

# European Versus Usa and China Trademark Law

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## Summary

*Trademark role* and his specific essence within the Countries: EU, USA, and People's Republic of China, will be reported in order to establish the more significant differences in interpreting this relevant subject. Trademark protection has, as a matter of fact, the purpose to encourage producers and dealers to guarantee the quality of their goods and services by preserving the credibility of trademarks and protecting the interests of consumers by promoting the worldwide economy.development.

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## Riassunto

Vengono descritti gli scopi ed il significato delle leggi che proteggono il marchio in Europa, negli Stati Uniti d'America e nella Repubblica Popolare Cinese, evidenziandone gli aspetti più salienti. La protezione del marchio o di un brevetto ha, infatti, lo scopo principale di salvaguardare i diritti e la riconoscibilità di un determinato prodotto o servizio, per garantire e proteggere gli interessi delle aziende, dei distributori e soprattutto salvaguardare i diritti dei consumatori che debbono essere tutelati sulla qualità del prodotto acquistato. Il riconoscimento giuridico sull'esclusivo uso di un determinato marchio o brevetto risulta utile anche per promuovere la corretta concorrenza, sempre più necessaria per la crescita di una Sana economia globalizzata.

## INTRODUCTION

### ***What qualifies as a trademark?***

A trademark is any sign that can be graphically represented and is suitable to distinguish a particular product or service from others in the marketplace and/or identify the origin of a particular product or service. Shall not be capable of being protected as trade marks: (a) The shape resulting from the nature of the goods themselves; (b) the shape of the goods necessary to obtain a technical result; (c) the shape that gives a substantial value to the product. Trademarks may never be characterized by badges, emblems or scutcheons of particular public interest; signs or indications customary in the practices of the trade; signs or indications which may serve to designate the kind, quality, quantity, peculiar tended purpose, or other characteristics of the goods or service; will never be trade marks those which are devoid of any distinctive character, which are composed by; ordinary or generic names, geographic terms, and a descriptive terms and; trade marks which are able to of such a nature as to deceive the public.

### ***What doesn't qualify as a trade mark?***

However, in order to have the maximum legal protection, trademarks should be characterized by fanciful marks or imaginative words and unique logos as well as arbitrary marks unusual for their context suggesting but do not describing the same mark.

Moreover, weak trademarks may become strong trademarks if they gain wide public recognition and acquire what's called a "secondary meaning," in which case they become distinctive and gain legal protection. Examples include *Sears*, *Ben and Jerry's*, and *Park N Fly*. In any case,

distinctiveness can be lost in a number of ways. Nevertheless, whenever there is a tendency among the consumers to use a trade-mark as a generic noun for a specific product, and the owner fails to take adequate countermeasures to establish the message that the trademark has to be associated just to the owner's good and services, distinctiveness can be lost. Typical cases, for example, are: "Rimmel", "Nylon" and "Escalator" which were, once, trade-marks.

Protection of trademarks in EU is based on CTM (Community Trade Mark), IR (International Registration), NTM (National Trade Mark) and/or any combination of these.

### ***Registered and Unregistered trademarks***

Trademarks may be based on registration-bases and use-bases systems. Use-based rights may be an exception in registration-based systems. However, establishing priority is fundamental to ensure that one's own use does not infringe another's right and keep others from using one's exclusive rights.

### ***Registration and Use of registered sign***

Registration is not required in order to use a trademark, however, prevents others from infringing other's rights.

In principle, trademarks are "eternal" although their registration is subject to periodical renewals each 10 years post filing, within a limitation use of -5 years (grace period).

*CTM application proceeding* requires filing application, application fee payment, classification examination, AG examination, translation, publication of application, payment of registration fee and registration. Publication of registration means the real beginning of the protection

and *CTM Unitary Right* can only exist for the entire EU or not at all (article 1(2) CTMR). Thus it may exist:

(a) All-Or-Nothing Rule (art. 7(2) ground for refusal that applies only in part of the Community prevents registration;

(b) Licensing for part of EU countries. However, owners of conflicting earlier rights can prevent use of CTM in specific regions or countries (such as: local rights, rights in new Member States).

*Absolute Grounds for Refusal* should be a (a) public Policy background, (b) minimal distinctiveness sufficient for registration, (c) acquired distinctiveness: (art. 7(3))

*Distinctiveness (Art. 7(1)(b))*: it has in fact, to be judged in relation to goods and services in question such as combination of non-distinctive elements or existing at the time of registration slogans, often found non-distinctive, i.e.: “Beauty isn’t about looking young but looking good” (Estée Lauder, 1998). *About descriptiveness (Art. 7(1) (c))* it has to be concrete, not abstract: apple for fruits, not for computers; vague/allusive terms are not descriptive need to keep free for others *generic terms (Art. 7(1) (d))*. Thus, terms that have become customary in the current language or in trade can be lost (as previously seen, reported for.: “Rimmel, Nylon, Escalator, etc.)

*Public Policy or Morality* public policy violation must be intrinsic in mark, such as: “screw you” etc. In anyway, distinctiveness should be acquired (Art. 7(3)). Thus, it may have (a) “Secondary Meaning”, when a significant part of the public sees the sign as a source identifier, or (b) must be acquired where ground for refusal is applied and evidenced by market surveys, sales numbers, market penetration, market share, advertising expenses, etc.

