SPP Guiding Case No. 191: Guangzhou Mona Lisa Building Materials Co., Ltd. and Guangzhou Mona Lisa Sanitary Ware Co., Ltd. v. the China National Intellectual Property Administration (Trademark Administrative Dispute)

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Keywords

Intellectual property protection; administrative dispute over trademark opposition; similar goods; similar trademarks; extended registration; similar-case retrieval; protest.

Holding

In determining similar goods and similar trademarks, the core function of a trademark in distinguishing the source of goods or services shall be taken as the basis, and the review shall focus on whether confusion or misidentification among the relevant public is likely. A trademark registrant enjoys independent exclusive trademark rights in respect of each of its different registered trademarks, and there is no automatic "extension" relationship between its successively registered trademarks; in judicial practice, the conditions for the application of extended trademark registration shall be strictly controlled. When handling intellectual property cases, procuratorial organs shall generally conduct similar-case retrieval.

Basic Facts

Applicants (third party in the first instance, appellant in the second instance, applicant for retrial): Guangzhou Mona Lisa Building Materials Co., Ltd. (hereinafter the Building Materials Company), domiciled in Guangzhou, Guangdong Province.

Applicants (third party in the first instance, appellant in the second instance, applicant for retrial): Guangzhou Mona Lisa Sanitary Ware Co., Ltd. (hereinafter the Sanitary Ware Company), domiciled in Guangzhou, Guangdong Province.

Other party (plaintiff in the first instance, appellee in the second instance, respondent in retrial): Mona Lisa Group Co., Ltd. (hereinafter Mona Lisa Company), domiciled in Foshan, Guangdong Province.

Other party (defendant in the first instance, appellant in the second instance): the China National Intellectual Property Administration, domiciled in Beijing.

The disputed trademark in this case was Trademark No. 4356344 "M MONALISA and device", which was applied for registration by Guangdong Mona Lisa New Materials Group Co., Ltd. (hereinafter the New Materials Company, renamed Mona Lisa Company during the second instance) on November 10, 2004, approved for registration on September 14, 2008, and designated for use on goods in Class 11 such as "lamps, cooking utensils, pressure cookers (electric pressure cookers), washrooms (flush toilets) and toilet seats".

The cited trademark in this case was Trademark No. 1558842 "Mona Lisa", which was applied for registration by Guangzhou Modern Fitness Equipment Co., Ltd. on December 28, 1999, approved for registration on April 21, 2001, and designated for use on goods in Class 11 such as "steam bath equipment, sauna equipment and bathroom installations". It was assigned to the Building Materials Company and the Sanitary Ware Company on April 18, 2012.

Trademark No. 1476867 "M MONALISA and device" was applied for registration by Nanhai Qiaodong Ceramics Co., Ltd. on July 12, 1999, approved for registration on November 21, 2000, designated for use on goods in Class 19 such as "non-metallic floor tiles, ceramic tiles, non-metallic wall tiles for construction and building mosaic tiles", and had its registrant changed to the New Materials Company on June 28, 2011.

On March 30, 2012, the Building Materials Company and the Sanitary Ware Company filed an opposition against the disputed trademark with the former Trademark Review and Adjudication Board of the State Administration for Industry and Commerce, requesting revocation of the disputed trademark on the ground that it constituted a similar trademark on similar goods with the cited trademark and Trademark No. 3541267 "monalisa and device". On November 25, 2013, the Trademark Review and Adjudication Board issued Ruling No. 116692 [2013] Shang Ping Zi, the "Ruling on the Dispute over Trademark No. 4356344 'M MONALISA and device'" (hereinafter the challenged ruling), holding that the goods "cooking utensils, pressure cookers (electric pressure cookers), washrooms (flush toilets) and toilet seats" designated by the disputed trademark and the goods designated by the cited trademark constituted similar goods, and that the disputed trademark and the cited trademark constituted similar trademarks used on similar goods, in violation of Article 28 of the Trademark Law of the People's Republic of China (as amended in 2001) (hereinafter the Trademark Law). The Board ruled that the disputed trademark be revoked in respect of "cooking utensils, pressure cookers (electric pressure cookers), washrooms (flush toilets) and toilet seats", and maintained in respect of the remaining goods.

The New Materials Company refused to accept the ruling and filed an administrative lawsuit, in which it expressly requested that the registration in respect of "washrooms (flush toilets)" and "toilet seats" be maintained, and stated that it no longer sought to maintain the registration of the other unapproved goods.

