Revised Rules for Trademark Review and Adjudication
Promulgated By the State Administration for Industry and Commerce

Just came into force on October 26, 2005

Aiming to provide a more fair and effective procedure for the cases under review at China Trademark Review and Adjudication Board (TRAB), China State Administration for Industry and Commerce just revised its Rules for Trademark Review and Adjudication.

The followings are some notable changes with the revised Review Rules:

✓ Evidence Regulations

1. The Burden of Proof

The new Rules clearly regulates that “the party who raises claims in the review proceeding should provide evidence, and should take full responsibility for any negative effects that result from his failure to provide evidence or failure to provide sufficient evidence.”

With such specific regulations, the TRAB leaves itself in a more detached position when reviewing the cases. Meanwhile, the parties involved in the review proceeding should be more active and careful in collecting and submitting evidences considering their heavier burden of proof.

2. The Nature of Evidence

According to the Rules, the “original” documentary evidences or physical evidences should be provided to support one’s claims in a review case. While, if the parties have “difficulties” in providing original evidences, they may provide pertinent evidences in the forms of photocopy, photo, videos, abstracts etc. Further, if one party clearly admits the facts stated by the counter party or it does not express admission or rejection, the TRAB will deem that the facts stated by the counter party is admitted and therefore, there is no need for the counter party to submit original evidence to support its statements. Associated therewith, if a party challenges the evidences provided by the counter party in the forms of photocopies, photos, videos etc., or if the TRAB thinks it is necessary, original evidences or notarized/legalized
evidences thereof are still required to be submitted.

There were confusing and inconsistent standards in the previous Review Rules as whether and which evidences should be provided in original or in photocopy. According to the previous practice, if one party thinks that his evidence is crucial, it should provide original or notarized/legalized copies thereof. Otherwise, it should take the risk for the formal defect. With the promulgation of the Rules, it seems that the evidences, even if in the form of photocopies, will be accepted as long as the counter party does not challenge or if the TRAB thinks it is acceptable. While, please bear in mind that as long as the interested parties attend to the review proceeding without reaching agreement, one party would not easily accept the other party’s evidence in the form of photocopy. And, it is still a question as to what extent the TRAB will accept the claims of “difficulty” in collecting original evidences.

3. Equal Opportunities for Evidence Exchange

The revised Rules regulates that the applicants and the respondents enjoy equal opportunity in the evidence exchange procedures. In detail, one party always has a chance to query the evidence submitted by the other party.

This is an important progress in the review proceeding. Before this, there is no guarantee for one party to view all the submissions of the other party, especially those submitted supplementarily, and accordingly, it was difficult for the parties to evaluate their chance of success or to decide how to proceed as next step.

4. Legal Period for Evidence Submitting

According to the revised Rules, the Applicant and/or the Respondent should submit its supplementary grounds/evidences all at one time and within three months from the filing date. Also it is necessary for the Applicant and/or the Respondent to make pre-statement at its initial filing that supplementary grounds/evidences will be filed. Without such pre-statement, the TRAB deems that the pertinent party has abandoned its right to submit supplementary evidences.

Accordingly, criteria on submitting supplementary grounds becomes stricter. The interested parties not only need to make pre-statement in its initial filing about submitting supplementary evidences, but also be careful in best managing the supplementary evidences to be submitted to see that all the supplementary evidences should be submitted at one time and within the 3-month time limit. While, new evidence can still be submitted beyond the 3-month legal period and according to the TRAB, new evidence herein refers to the newly-occurred evidence rather than newly-found evidence.

5. Testimony

Article 47 of the Rules regulates that if an interested party or some other parties that have close relation with the interested party present testimony in a review case, such testimony cannot be used solely as evidence to establish facts.
Accordingly, the popular practice adopted by foreign trademark applicants in relation to presenting an affidavit by the chief officer of the applicant is no more feasible, as a sole affidavit would not be regarded as strong evidence. While, it is our understanding that the affidavit would work better if it can be combined with some valid exhibits attached thereto.

✅ The Rights/Duties of the TRAB and Interested Parties

1. Free Mediation Rights

According to the new Rules, it is a legitimate right for disputed parties to reach settlements or compromises instead of going through all the review proceedings. And, the TRAB may exercise voluntary mediation rights between the parties based on the true willingness of both parties.