### **Conversion and Protection**

As above mentioned, after trademark registrations, it has to be considered the *Conversion issue (Art. 108 et seq.)* which is the remedy whether CTM application fails, or registration is cancelled or is converted into national trademark application maintaining the original filing date. Conversion is possible only where ground for refusal or invalidity of CTM does not apply to *relative grounds for refusal / invalidity*. Moreover, *Relative grounds-earlier rights* are: registered trademarks (CTM,IR,NTM) ready to be registered (Art. 8(2), unregistered trademarks and earlier signs used in the course of trade (Art. 8(4)), well known trademarks (Art. 8(2)(c) CTMR), right to a name, personal portrayal, copyright, industrial property right (so called: “Fair Use”), double identity (typical case of Counterfeiting issue); same / identical junior sign with the senior sign for same / identical goods and services (art. 8(1)(a) and for similar goods and services - global appreciation of likelihood of confusion (art. 8 (1)(b), special protection of marks with a reputation (reputation + misappropriation/dilution/tarnishment) (art. 8(5) CTMR). However, the more distinctive a mark is, the greater is its scope of protection. Thus, distinctiveness can be inherent or acquired.

*For non-registered TMs (art. 8(4))* there is no pan-European protection and in some jurisdictions (i.e.: Spain, France, and Benelux) there is not enough protection without an appropriate registration.

## **U.S. TRADEMARK LAW OVERVIEW**

In U.S.A. a trademark is any word, name, symbol or device or any combination of those used by a person to indicate the source of their goods, and / or which a person has bona fide intention to use in commerce to identify and distinguish his/her goods from those manufactured or sold

by others.

### ***The Spectrum of Marks may be:***

(a) inherently Distinctive where no secondary meaning is required as arbitrary and fanciful / suggestive; (b) Non-Inherently Distinctive where a secondary meaning is required as descriptive, geographic, personal name (c) No Distinctiveness where there is no trademark significance as generic.

*Inherently Distinctive* TM is, for example a fanciful marks as KODAK for film products and services, or arbitrary marks as IVORY for soap or suggestive marks as TERMINIX for pest control services. *Non-inherently Distinctive* TM is a descriptive mark as SHAKE N'BAKE for food products; or a geographic mark as CALIFORNIA for clothing, or a personal name as McDonald's for restaurant services. *No Distinctiveness* is a generic terms as CELLOPHANE for transparent cellulose sheets;

***Use versus Registrability of a Trademark:*** "First to use": trademarks rights in USA belong to the first party to use the trademark. It is fundamental to make sure that there are no prior users of a confusingly similar trademark for the same or similar products or services, and it should be a distinction between ability to use the TM and registrability of a TM.

***Benefit of Federal Registration:*** (a) *Prima facie* is the evidence of the Registrant's ownership and exclusive right to use the mark; (b) *Nationwide constructive* use is the priority that dates back to the filing date of the application. In this case the registration eliminates the defence of subsequent good-faith adoption by the third party; while (c) *the Significant jurisdictional are the benefits* of providing automatic Federal jurisdiction in any infringement action.

*The bases for Registration in USA are however,* (a) Use in commerce, (b) Intent to use in commerce, (c) Home Country application, (d) Home

Country registration, (e) International Registration (Madrid Protocol).

## **CHINA TRADEMARK LAW OVERVIEW**

### ***General provisions***

In China any visible sign may which serve to distinguish goods of natural person, legal person, and /or other organization including any work, design, letter of the alphabet, numeral and three-dimensional symbols, which may be filed for trademark applications and registration.

However, none of the following signs may be used as a trademark: (1) Those identical with or similar to the State name, national flag, national emblem, military flag or decorations of the People's Republic of China; (2) or identical to with international inter-governmental organizations (i.e the Red Cross or the Red Crescent), or those detrimental to socialist ethics or customs, or having other unwholesome influences. Moreover, the following factors shall be considered in determining whether or not a trademark is a well-known one: (a) the degree of public recognition in its trading area (b) the duration in which it has been in use; (c) the duration and extent of its advertising and the geographical areas the which have been covered by advertising has covered; (d) the records of protection which it has been gained as well-known trademark; and (e) other factors useful serving to make the trademark well known.

Whenever a foreigner or foreign enterprise applies for trademark registration in China, the matter shall be handled in accordance with any agreement concluded between Country to which the applicant belongs and People's Republic of China, and / or any other Treaty, based on the principle of reciprocity, to which both Countries are parties.

## ***Application for Trademark Registration.***

The applicant for trademark registration shall fill in the specified form of goods classification by on which the trademark has to be used in. Trademark registration which is used for the first time for goods displayed within an international exhibition organized or recognized by the Chinese Government may, within six months from the date the said goods are placed on exhibition, enjoy priority. Failure to make the statement in writing or submit the documents before the expiration of the time limit shall be regarded as not claiming priority. However, matter stated in the application provided shall be truthful, accurate and complete.

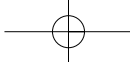
### ***Protection of the Exclusive Right to use a Registered Trademark.***

Any of the following acts shall constitute an infringement on the exclusive rights to the use of a registered trademark: (1) using a trademark that is identical or similar to the registered on the same or similar goods without permission of the owner of the registered trademark; (2) selling goods that infringe on the exclusive right to the use of the registered trademark; (3) counterfeiting, or making without authorization, representation of another person's registered trademark, or selling such representations;(4) altering a registered trademark without permission of it's owner and selling goods bearing such an altered trademark on the market; and (5) impairing in other manners another person's exclusive right to the use of it's registered trademark.

Whenever a person, without permission of the owner uses a trademark that is identical to the TM owner's on the same kind of goods, or counterfeit's or makes without permission, or knowingly sells goods bearing counterfeit registered trademarks, which constitutes a crime, he/she shall, in addition to compensating losses suffered by the infringed, be investigated for criminal

responsibility in accordance with law.

In conclusion, although different approaches, EU, USA and PRC trademark law have the same aim of protecting interests of both producers and consumers by promoting the development of the globalized economy.



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