquies

Marks: Protection of Marks Registered in One Country of the Union in the Other Countries of the Union

B. Trademarks covered by this Article may be neither denied registration nor invalidated except in the following cases:

(i) when they are of such a nature as to infringe rights acquired by third parties in the country where protection is claimed;

Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)

Article 16 Rights Conferred

The owner of a registered trademark shall have the exclusive right to prevent all third parties not having the owner's consent from using in the course of trade identical or similar signs for goods or services which are identical or

similar to those in respect of which the trademark is registered where such use would result in a likelihood of confusion. ...

The rights described above shall not prejudice any existing prior rights,

The Berne Convention for the Protection of Literary and Artistic work □ Version revised in Paris, 1971 □

The most important principles in Berne Convention are:

The principle of national treatment,

The principle of formality-free protection □ the principle of automatic protection □, and

The principle of independence of protection

The principle of national treatment □ the principle of minimum standards of protection □

Signatories shall recognize the copyright of works of authors from other signatory countries (known as members of the Berne Union) in the same way it recognizes the copyright of its own nationals.

Article 2 Protected works:

Paragraph □1 □ Authors shall enjoy, in respect of works for which they are protected under this Convention, in countries of the Union other than the country of origin, the rights which their respective laws do now or may hereafter grant to their nationals, as well as the rights specially granted by this Convention

The principle of formality-free protection □ the principle of automatic protection □, as what mentioned in previous section 1.3.7 about acquisition of rights,

Under the Convention, copyrights for creative works are automatically in force upon their creation without being asserted or declared. An author need not “register” or “apply for” a copyright, as soon as a work is completed, its author is automatically entitled to copyright in the work.

The first part of the first sentence of paragraph □2 □ Article 2 Protected works:

The enjoyment and the exercise of these rights shall not be subject to any formality.

Formality here read any conditions or measures without fulfillment of which the work is not protected or loses protection, such as registration, deposit of the original or a copy, or the indication of a copyright notice.

The principle of independence of protection, as what mentioned in previous section 1.4.1 about the territoriality

The second part of the first sentence of paragraph 2 Article 2 Protected works:

Such enjoyment and such exercise shall be independent of the existence of protection in the country of origin of the work.

The second sentence of paragraph 2:

Consequently, apart from the provisions of this Convention, the extent of protection, as well as the means of redress afforded to the author to protect his rights, shall be governed exclusively by the laws of the country where protection is claimed

The Universal Copyright Convention

It is a bridge between countries that adopt a copyright formal procedure system for the establishment of copyright and member countries of the Berne Convention.

CHAPTER II –Comparison on Solutions to this Conflict between Japanese and Chinese legal systems

2.1 How to resolve this conflict in Japanese legal system

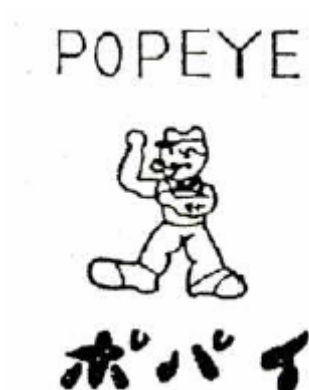
2.1.1 Article 29 in Japanese Trademark Law

This article is the provision of restriction on exercising of trademark right by reason of conflict with another's prior intellectual properties. According to this article, where the use of a registered trademark in a given manner in connection with its designated goods or designated services conflicts with another person's copyright arising prior to the filing date of application of said registered trademark, the holder of trademark right may not use the registered trademark in the same manner on the conflicting part of the designated goods or services.

2.1.2 POPEYE Case in Japan

As to the conflict between trademark right and prior copyright, we have to mention the precedent POPEYE Case in Japan, in fact, there were a series of POPEYE cases, which are famous not only in Japan, but also in China, and can be interpreted in different aspects such as the function of trademark, whether the name of fictional character can correspond to the copyrighted work or not, and all that. In this report, I will take the 3rd POPEYE Case for instance to illustrate my understanding about the resolving approach to this conflict in Japan legal system.

The 3rd POPEYE Case



Registered trademark at issue

Re. No. 326206

Designated goods: clothes, etc.

Court: Osaka District Court □ Feb. 28, 1984 □

Osaka High Court □ Sep. 26, 1985 □

Supreme Court □ Jul. 20, 1990 □ 1985 □ o □ 1576



copyrighted work

Plaintiff: trademark owner

Defendant: licensee granted by the copyright holder

Subject: Use of the term “POPEYE” on muffler constitutes a trademark infringement?

Outline:

The trademark at issue was registered in 1959 by plaintiff.

The character POPEYE appeared in a cartoon film in 1932, and became popular around the world, including Japan, before the filing date of application of the trademark at issue.

The defendant, the licensee granted by the copyright holder, manufactured and sold the muffler with the marks “A” and “B” affixed from 1981 until December 1982, mark “A” comprising a combination of letters “POPEYE” and a figure of the fictitious cartoon character “POPEYE” in the original copyrighted work, and mark “B” on the tag of the muffler comprising the letters “POPEYE” only.

The plaintiff filed a lawsuit by virtue of the trademark right at issue seeking injunction to stop the sale of the defendant’s products, and claiming damages.

The first-instance court issued an injunction to stop the said sale, and ordered the defendant to pay 1,400,000 yen as compensation for the damage.

The second-instance court partially modified the original judgment, upholding the district court’s judgment to the extent of payment of 1,085,100 yen as damages for trademark infringement regarding the mark B plus delinquency charges thereon and dismissing the rest of the first-instance judgment. The second-instance court held the word POPEYE is not covered by copyright so that it is outside of Article 29, and denied the abuse of right argument as long as the trademark registration exists.

The Supreme Court judged that the mark A in the defendant’s use consists of a figure that visually represents the cartoon character and the corresponding name, and it constitutes a reproduction of the fictitious cartoon character in the original copyrighted work “THE THIMBLE THEATER”. Therefore, it does not infringe the trademark right of the plaintiff, in accordance with Article 29 of the Trademark Law.

As to mark B, because character of POPEYE is so famous that the word POPEYE means nothing else but POPEYE, the registered trademark at issue is to free ride on the fame of the Character POPEYE, enforcing the trademark

rights is to disturb fair trade practice so that it should be deemed as abuse of right.

However, whether the name of fictitious character corresponds to the copyrighted work or not is not directly adjudicated.

This judgment was the first to judge that a claim of a trademark infringement could constitute an abuse of rights on the ground that the trademark right is in conflict with the copyright

Under Article 29 of Japanese Trademark Law, when trademark rights conflict with a prior copyright, the trademark right owner is prohibited not only from using such trademark to the extent of the conflict, but also from obtaining injunctive relief, even if the act of using reproductions of the copyrighted work violates the trademark rights.

As to the question of whether the trademark that was prohibited from exercising its rights nevertheless maintains its status as a registered trademark, according to Japanese Trademark Law, the requirements of Article 46 about trial for invalidation must be met in order to invalid a trademark registration, but conflict with another's prior rights is not included in the stipulated circumstances in Article 46, that means, the registration of a trademark may not be invalidated solely by reason of its conflict with another person's copyright after the trademark is registered.

Besides, the conflict with another's prior rights is not included in the specified circumstances in Article 43-2 about opposition either, so, it could not be an applicable reason in procedure of opposition.

The 1st POPEYE Case

The circumstances in this case are analogous to that in the 3rd POPEYE Case. Osaka District Court Judgment of February 24, 1976 holds that the Mark being used by the defendant in T-shirt consisting of letters "POPEYE" and a figure of the fictitious cartoon character "POPEYE" is merely ornamental, it is used as a design, and the word POPEYE is an integrated part of the whole design, unable to be separated, therefore the defendant's use does not constitute a trademark infringement.

2.1.3 Article 4 paragraph 1 item 1 in Japanese Trademark Law

According to the examination guideline about Article 4 paragraph 1 item 1 in Japanese Trademark Law, trademarks that are "...likely to cause damage to public order or morality" are trademarks which are letters or diagrams, in composition per se, outrageous, obscene, discriminative or unpleasant to people, or trademarks which are, irrespective their unobjectionable composition, liable to conflict with the public interests of the society or

contravene the generally-accepted sense of morality if used for designated goods or designated services.

Trademarks with their use prohibited by other laws, trademarks liable to dishonor a specific country or its people or trademarks generally considered contrary to the international faith are judged to fall under the provision of this clause.

This clause was interpreted in the judgment The Tokyo High Court, Heisei 10 (Gyo-Ke), No.185 given on December 22, 1999 as follows:

A trademark falling under Article 4 paragraph 1 item 1 of Trademark Law is not limited to a trademark whose indication itself is liable to cause damage to the public order or morality or a trademark whose use is liable to conflict with the public interests of the society and, it may be construed that also in a case where acts of selecting a trademark and leading it to a trademark registration may be determined to be unreasonable and against the international faith, a trademark involving such acts is also judged to fall under a trademark which disturbs a fair transaction order and damages the public order.

2.1.4 Anne of Green Gables Case



Registered trademark at issue

Re. No. 4470684

Defendant: the registrant of trademark above

Appeal Trial No. 2003-035094

This is a case in which the Appeals Department of JPO decided that act of obtaining registration without authorization of a copyright management agency is not appropriate, which was supported by the Intellectual Property High Court.

The summary about ruling of the Appeals Department:

The literary work “Anne of Green Gables” is one of the cultural assets in Canada.

The defendant submitted an agreement concerning “Filmmaking and production of a series of television programs” of “Anne of Green Gables”, but from this evidence, it may not be determined that the defendant obtained an

approval for registering a trademark right for letters “Anne of Green Gables”, hence, the trademark application filed by defendant without prior agreement of Anne of Green Gables Licensing Authority Inc. violates the doctrine of good faith.

Moreover, the exclusive use of the title by one company, which has no relationship with the literary work whatsoever, is not appropriate; and the registration of the trademark in Japan might be against the international faith between Japan and Canada.

In addition, in above ruling of the Appeals Department, a viewpoint was quoted about whether a title of work corresponds to the copyrighted work or not, that is, it is reasonable to construe that a title of a work cannot be generally copyrightable independently from the work (The Osaka High Court, Showa 59 (Ne), No.1803 given on September 26, 1985)

2.1.5 Furby case



This is a criminal case about copyright infringement. Even though it might seem as if this case had no directly relationship with the issue of this report, it is quite enlightening to my understanding about the standpoint and resolving approach to this issue in Japan legal system. That is, firstly, we should deliberate whether or not a mark seeking protection fall into the protection range under the Copyright law, secondly, when resolving the conflict between various intellectual property rights, we need to carefully consider the balance between the various levels of protection under corresponding law. The brief introduction about this case is following:

“Furby”, an electronic toy, was created in the U.S. by Tiger Electronics and copyrighted by the U.S. Copyright Office in October 1998. Tomy had an exclusive import and sales license for the Japanese market.

Around July 1999, Director X of Company A sold 2,400 dolls that were similar in appearance and features to Furby to Company B and received a payment of 3,600,000 yen.

Alleging that this act infringed the copyright of Tiger Electronics, the Yamagata Public Prosecutors Office filed an indictment with the Yamagata District Court.

Yamagata District Court Judgment of September 26, 2001, and Judgment of October 10, 2001 dismissed this action.

About the issue whether the Furby doll was copyrightable or not, the Court explained: indeed Tiger Electronics under U.S. law has been the copyright holder of the design of Furby, however, in accordance with the provisions of the Berne Convention, to which both Japan and the U.S. are signatories, the question of whether or not Furby was eligible for protection in Japan should depend on the interpretation of the Copyright Law of Japan, and the Court held that the design of Furby was not copyrightable under the Copyright Law of Japan.

The Japanese Copyright Law categorizes art as pure art created solely for the purpose of artistic appreciation but not possessing any utilitarian qualities, however, it is not always explicitly provided in the Articles of the Law whether mass-produced articles to which artistic effects and techniques have been applied for utilitarian purposes, such as Furby, fall in the category of artistic works or not.

If protection under the Copyright Law extends to works of applied art, the difference in the level of protection between the two Laws (protection under the Design Law, unlike the Copyright Law, requires establishment/registration, and the duration of protection is 15 years, shorter than the 50 years under the Copyright Law) would substantially undermine the *raison d'être* of the design system. Therefore, it is appropriate to construe that protection under the Copyright Law shall not, in principle, extend to a design of industrially mass-produced utilitarian articles.

The Court determined that Furby can hardly be recognized to possess aesthetic quality as an object of appreciation independent of its utilitarian and functional aspects as a toy; in the absence of effected copyright, therefore, the alleged act does not constitute a criminal offense.