The Beijing No. 1 Intermediate People's Court held in the first instance that Trademark No. 1476867 was the basic trademark of the New Materials Company, and that it was identical to the disputed trademark in device and English pronunciation; that the goods "ceramic tiles" designated by Trademark No. 1476867 and the goods "washrooms (flush toilets) and toilet seats" designated by the disputed trademark should be similar goods; and that Trademark No. 1476867 had been recognized as a well-known trademark on "ceramic tiles", whose commercial reputation could be extended to the disputed trademark. It held that the disputed trademark and the cited trademark were clearly distinguishable in overall visual effect and did not constitute similar trademarks, and ruled to revoke the challenged ruling and ordered the Trademark Review and Adjudication Board to re-issue a ruling.

The Trademark Review and Adjudication Board, the Building Materials Company and the Sanitary Ware Company refused to accept the judgment and appealed to the Beijing High People's Court. During the second instance, the name of the New Materials Company was changed to Mona Lisa Company. On June 8, 2016, the Beijing High People's Court rendered a second-instance judgment holding that the goods "washrooms (flush toilets) and toilet seats" designated by the disputed trademark and the goods "steam bath equipment, sauna equipment and bathroom installations" designated by the cited trademark did not constitute similar goods; that the marks of the disputed trademark and the cited trademark were substantially different in constituent elements and overall appearance and did not constitute similar trademarks; and that the commercial reputation of Trademark No. 1476867 on "ceramic tiles" could be extended to the disputed trademark, so that the relevant public could distinguish the disputed trademark from the cited trademark on the relevant goods and would not be confused or misled as to the source of the goods. The court dismissed the appeal and affirmed the original judgment. The Building Materials Company and the Sanitary Ware Company applied for retrial, and the retrial application was dismissed.

Procuratorial Performance

Acceptance and review. The Building Materials Company and the Sanitary Ware Company refused to accept the second-instance judgment and applied to the Beijing Municipal People's Procuratorate for supervision. After review, that procuratorate requested the Supreme People's Procuratorate to lodge a protest. Given that

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there were several disputes between the parties, with intertwined legal relationships and complex evidence, the procuratorial organs focused their review on two aspects. First, sorting out the disputes between the parties: the procuratorial organs retrieved the case files of the original trial courts, heard the parties' opinions on multiple occasions, systematically sorted and analyzed the relevant civil and administrative judgments, comprehensively understood the historical evolution and dispute background of the trademarks of both parties, and conducted focused analysis of the determination of similar goods and similar trademarks as well as the impact of the outcome of this case on other cases, preliminarily determining that the second-instance judgment contained circumstances warranting supervision in both the determination of similar goods and the determination of similar trademarks. Second, conducting similar-case retrieval: through China Judgments Online, similar-case retrieval was conducted on cases involving the parties, using as standards the same parties, goods in the same similar group, the same legal provisions, and trademarks containing the design elements "Mona Lisa", "monalisa" and "Mona Lisa portrait". Twelve cases highly similar to this case were ultimately selected. Through comparative analysis, it was found that other cases differed significantly from this case in the determination of similar goods and similar trademarks, indicating that this case and the other cases exhibited inconsistent adjudication of similar cases.

Supervision opinion. On November 11, 2021, the Supreme People's Procuratorate lodged a protest with the Supreme People's Court, holding that the second-instance judgment contained errors in both fact-finding and the application of law. The main reasons were: the goods "washrooms (flush toilets) and toilet seats" designated by the disputed trademark and the goods "bathroom installations" designated by the cited trademark constituted similar goods; the disputed trademark and the cited trademark were similar in word composition, pronunciation and constituent elements and constituted similar trademarks; and the second-instance judgment's discussion that Mona Lisa Company's Trademark No. 1476867 "M MONALISA and device" could be extendedly registered was untenable. Moreover, apart from the second-instance judgment in this case, in other cases involving Mona Lisa Company's applications to register trademarks on goods such as "washrooms (flush toilets) and toilet seats" in similar group 1109, using design elements such as "Mona Lisa" and "monalisa", the courts all held that the relevant trademarks and the cited trademark in this case constituted similar trademarks used on similar goods, and did not support Mona Lisa Company's claim of extended registration of Trademark No. 1476867.

Handling result. The Supreme People's Court instructed the Beijing High People's Court to conduct a retrial. On June 14, 2022, the Beijing High People's Court rendered a judgment holding that the disputed trademark and the cited trademark constituted similar trademarks used on similar goods; that the evidence submitted by Mona Lisa Company was insufficient to prove that its Trademark No. 1476867 already had a relatively high degree of fame when the disputed trademark in this case was applied for registration; that Trademark No. 1476867 was registered on goods in Class 19, which belonged to a different category from the goods in Class 11 designated by the disputed trademark and the cited trademark, so that the commercial reputation of goods in different categories could not automatically be extended to goods in other categories; and that the evidence submitted by Mona Lisa Company was also insufficient to prove that, based on the fame of its Trademark No. 1476867 on "ceramic tiles", it was objectively sufficient to distinguish the disputed trademark from the cited trademark on "washrooms (flush toilets) and toilet seats". The court therefore held that the registration of the disputed trademark on "washrooms (flush toilets) and toilet seats" violated Article 28 of the Trademark Law. On retrial, the Beijing High People's Court revised the judgment by revoking the second-instance judgment and the first-instance judgment of this case and dismissing Mona Lisa Company's litigation claims.

