



American Intellectual Property Law Association

March 13, 2019

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**Re: AIPLA Comments on Certain Stipulations on Regulating Behavior of
Application for Trademarks (Draft) of CNIPA (规范商标申请注册行为)**

Dear Sir or Madam,

The American Intellectual Property Law Association (AIPLA) is pleased to submit comments in response to an announcement dated February 12, 2019 from the National Intellectual Property Administration of the People's Republic of China (CNIPA) soliciting opinions on draft stipulations regulating behavior of applications for trademark ("Draft Stipulations"), and attach a table listing our detailed comments, some of which are also summarized below.

AIPLA is a national bar association of approximately 13,500 members engaged in private or corporate practice, in government service, and in the academic community. AIPLA members represent a wide and diverse spectrum of individuals, companies, and institutions involved directly or indirectly in the practice of patent, trademark, copyright, trade secret, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property. Our mission includes helping establish and maintain fair and effective laws and policies that stimulate and reward invention while balancing the public's interest in healthy competition, reasonable costs, and basic fairness.

Due to time constraints, AIPLA focused its comments on only Articles 3 and 7 of the Draft Stipulations. The absence of comments on other articles does not necessarily reflect support or lack of support of these articles by AIPLA.

AIPLA commends the China Intellectual Property Administration (CNIPA) on its efforts to strengthen trademarks against attacks by bad-faith trademark applicants. AIPLA appreciates the opportunity to provide comments to the Draft Stipulations, which address the widespread problem of bad faith trademark applications. AIPLA would welcome the opportunity to provide

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additional comments on any specific revisions to the language of the Draft Stipulations that may be drafted and proposed in response to this initial round of comments.

“Trademark squatters” is a term applied to those who file trademark applications targeted against brands in use in China or elsewhere, typically with the purpose of disrupting business operations, confusing the public, and holding up the legitimate brand owner to force them to purchase the trademark application. Trademark squatters hoard trademark applications and registrations for the purpose of assigning registered trademarks for profit, rather than with actual use or any intent to use. Many bad faith trademark applications target brands that are familiar or well known by the relevant public within or outside China. AIPLA commends CNIPA on its proposal to include Articles 3(1), 3(2) and 3(3), which appear to be targeted against conduct that would be considered “trademark squatting” or “trademark hoarding.”

Facing the prospects of bad faith trademark applications by such trademark squatters, some responsible brand owners have resorted to defensive trademark applications. “Defensive trademark applications” are filed more broadly than the actual or intended use of the trademark to protect against dilution of the distinctive character of the trademark or to prevent confusion of consumers who may otherwise understand the trademark as indicating a connection with the owner of a widely recognized, well known, or familiar trademark. Many enterprises, including Chinese enterprises such as Alibaba, Xiaomi, Wuliangye, have filed defensive applications. It would be a beneficial if the Trademark Law and Draft Stipulation were so successful against bad faith trademark applications that defensive trademark applications were no longer necessary. Until such time as bad faith trademark applications and registrations are eliminated, AIPLA requests clarification that defensive trademark applications protecting widely recognized, well known, or familiar trademarks by the owner(s) of such trademarks are not considered bad faith trademark applications in Article 3.

We appreciate the opportunity to provide these comments on the Draft Stipulation, and we would be happy to answer any questions that our comments may raise.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sheldon H. Klein', with a stylized flourish at the end.

Sheldon H. Klein
President
American Intellectual Property Law Association

Attachment: Table of AIPLA Comments to Certain Stipulations on Regulating Behavior of Application for Trademarks (Draft)

Attachment: AIPLA Comments to Certain Stipulations on Regulating Behavior of Application for Trademarks
(Draft)

