



**中华人民共和国国家工商行政管理总局**

**State Administration for Industry & Commerce of the People's Republic of China**



# **Law Enforcement of Geographical Indications under the Trademark System of China**

Trademark Office of The State Administration for Industry &  
Commerce of the People's Republic of China

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## Development Process of the Protection of Chinese Geographical Indication Trademarks

The Protection of Chinese Geographical Indication Trademarks started in the 1980s and has 30 years of history so far

- The first stage (1985 to 1994), the appellations of origin were protected by the Paris Convention for the Protection of Industrial Property
  - China joined the Paris Convention for the Protection of Industrial Property in 1985
  - The appellation of origin of “Denmark Butter Cookies” was protected in 1987
  - The Notice of Stopping the use of words of “Xiangbin” or Champagne on alcoholic commodities was issued in 1989
- The second stage (1994 to 2001), the appellation of origin was protected by the administrative laws, regulations and rules
  - The Measures for the Registration and Administration of Collective Marks and Certification Marks were promulgated in December 1994
- The third stage (2001 to present), the geographical indications are protected by the trademark laws, and administrative laws and regulations as well as rules
  - The Trademark Law was amended in 2001, and the concept of geographical indications was incorporated into the Trademark Law
  - The Implementing Regulations of the Trademark Law was promulgated in August 2002
  - The Measures for the Registration and Administration of Collective Marks and Certification Marks were promulgated by the State Administration for Industry & Commerce of the People's Republic of China in April 2003



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## **Special Mark for Geographical Indication Products Issued by Trademark Office under the State Administration for Industry & Commerce of the People's Republic of China**





## The Protection of Geographical Indications as Private Rights under the Trademark System of China Complies with Internationally Accepted Practices and Principles

- Trademarks approved by the Trademark Office for registration are protected by law
  - Including goods marks, service marks, collective marks and certification marks
  - Geographical indications **may** be approved for registration as certification marks or collective marks
- Where a trademark bears a geographical indication of the goods when the place indicated is not the origin of the goods in question, thus misleading the public, the trademark shall not be registered and its use shall be prohibited. However, where the registration is obtained in goodwill, it shall remain valid
  - Voluntary registration: the owners of geographical indications have the right to freely select to use registered trademarks or unregistered trademarks
  - Legitimate use: the owners of geographical indications may use unregistered GIs under the premise of not infringing on the trademark rights of others



## Administrative Protection of Geographical Indications

- Industrial and commercial departments and market supervision and management departments at all levels (430,000 people)
  - State Administration for Industry & Commerce of the People's Republic of China
  - Departments for industry and commerce at the provincial level
  - Departments for industry and commerce at the municipal level
  - Departments for industry and commerce at the county level
  - Institute of industry and commerce at primary level
- Customs (48,000 people)
  - State administrative organs exercising import and export supervision and management authority
  - General Administration of Customs
  - Guangdong Sub-Administration of China Customs, and Special Commissioner's Office in Tianjin as well as Special Commissioner's Office in Shanghai
  - 41 customs offices directly under the GAC and 2 customs schools
  - 562 subordinated customs, and overseas accredited institutions