On September 26, 2001, an innocent verdict was delivered with respect to both Defendant Company A and Director X.

In addition, an innocent verdict was delivered for both Defendant Company B and Director Y in a separate but similar case on October 10, 2001.

Sendai High Court Judgment of July 10, 2002 dismissed the appeal.

The High Court basically upheld the standpoint of the District Court, by traced a path back to the original act of creation of Furby, the High Court concluded that its external appearance and shape is designed to maintain utility and functionality as an electronic toy, which compromises the requirements for beauty; for this reason, the form of Furby was not found to possess aesthetic quality as an object of artistic appreciation in its entirety. For the design of industrially mass-produced utilitarian articles, with the existence of the Design Act taken into account, it should be carefully examined whether it is appropriate to extend the application of the Copyright Law or not, and that a more prudent approach should be taken when applying criminal penalties.

In conclusion, the High Court determined that the design of Furby does not fall into the category of “works” defined under the Copyright Law, and dismissed the appeal.

2.2 How to resolve this conflict in Chinese legal system

2.2.1 Article 31 in Chinese Trademark Law

The first sentence in Article 31 in Chinese Trademark Law states: No trademark application shall infringe upon another party’s existing prior rights.

According to this clause, anybody can file an opposition against an application of trademark registration on grounds that the trademark conflicts with another person’s existing legitimate prior copyright to CTMO within three months after publication of the preliminary examination., and if any party concerned is dissatisfied with the opposition ruling decided by CTMO, he (refers to any natural person, legal person, etc.) can apply for a review to TRAB.

According to the second clause in Article 41 in Chinese Trademark Law, when a trademark that was already registered conflicts with another’s prior copyright, the copyright owner or any interested party may, within five years from the date of registration, file an application for dispute adjudication to TRAB seeking cancellation of registration of the disputed trademark.

In Standards for Trademark Examination and Adjudication (promulgated in December 2005), the adjudication guidelines for opposition case, review of

opposition case or dispute case involving the conflict between trademark right and prior copyright are as follows:

1 Registering another's copyrighted work as trademark without the authorization from the copyright owner shall be deemed as an infringement upon another's prior copyright, the application for registration of the trademark at issue shall not be approved or the registration of the disputed trademark shall be cancelled.

2 Conditions for application of this clause:

1 The trademark at issue is identical with or substantially similar to the copyrighted work of which the copyright was earlier obtained by another person;

2 The applicant of the said trademark at issue had accessed or possibly accessed the said copyrighted work;

3 The application for registration of the said trademark at issue has not been authorized by the said copyright owner.

3 The phrase "the copyright was earlier obtained" refers to a case where, before the date of an application for registration of a trademark at issue, another person had already created and completed copyrighted work or obtained copyright through inheritance, assignment, etc.

The fact that copyright has been obtained earlier can be proved through copyright registration certificate, evidentiary material proving that the said copyrighted work had been published earlier, or evidentiary material proving that the copyrighted work had been completed earlier, evidentiary materials proving that copyright had been obtained earlier through inheritance, assignment, etc. and so forth.

Where the fact that copyright has been obtained earlier was confirmed by a legally effective judgment, if no sufficient contrary evidence, the fact can be affirmed.

4 "Work" refers to the object eligible for protection under the Chinese Copyright Law.

5 When the applicant or registrant of the trademark at issue can prove that the said trademark had been completed through independent creation, it does not constitute infringement upon another person's existing prior copyright.

6 The applicant or registrant of trademark at issue shall bear burden of proof of the fact that he obtained authorization from the copyright owner.

The applicant or registrant of trademark at issue shall prove that he concluded a license agreement with the copyright owner, or the copyright owner expressed direct and explicit intention permitting the said applicant or registrant to file an application for registering his copyrighted work as a trademark.

2.2.2 POPEYE Case in China



Disputed trademark

cited trademark

Re. No. 1537340

Re.No.1172622

Designated goods:

Class 25: shoes

class 25: swimsuit, etc.

TRAB Ruling No. 2008-11505

Plaintiff: the registrant of the cited trademark

Defendant: the registrant of the disputed trademark

The summary of the ruling adjudicated by TRAB:

The plaintiff submit the copy of registration certificate of copyright in the United States, can prove his ownership of copyright in the figurative part in cited trademark. Comparing the figurative part in the disputed trademark with the figurative part in cited trademark, they are approximate in composition characteristics of figure and in the visual effects. In consideration of the cited trademark was registered prior to the disputed trademark, there exist the possibility for the defendant, as a peer, to have access to the cited trademark. Therefore, the registration of the disputed trademark constitutes infringement upon another's existing prior copyright, shall be cancelled.



Opposed trademark

Re. No. 3536436 designated goods: Class 32: beer, water□drink□, etc.



Cited trademark 1 cited trademark 2 cited trademark 3
Re. No.1510943 Re. No.1478807 Re. No. 1486788

Designated goods: Class 32:

Syrups and other preparations beer, mineral water, etc. beer, mineral water etc.
for making beverages

Opponent: the registrant of the cited trademarks

TRAB Ruling No. 2010-6485

The relevant part in this ruling about the opposition ground of conflicting with copyright:

“□□□□” composed by common existing Chinese word, is lacking of originality. And even if as the opponent stated, “□□□□” is the translation for the name "POPEYE" of the character POPEYE in an animated film, it still is lacking of originality as a work, cannot be recognized as a copyrighted work. The opposition on the ground that the application of the opposed trademark constitutes infringement upon the opponent’s prior copyright shall be rejected.

From the above cases, we can find the completely different way in resolving the conflict between trademark right and prior copyright, which will be discussed in detail in the section 2.3 below. And as to the issue about the name or the pattern of a fictitious character shall be protected in which form of protection, will be discussed in chapter □.

2.2.3 Article 10 paragraph□1□item□8□in Chinese Trademark Law

According to Article 10 paragraph□1□item□8□and the first clause in Article 41, anybody can file an opposition against an application of trademark registration or can request TRAB to adjudicate cancellation after its registration on grounds that the trademark at issue is detrimental to socialist morals or customs, or having other negative influences.

But the trademark falling under Article 10 paragraph□1□item□8□, mainly refers to a trademark whose meaning or concept is liable to cause damage to the public order or morality, or a trademark whose use is liable to conflict with the public interests of the society, not refers to a trademark that was registered with the intent of using unfair measures such as stealing a march on another’s right and in this sense leading to damage the public order. Because the latter may be construed as infringement or prejudice on the private rights or interests of some specific subjects, shall belong to the application scope of Article 31.

2.2.4 Harry Porter Case

Harry Potter

Opposed trademark

Re. No. 3046036

TRAB Ruling No. 2009-20644

Opponent: Warner Bros.Entertainment Inc.

The summary of the ruling reviewed by TRAB:

"Harry Potter" is a series of novels created by Ms J.K.Rowling. Ms J.K.Rowling had transferred the trademark right relating to her novels to the opponent.

"Harry Potter", as the name of the character Harry Potter in this series of novels, having originality to a certain extent, but fail to express the author's thoughts or sentiments independently, cannot be recognized as a copyrighted work. For this reason, the application of the opposed trademark does not constitute infringement upon another's prior copyright.

The evidences submitted by the opponent can prove that before the application date of the opposed trademark, the series of novels Harry Potter had published in China and achieved good sales performance, the series of novels and the character Harry Potter had acquired popularity. The respondent knew or should have known the above facts, still rush to register the opposed trademark, obviously with the intent of improperly borrow another's reputation on famous work. The application of the opposed trademark violates the principle of honesty and good faith, not only prejudices the legitimate rights and interests of the opponent, but also damages the public order and good social morals. In addition, the application of the opposed trademark is liable to lead to the consumer's misidentification of the origin of goods, thus bring up negative influences in society. For these reasons, the application of the opposed trademark constitutes violation of Article 10 paragraph 1 item 8 in Chinese Trademark Law, shall not be approved.

Now, this case is in the proceeding of administrative litigation, having the risk of losing, because in some former similar cases, the standpoint from court is this kind of circumstances should be regarded as infringement or prejudice on the private benefits of the specific subjects, but not the public interests of the society.

2.2.5 □□□□ Case



Disputed trademark another disputed trademark in this series of cases
Re. No. 1026605

Plaintiff: Futabasha Publishers Co., Ltd.

Defendant: the registrant of the disputed trademark

Administrative dispute procedure:

TRAB Ruling No. 2005-4644

The First Intermediate People's Court of Beijing Judgment No.2006-408

The Higher People's Court of Beijing Judgment No.2007-373

The Supreme People's Court of PRC Judgment No.2007-25-1

Civil lawsuit on copyright infringement:

The First Intermediate People's Court of Shanghai Judgment No.2004-156

The Higher People's Court of Shanghai Judgment No.2005-110

In this series of cases involving 9 trademarks, there is no contest to the ownership of copyright. I take this case for example to make analysis on the following issues:

- 1□ the starting date of the statutory time limit of filing an application for adjudication on the disputed trademark;
- 2□ the option of the resolving approach to the conflict between trademark right and prior copyright.

The outline of this series of cases is as follows:

In the beginning, after entering the Chinese market, the plaintiff found that his copyrighted works had been registered as trademarks by third party, including the said trademark Re. No. 1026605. In 2004, the plaintiff filed a lawsuit on copyright infringement to the First Intermediate People's Court of Shanghai, and applied pre-interim injunction to stop the infringement act immediately. Furthermore, the plaintiff filed an application for dispute adjudication to TRAB seeking cancellation of the disputed trademark registration.

In the administrative ruling decided by TRAB, because the registration date of the disputed trademark is June 14, 1997, but the filing date of the application

for dispute adjudication is January 16, 2005, far beyond the statutory time limit, that is, within five years from the date of registration, the plaintiff's request based on the registration of the disputed trademark constituting infringement upon his prior copyright was rejected, that means, the disputed trademark maintained its status as a registered trademark.

In the civil ruling decided by the First Intermediate People's Court of Shanghai (Judgment No.2004-156), the plaintiff's request was supported. The first-instance court issued a judgment ordering the defendant to stop the infringement act, that is, to stop the use of the disputed trademark. This judgment was upheld by the second-instance court the Higher People's Court of Shanghai (Judgment No.2005-110).

Regarding the first point, **the starting date of the statutory time limit of filing an application for adjudication on the disputed trademark**, there are two primary kinds of viewpoints.

One is just as what stated in the ruling decided by TRAB, the statutory time limit shall be calculated from the date of registration, which is stipulated in Article 41 explicitly and unambiguously.

The other is if the registration is approved before the date of entry into force of the Decision on the Amendment of the Trademark Law, December 1, 2001, the starting date shall be calculated from this date. Because before the Trademark Law was amended, there was no stipulation about the statutory time limit of filing an application for dispute adjudication, the plaintiff should have filed such application without restriction on time limit, if the period of exercising this kind of claiming right is curtailed or even this kind of claiming right is deprived just because of the amendment of the Law, it would be unfair to the plaintiff.

Due to these different opinions on this issue, when the plaintiff filed administrative litigation on TRAB ruling to the court, the judgments made by relating courts reversed to each other. The first-instance court, the First Intermediate People's Court of Beijing upheld the decision of TRAB (Judgment No.2006-408). The second-instance court, the Higher People's Court of Beijing held the starting date shall be calculated from the date December 1, 2001, so, the plaintiff's application in January 16, 2005, is still in the time limit of application for dispute adjudication, this case shall be re-adjudicated by TRAB (Judgment No.2007-373). But this judgment was corrected by the Supreme People's Court of PRC by retrial procedure,

which ruled that the starting date shall be calculated from the date of registration no matter whether the registration is approved before the date of entry into force of the Decision on the Amendment of the Trademark Law or not, the ruling decided by TRAB shall be upheld (Judgment No.2007-25-1).

Behind this point, maybe the second point is more essential, that is, **the option of the resolving approach to the conflict between trademark right and prior copyright.**

The genesis of this series of cases is the civil dispute case concerning copyright infringement. Regarding to the issue where a plaintiff, by virtue of his prior rights, files a lawsuit against another kind of right that was granted through a given administrative procedure, whether or not the People's Court could accept it and determine it directly, there used to be different resolving ways on the basis of different opinions in China.

But for now, according to the Regulations Regarding Several Issues in Trial of Civil Dispute Cases Concerning the Conflict between Registered Trademark and Prior Rights or Enterprise Name and Prior Rights -- the Supreme People's Court of PRC (Issue No. 2008-3, released in February 18, 2008), where the plaintiff files a lawsuit on the grounds that the words or figures in a trademark registered by another person infringe upon the prior copyright of the plaintiff, and if in accordance with the provisions of Article 108 in the Civil Procedural Law, the People's Court shall accept it.