<p>关于规范商标注册行为的若干规定（征求意见稿）</p> <p>Certain stipulations on regulating behavior of application for trademarks (draft)</p>	<p>Comments</p>
<p>第一条</p> <p>Article 1</p>	
<p>为了规范商标注册行为，维护正常的商标工作秩序，依据商标法、商标法实施条例，制定本规定。</p>	
<p>To regulate the behavior of application for trademarks and maintain normal trademark work order, these Provisions are formulated in accordance with the Trademark Law of the People's Republic of China (Trademark Law) and the Regulations for the Implementation of the Trademark Law of the People's Republic of China.</p>	
<p>第二条</p> <p>Article 2</p>	
<p>申请商标注册的，应在生产经营活动中有对商品或者服务取得商标专用权的实际需要，并且不得损害他人现有的在先权利。</p>	
<p>Those applying for trademark shall actually need the exclusive right to use the trademark for the goods or services in the production and business activities, and shall not impair the existing prior rights of others.</p>	
<p>提交或者代理提交商标注册申请的，应当遵照法律、法规和规章的有关规定，恪守诚实信用原则，不得从事非正常申请商标注册的行为。</p>	
<p>Those submitting an application for trademark registration for themselves or as agents shall comply with the relevant provisions of laws, regulations and rules, abided by good faith principle, and shall not engage in abnormal application for trademark registration.</p>	
<p>第三条</p> <p>Article 3</p>	
<p>本规定所称非正常申请商标注册的行为是指：</p>	
<p>Abnormal application for trademark registration in these stipulations refers to:</p>	
<p>（一）摹仿为相关公众所熟知的商标申请商标注册，攀附他人商誉；</p>	
<p>(1) Applying for trademark registration by copying a trademark well known to the relevant public and passing off the goodwill of others;</p>	<p>AIPLA welcomes efforts to prevent the copying of well-known, famous, widely recognized or familiar trademarks. AIPLA notes that the draft uses the term “公众所熟知” (known to public) rather than “驰名” (well-known) or “著名” (world-famous). AIPLA</p>

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	<p>requests clarification of the intended meaning and scope of the term “公众所熟知”.</p> <p>AIPLA suggests that the standard required for a trademark to be considered for protection under Article 3(1) should not be unduly high and should provide protection of trademarks that are reasonably well known outside China by the relevant public. The World Intellectual Property Organization and the Assembly of the Paris Union for the Protection of Industrial Property adopted a Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, September 20-29, 1999 (WIPO Publication No. 833 (E); ISBN 978-92-805-0858-1: https://www.wipo.int/edocs/pubdocs/en/wipo_pub_833-accessible1.pdf) (“Joint Recommendation”). AIPLA respectfully suggests that Article 2 of the Joint Recommendation be used as a benchmark for determining whether a trademark is well known or ought to be protected under Article 3(1).</p>
<p>(二) 抢先申请注册他人已经使用并有一定影响的商标，不当攫取他人商誉；</p>	
<p>(2) Preemptively applying in anticipation for registration of trademarks that have been used by others and have certain influence, and misappropriate the goodwill of others;</p>	<p>AIPLA welcomes efforts to prevent the preemptive filing of bad faith trademark applications (a) in anticipation of trademarks outside of China being filed in China by the legitimate trademark owner, or (b) that are in use without prior application in China.</p>
<p>(三) 明知或应知存在其他在先权利，但仍抢先申请注册与其相同、相近似的商标；</p>	
<p>(3) Preemptively applying for registration of the same or a similar trademark where the prior rights of others is apparently known or should have been known;</p>	<p>AIPLA welcomes efforts to prevent the preemptive filing of bad faith trademark applications (a) in anticipation of trademarks outside of China being filed in China by the legitimate trademark owner, or (b) that are in use without prior application in China. AIPLA recommends clarification that the same or a similar trademark or the prior rights of others referred to in Article 3(3) could be inside or outside China.</p>
<p>(四) 重复申请商标注册，明显具有不正当目的；</p>	
<p>(4) Repeatedly applying for trademark with apparent improper purpose;</p>	
<p>(五) 短时间内大量申请商标注册，明显超过合理限度；</p>	

