

Beijing High People's Court Administrative judgments

(2022) Jing Xing Zhong No. 6002

Party

Appellant (plaintiff in the original trial): Guangzhou Han Hui Jiaoren Cosmetics Co., Ltd.
Appellee (defendant in the original trial): People's Republic of China State Intellectual Property Office.

The third party of the original trial: Have & Be Co., Ltd.

The trial took place

The appellant, Guangzhou Han Hui Jiaoren Cosmetics Co., Ltd. (hereinafter referred to as Han Hui Jiaoren Company), appealed to this court against the administrative judgment of the Beijing Intellectual Property Court of the People's Republic of China (hereinafter referred to as the Beijing Intellectual Property Court) (2020) Jing 73 Xingchu No. 3998 due to an administrative dispute requesting invalidation of trademark rights. After this court accepted the case on October 11, 2022, it formed a collegial panel in accordance with the law and conducted a trial, and the trial of this case has now been concluded.

The Beijing Intellectual Property Court ascertained

1. The Disputed Trademark

1. Registrant: Han Hui Jiaoren Company.
2. Registration number: 17769144.
3. Application date: August 27, 2015.
4. The exclusive period is until: October 13, 2026.
5. 标志：“V7ToningLight”。
6. Approved use of commodities (Category 3): facial cleanser; Cosmetics; toothpaste, etc.

2. The ruling of the respondent

On January 21, 2020, the People's Republic of China State Intellectual Property Office (hereinafter referred to as the State Intellectual Property Office) issued the Shang Ping Zi [2020] No. 18995 Ruling on the Request for Invalidation of the No. 17769144 "V7ToningLight" Trademark", which held that, given that the Disputed Trademark in this case had been registered before the implementation of the amended provisions of the People's Republic of China Trademark Law (hereinafter referred to as the 2019 Trademark Law) amended on April 23, 2019, According to the principle of non-retroactivity, the relevant provisions of the People's Republic of China Trademark Law amended on August 30, 2013 (the 2013 Trademark Law) should be applied to the substantive issues of this case. The CNIPA heard the case after November 1, 2019, so the 2019 Trademark Law applies to procedural issues. Article 7 of the 2013 Trademark Law, which Haifei invoked

in requesting the invalidation of the disputed trademark, is a general provision, the essence of which is reflected in the specific provisions of the 2013 Trademark Law. The CNIPA will apply the corresponding specific provisions of the 2013 Trademark Law to hear the case based on the reasons for the evaluation and the evidence submitted by the parties.

Before the filing date of the disputed trademark, Hong Kong Free Travel introduced the product of "DrJart+ New V7ToningLight Vitamin Brightening Light Cream", the famous shopping guide website introduced the product of "DrJart+V7 Vitamin Brightening Small Bulb Cream", and users on Weibo and other social network platforms expressed their interest in "Dijiating V7 Vitamin Repair Lotion" and "DrJart+V7ToningLight Oil Control Vitamin Whitening Cream" "DrJart+V7 Brightening Night Cream" and other products, all of which show product images with the words "'DrJart+V7ToningLight'" printed on them. The evidence submitted by Haifei Company can prove that before the application for registration of the disputed trademark, it had used the trademark "V7ToningLight" on creams and other goods, and had a certain degree of popularity among the relevant Chinese public. The Disputed Trademark is identical to the "V7ToningLight" trademark previously used by Haifei. The "V7ToningLight" trademark used by Haifei Company had a certain degree of originality, and Han Huijiaoren Company and Haifei Company were in the same industry, so they should have known about Haifei's "V7ToningLight" trademark, and it was extremely unlikely that Han Huijiaoren Company independently designed and created an identical combination of words at the same time, and it was difficult to say that the application for registration of the disputed trademark could not be described as a coincidence. The facial cleanser, laundry detergent and other goods approved for use by the Disputed Trademark are closely related to the facial cream and other goods previously used by Haifei's "V7ToningLight" trademark in terms of function, use, sales channels, consumer groups, etc., and are similar goods, and the use of the Disputed Trademark on the above-mentioned goods is likely to cause confusion or misidentification of the source of the goods by the relevant public. Therefore, the registration of the disputed trademark has constituted the situation referred to in Article 32 of the 2013 Trademark Law, which is "preemptively registering a trademark that has been used by others and has a certain influence by improper means".