Further, the Supreme People's Court of PRC indicated in the Opinions Regarding Several Issues in Trial of Cases Involving Intellectual Property Rights under the Current Economic Situation (Issue No. 2009-23, promulgated in April 21, 2009), litigation can be filed against an alleged trademark even of which the application for registration has not been approved, that means, even if the application for registration of the alleged trademark is still in the processing of examination under administrative authority, it shall not interfere with the People's Court's acceptance and hearing.

One of the reasons for abovementioned opinions from the Supreme People's Court is the conflict between trademark right and other rights belongs to civil rights disputes, and if litigation involving this kind of conflict is in accordance with the provisions in the Civil Procedural Law, the People's Court shall accept it.

So, currently, for resolving this conflict, the copyright owner can seek double-track remedy, **administrative remedy** or **civil remedy**. As to the

trademark at issue of which the registration has been approved, **the differences** between these two ways mainly are as follows:

In the first place, the purpose of filing civil lawsuit is seeking to cease the infringement act, and claiming damages; while the purpose of filing an application for administrative adjudication on the disputed trademarks is seeking to deny the legitimacy of the trademark right fundamentally.

So, in the second place, the result of an administrative ruling may be cancelling the registration of the disputed trademark; while the result of a civil litigation may be ceasing the use of the trademark at issue, but maybe the trademark at issue still maintains its status as a registered trademark. Under the latter situation, after the lapse of three years from the day on which the civil ruling take into effect, the copyright owner can file an application for cancellation of the registration of the trademark at issue on the grounds of consecutive no-use for three years.

In the third place, the time limit of filing an application for dispute adjudication is five years starting from the date of registration of the disputed trademark; while the statute of limitation for bringing a lawsuit on copyright infringement under the Civil Procedural Law is two years starting from the date when the copyright owner knew or should have known about the act of infringement.

If beyond the said statute of limitation for civil dispute, according to the Interpretations Regarding Several Issues in Trial of Civil Dispute Cases Concerning Copyrights -- the Supreme People's Court of PRC (Issue No. 2002-31, released in October 12, 2002), if the infringing act is still continuing at the time the suit is brought and the copyright is still in the duration of validity, the People's Court should issue a judgment ordering the defendant to stop the infringement act. Under this situation, even the copyright owner fails to file an application for dispute adjudication to TRAB within five years from the registration date of the disputed trademark, maybe he can file an infringement suit to the People's Court seeking civil remedy, and if the People's Court issue a judgment ordering the registrant to cease the infringement act, the registrant cannot exercise the exclusive right to use the disputed trademark actually.

But for now, according to the Opinions Regarding Several Issues in Trial of Cases Involving Intellectual Property Rights under the Current Economic Situation -- the Supreme People's Court of PRC (Issue No. 2009-23, released in April 21, 2009), once the disputed trademark become

irrevocable because the copyright owner fails to file an application for dispute adjudication to TRAB within the statutory time limit, the copyright owner can still file a civil infringement lawsuit within the statute of limitation, but the People's Court will no longer issue a judgment ordering the registrant to bear such civil liability as stopping the use of the disputed trademark .

One of the reasons for abovementioned opinions from the Supreme People's Court is that if there is no time limit for protection of prior rights, the trademark right will be caught in an always unstable situation, which will go against the exercising of the trademark right, will go against the business confidence of trademark users and will go against the accumulation of the trademark reputation.

Of course on the contrary, there still exists the conflict between legal provisions under different law. As what mentioned before, under Copyright Law, copyright shall be protected in its duration of protection, that is, at least fifty years in general; but under Trademark Law, if a copyrighted work is registered as a trademark by another person, for the copyright owner, the right of filing a trademark dispute adjudication will be restricted in the statutory time limit, that is, five years.

Anyway, as a conclusion, if we set aside all the rights or the wrongs of this case, it is necessary for the real owner of any kinds of rights to exercise his right actively. Rights shall be protected, also should be exercised. Sometimes, rights should be lost just because of the owner's negligent or exercising slackly. It is important to remember that under the current legal framework in China, once the statutory time limit expires, the registered trademark shall probably obtain the status as an indisputable trademark.

2.3 Comparison

2.3.1 Juridical logic

As what mentioned in Chapter□, according to Article 6 in Paris Convention, if a trademark is of such a nature as to infringe other rights, it may be either denied registration or invalidated; according to Article 16 in TRIPS, when the owner of a registered trademark exercise his exclusive right in the course of trade, this kind of right shall not prejudice any existing prior rights.

From previous section 2.1 and section 2.2, we can find in Japanese legal system, with respect to the conflict between trademark right and prior copyright, the resolving approach is imposing restriction on the exercising of the exclusive right to use a registered trademark; while in Chinese legal

system, the resolving approach is prohibiting the existence of this kind of right ultimately.

Intellectual Property Law can admit the existence of certain property right; can also restrict down to prohibit the existence of that.

For the conflict between different kinds of rights, the basic principle is first-right protection, which requires either the establishment or the exercising of posterior right shall not infringe the legitimate prior right.

If the posterior right is established in the premise of infringing another's legitimate prior right, the existence and exercising of such posterior right should be prohibited completely. This is just the juridical logic of Chinese legal system.

If the posterior right is established in accordance with law, but the exercising of such posterior right would infringe another's legitimate prior right, some restriction shall be imposed on the said exercising. That is, the limiting of exercising does not go beyond the conflict scope, the legitimacy of the posterior right shall not be denied.

So, there are two issues need to be clarified.

Firstly, even if the posterior right is established in accordance with the provisions in relating law, maybe it is just legitimate in form but inadequate in nature. Especially registered trademark right is granted through the processing of examination under administrative authority, so, looking from formally, it is always legitimate, but maybe it is defective.

Secondly, about the concept of infringement. Strictly speaking, the behavior of applying for trademark registration in itself may not be regarded as infringement, just prejudice the prior rights. The behavior of applying for trademark registration and the behavior of exercising the exclusive right to use a registered trademark are two different types of behavior, probably only the latter can constitute infringement. So, in this sense, prior rights shall be the ground for restricting the exercising of the posterior trademark right but not the ground for rejecting the registration of the posterior trademark.

But once the registration of the posterior trademark has been approved, if the copyright owner wants to register the copyrighted work of his own as a trademark, there will be the risk of refusal on the grounds that there is already a similar trademark applied in advance. And as a rule, the purpose of

trademark registration is just for using it in business; once put into use, it may constitute infringement or damages. So, for these reasons, litigation can be filed against an act that has already caused damages or one just with potential harm, to avoid the infringement in the future, the legal relationship need to be made clear before it is too late.

2.3.2 The relationship between judicatory and administration

Regarding to the issue where a plaintiff, on the grounds of his prior rights, files a lawsuit against another kind of right that was granted through a given administrative procedure, whether or not the court could accept it and determine it directly, there are different resolving ways.

First, administrative procedure and civil procedure exclude each other. Since the right is granted through a given administrative procedure, it shall also be invalidated or cancelled through corresponding administrative procedure. It would be inappropriate for the court to resolve this kind of conflict directly through civil procedure.

Second, administrative procedure is prior to civil procedure under certain conditions. If a plaintiff files such a lawsuit, the court could accept it, but the hearing should be suspended awaiting the result of the corresponding administrative procedure such as administrative trial for invalidation or cancellation.

Third, administrative procedure and civil procedure are independent. The conflict between different kinds of intellectual property rights can be brought into the categories of civil procedure directly, without regarding to whether or not the conflicting right was granted through a given administrative procedure, and without regarding to whether or not the conflicting right is in the progress of an administrative dispute procedure simultaneously, meanwhile the result of civil procedure shall not be bound to affect the progress of administrative procedure, just like the current double-track system in China.

But in Japan, whether the conflicting registered trademark right shall be invalidated or not still need to be judged by JPO, while the relating alleged infringement case is heard by the court.

In the past, defense on invalidation of the trademark right was not allowed to enter into trademark infringement litigation. After Japanese Trademark Law was amended in 2004, under Article 39 Application mutatis mutandis Article 104-3 of Patent Law, in litigation concerning trademark infringement, if the

said trademark is recognized as one that should be invalidated by a trial for trademark invalidation, the trademark right owner shall not exercise his right to the other party. However, under Japanese Trademark Law, in order to invalid a trademark registration, the requirements of Article 46 about trial for invalidation must be met, but conflict with another's prior rights is not included in the stipulated circumstances in Article 46, that means, the conflict with another's prior copyright is not recognized as an applicable reason for invalidation of trademark registration.

2.3.3 Application scope

Since in Japanese legal system, the resolving approach is imposing restriction on the exercising of the exclusive right to use a registered trademark, the application scope is limited in the conflict part under the effective scope of the said registered trademark, that is, not beyond the part of the designated goods or services giving rise to the conflict in a given manner.

But in Chinese legal system, the resolving approach is on the basis of different juridical logic, without infringement that has already occurred in reality, just the possibility of infringement shall be presumed; and the object of copyright is work, which is a conception without connection with certain goods or services, so, the application extent for copyright protection is not limited by the classification of goods.

2.3.4 Administrative invalidation

According to Article 46 in Japanese Trademark Law, the causes for a request for an invalidation trial is mainly limited in violating provisions about the formality or substantial registrability requirements for registration as a trademark, conflict with another form of prior right protected under another law may not be an applicable cause for invalidation of trademark registration.

But according to Article 41 in Chinese Trademark Law, both of these two aspects are applicable cause for a request for dispute adjudication.

Besides, according to Article 46 in Japanese Trademark Law, even after the extinguishment of the trademark right, a request for an invalidation trial still may be filed.

But according to Article 41 in Chinese Trademark Law, the statutory time limit for a request for dispute adjudication is within five years from the date of registration of the disputed trademark, only except the circumstances where the owner of well-known trademark files a request for dispute adjudication against a trademark registered in bad faith or where the cause for dispute adjudication is the disputed trademark is against good public order and custom.

2.3.5 Using of copyrighted work in goods

As described in the 1st POPEYE Case, in Japan, when using a copyrighted work in certain goods was sued as trademark infringement action, the defense of such using just as a design with ornamental function may be supported by the court, even if the intension maybe is using as a trademark.

But in China, according to Article 50 Clause (1) in Regulations for the Implementation of the Trademark Law of PRC (enforced as of September 15, 2002), where using a mark identical with or similar to another person's registered trademark for identical or similar goods as decoration of goods, if liable to mislead the public, it shall probably be regarded as infringement on trademark right. The legislative intention of this clause is to strike hard on various trademark infringement actions.

CHAPTER III – Standards for Adjudication

3.1 Principle for judgment-- Infringement of copyright, not infringement of trademark right

Article 31 in Chinese Trademark Law embodies the protection for another form of prior right, so, when adjudicating such cases as conflicting with another's copyright, we should refer the judgment principle of copyright infringement but not that of trademark right infringement.

Infringement of copyright refers to an act carried out in respect of a work protected by copyright without authorization of the owner of copyright where such authorization is required.

If a posterior trademark is identical with another's prior work and was registered without the authorization from the prior copyright owner, it may, at least, infringe the reproduction right of the prior copyright owner; if a posterior trademark is substantial similar to another's prior work and was registered without the authorization from the prior copyright owner, it may, at least, infringe the adaption right or right to maintain integrity of the prior copyright owner. And more essential in common, the posterior trademark may infringe the right of exploitation and the right to remuneration of the prior copyright owner.

Because it is permitted that as long as a work is created originally, it shall be protected as an original work, even if it is similar to another person's work by coincidence. So, in adjudication practice, what need to be determined is whether or not the trademark at issue is the plagiarism of another's work of which the copyright was earlier established.

Plagiarism means presenting a work as the original creation of a person—the plagiarist—which is in fact the creation of another person—the author, either without change or in a more or less altered form or content.

In a legal dispute concerning alleged infringement of copyright in the form of plagiarism, the three decisive factual elements are: substantial similarity between the original work and the alleged result of plagiarism, access or possibility of access to the original work, and the absence of authorization.

So, we need to investigate:

□1□whether the device as the basis of plaintiff's claim shall be qualified as a copyrightable work.

□2□whether the plaintiff is the owner of the said copyright or interested party, whether the said copyright was established prior to the application date of the

trademark at issue and still in the duration of protection. Moreover, for foreign works, whether it is eligible to enjoy copyright protection in China under Berne Convention or other international treaty or on the basis of the principle of reciprocity.

