

Trademarks

I. INTERNATIONAL

The international accord governing trademarks is the Protocol Relating to the Madrid Agreement (Madrid System), which is split up between the Agreement treaty and the Protocol treaty.¹ The Madrid system was created to facilitate the obtainment of protection for trademarks internationally, as well as to streamline the administrative processes.² China and the United States have both ratified the Protocol treaty.

To apply for an international patent, a trademark owner must first have a trademark application in their country of origin.³ Afterwards, the owner can apply to the their respective trademark office for an international trademark, with the exact same mark, under the Madrid Protocol.⁴ The international registration is equivalent to filing a group of national applications to all members of the Madrid Protocol. Therefore, member countries can refuse or limit the trademark protection in their respective country.⁵

In order to assert a claim of priority for an international application, the application must specify that a claim is wanted and must be made within six months after filing the initial trademark in the country of origin.⁶ The priority claim allows the international trademarks to be considered filed when the original trademark was registered. Once received, the

international trademark protection lasts for 10 years and can be renewed by paying a renewal fee.⁷

II. TRADEMARK LAW IN CHINA

To register a mark in China, the owner must apply to the Trademark and Patent Office (TPO) and follow the rules of the *Trademark Law of the People's Republic of China*. An owner can register trademarks, service marks, certification marks, and collective marks.⁸ Chinese law requires a trademark to be distinctive so that it can be distinguished from other marks already in force in order for the mark to be registered.⁹

China has a first to file system, which allows the first person to file for a trademark to be the true owner, despite previous usage by another party who had not registered.¹⁰ Because of the first to file system, there is no common law protection for trademarks. Therefore a trademark must be registered for it to be protected, and Chinese law requires the mark to be registered in order to be marketed and sold.¹¹ Chinese patent law also lists out marks that cannot be registered as trademarks. These include marks that are similar to the Chinese flag or emblem.¹² Generic names, or names that directly reference a quality of a good, can not be trademarked.¹³ Finally, any trademark that would cause customer confusion cannot be trademarked.¹⁴

The validity of a trademark lasts for 10 years upon approval of registration.¹⁵ There is a six month grace period after the deadline to renew the trademark.¹⁶

III. TRADEMARK LAW IN THE UNITED STATES

In the United States, trademark law is a self-policing set of rules that covers any device such as a word, design, slogan, sound or symbol.¹⁷ All of these devices can be trademarks to the extent that they can distinguish their company and identify a good (trademark) or service (service mark).¹⁸ Devices can include logos, packaging, colors for specific companies.

Two additional marks are also protected under federal trademark law. Certification marks are used to show that a product or service has a certain standard or quality associated with it.¹⁹ A collective mark shows membership to a specific organization.²⁰

A. Basics

Some basic principles are necessary to understand and use trademark law. Most importantly, the first person to use a trademark will own it.²¹ This allows for so called “common law” trademarks. Common law trademarks are protected in the area that they are used, even if they are not registered with the federal government.²² However, in order to receive nationwide protection, a trademark must be registered. Moreover, the device must have some sort of customer recognition to qualify as a trademark; if customers do not associate the trademark with a specific business then it cannot be protected.²³

A court will determine the “strength” of mark to decide the proper level of protection. If a trademark is distinctive, it will most likely be considered strong and therefore the mark will have comprehensive protection.²⁴ Arbitrary terms and coined words that suggest their owner, but do not actually describe them, are held to be “inherently distinctive.”²⁵ Inherently distinctive trademarks can always be registered. On the other hand, a trademark that merely

describes some characteristic of a good or service is known as a weak trademark.²⁶ Although weak trademarks are less protected, they do provide better information to the consumer. Therefore, some companies decide to use those weak marks to better inform their consumers rather than using an arbitrary mark. There is also the possibility that a weak mark can turn into a strong mark once there is a large enough public association with that particular trademark.²⁷

The biggest question that is asked by the courts on trademark disputes is whether “simultaneous use of the marks (is) likely to cause customer confusion.”²⁸ If one trademark is similar to another “only in sound, appearance or meaning,” it could still cause confusion and the courts could intervene and stop the use of a trademark.²⁹

But it is possible for a trademark to be owned by two or more businesses. If the services/products of two businesses are different, or do not compete, then there would be no customer confusion.³⁰ Also, if the marked products/services are marketed through different channels or geographic areas, there is again little chance of confusion and two companies could separately own the same trademark.³¹ However, major difficulties could arise if one company attempted to encroach on the trademark area of another company.