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<p>关于规范商标申请注册行为的若干规定（征求意见稿）</p> <p>Certain stipulations on regulating behavior of application for trademarks (draft)</p>	<p>Comments</p>
<p>(5) Filing numerous trademark applications in short time that apparently exceeds the reasonable limit;</p>	<p>AIPLA welcomes proposals to prevent bad faith filing of trademark applications, which sometimes is shown by numerous trademark applications in a short time, particularly where the volume of the trademark applications in a short time is greatly disproportionate with the scale of the applicant’s business enterprise or the bona fide products or services of the applicant on sale or planned for sale in China. AIPLA respectfully requests clarification of the definition of “a reasonable limit” and “short time”, including the factors to be considered, such as scale and/or nature of business.</p>
<p>（六）申请商标注册缺乏真实使用意图，没有对商品或者服务取得商标专用权的实际需要；</p>	
<p>(6) Filing applications for trademark without a real intention to use the trademark, and actual need to obtain the exclusive right to use the trademark for goods or services;</p>	<p>AIPLA welcomes proposals to prevent filing of trademark applications without an intention to use them.</p> <p>AIPLA respectfully requests clarification of the meaning and scope of “real intention” and “actual need”, and whether or how these terms may have a meaning different than “good faith” intention.</p> <p>Further, AIPLA respectfully requests clarification of the proof required to establish “real intention” and “actual need” or the lack of such: for example by filing declarations and/or substantive evidence.</p>
<p>（七）其他违反诚实信用原则，侵害他人合法权益或者扰乱市场秩序的商标申请注册行为；</p>	
<p>(7) Other trademark application and registration behaviors that violates the good faith principle or infringe on the legitimate rights and interests of others, or disrupt the market operation order;</p>	
<p>（八）帮助他人或者商标代理机构代理进行本条第（一）项至第（七）项所述类型的商标申请注册行为。</p>	
<p>(8) Assisting others or acting as trademark agencies in filing applications for trademark recited in items (1) to (7) of this article.</p>	
<p>第四条 Article 4</p>	
<p>对非正常申请商标注册的行为，应当依据商标法、商标法实施条例的规定进行以下处理：</p>	
<p>Abnormal applications for trademark shall be handled according to the provisions of the</p>	

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<p>Trademark Law and the Regulations for the Implementation of the Trademark Law as follows:</p>	
<p>（一）对提交商标注册申请的，依据商标法第二十九条要求申请人提交有关证据材料并说明理由，没有正当理由或者证据不足的，依据商标法第三十条或者第三十五条驳回申请或者不予注册；</p>	
<p>(1) When applying for trademark registration, the applicant shall submit relevant evidentiary materials and explain the reasons for application in accordance with Article 29 of the Trademark Law. If there is no justifiable reason or the evidence is insufficient, the application shall be rejected or not allowed to be registered in accordance with Article 30 or Article 35 of the Trademark Law;</p>	
<p>（二）取得商标注册的，属于商标法第四十四条所称的以其他不正当手段取得注册，宣告该注册商标无效；</p>	
<p>(2) When the trademark is registered by other unfair means as stated in Article 44 of the Trademark Law, the registered trademark shall be announced to be invalid;</p>	
<p>（三）转让取得的注册商标的，属于商标法第四十二条所称有其他不良影响的转让，不予核准；</p>	
<p>(3) When the transfer of the acquired registered trademark has any other adverse effects as stated in Article 42 of the Trademark Law, the transfer shall not be approved;</p>	
<p>（四）商标代理机构从事非正常申请商标注册的行为的，属于商标法第六十八条所称以其他不正当手段扰乱商标代理市场秩序的行为，记入信用档案，情节严重的停止受理其办理商标代理业务。</p>	
<p>(4) If a trademark agency engages in an abnormal application for trademark, it shall be considered as the act of disturbing the market order of the trademark agency by other improper means as stated in Article 68 of the Trademark Law, and shall be recorded in the credit file. In the case of gross violation, the agency shall be suspended on handling trademark agency businesses.</p>	
<p>第五条 Article 5</p>	
<p>对非正常申请商标注册的行为，除依据商标法、商标法实施条例的规定进行处理之外，可以视情节采取下列处理措施：</p>	