□3□whether the trademark at issue is identical with or substantially similar to the copyrighted work.

□4□whether the applicant of the trademark at issue had accessed or possibly accessed the said copyrighted work

□5□whether there are reasonable arguments from the applicant of the trademark at issue, such as independent creation or the fact that he had obtained authorization from the copyright owner.

These adjudication standards and relating concepts will be illustrated by means of combining theoretical research and cases-study in following sections.

3.2 Work

3.2.1 Creativity

In order to constitute a copyrighted work, a certain level of “creativity” is necessary. More importantly, only after the creativity can be confirmed, can be continued the further investigation such as whether the device as the basis of plaintiff’s claim shall be qualified as a copyrightable work and the following issues listed as above. And in copyright dispute cases, the most basic measuring standards is nothing else than whether or not the alleged infringement work contain the creative part of another’s copyrighted work not by coincidence. So, the criterion about creativity is not only an academic issue, but also a practical issue.

Creativity is some certain characteristics expressing original thoughts or sentiments of the author and certain distinguishable feature from usualness.

Creativity, or in other words, originality, means that it is the author’s own intellectual creation, and is not copied from another work. It is different with the novelty of patent which demand the invention must be as first made or thought of. The pre-existence of a similar work unknown to the author – in particular, to which he has even had no access – does not affect the originality of an independently created work, even if they are similar.

And although creativity is irrespective of its artistic value, it is still difficult for a device which merely consists of very simple lines or very ordinary geometric figure or has little difference from usualness to be admitted as a copyrighted work.

Besides, when creating, any material in public domain can be utilized, but for qualified as a copyrightable work, some original part different from commonplace is required to be found in a new production.

But all along, the said “certain level of creativity” needs to be judged subjectively, and inevitably, whether or not a device as the basis of plaintiff’s claim shall be qualified as a copyrightable work will lead to the different conclusion under discretion, so, it is often a debate topic.



Opposed trademark cited trademark 1 cited trademark 2

Re. No. 1189067

Opponent: Sanyo Electric Co., Ltd.

TRAB Ruling No. □2007-4101

First-instance judgment No. □2007-1115

TRAB Retrial Ruling No. □2007-4101- 95

The opponent was dissatisfied with TRAB ruling for review of opposition, filed an administrative lawsuit to the court. The first-instance judgment determined the “N” device in cited trademark 1 as a work, and concluded that the application of the opposed trademark infringes upon the opponent’s copyright.

Similar cases:



Disputed trademark

Re. No. 1204572

TRAB Ruling No. 2006-528

The disputed trademark is identical with the trademark which had been used by the plaintiff

The relevant part in this ruling about the plaintiff's contention of conflicting with copyright, about creativity:

The letter "f" and N, I, C, O in the said trademark is different in the font, color, size or capitalization, making this letter combinations characterized in expression to some extent. But the said trademark device merely consists of letters in common font, lacking of creativity as a copyrightable artistic work.



Opposed trademark

cited trademark

Re. No. 1911013

Opponent: Darkin Industries, Ltd.

TRAB Ruling No. □2009-20709

The relevant part in this ruling about the opposition ground of conflicting with copyright, about creativity:

The device in cited trademark consists of one triangle in black on top of another triangle in blue, imparting aesthetic effect, is in the nature of creativity as a copyrightable artistic work.



Disputed trademark

cited trademark

Re. No. 1221484

Plaintiff: Bosch Corporation □ Zexel Corporation □

TRAB Ruling No. 2007-4365

The relevant part in this ruling about the plaintiff's contention of conflicting with copyright, about creativity:

The "Z" device in cited trademark, in the middle part of which is a white square gap, and two black squares in the same size on either side, in a unique appearance, is in the nature of creativity and reproducibility, thus satisfying the requirement for copyrighted work.



Disputed trademark

Re. No. 1599095

TRAB Ruling No. 2009-30194

The relevant part in this ruling about the plaintiff's contention of conflicting with copyright, about creativity:

The traditional Chinese painting God of Longevity, falling into public domain, can be utilized by anybody, but when the peach on left hand of him was changed by a cup, a certain level of creativity was realized.

3.2.2 Idea- expression dichotomy

As what quoted in the beginning of this report, Article 9, Part 1, Clause 2, TRIPS states: Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such. This basic principle of copyright protection can be called as idea- expression dichotomy. An idea serves as a basis for the creation of a work, but a mere thinking process or an idea is not considered as a work; it must be expressed externally by telling it to people or writing it down on paper, only the original expression built on the idea is protected. Ideas are basic building blocks for creation, if an idea shall be protected under copyright, the freedom of expression would be excessively restricted, which would contradict the legislative purpose of Copyright Law.

Closely relating to the concept of creativity as above, creativity mainly refers to in which external way the content or idea is expressed but not the content or idea itself. And for investigating whether a trademark at issue is the plagiarism of another's work or not, we must separate expression from idea. Copying or imitating the expression in another's work shall be determined as direct reproduction or slavish imitation, while leaning from the idea in another's work as reference shall not be prohibited, using such unprotected ideas expressed, described or otherwise contained in a work for the creation of another work is not plagiarism.

But how to differentiate between the expression and the ideas being expressed is still lacking of unified and clear standards. Especially, sometimes the expression and the idea are in a mixed state, the latter just hides in the former. If ideas are described in a more detailed way, as a preparatory or intermediary step for the creation of a work, the resulting description may already contain certain elements or original expression, this point will be discussed further in chapter □ about the name of fictitious character, the title of work and catchphrase.



Disputed trademark

cited trademark

Re. No. 1706277

International Re. No. 793786

TRAB Ruling No. 2009 - 27412

The defendant was dissatisfied with TRAB ruling for dispute adjudication, filed an administrative lawsuit to the court, one of cause of action was the word “Dragster” in cited trademark is the existing word with common meaning, can not be qualified as the object eligible for protection under Copyright Law.

In TRAB’s pleading, we insisted on the word itself shall not fall into the category of copyrighted work, but its expression integrated with the figurative part, when viewed, impacting aesthetic appreciation, such expressing way is in a nature of creativity, thus, the cited trademark symbol in its entirety shall be qualified as an artistic work eligible for protection under Copyright Law.



Opposed trademark

cited trademark

Re. No. 1555488

International Re. No. 424064

TRAB Ruling No. □2009-08848

The relevant part in this ruling about the opposition ground of conflicting with copyright, about dichotomy:

The word part in cited trademark is fabricated word without existing common meaning, but the expression of cited trademark symbol in its entirety is lacking of creativity, can not be qualified as the object eligible for protection under Chinese Copyright Law.

3.2.3 Some issues about an artistic work located in outdoor open places

As described in previously section 1.5.3, some cases involve the conflict between the trademark right of a two-dimensional trademark and the copyright of an artistic work located in outdoor open places, which refers to sculpture work, painting work, calligraphy work as such located or displayed in outdoor places for public activity

In accordance with Copyright Law, unless otherwise stipulated, utilizing another's three-dimensional artistic work in two-dimensional form without authorization shall infringe upon the reproduction right of the copyright owner concerned.

The said other stipulations mainly refer to the following two points: (1) If an artistic work is permanently located in open places, photographing it or copying it just for private use shall be regarded as fair use; (2) If when copying, the copier make some original endeavors such as choosing and rearranging the composition elements in such work, this kind of copying has combined with his new creation, then the copier can enjoy independent copyright to some extent.

According to the Interpretations Regarding Several Issues in Trial of Civil Dispute Cases Concerning Copyrights – the Supreme People's Court of PRC (Issue No. 2002-31, promulgated in October 12, 2002), copying, drawing, photographing, or video recording of such artistic work can be re-used in a reasonable manner and in reasonable scope, which shall not be determined as infringement upon the copyright of such artistic work.

So, the question is how to define reasonable manner and reasonable scope. Firstly, it shall be in accordance with the definition of fair use under Copyright Law. Secondly, such reusing shall not disturb the normal using of such pre-existing artistic work, nor unreasonable prejudice the legitimate interests of the prior copyright owner.

If this kind of copying, drawing, photographing is merely directly reproducing without any new original creation, when it is registered as a trademark without the authorization from copyright owner of such pre-existing artistic work, apparently it does not belong to reasonable manner or reasonable scope.



Disputed trademark the statue of Emperors Yan and Huang
Re. No. 878708

TRAB Ruling No. 2003 – 0963

This figure is the copying of the statue of Emperors Yan and Huang who are great ancestors of Chinese people, this statue is located in the Yellow River sightseeing district in Zhengzhou Henan Province.

The plaintiff submitted the legally effective judgment issued by the Higher People's Court of Henan Province (Judgment No.1998-39) as evidence, which confirmed the fact that the plaintiff is the copyright owner of this statue.

The defendant answered that the disputed trademark is the copying of this statue; it should be recognized as another painting work, different from the statue work in idea and expression.

In TRAB ruling, it was determined that, the two-dimensional figure in disputed trademark is highly similar to this three-dimensional statue in overall shape, image and characteristics, even if the disputed trademark is the copying of this statue, registering it as a trademark without the authorization from the copyright owner of this statue still constitutes infringement.

3.3 Ownership of copyright

3.3.1 Copyright owner or interested party

In view of prior right is established under corresponding department law, how to determine its ownership shall also be in accordance with the provisions in such law.

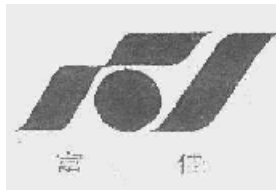
According to Article 11 in Chinese Copyright Law, the copyright in a work shall belong to its author except otherwise provision in this Law. The citizen, legal person or entity without legal personality whose name is indicated on a work shall, in the absence of proof to the contrary, be deemed to be the author of the work.

But in most of trademark review and adjudication cases, the plaintiff is not necessarily the author, just copyright interested party. As we know, many trademarks are designed in a creativity way for enhancing its inherent distinctiveness, of course, for which purpose the creation was made has nothing to do with whether the creation is a copyrighted work or not, so, such trademark may be or may contain a copyrightable work. Besides the designer is the trademark applicant himself, more is that the trademark applicant commissions somebody else or assigns his employee to design his logo according to his requirements.

As to work of commission, according to Article 17 in Chinese Copyright Law, the ownership of copyright in a commissioned work shall be agreed upon in a

contract between the commissioning and the commissioned parties. In the absence of a contract or of an explicit agreement in the contract, the copyright in such a work shall belong to the commissioned party. So, in some cases, the plaintiff is the commissioning party as the copyright interested party.

As to work of employment, according to Article 16 in Chinese Copyright Law, the ownership of copyright in such work shall be attributed to the employee except otherwise provision in this Law, which is different from similar situation under Japanese Copyright Law. So, in some cases, the plaintiff is the employer as the copyright interested party.



Disputed trademark

Re. No. 1201113

TRAB Ruling No. 2005 – 4376

The summary of relevant part in this ruling about the plaintiff's contention of conflicting with copyright, about the qualification of plaintiff:

The evidence of commission contract and corresponding design draft submitted by plaintiff can prove that the plaintiff had commissioned someone to design a logo according to the plaintiff's requirement. The plaintiff as the commissioning party, in the absence of an explicit agreement about the ownership of copyright on this logo in this contract, can claim the prior copyright as the interested party.

3.3.2 Prima facie evidence

Although copyright of work shall be automatically in force upon its creation without any formality, in legal proceeding, it is still necessary for plaintiff to prove he is the copyright owner or interested party.

What kind of evidence can prove the ownership of copyright has been listed in section 2.2.1, besides that, there is still a question about prima facie evidence. For instance, when a trademark logo is or contains a copyrightable work, just as above case, whether only the registration certificate of such trademark is sufficient to prove the registrant can enjoy the copyright in the trademark device concerned, which often arouses controversy in practice.

One viewpoint is because creation is generally carried out in private environment, so maybe it is very difficult for plaintiff to fully prove his creation process. If demanding much on plaintiff's burden of proof, will place plaintiff in an adverse condition for claiming his copyright. Therefore, some kind of prima facie evidence is eligible, where the plaintiff's trademark registration is prior to that of disputed trademark, if no sufficient contrary evidence, it can be presumed that the plaintiff is the copyright owner of the creative work in the prior trademark device.

Another viewpoint is as copyright is automatically take into effect, it is weak in confrontation, so for proving his copyright, the plaintiff is required to submit sufficient evidence.