*This regulation reflects that the TRAB is willing to play a more active and flexible role between the disputed parties in settling a review case. Such a practice also connects the Review Rules to the Chinese civil proceeding laws in relation to pertinent mediation regulations.*

2. Free Examination Power

According to Art. 27 of the new Rules, the TRAB should review a case not only based on the official refusal and the review grounds raised by the CTMO and the trademark applicant respectively, but also based on Arts. 10, 11, 12 and 16(1) of China Trademark Law. If the applied trademarks go against Art. 10, 11, 12 and 16(1) of China Trademark Law.

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1 Art. 10, 11, 12 and 16(1)

Article 10 The following marks may not be used as trademarks:
1) those identical with or similar to the national name, national flag, national emblem, military flag or medals of the People's Republic of China, as well as those identical with the names of the specific sites or the names and designs of the symbol buildings of the places where the central government agencies are located;
2) those identical with or similar to the national name, national flag, national emblem or military flag of any foreign country, except with the consent of the government of that country;
3) those identical with or similar to the name, flag, or emblem of any intergovernmental international organization, except with the consent of that organization and those unlikely to mislead the public;
4) those identical with or similar to the official marks, inspection marks that indicate the controlling or providing guarantee, except with authorization;
5) those identical with or similar to the name or symbol of the Red Cross or the Red Crescent;
6) those having the nature of discrimination against any nationality;
7) those constituting exaggerated advertising and are deceitful; and
8) those detrimental to socialist morality or customs, or having other harmful influences.
The place names of the administrative districts at the level of county or above or the foreign place names known by the public may not be used as trademarks. However, the place names that have other meanings and those used as part of a collective mark or certification mark are exceptional; the registered trademarks that use place names shall continue to be valid.

Article 11 The following marks may not be registered as trademarks:
1) those only having the generic names, designs and models of the commodities concerned;
2) those simply directly indicating the quality, main raw materials, functions, use, weight, quantity or other characteristics of the commodities concerned; and
3) those lacking distinctive characteristics.
If the marks listed in the preceding paragraph have, through usage, obtained distinctive characteristics and can be easily identified, they may be registered as trademarks.

Article 12 In case of application for trademark registration on 3D marks, the registration shall not be granted if the figures are generated simply by the nature of the commodities, the commodity figures are needed for technical effects or the figures make the commodities become substantially valuable.

Article 16(1) If a trademark contains the geographic mark of the commodities while the commodities don’t come from the region indicated by that mark, and thus misleads the public, the trademark shall not be registered and shall be prohibited from use; however, those that have been registered in good faith shall continue to be valid.
10, 11, 12 and 16(1), they can be refused for registration at the review stage despite the previous official refusal grounds issued by CTMO.

Article 27 of the New Rules gives the TRAB a power to review a case comprehensively. To the trademark applicants, they need to be more prudent when filing a review application as the TRAB could make decision unfavorable to the applicant based on the grounds other than those raised by CTMO in the official refusal. Accordingly, the trademark applicants need to bear in mind that the TRAB will review the cases comprehensively, not be limited to the official refusal per se.

3. The withdrawal of Trademark Review and Adjudication Examiners

Article 25 and 26 give more detailed regulations on withdrawal of trademark review and adjudication examiners.

Associated therewith, though the interested parties still have the right to withdraw an examiner during the review proceeding, a new change in practice is that the TRAB will cease to issue a Notification on withdrawal of examiners before deciding the review cases, considering that the percentage of reply to the Notification by the interested parties is pretty low.

4. Review File

According to the revised Review Rules, the parties who involve in the review cases have the right to review relevant files at TRAB after filing the review applications.

Since TRAB would not let the parties review files if the cases were appealed to the Court, the regulation on review of files will make great sense to the trademark applicants, and it is our recommendation for the trademark applicants to utilize such regulation to fully review the evidence/grounds submitted by the other side in order to have an overall understanding to the cases and further, to have a better view when evaluating as whether to appeal the cases to the court.

There is no time limit for the interested parties to review files. Generally speaking, the parties may apply for review of the files at any time before the review cases are concluded.

To sum up, with the enforcement of the new review rules, a much more fair and favorable environment is presented with the trademark applicants. And according to the TRAB, the revised rules apply to the review cases filed before Oct. 26, 2005. We are watching the enforcement of the new rules and we shall report to you any important practice related thereto.