Finally, some owners of famous marks can stop other similar marks from being used under the Dilution Doctrine. This applies only to famous marks when the reputation of that mark is seriously damaged by the use of a similar mark.³² There is no requirement of confusion for this doctrine, only that the trademark is being “diluted” by other usages of it.³³

B. Ownership

In the United States the first person to actually use a trademark is the true owner.³⁴

There are two possible ways that a person or company can “use” a trademark to show ownership. First is actual use, where a product or service is distributed or advertised with the trademark/service mark.³⁵ But a person could also “intend to use” a trademark by completing an intent to use application with the U.S. Patent and Trademark Office and then later actually utilizing the mark.³⁶ Both processes give protection for the trademark.

C. Trademark Law and Registration

Trademarks are registered with the U.S. Patent and Trademark Office (PTO) under the guidance of the Lanham Act.³⁷ Registration increases the trademarks owner’s ability to win lawsuits based on infringement of the trademark. However, a business can still stop another company from using a similar trademark if it is shown that the business used the mark earlier and has acquired the common law trademark protection.

If a mark is distinctive enough, it will be placed in the Principal Register. The PTO requires that the trademark must involve commerce across state lines, be distinctive, and a few other criteria.³⁸ Being on the Principal Register gives the trademark all of the legal protection from the PTO including nationwide ownership.³⁹ If a mark does not meet the requirements for the Principal Register then it will be placed on the Supplemental Register. This does not give as much legal protection as the Principal Register, but does allow the trademark to be found in a standard trademark search, giving notice that the trademark is already on the market and using it could create a legal action.⁴⁰

A federal trademark lasts for 10 years and can be renewed indefinitely as long as the mark is still in use.⁴¹

D. Trade Names

Trade names are the formal names used for billing, banking, and taxes, whereas trademarks are used to identify a company in the marketplace.⁴² Many times trade names and marketplace trademarks are exactly the same. However, a business name may be properly recognized as a trade name but at the same time unusable as a trademark due to another business' use. Therefore, a business may need to create a new trademark name if its current trade name infringes on an in force trademark.

E. Trade Dress

A trade dress is the "total image" of a product/service, consisting of a combination of features such as color, shape, texture, etc. and can receive protection from the PTO.⁴³ Décor and packaging are two examples of trade dresses that can be registered. In order protect a trade dress the product first must be distinctive.⁴⁴ This can be given automatically if the dress is inherently distinctive or if it is proven that the public consumer associates the dress with a certain company through advertising, promotion, and sales. Also, there needs to be a likelihood of consumer confusion that would make registering the trade dress necessary.⁴⁵ Finally, the trade dress must be non functional, that is cannot have a purpose other than to distinguish the product.⁴⁶

IV. DIFFERENCES

Listed below is a table of some differences in Chinese and United States trademark law.

	China	US
Legal system	Civil Law	Common Law
Basis of protection	Registration (Principle) and Use (Exception)	Use
Filing Basis	Without requirement of use	Intention to use; Use in commerce
Type of registration	Unified Registration	Principle & Supplementary Register
Subject matter	Word, design, letters of an alphabet, numerals, 3-D symbol, combinations of colors, and their combination	Wider (including smell, color, etc.)
Enforcement	Administrative and judicial	Judicial
Filing type	Per mark per class	Multi-class
Madrid system	Madrid Agreement, Madrid Protocol	Madrid Protocol

In the United States, trademark law is based on use, which includes either actual use or the intent to use. Use is a required precondition to actual registration but a trademark can still be protected without registration. However, in China trademark rights are based on registration and only registered marks have government protection, with limited exceptions for famous marks. This comes into play as the first to file an application in China gains the protection whereas in the United States previous use can stop a similar trademark.

V. CONCLUSION

Trademark law in the United States is broader than that of China. Chinese trademark law is still undergoing expansion and change in order to best suit the needs of its people. The ability to have common law trademarks as well as “first to use” doctrine allow for a greater availability of trademarks in the United States. However, ambiguity in who was the first to use a trademark could lead to more litigation.

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