In my viewpoint, the registration certificate of such trademark only can be admitted as prima facie evidence, it is still required to be supported by corroborating evidence. Because the registration certificate of such trademark just certifies that the registrant has exclusive right to use such trademark in designated goods or services, once it alone can be admitted as fully evidentiary material proving the ownership of copyright, the registrant can prevent all third parties from using identical or similar signs in all kinds of goods or services, because in China the application scope of protection for prior copyright is not limited by the classification of goods. This kind of legal effect will thoroughly subvert the basic order and legislative purpose of trademark legal system, namely the trademark legal system provides protection to the sign connected with certain goods or services rather than the sign itself in the sense of being symbol. Another underlying consequence may be breaking the basic principle of territoriality in trademark registration system, the plaintiff's prior trademark right should have not be protected in China because it's a foreign registration (including international trademark of which the request for territorial extension of protection to China has not be filed or be approved), but if the foreign registration certificate (including international trademark registration certificate) of such trademark can be admitted as sufficient evidence to prove the plaintiff's copyright on the trademark device concerned, and if its origin country is the contracting party of Berne Convention, then the plaintiff's trademark right could be protected as copyright in China, the obstacle in territoriality will be thus removed hands down.

For these reasons, since the registrant of such trademark desires to enjoy so strengthening protection that is even stronger than protection provided to well-known trademark, according to the rules of equality of right and responsibility, he ought to bear the corresponding fully burden of proof.

Anyway, this issue depends on case-specific circumstances, we should make comprehensive investigating on evidences of both parties entirely and objectively, combining legal rules with logical reasoning and principle of daily experiences, then for each evidence of both parties, make judgment on having or without evidential value, measure prudently the degree of proof, finally determine that the chain of evidence shall be favorable to which party.



Disputed trademark

cited trademark

Re. No. 1107482

Plaintiff: the registrant of cited trademark

Defendant: the registrant of disputed trademark

TRAB Ruling No. 2009 – 6229

First-instance Judgment No. 2009 - 1461

Second -instance Judgment No. 2009 – 1350

About the issue whether only the registration certificate of cited trademark is sufficient to prove the plaintiff can enjoy the copyright on the trademark device concerned,

The relevant part in TRAB ruling:

The registration of cited trademark had been approved prior to that of disputed trademark, and the device in cited trademark is satisfying the requirement for copyrighted work, therefore, the plaintiff can be entitled as the copyright owner of this device.

The relevant part in first-instance Judgment:

Since the registration of cited trademark had been approved and published, and the defendant didn't submit any disproof about the ownership of cited trademark should be attributed to any subject else, it can be determined that the plaintiff is the copyright owner of this device.

And since the registration of cited trademark had been published as a registered trademark prior to the application date of the disputed trademark, it can be determined that the figure work in cited trademark has been published.

The relevant part in second-instance Judgment:

Even if the application, registration and publication after approval of cited trademark can be deemed as publication of the figure work in cited trademark, it is merely the announcement to the public about the ownership of the cited trademark, but not inevitably the announcement to the public about the copyright ownership of the figure work in cited trademark.

The act of indicating name on a work in Article 11 of Chinese Copyright Law refers to that of making the public known the authorship; the application, registration of cited trademark and specifying the information about applicant and registrant in trademark gazette are merely the announcement to the public about the ownership of cited trademark, can not be determined as the behavior of signature of author under Copyright Law.

3.3.3 Duration of protection and critical day

What is called “existing prior copyright”, means that, firstly, the plaintiff’s copyright shall be established prior to the application date of the trademark at issue; secondly, the plaintiff’s copyright shall still be in the duration of protection at the time when the registration of trademark at issue was approved or shall be approved.

About the second point, especially when the trademark at issue has been a registered trademark, it should be emphasized that whether or not the plaintiff’s copyright is still in the duration of validity shall depend on the factual situation in the date of the registration of the disputed trademark, but not the factual situation in the date when the application for dispute adjudication was filed nor the factual situation in the course of adjudication. Because once the registration of disputed trademark is cancelled after adjudication, the exclusive right to use it shall be deemed to be non-existent from the beginning.

In addition, on account of the second point, if a device containing copyrighted part is registered as a trademark, the registration and renewal of this trademark can not grant permanent copyright protection to the copyrighted part in it.

3.4 Identical or substantial similarity--identical or substantial similarity of works is not equal to that of trademarks

3.4.1 Comparing original part

In the course of judging copyright infringement dispute, the core issue is whether the trademark at issue is identical with or substantial similar to another’s work or not.

On the basis of previous section 3.2.1 about creativity and section 3.2.2 about idea-expression dichotomy, when comparing the posterior work and another's prior work, the most essential step is comparing the original part.

Firstly, we need to separate expression from idea, then find out the original part eligible for copyright protection, compare the original part in each work, if these creative parts impact the identical or similar impression when being viewed, we should determine the posterior work is identical with or substantial similar to the prior work.

For trademark, the identical of trademark refers to when being viewed, the posterior trademark has little difference from the prior trademark, and when being used in identical or similar goods or services, they would result in a likelihood of confusion about the origin of goods or services.

The similarity of trademark refers to the characters in two trademarks are similar in appearance, pronunciation or concept; the figures in two trademarks are similar in composition, colors or appearance in its entirety; the combinations of character and figure in two trademarks are similar in arranging way or appearance in its entirety; or the shapes and appearances in two three-dimensional trademarks are similar; the colors and combining way in two color-combination trademarks are similar, and when such two trademarks being used in identical or similar goods or services, they would result in a likelihood of confusion about the origin of goods or services.

If there is only subtle difference between two trademarks in characters' font, capitalization, horizontal or vertical setting as such, they still shall be determined as identical trademarks.

If there is only difference between two trademarks in characters' font, designing style, phonetic manner or arranging way as such, but still liable to result in a likelihood of confusion about the origin of goods or services, they shall be determined as similar trademarks.

But as two-dimensional trademark, three-dimensional trademark, or each composition element in it may be an independent copyrightable work, and possibly the creativity just has much to do with the font, designing style or arranging way, therefore, sometimes maybe two marks are similar or even identical in the sense of being trademark but on the contrary in the sense of being work. Meanwhile sometimes maybe two marks are similar in the sense of being work but on the contrary in the sense of being trademark, such as the prior work just is taken as one of main composition element in another's trademark but these two marks are not similar in overall appearance.



Opposed trademark

cited trademark

Re. No. 3042351

Re.No.1476867

Designated goods:

Class 26: lace, etc.

Class 19: mosaics for building, etc

TRAB Ruling No.□2010-05959

The relevant part in this ruling about the opposition ground of conflicting with copyright:

The opponent submitted copyright certificate in which was set forth that the copyrighted work is the cited trademark device, the form of work is artistic work, the date of creation of this work is July 1, 1999 and the copyright owner is the opponent. Considering that the defendant failed to submit sufficient contrary evidence, it should be determined that the opponent had obtained the copyright in the artistic work in cited trademark before the application date of the opposed trademark.

But comparing the opposed trademark and the opponent's work, the "M" device in opposed trademark was designed differently from the "M" device in opponent's work in expression and in visual effect; and the letter combination "monalisa" in opposed trademark just in common letterform is also obviously different from the letter combination being designed in opponent's work in expression and in visual effect, therefore, it shall be determined that the opposed trademark is not substantial similar to the opponent's work in the sense of being work.

3.4.2 Comparing marks in overall appearance as well as its essential elements

In this regard, it is almost the same as the judging standards for substantial similarity of trademarks. When judging the substantial similarity of works, we should compare two marks in overall appearance as well as its essential elements, investigating what is the essential element in a work, such characterizing portion presented in what proportion, whether or not the essential components in both marks are identical or substantial similar.



Disputed trademark

cited trademark

Re. No. 1107482

Plaintiff: the registrant of cited trademark

Defendant: the registrant of disputed trademark

TRAB Ruling No. 2009 – 6229

First-instance Judgment No. 2009 - 1461

Second -instance Judgment No. 2009 – 1350

About the issue whether the disputed trademark is substantial similar to cited trademark,

The relevant part in TRAB ruling:

The disputed trademark contains an old man's head portrait which is nearly identical with that in cited trademark in composition element and designing style, the defendant's behavior of registering disputed trademark without the authorization from plaintiff who enjoys the prior copyright of the old man's head portrait constitutes infringement.

The relevant part in first-instance Judgment:

Substantial similarity not only includes the case in which two works are substantial similar on the whole, but also includes the case in which the posterior work contains some part substantial similar to the prior work, therefore, from the overall difference between the disputed trademark and cited trademark, it cannot be confirmed that both of them are not substantial similar in the sense of being work.

The old man's head portrait in the disputed trademark is nearly identical with that in cited trademark, this part shall be determined substantial similar to cited trademark in the sense of being work.



Opposed trademark

Re. No. 1100347

Opponent: DC COMICS

TRAB Ruling No. □2005 - 3282

The opponent contend that “Batman” is a famous fictitious character created in 1939 by Bob Kane, the opponent obtained all of copyright relevant to the whole text of comics work “Batman” in November 21, 1985, among which including the copyright of the original painting work of black bat independently.

But in all of eligible evidence of copyright certificate submitted by the opponent, attached devices are the overall pattern of “Batman” but not including the independent painting work of black bat.

The summary of relevant part in this ruling about the opposition ground of conflicting with copyright:

The copyrights obtained by the opponent were established based on the creation of overall image of fictitious character “Batman” and the comics work in which the “Batman” is the leading character. “Batman” as a fictitious character, his appearance may be in varying forms. The black bat figure only appears in some forms, and when being compared with varying existing painting form of bat by relevant public in average attention, it is difficult to distinguish whether or not there is some characterizing feature, so, it is difficult for consumers to immediately bring the character “Batman” to mind merely by this black bat figure. This black bat figure fails to embody the remarkable characteristics of the overall image of “Batman”; therefore, although the opponent enjoys the copyright in the overall image of “Batman”, it cannot be presumed that he enjoys the copyright in any portion in this image as an independent copyrighted work.

Moreover, as to other opposition causes such as this black bat figure had already become the only symbol of character “Batman” in all of books or movies provided by the opponent, or this black bat figure had already become the distinctive mark to identify the origin of relevant work or goods is nobody but the opponent, there was insufficient evidence.



copyrighted work

For these reasons, it shall not be determined that the opponent can enjoy prior copyright in independent black bat figure. Consequently, the application of the opposed trademark doesn't prejudice the opponent's prior right.

3.5 Access

3.5.1 Access

“Access” means direct knowledge or a reasonable opportunity to acquire direct knowledge of the prior work, or in other words, it refers to the prior work can be available to the public or can be available to the some specific subject by some particular cause. For example, with the widespread distributing or making available the work in the country where the defendant lives, the defendant may get access to the work. The purpose of investigating this issue is to rule out the possibility of coincidence.

When the posterior work is identical with or substantial similar to the prior one, and the author of posterior work cannot prove that his work was created independently, it can be presumed that the author of posterior work had accessed or possibly accessed the prior work, clearly knew or should have known the prior work, and then it can be presumed that the posterior work is just plagiarism of the prior work.



Disputed trademark

Re. No. 1455854

Plaintiff: the Football Association Premier League

TRAB Ruling No. 2005-3584

The evidence submitted by the plaintiff can prove that the painting work of lion as above was designed by MTP Company commissioned by the plaintiff, and the plaintiff signed copyright assignment contract with MTP Company in June 27, 1997, so, the plaintiff is the copyright owner of the painting work of lion.

The defendant filed the application of disputed trademark in July 12, 1999.

The relevant part in this ruling about the plaintiff's contention of conflicting with copyright, about access:



copyrighted work

In light of before the application date of the disputed trademark, Premier League had been broadcast in qualified TV channel in China, and the plaintiff's copyrighted work as the logo of Premier League often appeared in television pictures, it cannot be ruled out the possibility for the defendant to have been aware of the plaintiff's work at the time of the application concerned.

3.5.2 Other considering factors

When adjudicating whether the posterior trademark is plagiarism of another's prior work or not, besides the abovementioned three decisive elements, the other factors need considering mainly are the level of creativity, the degree of similarity, the popularity of prior work, and so on. Under some particular circumstances, these factors may be in a relationship as ebb and flow. If the prior work is very unique and famous, the posterior trademark is nearly identical with it, maybe it can be presumed that it is almost impossible for the applicant of posterior trademark to have no access to the prior work.



Disputed trademark

cited trademark

Re. No. 1790431

Re.No.3157390 □posterior application □

Application date: Mar 12, 2001

Application date: Apr. 24, 2002

Plaintiff: the applicant of cited trademark

Defendant: the registrant of disputed trademark

TRAB Ruling No. 2009-17772

The evidence submitted by the plaintiff can prove that, in cited trademark, the calligraphy work and the painting work of leaf were separately created by Wen Bozhen and Pan Youlin commissioned by the plaintiff in 1999, the plaintiff is the copyright interested party of these works.