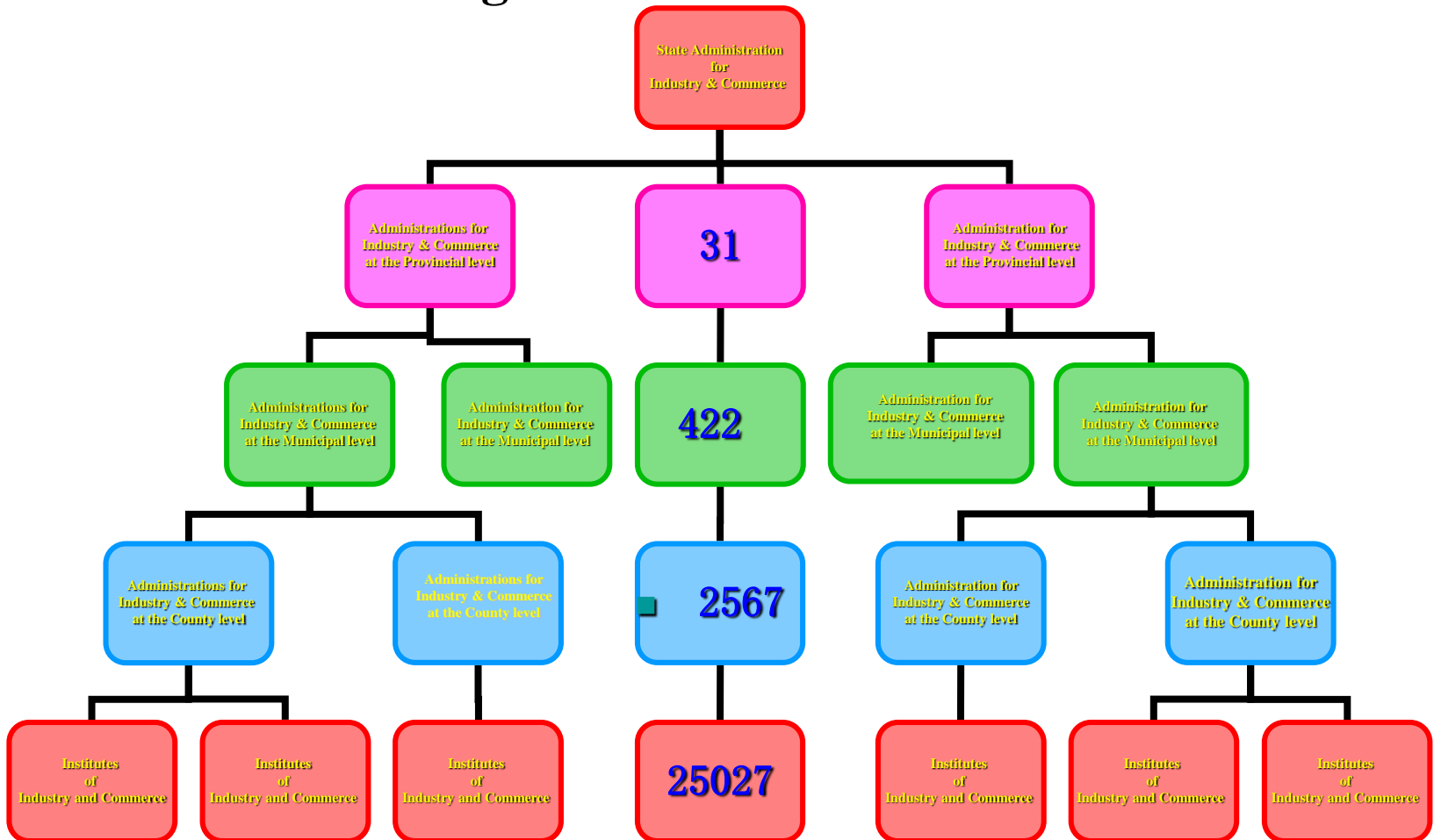
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## Industrial and Commercial Administrative Law Enforcement Agencies in 2012





## Division of Responsibilities of Industrial and Commercial Departments at All Levels

- Administrations for industry and commerce at primary level
  - When finding trademark infringement and counterfeiting as well as other illegal acts concerning trademarks, the owners of trademarks or ordinary consumers generally complain or report to the administrations for industry and commerce at primary level of the places where the illegal acts occur
- Trademark Office under the State Administration for Industry & Commerce of the People's Republic of China
  - As the national competent trademark authority, the Trademark Office under the State Administration for Industry & Commerce generally does not accept the direct complaints lodged by the owner of trademarks
  - The Trademark Office under the State Administration for Industry & Commerce is responsible for directing, supervising and coordinating the investigation and handling of national trademark violation cases



## Geographical Indication Protection of Administrations for Industry & Commerce

- Investigating and handling 105 trademark infringement cases in 2012, with total value involved in these cases of RMB 800,000
- Investigating and handling 81 trademark infringement cases in 2013, with total value involved in these cases of RMB 350,000
- Investigating and handling 45 trademark infringement cases in 2014, with total value involved in these cases of RMB 2,230,000
- Investigating and handling 117 trademark infringement cases in 2015, with total value involved in these cases of RMB 1,110,000



## Features of Administrative Protection of Geographical Indication Trademarks

- “Dual-track” protection mechanism
- Perfect trademark administrative law enforcement network
- Simple and rapid protection procedures
- Strict accountability system for tort



## Administrative Protection of Exclusive Rights to Use Geographical Indication Trademarks

- “Dual-track” protection mechanism for trademark rights
  - Administrative protection: to lodge a complaint to departments for industry & commerce and market inspection and management departments
  - Juridical protection: to bring a lawsuit to the people’s court of the place where the infringer locates or the infringement act occurs
- Administrative protection principle
  - The combination of “active protection according to powers and functions” and “passive protection according to complaints”
  - Administrations for industry & commerce have the right to supervise and examine the use of trademarks by the users of trademarks in accordance with law, and when finding any suspicion of infringement, have the right to investigate and handle such suspicion of infringement
  - Where any person is suspected of committing a crime, such person shall be promptly transferred to relevant judicial authority for handling according to law



## Definition of the Infringement upon the Exclusive Right to Use Geographical Indication Trademarks

Any of the following constitutes an infringement of the exclusive right to use a registered trademark:

- Using a trademark that is identical with a registered trademark in connection with the same goods without the authorization of the owner of the registered trademark;
- Using a trademark that is similar to a registered trademark in connection with the same goods, or that is identical with or similar to a registered trademark in connection with the same or similar goods, without the authorization of the owner of the registered trademark, which may cause public confusion;
- Selling goods that violate the exclusive right to use a registered trademark;
- Counterfeiting, or making, without authorization, representations of another party's registered trademark, or selling such representations;
- Altering another party's registered trademark without authorization and selling goods bearing such an altered trademark;
- Helping any others to infringe the exclusive right to use its registered trademark with intention to provide convenience for infringing the exclusive right to use its registered trademark;
- Otherwise causing prejudice to another party's exclusive right to use its registered trademark.



## Functions and Powers of Administrations for Industry & Commerce to Investigate and Handle Trademark Infringement Cases

- When an administrative department for industry and commerce at or above the county level, on the basis of the evidence or information, obtained for a suspected violation of law, conducts investigation into a suspected infringement of another person's exclusive right to the use of a registered trademark, it may exercise the following functions and powers:
  - Inquiry and investigation rights: questioning the parties concerned to find out the facts regarding the infringement;
  - Check and reproduction rights: checking and reproducing the parties' contracts, invoices, account books, and other materials relating to the infringement;
  - Site inspection right: entering into relevant premises regarding the implementation of the act of infringement. Premises include places of production and processing and business places where the suspected party carries out infringement activities, as well as places where the logos of trademarks are printed, sold and stored, etc.;
  - Articles inspection and sealing as well as seizing rights: inspecting articles involved in the infringement; sealing or seizing the articles that are proven to be used for infringing upon another person's exclusive right to the use of a registered trademark.



## **Administrative Punishment against Infringement upon Trademark Rights of Geographical Indications**

- Upon determining that trademark infringement has taken place, the administrative authority for industry and commerce shall:
  - order the infringer to cease its infringing activity immediately
  - confiscate and destroy the infringing goods, and any instruments mainly used to manufacture the infringing goods and counterfeit registered trademarks
  - if the amount of illegal earnings is greater than RMB 50,000, impose a fine up to 5 times the amount of the illicit earnings; if there is no illicit business revenue, or the total amount of illicit business revenue is less than RMB 50,000, impose a fine up to RMB 250,000
    - If trademark infringement occurs more than 2 times within a period of 5 years or other serious circumstances, a severe punishment shall be given
- Where a seller with no knowledge of its infringing goods can prove the legality of acquiring such goods and point out the provider, the administrative authority for industry and commerce shall order the seller to cease selling its goods and the latter may be ordered to stop selling the infringing goods



## Civil Compensation Liability and Criminal Liability for Trademark Infringement

- **Civil compensation liability**
  - **Determining the amount of compensation based on the actual losses suffered by the right owner**
  - **Where the losses suffered by the right owner, or the profits earned by the infringer, cannot be determined**
    - **the amount of damages shall be determined based on a reasonable amount that would be paid for a licensing royalty for the trademark right. If there is an existence of serious circumstances, a fixed amount shall be determined**
    - **Where the licensing royalty for a registered trademark cannot be determined, a compensation of no more than RMB three million shall be imposed by the people's court according to the circumstances of the infringement act**
- **Criminal liability**
  - **Where the case constitutes a crime, in addition to the compensating of the infringed for its loss, criminal responsibilities shall be affixed**



## Experience and Practices of Geographical Indication Law Enforcement

- **Increasing the law enforcement of daily inspection, improving the efficiency of law enforcement**
  - Strictly investigating and handling unlawful acts of selling goods infringing upon the exclusive rights to use geographical indication trademarks by using network trading platforms and group-buying websites
  - Timely publicizing to the public the information of enterprises producing and selling goods infringing upon the exclusive rights to use geographical indication trademarks
  - Hebei Administration for Industry & Commerce established a WeChat group and a QQ group concerning the geographical indications of the whole province to smooth information communication channels and timely handle the complaints and reports lodged by right owners
  - Jiangxi Administration for Industry & Commerce opened a green channel of the anti-counterfeiting and right protection of geographical indication trademarks, and established an inspection and supervision system, effectively improving the seriousness and effectiveness of law enforcement



## Experience and Practices of Geographical Indication Law Enforcement

- **Launching a special law enforcement campaign to vigorously purify the market environments**
  - Industrial and commercial departments and market supervision and management departments of many places played the leading role in organizing and launching special trademark law enforcement campaigns, vigorously purifying the market environments
  - In 2015, industrial and commercial departments and market supervision and management departments throughout the country carried out a six months of concentrative special action of protection of the exclusive rights to use geographical indication trademarks according to the unified arrangement of the State Administrations for Industry & Commerce
  - Jiangsu Administrations for Industry & Commerce focused on source control, strengthened the supervision of trademark printing link, and increased the fight against illegal acts of printing and selling logos and product packaging of geographical indication trademarks



