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CHINA: 永恒印记 and FOREVERMARK: Similarity of Marks Called into Question

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On March 10, 2014, the Beijing Higher People's Court tried the dispute regarding registration of the Chinese trademark 永恒印记 between Shenzhen City Chenjinxinghe Jewelry Co. Ltd. (Chenjinxinghe) and De Beers, which owned the trademark FOREVERMARK. The Court held that in judging whether a foreign trademark is similar to a Chinese trademark, the test of "sole correspondence" should not be applied and as long as the marks have the same meaning, they should be considered similar. In so holding, the Court upheld the first instance judgment of the Beijing First Intermediate People's Court and revoked the administrative decision by the trademark authorities that approved the registration of the mark 永恒印记.

Chenjinxinghe had started to use the mark 永恒印记 on June 22, 2005, and had obtained registration on April 14, 2008. Over the years, the mark had acquired a very high reputation through use and advertising in the Chinese market. As a consequence, the Court's judgment has aroused regret in the industry. It marks a shift from the Court's prior approach to similarity analysis.

As provided by the criteria of the Trademark Examination and Adjudication Standard, similarity of trademarks refers to marks that are sufficiently similar in terms of sound, appearance and meaning so as to cause among the consuming public a likelihood of confusion as to the source of the goods.

Previously, in *In re Shanxi Bosen Biopharmacy Group Co. Ltd. v. TRAB*, the Court had established a precedent for the analysis of similarity of trademarks. In that case, Shanxi Bosen Biopharmacy Group Co. Ltd (Bosen) had obtained a trademark registration for 赛百味. In 2004, Doctor's Associates, Inc. filed a cancellation action against Bosen's trademark on the ground that the mark was similar to its prior-registered mark SUBWAY in respect of similar goods. The Trademark Examination and Adjudication Board (TRAB) decided that the Chinese-language mark 赛百味 was not similar to the English-language

mark SUBWAY. Doctor's Associates appealed the TRAB's decision before the Beijing First Intermediate People's Court on the ground of similarity. The Court concluded that the evidence on the record was not sufficient to show that the mark SUBWAY had established a relationship of sole correspondence with the mark 赛百味 before Bosen filed to register the latter mark.

Accordingly, only if the sole correspondence relationship was already established would a later Chinese trademark be held similar to a foreign trademark and be invalidated on grounds of similarity.

In the current case, FOREVERMARK is not a dictionary word, so it could not be directly translated into Chinese. The Chinese mark 永恒印记 could not be found in any translation tool and thus was impossible to translate into FOREVERMARK.

FOREVERMARK could be broken down as FOR, EVER and MARK; FOR, EVER, MAR and K; FORE, VER and MARK; FOR, EVER, M and ARK; FORE, VER, M and ARK; and so on.

FOREVERMARK could be read letter by letter. There was no sole correspondence relationship between FOREVERMARK and 永恒印记. Therefore, it is hard to understand how the Court determined that 永恒印记 was similar to FOREVERMARK. This is a final judgment, thus no appeal is available except applying for retrial.

The Court's lowering of the standard of similarity is likely to lead to more errors in ascertaining facts, which in turn will bring instability to the establishing of rights to trademark registration. In addition, this is a setback for the government's efforts to maintain and improve the administration of trademark registration.

Although every effort has been made to verify the accuracy of items in the INTA Bulletin, readers are urged to check independently on matters of specific concern or interest.