But there was insufficient evidence to prove the possibility of access.

The summary of this ruling:

The word part in cited trademark is written in a unique letterform, featured in structure of strokes and writing movement, embodying the calligrapher's original creation. The disputed trademark, in visual impression, is almost identical with the word part in cited trademark. There is hardly possibility for

different individuals to write these characters in exactly the same way, therefore, it shall be presumed that the disputed trademark is just copying of the plaintiff's calligraphy work.

3.6 Reasonable argument

Reasonable argument from defendant mainly includes the following two situations:

Firstly, if the applicant or registrant of posterior trademark can prove that the trademark had been completed through independent creation, it does not constitute infringement upon another's prior copyright. But in adjudication practice, the defendant usually fails to submit adequate evidences to support such argument. Secondly, if the applicant or registrant of posterior trademark can prove that he had obtained authorization from the prior copyright owner, it does not constitute infringement.

As to the second situation, it often happened between the author and the interested party of copyright when the work concerned is a work of commission or a work of employment.

As what mentioned in section 3.3.1, as to work of commission, according to Article 17 in Chinese Copyright Law, if lacking of a commission contract or of an explicit agreement about the ownership of the commissioned work in the contract, the copyright shall belong to the commissioned party. Under this circumstance, if the commissioning party takes this commissioned work to register a trademark, it needs to be investigated whether or not such behavior had obtained authorization from the commissioned party.

As to work of employment, according to Article 16 in Chinese Copyright Law, the ownership of copyright in such work shall be attributed to the employee except otherwise provision in this Law. Under this circumstance, if the employer takes this employment work to register a trademark, it needs to be investigated, firstly whether there was some exceptional case as was said, and secondly whether or not such behavior had obtained authorization from the copyright owner.

Especially about the said authorization, whether only referring to express permission or also including tacit permission, which is always just the core issue in dispute adjudication.



Disputed trademark

Re. No. 1792537

Plaintiff: the author of the calligraphy work as above

Defendant: the registrant of the disputed trademark

TRAB Ruling No. 2010-06194

The plaintiff had been an employee of the defendant. In 1985, in order to apply for trademark registration, the defendant asked the plaintiff to write four characters as above, which was beyond the plaintiff's duty. Under being clearly aware of the usage of his work, the plaintiff offered several pieces of calligraphy work to the defendant for option. In 2001, the defendant filed the application for trademark registration, which was approved in 2006. In 2007, the plaintiff filed the application for dispute adjudication.

In this case, the following respects of facts and legal relationships need to be investigated:

In the first place, whether the work at issue should be determined as employment work?

Work created by an employed author refers to a work created by employee for his employer under an employment contract. Under certain copyright laws—typically those of countries following the common-law tradition—, the employer is the original owner of the economic rights, while, under other copyright laws—typically those of countries following the civil-law tradition—, all the rights are vested in the employed author.

Generally speaking, according to Article 15 in Japanese Copyright Law, if a work is made by an employee in the course of the performance of his duties in connection with the employer's business on the initiative of the employer, the authorship of this work shall be attributed to the employer. While according to Article 16 in Chinese Copyright Law, a work created by a citizen in the fulfillment of tasks assigned to him by his employer shall be deemed to be a work created in the course of employment, the copyright in such a work shall be enjoyed by the author, provided that the employer shall have a right of priority to exploit the work within the scope of its business during the two years after the completion of the work.

But these different provisions are in common with the basic judging criterion about the work of employment, that is, the creation of such a work shall be to perform the employee's duty, or maybe in other words, just to do something the employee should do.

However, in this case, why the defendant asked the plaintiff to make such a calligraphy work, the only reason was the plaintiff is a calligrapher, rather than it was the plaintiff's duty to create calligraphy work for his employer's application for trademark registration. Therefore, in TRAB Ruling, it is determined that this calligraphy work does not belong to work of employment, but belong to work of commission, just the commissional relationship based on the employ relationship between the plaintiff and the defendant.

Then, coming to the second place, although actually there was commissional relationship between both parties, in the absence of a written commission contract, not to mention an explicit agreement about the ownership of the commissioned work nor licensing agreement, how to determine whether or not the defendant had obtained authorization from the copyright owner.

One of viewpoint is the defendant shall prove that the copyright owner expressed direct and explicit intention permitting him to file an application for registering his copyrighted work as a trademark, just like what stipulated in Standards for Trademark Examination and Adjudication. Because according to Article 32 in Regulations for the Implementation of Chinese Copyright Law, anyone who desires to exploit another's work shall conclude a contract with the copyright owner in writing.

But on the other hand, in my viewpoint, according to Article 36 in Chinese Contract Law, where a contract is to be concluded in writing as required by relevant laws or administrative regulation or as agreed by the parties, if the parties failed to conclude the contract in writing, but one party has performed the principal obligation and the other party has accepted it, the contract is established. Therefore, whether or not the defendant had obtained authorization from the copyright owner should depend on the factual circumstances in specific case.

First, the creation of the calligraphy work should be deemed as carrying out by the plaintiff on commission for the defendant, the copyright of this commissioned work should belong to the plaintiff.

Second, as stated by both parties, when creating this calligraphy work, the plaintiff knew perfect well that his work would be used to apply for trademark registration, and offered several pieces of calligraphy work to the defendant for option. Therefore, we can conclude that the specific purpose in such actually commissioned creation exactly was application for trademark registration, and the plaintiff had agreed and performed this commission by behavior of his own. In other words, there are no sufficient grounds to conclude that the defendant registered this calligraphy work as a trademark without the licensing of the

copyright owner. This kind of circumstance may be called as contract implied in fact. The commission relationship should be established on the premise of mutual reliance between both parties, the behavior of the plaintiff had made the defendant convinced of reasonable reliance, therefore, it shall be determined that by the tacit permission from the plaintiff, the defendant had obtained authorization from the copyright owner.

This conclusion of facts is in accordance with Article 12 in the Interpretations Regarding Several Issues in Trial of Civil Dispute Cases Concerning Copyrights -- the Supreme People's Court of PRC (Issue No. 2002-31, released in October 12, 2002), that is, in the case where the copyright in commissioned work is enjoyed by the commissioned party, the commissioning party shall enjoy the right to exploit such a work within the agreed scope of commission; in the absence of explicit agreement about the scope of commission, the commissioning party shall enjoy the right to exploit such a work for the specific purpose of commission free of charge. In the light of this provision, the rights and interests between commissioned party and commissioning party should be balanced more fairly and more reasonably, avoiding the specific purpose of commission could not be realized merely because of the absence of explicit agreement in writing.

CHAPTER IV – Other issues in practice

— the name of fictitious character, the title of work, catchphrase

4.1 The name of fictitious character

4.1.1 Copyrightability

The fictitious character refers to a virtual person, animal or anything personified created in fictional literary or artistic work, such as cartoon, novel, or movie. In theory, when the character forms substantial elements of such a work, with a clear identifiable identity and with specific original features, it shall be protected by copyright. But in practice, as described in previous chapters and many cases such as POPEYE case, Harry Potter case, the pattern of fictitious character is eligible for copyright protection as an artistic work, but it is always difficult for the name of fictitious character to be recognized as a copyrighted work. Therefore, in a case involving conflict between trademark right and prior copyright, it is difficult to be an applicable invalidation cause for the plaintiff by claiming an independent prior right on character name.

Why it is so hard for the name of fictitious character to be protected under copyright system, the reason mainly lies in creativity and dichotomy.

As ordinarily, a character name merely consists of a simple appellation, hardly satisfying requirement of creativity. As the object of copyright protection, a work, shall express a certain thoughts and feelings, but a simple character name, if not assisted with other materials, is difficult to express ideas or sentiments independently, is difficult to invoke the public's memories about some concept. So, as a general rule, it shall not be regarded as a copyrightable work.

However as a matter of fact, when a work is popular, its leading character will become famous too, only by the name of such character, with no pattern of its appearance being necessary, it is enough to remind the public of the fictitious character but nothing else. Even under such circumstance, why it is still hardly possible for the name of fictitious character alone to be regarded as a copyrightable work? Maybe because the fictitious character is an abstract concept imaged in the public's mind that is regarded as something like the personality of the character sublimated from specific expression of work, but after all, in itself, it is still a concept. Copyright Law is intended not to protect a concept, but only to protect the specific expression of such concept.

Of course, in theory, if the name of fictitious character incorporates sufficient creativity, completely realizing the author's originality, it may be admitted as a work too, can establish independent copyright.

But in practice, how to estimate the said sufficient creativity or not, it is fairly ambiguous. Meanwhile, if a fictitious character can embody the essence of the work, it can be admitted as an independent copyrightable work, whether it will be liable to mix the concept and expression together?

4.1.2 Merchandising rights

As what mentioned in section 1.6.3, when intellectual product acquires some popularity, it may generate commercial value inherently. Accompanied with the spreading of a work of cartoon, novels or movies, often is the commercialization of such work, especially the pattern or name of the popular fictitious character being used for various goods, advertisement or even services such as toy, stationery, clothing, snacks, household articles, kitchenware, electronic publication, theme park and so on and so forth.

In response to the commercialization of fictitious character, the concept of merchandising rights came into being. In fact, the objects of merchandising rights encompass fictitious character and real human beings, real animal, even merely a wording or something else. As far as the merchandising rights of fictitious character is concerned, it mainly refers to a package of various rights that allow the owner of popular fictitious character achieve commercial advantages by exclusively using this character in his business and prohibit third party from using it in business without permission.

However, until now, this kind of rights often still remains as a theoretical concept but hardly was admitted in practical cases, and there is no any explicit provisions about it in any relating laws. Because it is a virtual concept of rights created by packaging protection through various laws including the copyright law, the trademark law, the anti-unfair competition law and other intellectual property law or civil law, but the legal characteristics of each rights as above and the legislative purpose of each laws as above are often not consistent with each other, just like what described in section 1.3.

Consequently, in some practical cases, the plaintiff's claim can be supported by copyright, trademark right or anti-unfair competition separately; while in other cases, it is difficult to apply any suitable provisions to provide protection pertaining to such rights alone, or the attempt of application of law may be not really consistent with the original purpose of the individual rights being utilized.

Maybe we have to say, the law often lags behind the development of society reality

4.1.3 Supplementary issue about adjudication practice

Seeing that abovementioned difficulties, the owner of fictitious character tends to contend that the name of such character has become a famous un-registered trademark, seeking protection according to relating provisions in Chinese Trademark Law, such as Article 13 about well-known trademarks or the second sentence in Article 31 about un-registered trademarks which has obtained a certain level of reputation on the basis of prior actual use. But even if a fictitious character is famous, it is merely famous as a character of cartoon, novel or movie; whether or not it is also a famous trademark must be investigated on the basis of evidence proving that the name of fictitious character had been used as a distinctive indication identifying the source of certain goods or services.



Disputed trademark

Re. No. 1026606

Designated goods: Class 18: traveling case, handbag, briefcase, etc.

TRAB Ruling No. 2005-4646

Plaintiff: Futabasha Publishers Co., Ltd.

Defendant: the registrant of the disputed trademark

The plaintiff's another contention was the pattern and name of this fictitious character should be protected as an un-registered well-known trademark, the summary of relevant part in this ruling:

The protection for un-registered well-known trademark shall be limited in the case where the plaintiff's trademark had been well-known in certain goods which are identical or similar to those designated by the disputed trademark before the application date of the disputed trademark.

The evidences submitted by the plaintiff can prove that from 1994, the plaintiff had started to exploit this cartoon character in toy, stationery, or clothing etc., and had established a certain level of reputation in Japan, Hongkong and Taiwan, but it can not be presumed that such influence had already reached to Chinese mainland as well. In Chinese mainland, the plaintiff's evidence of news about this cartoon character and relating goods were mainly reported in 2003, posterior to the date of disputed trademark application. And the plaintiff failed to submit relevant evidence to prove this cartoon character had been used as trademark in traveling case or similar goods. Therefore, it shall not be determined that this cartoon character had

become a well-known trademark in traveling case or similar goods before the application date of the disputed trademark.

4.2 The title of work

The title of work always is a short statement or even only one word to indicate or summarize the content in an article, book, cartoon, or movie as such. Just as the name of fictitious character, being judged by the requirements for creativity, the title of work cannot be generally copyrightable independently from the work. And when the title of work is the same as the name of leading fictitious character in this work, the difficulties for it to seek protection under current legal system are similar to the case for the character name.