Haifei claimed that the registration of the Disputed Trademark infringed its prior copyright, but the Disputed Trademark was a combination of words "V7ToningLight" in ordinary typographic font, which did not constitute a substantial similarity with the original part of the work claimed by Haifei. Therefore, the registration of the Disputed Trademark did not constitute the provision that "the trademark applied for registration shall not infringe upon the existing prior rights of others" as referred to in Article 32 of the 2013 Trademark Law. Paragraph 1 of Article 44 of the 2013 Trademark Law, "obtaining registration by other improper means" applies to the situation that the registration of the trademark at issue is harmful to public order or public interest, and the specific reasons cited by Haifei Company in this provision still point to its relative rights and interests, and there is no evidence to prove that Han Huijiaoren's actions have disturbed public order and harmed the public interest, and the Disputed Trademark does not fall under the circumstances referred to in the Provisions. Haifei's other reasons lack factual and legal basis.

In accordance with Article 32 of the 2013 Trademark Law, Article 44.3, Article 45.1 and 2 and Article 46 of the 2019 Trademark Law, the CNIPA ruled that the disputed trademark was invalidated.

Han Huijiaoren Company was dissatisfied with the ruling and filed an administrative lawsuit with the Beijing Intellectual Property Court within the statutory time limit.

3. Other facts

In the trademark review stage, Han Huijiaoren Company submitted the following main evidence to the State Intellectual Property Office:

1. Screenshot of the website page of Han Hui Jiaoren's company;
2. Inspection report, electronic certificate for the filing of domestic non-special-purpose cosmetics;
3. Product pictures;
4. Han Hui Jiaoren company's WeChat public account promotion articles;
5. Advertising contracts, receipts, invoices;
6. Photos of magazine advertising pages;
7. Screenshots of the relevant pages of Han Hui Jiaoren's products sold on Tmall and other e-commerce platforms;
8. Registration certificate of the disputed trademark;
9. Certificate of registration of works;
10. Other Evidence.

Haifei submitted the following main evidence to the State Intellectual Property Office:

1. "V7ToningLight" "ToningLight" 商标韩国注册证据;
2. Copywriting for product launches;
3. Except for functional cosmetics, the inspection project report [manufacturing], the manufacturing and sales certificate, the product standard certificate, the finished product test report form, and the human body application test report;
4. Transaction schedule;
5. Work registration certificate and design patent certificate;
6. Famous shopping guide network, Hong Kong free travel, Weibo, Baidu search and other related network materials;
7. Service agreement and power of attorney, approval document of the State Food and Drug Administration for the administrative license for imported special-purpose cosmetics, and notice of acceptance of the inspection of the administrative license for cosmetics;
8. Han Hui Jiaoren's company introduction materials, domestic non-special-purpose cosmetics filing electronic certificates, product-related materials;
9. Honors and certificates obtained;
10. Relevant materials of Haifei's opposition application against the disputed trademark;
11. Other Evidence.

During the litigation stage of the original trial, Haifei submitted the following main evidence to the trial court (evidence number continued):

12. Notarial deeds and notarization documents;
13. Certificate of registration of works;
14. Han Hui Jiaoren company enterprise information;
15. Prior judgments and rulings;
16. Publicity and reporting;
17. National Library Retrieval Report.

The Beijing Intellectual Property Court held that

The focus of the dispute in this case was whether the application for registration of the disputed trademark violated Article 32 of the 2013 Trademark Law, which stipulates that "the trademark has been preemptively registered by others by improper means and has a certain influence". In this case, the evidence submitted by Haifei Company, such as website introduction and Weibo promotion, could prove that it had used the trademark "V7ToningLight" on cream and other goods before the filing date of the disputed trademark and achieved a certain influence. Under the circumstance that "V7ToningLight" is not a fixed word, it is no coincidence that the Disputed Trademark applied for by Han Huijiaoren Company is identical to the mark previously used by Haifei Company, and the cosmetics and other goods approved for the use of the Disputed Trademark are identical or similar to the facial creams and other goods previously used by Haifei Company's logo in terms of function, use, production department, sales channels, consumer objects, etc., and are identical or similar goods. Therefore, the registration of the disputed trademark constitutes a situation referred to in Article 32 of the 2013 Trademark Law on "preemptively registering a trademark that has been used by others and has a certain influence by improper means".

