SPC Guiding Case No. 114: Christian Dior Perfume Company v. the Trademark Review and Adjudication Board of the State Administration for Industry and Commerce (Administrative Dispute over Rejection and Review of a Trademark Application)

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

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Keywords

Administrative / rejection of a trademark application / international registration / territorial extension protection

Holding

1. Where an applicant for international trademark registration has completed the international registration procedures for the applied-for mark prescribed by the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, and the international registration information records that the type of mark designated by the applicant is a three-dimensional mark, it shall be deemed that the applicant has made a declaration that the applied-for mark is a three-dimensional mark. Because an applicant for an internationally registered mark is not required to file a fresh registration application in the designated country, the information on the applied-for mark transmitted by the International Bureau of the World Intellectual Property Organization to the China Trademark Office shall be the factual basis on which the China Trademark Office examines and decides whether the application for territorial extension protection of the applied-for mark designating China can be supported.

2. Where the international registration information of the applied-for mark is deficient only in certain formal requirements, such as some of the views prescribed by the Regulation on the Implementation of the Trademark Law, the trademark administrative authority shall, in the spirit of actively performing its obligations under international conventions, give the applicant a reasonable opportunity to make corrections.

Basic Facts

The applied-for mark in issue was International Registration No. 1221382, and the applicant was Christian Dior Perfume Company ("Dior"). The country of origin of the applied-for mark was France; the date of approval of the registration was April 16, 2014; the date of international registration was August 8, 2014; the owner of the international registration was Dior; and the designated goods were perfume, eau de parfum, and the like.

After the international registration of the applied-for mark, pursuant to the relevant provisions of the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, Dior, through the International Bureau of the World Intellectual Property Organization ("the International Bureau"), filed applications for territorial extension protection with Australia, Denmark, Finland, the United Kingdom, China, and other countries. On July 13, 2015, the Trademark Office of the State Administration for Industry and Commerce issued to the International Bureau a notice of refusal of the applied-for mark, refusing the application for territorial extension protection in China for all the designated goods on the ground that the applied-for mark lacked distinctiveness. Within the statutory period, Dior filed an application for review with the Trademark Review

and Adjudication Board of the State Administration for Industry and Commerce ("the TRAB"). The TRAB held that the applied-for mark could hardly serve to distinguish the source of goods and lacked the distinctiveness required of a trademark, and therefore, by Decision No. 13584, refused the application for territorial extension protection of the applied-for mark in China. Dior was dissatisfied and brought an administrative lawsuit. Dior argued, first, that the applied-for mark was a three-dimensional mark in designated colors, that Dior had submitted to the TRAB three views of the applied-for mark, but that the TRAB had examined the applied-for mark as an ordinary mark, so that the factual basis of the decision was erroneous; and second, that the applied-for mark was uniquely designed and, through Dior's long-term publicity and promotion, had acquired strong distinctiveness, so that its application for territorial extension protection should be supported.

Judgment

On September 29, 2016, the Beijing Intellectual Property Court rendered Administrative Judgment (2016) Jing 73 Xing Chu No. 3047, dismissing the claims of Christian Dior Perfume Company. Christian Dior Perfume Company was dissatisfied with the first-instance judgment and appealed. On May 23, 2017, the Beijing High People's Court rendered Administrative Judgment (2017) Jing Xing Zhong No. 744, dismissing the appeal and affirming the original judgment. Christian Dior Perfume Company was dissatisfied with the second-instance judgment and applied to the Supreme People's Court for retrial. On December 29, 2017, the Supreme People's Court rendered Administrative Ruling (2017) Zui Gao Fa Xing Shen No. 7969, deciding to retry the case, and on April 26, 2018, rendered Judgment (2018) Zui Gao Fa Xing Zai No. 26, revoking the first-instance and second-instance judgments and the challenged decision, and ordering the Trademark Review and Adjudication Board of the State Administration for Industry and Commerce to make a new review decision.