4.2.1 Copyrightability

Differently from the name of fictitious character, why it is difficult for title of work to be protected under copyright, another reason is the title of work often merely consists of general vocabulary or specialist and technical terminology in some certain field, so, the author's creativity only is exhibited in his work, but not the title of his work in itself.

Of course, if sufficient creativity is incorporated into a title, it can be protected by copyright. In theory, if an idea is described in a more detailed way, as a preparatory or intermediary step for the creation of a work, the resulting description may already contain certain elements or original expression. But in practice, how to weigh the level of creativity is always a question.

One viewpoint is if taking dictionary as reference, a title of work does not belong to existing common words, and if it has a certain level of literary value, artistic value or scientific value, it may be admitted as an independent work. But if merely one word can be protected under copyright, whether it will be liable to restrict the freedom of expression? Especially as far as Chinese language concerned, almost all of words are created on the basis of combining several characters, but the vocabulary in a dictionary is always limited. This is also the case for the name of fictitious character. In addition, Chinese titles consist of several common existing Chinese word, is always regarded as lacking of originality.

Another viewpoint is accompanying the spreading of a work, the title of it acquires some kind of indicating characteristic, being connected inherently with the work and its author, just like the acquired distinctiveness in trademark system. This kind of secondary meaning in the title of a popular work may be helpful for the title to be protected under copyright. But

according to the general principle of copyright protection, the popularity of an intellectual product should have nothing to do with whether or not it shall be regarded as a copyrightable work.

At least, up to now, in trademark review and adjudication practice, it is seldom to admit a title of work as a prior copyrightable work even if only by it is enough to remind the public of the relating work but nothing else.

4.2.2 Supplementary issues about trademark registration

Different from the name of fictitious character, when seeking protection as trademark, the title of work may confront following issues:

Firstly, the title of work when being used in following goods or services, shall be judged to directly indicate the specific feature in the contents of goods or services, violating Article 11 paragraph 1 item 2 in Chinese Trademark Law:

Class 9: electronic publication, software, etc.

Class 16: books, printed publications, etc.

Class 38: providing access to and distribution of digital information associated with or related to books, magazines and other print or electronic publication, etc.

Class 41: providing electronic publications, etc.

Above cases are different from the case when the name of a regular publication such as a newspaper, magazine, etc. is registered as trademark with such regular publication as designated goods.

Secondly, the following cases shall be judged to be liable to mislead the public thus bring up negative influences in society, violating Article 10 paragraph 1 item 8 in Chinese Trademark Law:

Names of well-known books, with books as designated goods;

Names of well-known games, designating goods or relating services such as game machines or carrier of game software;

Names of well-known movie, TV program, radio program, song and music, designating goods or relating services such as movie film, TV film, record, disc (audio and video), magnetic tape, etc. intended as carrier of movie, TV program, audio and voice.

Above cases mainly refer to the name of a popular work is registered by third party, because it is liable to lead to the consumer's misidentification of the origin of goods or services.

While if it is registered by the owner of such work himself, it may be judged to belong to the first circumstances abovementioned.

Thirdly, since the copyright protection for some well-known work such as the Great Chinese four classics has expired, the title of such work has fallen into public domain, may be registered as trademark for various designated goods or services by third parties, provided that it shall not bring up negative influences in society.

In addition, except the first two situations, the title of work may be registered as trademark for other goods or services, so, in these goods or services, if the title of work was registered as a trademark by third party without the authorization from the copyright owner of such work, there still exist rights conflict hard to be resolved, just like the situation for the name of fictitious character.

4.3 Catchphrase

A catchphrase, advertising slogan, means a phrase or a sentence used to enhance the effect of advertisement for goods, increase the buying motive of consumers. If a catchphrase is designed with the minimum words to convey the most information about the unique selling point of goods or services, precise and concise, having rich connotation and strong artistic appeal, it is undoubtedly the achievement of intellectual endeavors, corresponds to the requirements for creativity, and shall be recognized as a copyrightable work. Furthermore, if it becomes a famous mark to indicate the source of goods or services, it may be protected under Anti-unfair Competition Law.

But when seeking protection under Trademark Law, it may be in a complex way. Firstly, if a phrase or sentence just describes the feature of goods or services in an unoriginal way, it shall be judged to be lacking of distinctiveness as a trademark. Secondly, if such a phrase or sentence is an original creation in itself, or by being combined with other elements, acquires distinctiveness in its entirety, it may be registrable as a trademark.

Thirdly, if such a phrase or sentence acquires distinctiveness by long-term widely using, it may be registrable as a trademark.

But fourthly, even if such a phrase or sentence has acquired distinctiveness, but if according to the common understanding of the general public, it is still liable to be recognized as a catchphrase but not a trademark, it shall not be registrable as a trademark.

As to the fourth point, the said acquired distinctiveness means the identification function to distinguish one's goods or service from others, trademark is one kind

CHAPTER V – Proposal and suggestions

5.1 Review and proposal

When resolving the conflict between different kinds of rights, the basic principle is first right protection, but it is not the one and only principle. Neither can be neglected are the principle of fairness and principle of interests balance. At the same time, when we apply the law in each specific case, we should not neglect the balance between different laws, the balance of the protection system to varying legal circumstances; especially we should not neglect the original legislative purpose of the law.

The principle of first right protection has been discussed in section 2.3.1 and other previous chapters. On the basis of reviewing our adjudication experience in cases involving the conflict between trademark right and prior copyright, the following principles need to be analyzed further.

5.1.1 The principle of fairness and principle of interests balance

The intellectual property legal system in itself is a kind of legal regulations arrangement implementing the principle of giving priority to efficiency with due consideration to fairness and the principle of interests balance. As seen in the previous text, in a certain sense, the conflict of rights is the conflict of interests. If the posterior trademark has obtained an outstanding reputation after the trademark owner had been constantly spending considerable cost, labor, and investing in advertisement, etc. to use it in business for a long-term, but under current Chinese legal system, the resolving result of this kind of rights conflict is always invalidating the trademark registration or ceasing the use of such trademark, under such circumstance, the principle of first right protection maybe go against the principle of fairness and principle of interests balance, resulting in bluntly unfair.

No doubt, in the beginning, if a prior work is registered as a trademark without the authorization form the copyright owner, it will prejudice the rights and interests of the prior copyright owner. But just as what mentioned in section 1.3.4, the value of copyright is based on work itself; while the value of trademark is accumulation of reputation by long term usage. Sometimes the reputation condensed in a trademark depends on various factors, the aesthetic appreciation or popularity of the prior work is just one of those factors; the trademark owner's effort in business operating, management, marketing, advertising etc. may be the more important factors. If such part of value based on the trademark owner's effort shall be erased or even grabbed by the copyright owner, it would in turn apparently unjustly prejudice the rights and interests of the posterior trademark owner at last.

Just like what stated in the Opinions Regarding Several Issues in Trial of Cases Involving Intellectual Property Rights under the Current Economic Situation -- the Supreme People's Court of PRC (Issue No. 2009-23, released in April 21, 2009), in trial of dispute adjudication cases, should correctly distinguish the invalidation cause involving public interests and the invalidation cause involving private interests, avoiding improperly enlarging the application scope of invalidation procedure. For those trademarks which registration had been approved for a long time and has being using for a long time, has established relatively high reputation and has been recognized by the relevant public, their trademark registration shall not be cancelled imprudently. In trial of cases involving conflict with prior rights, not only should give consideration to protecting prior rights, but also should persist in factualism, give consideration to the fact that the posterior trademark has already been recognized in connection with certain goods or services by the relevant public. According to the legislative intention of Trademark Law, coordinate providing protection for prior rights and maintaining the marketing order, attach importance on maintaining the stable marketing order has been formed, avoiding dispute procedure being malicious abused in opportunistic practice or grabbing unfair benefits, avoiding causing serious difficulties to normal business operating owing to imprudently cancellation of trademark registration. For those trademarks conflicting with another's prior property rights such as copyright, right to business name, etc. once the registered trademark has become irrevocable because the prior right owner fail to file an application for dispute adjudication to TRAB within the statutory time limit, the prior right owner can still file a civil infringement lawsuit within the statute of limitation, but the People's Court will no longer issue a judgment ordering the registrant to bear such civil liability as stopping the use of the registered trademark.

Therefore, maybe it is not necessarily the only choice of invalidating the trademark registration or ceasing the use of such trademark. Under abovementioned specific circumstances, it needs to take into account the benefits of both parties, distribute social fairness and justice more reasonably. According to Article 8 in Rules for Trademark Review and Adjudication (Revised in 2005), in a trademark review and adjudication case, if taking public interests and the interest of a third party into consideration, the both parties can reach a compromise agreement through consultation or under TRAB mediation, in that case, presented in front of us would be a win-win

situation, making each kind of intellectual property right in its proper place, making the intellectual product being utilized in the most effective way.

5.1.2 Balance of the law

Registration system is basic framework in Chinese trademark legal system, after approval of application for trademark registration, the exclusive right to use the registered trademark shall be protected under Trademark Law, unless there are decisive evidences that can prove that the registered trademark violates the provisions about the formality or substantial registrability requirements for registration as a trademark, or can proved that the registered trademark prejudice another's legal prior rights and interests or injures the public order and interests.

But on one hand, after the enforcement and amendment of Chinese Trademark Law in 2001, there really exist a large number of trademarks registered not for the purpose of normal business activity in good faith but for the purpose of making unjustified benefits, there really exist some people malicious utilize the registration system to rush to register some trademark which commercial value may be attributed to another's.

On the other hand, there really exists another tendency. In review of opposition cases and dispute adjudication cases, the plaintiff can contend that the trademark at issue is an imitation of his well-known trademark or imitation of his trademark being prior-used and enjoying substantial influence, or the trademark at issue is registered by his agent or representative without his authorization, or the trademark at issue infringes upon his existing prior rights, and so on. But in many cases, the plaintiff's contention could not win support mainly because the plaintiff often fails to submit sufficient competent evidences to prove the popularity of his trademark in China or the agency relationship, or the designated goods or services covered by the trademark at issue are not similar to the goods or services used in connection with the plaintiff's trademark, or the plaintiff's prior trademark right is confined by the territoriality of trademark right. Then in this case, seeing that maybe the plaintiff's claim on prior copyright could win support hands down because in some cases, maybe the registration certificate of his trademark alone is sufficient to prove the plaintiff can enjoy copyright on the trademark device concerned, and the application extent is not limited by the classification of goods, and the obstacle in territoriality could be removed under Berne Convention given that the origin country of the plaintiff's prior trademark is the contracting party. Therefore, there really exists the tendency that the plaintiff, with the intention to protect his trademark right, instead of a

roundabout way, claims his copyright in order to avoid losing his case owing to other inapplicable grounds or inadequate evidences.

Under this situation, we should take the case-specific circumstances as the first consideration, but meanwhile we should also take a review about what is trademark and what is work; what is the fundamental order of trademark protection system and what is the object of protection for copyright; what is the original legislative purpose of Trademark Law and what is the original legislative purpose of Copyright Law.

Just as what states in section 1.1 -- 1.3, 3.3.2 and other sections, the realization of the function of Trademark Law should be established in maintaining and developing the reputation condensed in trademark by using the specific trademark in connection with specific goods or services. No doubt of course a trademark symbol in itself may be a copyrighted work, but if without actual use in connection with specific goods or services, without the function of identifying the origin of specific goods or services, cannot embody the goodwill of its owner or user, itself is just a symbol but not a trademark, shall not become the object of protection under Trademark Law. Under Trademark Law, the protection shall be provided to trademark right but not so-called trademark copyright.

In such cases involving conflict between trademark right and prior copyright, maybe there is always a fine line between the balances of different laws, and the balances of the protection system to varying legal circumstances. If under Trademark Law, we deny the legitimacy of some trademark right for the sake of protecting copyright, but if the legal effect would thoroughly subvert the basic order of trademark legal system, would break the balance of the trademark protection system to varying notability degrees and to varying legal circumstances, would run counter to the legislative purpose of trademark legal system, maybe this kind of protection provided to copyright would lead to some kind of over-correcting or over-compensation.

Anyway, the basic principles for application of law should be for moderately protecting trademark right, avoiding dispute procedure being abused by claiming copyright; for moderately protecting copyright, cracking down the behavior such as reproduction, imitation, plagiarism or free riding in trademark registration.

In addition, based on the accumulation of adjudication experiences in this type of cases, some literal expression in Standards for Trademark Examination and Adjudication (promulgated in December 2005) maybe need modifying, if it tend to have various interpretations, mainly including:

3 The phrase “the copyright was earlier obtained” refers to a case where, before the date of an application for registration of a trademark at issue, another person had ... obtained copyright through inheritance, assignment, etc.