## Experience and Practices of Geographical Indication Law Enforcement——Forming Resultant Force of Law Enforcement

- Paying attention to cross-regional and cross-sectoral cooperation
  - The government of Ningxia Autonomous Region signed memos for protection of “Chinese Wolfberry of Zhongning” with 14 provincial, regional and municipal governments, and Ningxia Administration for Industry & Commerce signed framework agreements for joint anti-counterfeiting with administrations for industry & commerce of relevant regions
- Strengthening cooperation with right owners of trademarks
  - Jiangsu Administration for Industry & Commerce established an early warning mechanism for joint anti-counterfeiting and fighting against illegal acts of using geographical indications with the registrants of geographical indications. Jiangsu Administration for Industry & Commerce also organized personnel to go to Zhejiang and Shanghai to conduct right protection with respect to the illegal acts infringing upon the exclusive right to use the “Xuyi” geographical indication trademark by fully relying on regional trademark cooperation network
- Strengthening the convergence of administration and justice
  - The Opinions on Several Issues Concerning the Convergence and Coordination of Industrial and Commercial Administrative Law Enforcement and Criminal Judicature were formulated together with the Ministry of Public Security and the Supreme People’s Procuratorate. Various regions explored and established information reporting systems, discussion systems for transferring cases, and systems for urging to handle transferred cases, as well as improved the working mechanism of the convergence and coordination of the administrative law enforcement of trademarks and criminal Judicature.



## Case Concerning Longjing Green Tea

- Before the geographical indication trademark of Zhejiang Province “Longjing Green Tea” was applied for registration, many cases concerning the counterfeiting of Zhejiang Province “Longjing Green Tea” occurred in Guizhou, Fujian, Zhejiang and other places could not be investigated and handled due to the lack of legal basis and protective means; the legitimate rights and interests of the registrant and user of “Longjing Green Tea” could not be protected.
- In 2004, the Xinhua News Agency Domestic Dynamics specially issued an article named Counterfeit Longjing Green Tea out of Guizhou, which caused a great response in Zhejiang; Zhejiang provincial government called for industrial and commercial department, agricultural department and other departments for two consecutive times to research the protection of “Longjing Green Tea”, thinking that “Longjing Green Tea” can be protected better through trademark laws. Zhejiang provincial government required to launch the procedures for applying geographical indication certification mark as soon as possible.
- In September 2006, the Economic Crop Management Bureau of Zhejiang Provincial Department of Agriculture applied with the Trademark Office for “Longjing Green Tea” geographical indication certification mark, which was approved for registration in December 2008 and was transferred to the Agricultural Technology Extension Center of Jiangsu Province in 2013
- Administrations for Industry & Commerce throughout the country protect “Longjing Green Tea” according to the Trademark Law and market torts are contained



## Case Concerning the Protection of Scotch Whisky Geographical Indication Trademark

- **Scotch Whisky** was registered on May 28, 2008 and is owned by Scotch Whisky Association
  - After entering the Chinese market, “**Scotch Whisky**” was constantly damaged by counterfeit products, causing the decline in market share and reputation of “**Scotch Whisky**”
- “**Scotch Whisky**” did not applied with the Trademark Office for registration, so the owner of “**Scotch Whisky**” Geographical Indication Trademark has difficulties in protecting the “**Scotch Whisky**” Geographical Indication Trademark
  - the owner could only protect its trademark by fighting against unfair competition acts such as “forgery of place of origin” and “false propaganda” according to Articles 4 and 9 of the Law of the People’s Republic of China for Countering Unfair Competition
  - However, as “Scotch Whisky” products have no quality standards approved by Chinese official departments, when affirming the products involved in cases concerning “Scotch Whisky” trademark infringement, law-enforcing departments have doubt and have to return such products to infringing person



## Case Concerning the Protection of Scotch Whisky Geographical Indication Trademark (Continued)

- Whether in consideration of the market condition then or the future long-term development, SCOTCH WHISKY urgently needed to be protected by law as a trademark in China
- On February 12, 2007, Scotch Whisky Association applied with the Trademark Office for registration of the SCOTCH WHISKY geographical indication collective mark and caused some attention to the above matter through William Ehrman, ambassador of British Embassy
- After the “**Scotch Whisky**” geographical indication collective mark was approved to be registered in 2008, the right owner, on the strength of the Trademark Registration Certificate, lodged complaints to administrations for industry & commerce of Guangdong, Fujian and other places where infringement acts occurred, thus successfully protecting its trademark with a lower cost of right protection



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**Thank You !**