Guiding Significance

(1) In determining similar goods and similar trademarks, the core function of a trademark in distinguishing the source of goods or services shall be taken as the basis, and the review shall focus on whether confusion or misidentification among the relevant public is likely. In determining whether goods are similar, a

comprehensive review and determination shall be made based on the general understanding of the relevant public, taking into account factors such as the functions, uses, production departments, sales channels and consumer targets of the goods. In making the determination, reference may be made to the International Classification of Goods and Services for the Purposes of the Registration of Marks and the Table for Distinguishing Similar Goods and Services. Where the relevant goods fall within the same similar group in the Table, they shall in principle be determined as similar goods; where it is considered that they do not constitute similar goods in such circumstances, there shall be sufficient reasons, and the division under the Table shall not be casually broken through. In determining whether trademarks are similar, the general attention of the relevant public shall be the standard, and both the degree of similarity of the constituent elements of the marks and of the marks as a whole shall be examined, as well as the distinctiveness and fame of the registered trademark whose protection is sought; factors such as the degree of similarity of the goods and the objectively formed market pattern shall also be taken into account, so as to comprehensively determine whether confusion among the relevant public is likely.

(2) A trademark registrant enjoys independent exclusive trademark rights in respect of each of its different registered trademarks, and there is no automatic "extension" relationship between its successively registered trademarks; in judicial practice, the conditions for applying trademark extended registration shall be strictly controlled. Extended trademark registration refers to the extension by a trademark owner of a trademark that has acquired a certain degree of fame through use into new fields of goods or services, and is commonly used in judicial practice as a defense against the principle of first-to-file. In practice, the following conditions shall generally be met simultaneously: first, the trademark owner's basic trademark had acquired a certain degree of fame through use before the filing date of the cited trademark; second, the trademark for which extended registration is sought and the basic trademark constitute identical or similar trademarks; third, the goods or services designated by the trademark for which extended registration is sought and those designated by the basic trademark constitute identical or similar goods or services; and fourth, the relevant public believes that the goods or services bearing the two trademarks all originate from the trademark registrant or have a specific connection, and are unlikely to be confused or misidentified with the cited trademark. Given that the marks of extendedly registered trademarks are objectively identical or similar to trademarks already registered or preliminarily approved by others on the same or similar goods, the conditions for trademark extended registration shall be strictly controlled, with comprehensive consideration of factors such as the degree of similarity of the marks, the degree of similarity of the goods, the use and fame of the earlier trademark, and the subjective intent of the applicant, taking the unlikelihood of confusion or misidentification with the cited trademark as the principle, so as to comprehensively review and determine whether the defense of extended registration is established.

(3) When handling intellectual property cases, procuratorial organs shall generally conduct similar-case retrieval. Similar-case retrieval refers to retrieving effective legal documents that are similar to the case to be decided in terms of basic facts, disputed focal points and application of law, and handling the case by reference to or with reference to the retrieved similar-case documents. Intellectual property cases often involve multiple intertwined procedures, and the objects of intellectual property are characterized by immateriality and openness, making them objectively more susceptible to infringement by multiple parties; batch rights-protection cases are more common in the intellectual property field than in other fields, making the necessity of similar-case retrieval more prominent. When handling intellectual property cases, procuratorial organs shall generally conduct similar-case retrieval. In judicial practice, they shall retrieve relevant similar cases such as guiding cases issued by the Supreme People's Court and the Supreme People's Procuratorate, for reference in handling cases; and shall retrieve related cases involving the same parties and the same intellectual property rights object, to examine whether there are earlier effective judgments affecting the review of the case, whether there are circumstances of inconsistent adjudication of similar cases, and whether there are circumstances warranting suspension of review, so as to perform duties precisely on the basis of fully grasping the facts of the case, unify the standards and yardsticks of judicial

adjudication, and ensure the uniform and correct implementation of the law.

Relevant Legal Provisions

Article 28 and Article 41 of the Trademark Law of the People's Republic of China (as amended in 2001).

Article 91 and Article 93(1) of the Administrative Procedure Law of the People's Republic of China (as amended in 2017).

Article 94 of the Rules for Administrative Litigation Supervision by People's Procuratorates (effective 2021).

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