6 ...The applicant or registrant of trademark at issue shall prove that ...the copyright owner expressed direct and explicit intention permitting the said applicant or registrant to file an application for registering his copyrighted work as a trademark.

5.2 Suggestion to the real owners

5.2.1 Formulating intellectual property strategy

The real owner of the prior intellectual product should take full advantages of the current intellectual property legal system, actively seeking multiple protections on his intellectual product, covered by copyright, trademark right or other relevant industrial property rights; including registration, management and other relevant affairs; encompassing domestic protection and overseas protection. By actively formulating intellectual property strategy, realize the contribution to his business by enabling the use of intellectual property right without trouble to secure the business freedom.

Under the trademark legal system, the best way to do more with less should be registering trademarks as early as possible, and had better register all of his trademarks designated in all of the goods or services in connection with his business. Because based on the registration principle, generally speaking, the trademark registrant is naturally the trademark right owner; other legal principle only serves as a supplement to the registration principle. Although in some cases, the real owner of other prior rights can take advantage of the Trademark Review and Adjudication procedures to keep third party from registration or can take advantage of relevant civil procedure to keep the third party from exercising such registered trademark right, after all, it has to pay a price. Therefore, by registering trademarks as early as possible, may forestall the rights conflict with much lower cost and with much higher efficiency.

Under the copyright legal system, although registration is not a requisite for acquiring a copyright, it still has advantages in Trademark Review and

Adjudication procedures or other legal procedures, playing a role as prima facie evidence to judge the ownership of copyright.

Under the background of economic globalization and information dissemination over the internet, the intellectual product can spread beyond boundary immediately, therefore, it is also desirable to plan a global intellectual property strategy together with business development or especially, the prospective business growth.

5.2.2 Option of resolving approach

Where the conflict between trademark right and prior copyright has taken place, as what described in chapter □, in China, the owner of prior copyright can file an application for dispute adjudication or file an opposition to Trademark Authority seeking to prohibit the existence of posterior trademark, also can file a lawsuit on copyright infringement to the People's Court seeking to cease the use of the trademark at issue.

Which resolving approach is the best for the owner of prior copyright depends on the specific circumstances in each case, after comparing the purpose, the result and other conditions of each approach, but no matter which choice, all of the following respects should be worth paying more attention to:

Firstly, exercise right timely and actively.

Secondly, pay special importance on burden of proof.

Thirdly, perform risk analysis and economic analysis. Sometimes, besides the administrative procedure or civil procedure, maybe there is another achievable choice. One instance may be that the posterior trademark has become irrevocable because the prior right owner takes action too late; another instance may be contrasting to the relatively high cost and uncertainty in result, the value of the intellectual product is limited, or after the long legal procedure, the gain or loss of the right has no significant meaning any more, in these circumstances, compromise may be a more realistic and efficient approach.

5.2.3 Supplementary advices about adjudication practice

According to the territoriality of intellectual property right and the principle of independence of protection in Berne Convention, it is desirable for foreign party to comprehend the laws of the country where protection is claimed. For foreign parties want to protect their prior right in China through Trademark Review and Adjudication procedures, the following points about evidences are noteworthy:

Firstly, critical date such as the date on which the prior work was completed or the prior trademark was brought into use should be earlier than the application date of the trademark at issue.

Secondly, for those evidential materials about the ownership of prior copyright, more sufficient is much better.

Thirdly, for those evidential materials about use of the prior trademark, first and foremost is these evidences should be able to prove the mark is used in the sense of being trademark in connection of business, and should be able to definitely demonstrate the trademark user and the trademark itself, telling others who is using the trademark and what trademark is being used.

Fourthly, for those evidential materials about prior copyright, these evidences should be able to prove the work can be accessible to the public in Chinese Mainland; for those evidential materials about use of the prior trademark, the regional coverage should be within the Chinese Mainland, if beyond this coverage, those evidential materials should be able to prove that the popularity influence of the prior trademark abroad could reach to Chinese mainland as well through some certain ways.

Fifthly, the evidences in foreign language shall be attached with a Chinese translation thereof, otherwise it would be deemed to have not been submitted. For Japanese parties, it should be paid special attention to the Chinese characters in Japanese language, which need be translated accurately, because some Chinese characters in Japanese language has the same appearance as such in Chinese language but different in meaning. Otherwise, there would be the risk of misunderstanding, or even more, resulting in losing the competency of evidences.

All above in this report is far from being all-around and thorough, but facing a variety of circumstances about the conflict between trademark right and prior copyright, some basic concepts abovementioned should be fundamental. Of course, in contrast to the complex rights conflicts emerging in an endless stream accompanied with the fast-growing development of economy, sometimes, the laws seem behind the age, lacking of harmony and only based on principled stipulations, which requires us to stick to some fundamental principle abovementioned, resolve this kind of rights conflict more judiciously and more appropriately, making the justice value of the laws to be achieved completely.

Annexes – Brief introduction about TRAB

1 Establishment:

According to Chinese Trademark Law, the Trademark Review and Adjudication Board (TRAB), established under the Administrative Authority for Industry and Commerce under the State Council, shall be responsible for handling matters of trademark disputes. (**Article 2** in Chinese Trademark Law)

Both TRAB and CTMO (China Trademark Office) are subordinate to SAIC (State Administration for Industry and Commerce), independent of each other in terms of functions, and cooperate with each other. TRAB is a quasi-judicial body, somewhat equivalent to JPO's Appeals Department or the Appeal Board of OHIM.

(In China, only China Patent Office and Patent Appeal Board are subordinate to SIPO State Intellectual Property Office SIPO and SAIC are different ministries under the State Council)

2 Four types of trademark review and adjudication cases:

a. **Review of Refusal** refers to the review cases where the trademark applicant is dissatisfied with the decision of refusal rendered by CTMO and applies for reexamination. (Article 32 in Chinese Trademark Law)

b. **Review of Opposition** refers to the review cases where a party is dissatisfied with an opposition ruling decided by CTMO and applies for review. (Article 33 in Chinese Trademark Law)

Differently from the opposition system in Japanese Trademark Law, China adopts pre-grant opposition system, opposition can be filed to CTMO within three months after publication of the preliminary examination, another difference is in examination of opposition, the facts and grounds submitted both by the opponent and by the opposed party shall be examined.

c. **Review of Cancellation** refers the review cases where a party is dissatisfied with a decision rendered by CTMO on request seeking cancellation of a trademark registration on the grounds that the registered trademark is in consecutive no-use for three years, and files a review application to TRAB; or where the registrant of a trademark is dissatisfied with a decision rendered by CTMO on cancellation of registration concerned on the grounds that the registration of the trademark or the exercising of the trademark right violates the relevant provisions in Chinese Trademark Law, and files a review application to TRAB. (Article 49 in Chinese Trademark Law)

d. Adjudication of dispute refers to the cases where a party files a request to TRAB seeking invalidation of trademark registration on the grounds that the registration of the trademark violates the relevant provisions in Chinese Trademark Law. (Article 41 in Chinese Trademark Law)

3 Legal Function:

a. Review and adjudicate trademark cases

Four types of cases, as abovementioned

b. Determination of well-known trademarks in accordance with law

In review of opposition cases or dispute adjudication cases, the plaintiff can contend that his trademark is well-known trademark, if after investigation, it shall be determined that the plaintiff's registered or un-registered trademark had been well-known in China before the application date of the opposed trademark or the disputed trademark, strengthened protection for well-known trademark shall be applied in such specific cases. The latest number of well-known trademarks determined by TRAB is 59 in 2008 and 91 in 2009.

c. Participate in administrative litigation

Where a party is dissatisfied with the TRAB ruling and files an administrative litigation to the court within the statutory time limit (one month), TRAB shall respond to the suit as the defendant, and in case of type b and c as abovementioned, the other party involved in such case shall respond to the suit as a third party.

d. Carry out administrative reconsideration

Where a party is dissatisfied with a decision rendered by CTMO involving trademark registration procedural dispute, but there is no corresponding review procedure or administrative litigation, such as dismissal decision based on formality examination, in accordance with relevant provisions, he can file a request to TRAB for administrative reconsideration.

4 Legal grounds

a. Trademark Law of the People's Republic of China (enforced as of December 1, 2001)

Article 41 in Chinese Trademark Law specifies the procedure for TRAB to accept dispute adjudication cases. Articles 10, 11, 13, 15 and 31 are the major substantial clauses for trademark dispute adjudication by TRAB.

b. Regulations for the Implementation of the Trademark Law of the Peoples Republic of China (enforced as of September 15, 2002)

It was formulated by the State Council of the People's Republic of China. Chapter V provides stipulations on the legal grounds, procedures, methods and administrative litigation for trademark review and adjudication.

c. Rules for Trademark Review and Adjudication (revised on September 26, 2005)

It was made by SAIC in accordance with Chinese Trademark Law and Regulations for the Implementation of Chinese Trademark Law to further specify issues relating to trademark review and adjudication.

d. Standards for Trademark Examination and Adjudication (promulgated in December of 2005)

This guidelines were jointly made by TRAB and CTMO in 2005 to further standardize trademark review and adjudication.

5 Framework of TRAB

Now, TRAB is officially staffed with 70 people, one director and three deputy directors. Under it there are 8 divisions, including the general affairs division (responsible for legal affairs too), formality examination division and adjudication division □-□.

As the number of cases grows significantly each year, TRAB is restricted by its limited size of personnel which fails to grow accordingly, as a result, the number of cases awaiting review and adjudication is on the rise.

From 2008, without increasing the formal personnel of TRAB, 100 people were recruited as supporting staff.

6 Collegial System:

TRAB adopt the collegial system to hear cases, unless otherwise provided for in Rules for Trademark Review and Adjudication. (Article 6, Article 24)

a. When hearing a case, the staff member shall make a collegial panel; the principal member of collegial panel gives a brief introduction about the case to other members. After investigation and discussions, all members draw a conclusion. Then the principal member, according to the conclusion, drafts a decision or ruling which will be rendered after being checked and approved by the administrative leader. If the administrative leader has an objection to the conclusion, the collegial panel shall be required to carry out the discussion again.

b. When the collegial panel hears a case, the principle is adopted that the minority yielding to the majority. (Article 6)

c. The collegial panel shall be composed of an odd number of three or more TRAB staff members. However, cases with clear facts and simple circumstances may be heard by an individual TRAB staff member. (Article 24)

d. Some special cases should be submitted to the collective discussion by director and deputy-director of TRAB and all directors of 8 divisions, mainly including those concerning the determination of well-known trademarks, concerning harmonizing review and adjudication Standards, concerning farmers, agriculture and the countryside, or bearing heavy social, diplomacy influence etc.

7□Adjudication in writing:

TRAB normally try cases by documentary proceeding, i.e. investigate the case and make a ruling according to the facts, grounds and evidences submitted in writing by the plaintiff and the defendant. The major evidences on the basis of which the determination is concluded should be cross-examined by both parties. In some cases, at the request of an interested party or on the basis of practical needs, the review and adjudication may be in public session (seldom in practice). (Article 3- 5, 36-39, Rules for Trademark Review and Adjudication)

8□Respond to trademark review and adjudication litigations

The first-instance administrative litigation shall fall in the jurisdiction of the First Intermediate People’s Court of Beijing. The second-instance administrative litigation shall fall in the jurisdiction of the Higher People’s Court of Beijing.

In principle, the court of the second-instance shall be the court of last instance. But under some special circumstances, there is a retrial procedure to the Supreme People’s Court of the People’s Republic of China, which is independent from first-instance and second-instance procedure, rehearing the judgment which has been taken effective, to correct the error of the judgment or the violation of legal procedure in such a judgment.

9. Statistics

a. The number of applications accepted has been increasing significantly each year

Year	Review of refusal	Review of opposition	Review of cancellation	Adjudication of dispute	total
2005	8755	935	276	1246	11228
2006	11893	1450	295	1322	14960
2007	13648	2362	278	1271	17559

2008	21984	2951	285	1389	26609
2009	50572	5101	360	1838	57871

b. The backlog of cases has been cleared significantly each year

Year	Number of cases completed
2005	4594
2006	4219
2007	12786
2008	30314
2009	37002

Now, the period of trademark review and adjudication will be reduced to two years.

c. Administrative litigation

	Number of action	Judgment received	Ratio of recovering
First-instance	1346	1222	85.8%
Second-instance	465	416	82.5%
Retrial	32	22	90.9%

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