Reasoning

The Supreme People's Court held that the international registration information of the applied-for mark expressly recorded that the type of mark designated by the applicant was a "three-dimensional mark," and gave a specific description of the three-dimensional form. In the absence of contrary evidence, the record concerning the specific type of mark in the international registration information of the applied-for mark should be regarded as a form of declaration by Dior that the applied-for mark was a three-dimensional sign. It could also be reasonably presumed that, in the course of the applied-for mark designating China for territorial extension protection, the information transmitted by the International Bureau to the Trademark Office was consistent with this, and that the Trademark Office should have been aware of that information. Because an applicant for an internationally registered mark is not required to file a fresh registration application in the designated country, the information on the applied-for mark transmitted by the International Bureau to the Trademark Office should be the factual basis on which the Trademark Office examines and decides whether the application for territorial extension protection of the applied-for mark designating China can be supported.

According to the existing evidence, the type of mark for which the applied-for mark sought registration in China was a "three-dimensional mark," not the "ordinary mark" recorded in the Trademark Office's file and used as the basis of examination by the Trademark Office and the TRAB. Dior had already, in the review proceedings, made clear that the specific type of the applied-for mark was a three-dimensional mark, and had raised a request for correction by supplementing three views. In this regard, the TRAB neither truthfully recorded this in Decision No. 13584, nor, in response to the above claim of Dior, verified whether the relevant facts on which the Trademark Office's refusal decision was based were erroneous, but instead still examined the applied-for mark as a "device mark" and directly rejected Dior's review application. This violated the statutory procedures and might prejudice the lawful interests of the administrative counterpart, and should be corrected. The Trademark Office and the TRAB should, in accordance with the provisions on review procedures, and on the basis of a three-dimensional mark, re-examine whether the applied-for mark possesses distinctive character and other issues.

The main purpose of the Madrid Agreement Concerning the International Registration of Marks and the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks is, by establishing an international cooperation mechanism, to establish and improve the procedures for international trademark registration, reduce and simplify registration formalities, and facilitate applicants obtaining trademark protection in the countries they need at the lowest cost. In light of the facts of this case, as the applied-for mark was an international application for registration under the Madrid system designating China, the relevant application materials should be based on the content transmitted by the International Bureau to the Trademark Office. The existing evidence could reasonably establish that Dior had already, in the international trademark registration procedures, made a declaration of the fact that the applied-for mark was a three-dimensional mark, explained the specific manner of use of the applied-for mark, and provided one view of the applied-for mark. Where the application materials were deficient only in certain formal requirements, such as some of the views prescribed by the Regulation on the Implementation of the Trademark Law of the People's Republic of China, the trademark administrative authority should, in the spirit of actively performing its obligations under international conventions, give the applicant a reasonable opportunity to make corrections. In this case, the Trademark Office did not truthfully record the declaration made by Dior in the international registration procedures concerning the type of mark, and, without giving Dior a reasonable opportunity to make corrections and lacking the party's request and factual basis, directly changed the type of the applied-for mark to an ordinary mark and made an examination conclusion unfavorable to Dior; the TRAB's failure to correct this likewise lacked factual and legal basis and might prejudice the reasonable expectation interests of the administrative counterpart, and should be corrected.

In sum, the TRAB should, based on the review grounds relating to the type of mark raised by Dior in the review proceedings, correct the Trademark Office's improper finding, and, according to the criteria for assessing whether a three-dimensional sign possesses distinctive character, re-examine the question whether the application for territorial extension protection of the applied-for mark designating China should be granted. In the re-examination and finding, the Trademark Office and the TRAB should focus on the following factors: first, the distinctiveness of the applied-for mark and any distinctiveness acquired through use, in particular the time when the applied-for mark entered the Chinese market, the actual use and publicity and promotion that the evidence in the case can prove, and the possibility that the applied-for mark has thereby acquired the function of identifying the source of goods; and second, the principle of consistency of examination standards. Although trademark review and judicial review procedures should take into account the circumstances of individual cases, the basic basis of examination is the Trademark Law and its related administrative regulations, and the uniformity of law-enforcement standards cannot be neglected on the ground of case-by-case examination.

Relevant Legal Provisions

Articles 13 and 52 of the Regulation on the Implementation of the Trademark Law of the People's Republic of China

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