The result of the first-instance judgment

In summary, in accordance with Article 69 of the People's Republic of China Administrative Litigation Law, the Beijing Intellectual Property Court ruled that the litigation claim of Han Huijiaoren Company was rejected.

The appellant alleged

Dissatisfied with the original judgment, Han Huijiaoren Company appealed to this court, requesting that the original judgment be revoked and that the judgment be changed in accordance with the law to support all the claims of Han Huijiaoren Company in the first instance, and the main grounds of appeal are: 1. The use of a trademark in the sense of China's Trademark Law refers to the use of a trademark in China to identify the source of goods, but the trademark of Haifei Company was not actually used in China before the filing date of the disputed trademark, let alone to a certain extent. 2. The registration of the disputed trademark of Han Huijiaoren Company complies with the provisions of the law and also conforms to the principle of good faith, and there is no situation of "preemptively registering by improper means".

The State Intellectual Property Office and Haifei Company obeyed the original judgment.

The court of second instance ascertained

After the trial, it was ascertained that the facts ascertained by the court of first instance were true, and there was evidence in the case such as the trademark file of the disputed trademark, the ruling being sued, the evidence submitted by the parties and the statements of the parties, which were confirmed by this court after examination.

During the second-instance litigation stage, Haifei submitted the following evidentiary materials to this court:

1. Statistics of the number of offline stores of Haifei in China;
2. Audit report of Huanbi Trading (Shanghai) Co., Ltd. (hereinafter referred to as Huanbi Company), an affiliate of Haifei Company, from 2015 to 2018;
3. Statistics on the sales volume and sales volume of Haifei's "V7ToningLight" from 2016 to 2019;
4. Haifei's advertising expenditure statistics from 2015 to 2019;
5. Haifei Asia-Pacific brand image spokesperson contract;
6. Endorsement advertisement of Haifei's Asia-Pacific brand image spokesperson;
7. Four agreements between Haifei's wholly-owned subsidiary in China and Shanghai Qianma Network Technology Co., Ltd. and other outsiders;
8. Pictures of activities held by Haifei and its wholly-owned subsidiaries in China in Shanghai;
9. Double 11 advertisements placed by Haifei and its wholly-owned subsidiaries in China in Kaola;
10. Evidence related to Haifei's "V7ToningLight" winning the 2018 Ruili Beauty Awards;
11. Evidence related to Haifei's rights protection in Shenzhen, Guangzhou and other places from May to August 2018;
12. Statistics of Haifei's export product revenue and advertising expenses;
13. Haifei's case for promoting and promoting the "V7ToningLight" brand and products;
14. Haifei's execution media expenses for "V7ToningLight" from 2015 to 2018;
15. Haifei's advertising expenses related to "V7ToningLight" from 2015 to 2018;
16. Domestic duty-free shop sales statistics of "V7ToningLight" from 2015 to 2018.

The court also investigated: The outer packaging box and bottle decoration of the no-makeup cream and mask sold by Han Huijiaoren Company were similar to the decoration of Haifei's related products.

The above facts are supported by the second-instance evidence submitted by Haifei Company.

The court of second instance held that

The Court is of the view that:

The focus of the dispute in the second instance of this case was whether the registration of the disputed trademark violated Article 32 of the 2013 Trademark Law, which stipulates that "it is not allowed to preemptively register a trademark that has been used by others and has a certain influence by improper means".

Article 32 of the 2013 Trademark Law stipulates that an application for trademark registration shall not infringe upon the existing prior rights of others, nor shall it preemptively register a trademark that has been used by others and has a certain influence by improper means.