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<p>In addition to handling abnormal application for trademark registration according to the provisions of the Trademark Law and the Regulations for the Implementation of the Trademark Law, the following measures may be taken according to the actual situation:</p>	
<p>（一）在国家知识产权局政府网站以及《中国知识产权报》上予以通报，并纳入全国信用信息共享平台予以公布，由相关部门依法采取惩戒措施；</p>	
<p>(1) Publishing on the official website of the CNIPA, the China Intellectual Property News and the national credit information sharing platform, such that relevant departments can take relevant disciplinary measures according to law;</p>	
<p>（二）在国家知识产权局的商标申请数量统计中扣除非正常申请取得的注册商标数量并予以标记；</p>	
<p>(2) Deducting and marking the registered trademarks obtained from abnormal applications in the statistics of trademark applications of CNIPA;</p>	
<p>（三）各级知识产权主管部门不予资助、扶持和奖励；已经资助、扶持或者奖励后被认定为非正常申请商标注册的行为的，根据情节全部或者部分追还；情节严重的，自认定为非正常申请商标注册的行为的年度起五年内对该主体及其关联主体不予资助、扶持或者奖励；</p>	
<p>(3) Competent intellectual property authorities at all levels shall refrain from granting subsidies, supports or rewards; those that have already received these, and are deemed to have filed abnormal applications for trademark, subsidies, supports and rewards shall be recovered in whole or in part according to the circumstances; in the case of gross violation, subsidies, supports or rewards shall not be granted to the entity and its associated entities within five years from the year in which they are deemed to have filed abnormal applications for trademark;</p>	
<p>（四）商标代理机构从事非正常申请商标注册的行为的，国家知识产权局对其法定代表人进行整改约谈，商标行业协会对该机构及有关商标代理人依法采取行业自律措施；</p>	
<p>(4) Where a trademark agency engages in an abnormal application for trademark, the CNIPA shall conduct a rectification interview with its legal</p>	

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<p>representative, and the trademark agency associations shall adopt measures to discipline the trademark agency and the related trademark agents according to the law;</p>	
<p>（五）通过非正常申请商标注册的行为骗取资助、扶持、奖励，情节严重构成犯罪的，依法移送有关机关追究刑事责任。</p>	
<p>(5) Fraudulent solicitation of financial aids, supports and rewards through abnormal application for trademark registration, if the circumstances are serious enough to constitute a crime, the matter shall be transferred to the relevant authorities for investigation of criminal liability in accordance with law.</p>	
<p>第六条 Article 6</p>	
<p>采取本规定第五条所列处理措施前，必要时应当给予当事人陈述意见的机会。</p>	
<p>Before taking the measures listed in Article 5, the entities involved shall be given an opportunity to present their opinions when necessary.</p>	
<p>第七条 Article 7</p>	
<p>各级知识产权主管部门应当推动知识产权高质量发展，积极引导公众和商标代理机构依法申请商标注册，规范公众在生产经营活动中使用注册商标的行为。</p>	
<p>The intellectual property departments at all levels shall promote the high-quality development of intellectual property rights, proactively guide the public and trademark agencies to apply for trademark in accordance with the law, and regulate the use of registered trademarks in production and business activities carried out by the public.</p>	
<p>任何组织和个人发现非正常申请商标注册的行为，可以向国家知识产权局举报。国家知识产权局接到举报或者发现非正常申请商标注册的行为的，应当及时依法处理。</p>	
<p>Any organization or individual who discovers an abnormal application for trademark may report this to the CNIPA. When the CNIPA receives a report or discovers an abnormal application for trademark, the CNIPA shall promptly handle it according to the law.</p>	<p>AIPLA commends the provision that allows reporting abnormal trademark applications. AIPLA suggests clarification that such a report can be filed at any time, including after other options have expired. AIPLA further suggests that CNIPA make</p>

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	<p>its disposition of the abnormal trademark application publicly available.</p>
<p>任何组织和个人发现注册商标没有正当理由连续三年未使用的，可以向国家知识产权局提出撤销申请，由国家知识产权局予以撤销。</p>	
<p>Any organization or individual that finds a registered trademark has not been used for three consecutive years without a valid reason may apply to the CNIPA for cancellation, and the CNIPA shall cancel this trademark.</p>	
<p>第八条 Article 8</p>	
<p>本规定自 2019 年 月 日起施行。</p>	
<p>These regulations shall come into effect on XX, XX, 2019</p>	