The above-mentioned legal provision stipulates that "it is not allowed to preemptively register a trademark that has been used by others and has a certain influence by improper means", which aims to crack down on and curb the preemptive registration of a trademark that has been used by others and has a certain influence, which is also the embodiment of the principle of good faith in the field of trademark law. To determine whether the application for registration of the disputed trademark is "not allowed to preemptively register a trademark that has been used by others and has a certain influence", the following circumstances should be met at the same time: (1) the unregistered trademark has been used before the filing date of the disputed trademark and has a certain influence; (2) the Disputed Trademark and the previously used unregistered trademark constitute identical or similar marks; (3) the goods designated for use by the disputed trademark constitute the same or similar goods as those used in the previously used unregistered trademark; (4) The applicant of the disputed trademark knew or should have known that another person had used the trademark first.

In this case, Haifei applied for the registration of the word trademark "V7ToningLight" on "skin care products, cosmetics" and other goods in Korea on January 8, 2015, and the trademark was registered on July 20, 2015. In mid-February 2015, Haifei completed the first transaction of the "V7ToningLight" product in Korea. According to the evidence such as the case book for Haifei to publicize and promote the "V7ToningLight" brand and products, and the execution media expenses related to "V7ToningLight" from 2015 to 2018, it can be proved that Haifei promoted the "V7ToningLight" brand in Korea online media, airport advertisements and other platforms before the filing date of the disputed trademark. The honor submitted by Haifei in Korea proves that the "V7ToningLight" brand has a certain reputation in Korea before the filing date of the disputed trademark.

Although there is only a few months between the filing date of the Disputed Trademark and the time when Haifei launched and publicized the "V7ToningLight" brand, and most of the above-mentioned evidence provided by Haifei Company on the use and publicity of the "V7ToningLight" trademark was formed outside the territory, in the Internet era, it is more common for consumer groups such as cosmetics to learn about new overseas brands through overseas websites, and to purchase products of overseas hot-selling brands through new marketing models such as purchasing agents, overseas purchases, and outbound duty-free shopping. The comments submitted by Haifei on the Weibo of

beauty bloggers related to the "V7ToningLight" cream and other products can also prove that the relevant consumers in China have a certain degree of understanding and cognition of the "V7ToningLight" cream of Haifei before the filing date of the disputed trademark. At the same time, the following circumstances should be comprehensively considered: 1. Han Huijiaoren Company and Haifei Company are operators in the same industry; In the case that the "V7ToningLight" trademark was a fictitious word, Han Huijiaoren Company applied for registration of the disputed trademark that was completely consistent with the trademark previously used by Haifei Company without giving a reasonable explanation; 3. In the process of actually using the Disputed Trademark, Han Huijiaoren Company had the subjective malice of relying on Haifei's goods, and considering the specific circumstances of this case, it can be determined that Haifei's "V7ToningLight" trademark had been used in China for "cosmetics" goods before the filing date of the Disputed Trademark, and had a certain degree of popularity. All the goods approved for use in the Disputed Trademark, such as "facial cleanser, cosmetics and toothpaste", and the "cosmetics" products previously used by the unregistered trademark "V7ToningLight" of Haifei Company overlapped highly in terms of production departments, sales channels, consumer groups, etc., and constituted the same or similar goods; The Disputed Trademark is identical to the "V7ToningLight" trademark used by Haifei. Therefore, the Disputed Trademark has constituted a situation under the 2013 Trademark Law that "it is not allowed to preemptively register a trademark that has been used by others and has a certain influence by improper means" in all the goods approved for use, and should be declared invalid. The original judgment found that this was correct, and the relevant grounds of appeal of Han Huijiaoren Company could not be sustained, and this court did not support it.

The result of the second-instance judgment

In summary, the original judgment found that the facts were clear, the law was correctly applied, and the procedures were lawful, and should be upheld. Han Huijiaoren's grounds of appeal cannot be sustained, and this court does not support her appeal request. In accordance with Article 89, Paragraph 1, Item 1 of the People's Republic of China Administrative Litigation Law, the judgment is as follows:

The appeal was dismissed and the original judgment was affirmed.

The acceptance fee for the first and second instance cases is 100 yuan each, which shall be borne by Guangzhou Han Hui Jiaoren Cosmetics Co., Ltd. (both have been paid).

This judgment is final.

Presiding Judge Yu Huibin
Adjudicator Zhang Xuan
Judge Wen Handong
May 31, 2023
Assistant Judge Tse Wai-fai
Clerk Liu Qian