

How to obtain damages from the bad faith applicant in China?

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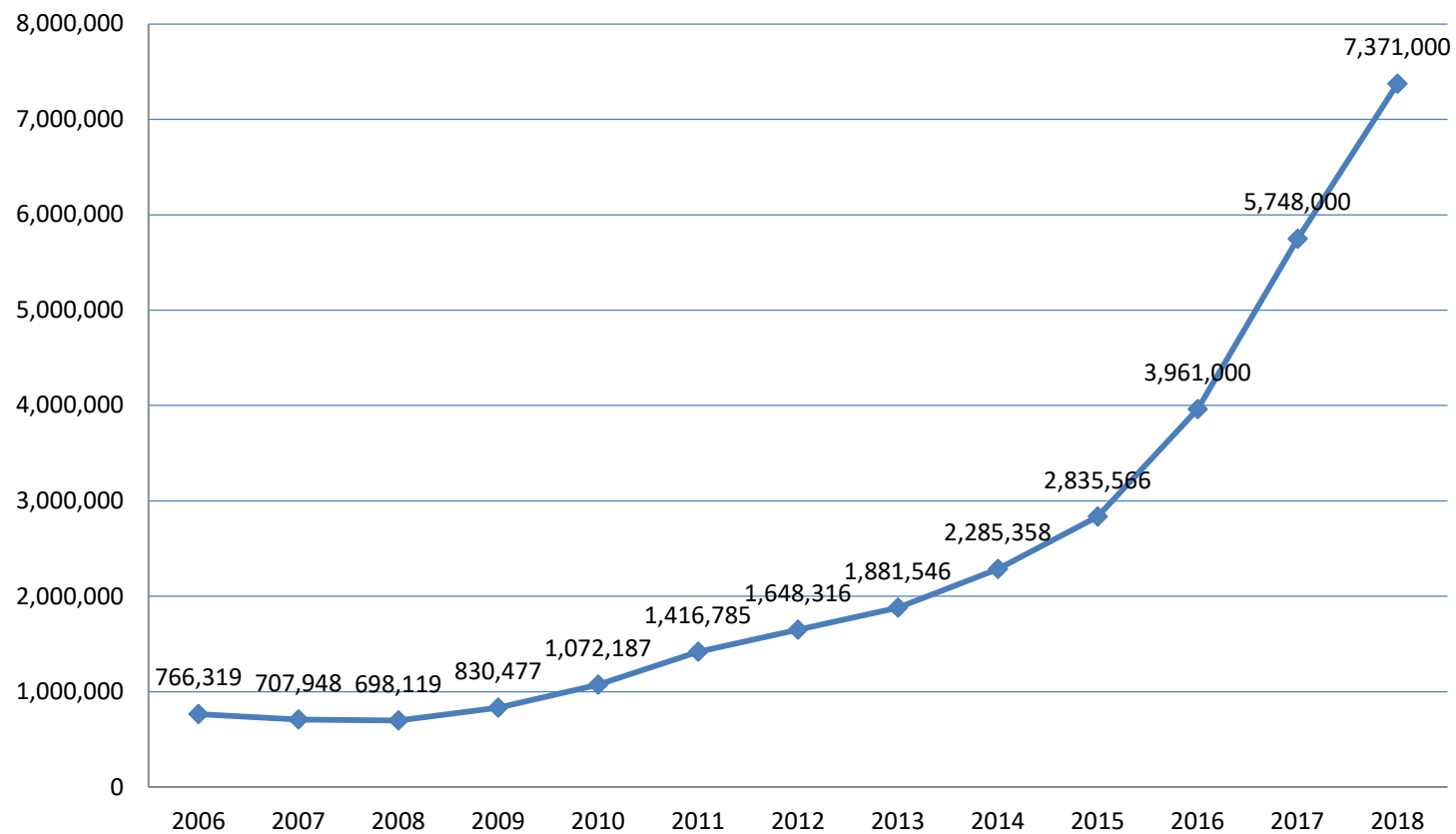


WANHUIDA
万 慧 达

1. Proliferation of bad faith application

Trademark domestic and foreign applications in China (2006-2018)

中国的境内和境外商标申请数据 (2006-2018)



Proliferation of trademarks

4th Revision of the Trademark Law (**April 23, 2019** – Effective November 1st, 2019)

4th revision of the TML

- **Article 4**
 - First draft did not mention bad faith
 - **Problem of coherence with article 49** (revocation for non-use)
 - Defensive trademarks ?
 - Useful, because very difficult to obtain Well-known trademark recognition
 - No bad faith
 - **Introduction of bad faith solved the problem** (no intention to use + bad faith)
- Examiner : difficult to assess bad faith at this stage
 - BUT will ne used for Oppositions and Invalidations
- Quid **retroactivity of the law** ?
 - Possibility to invalidate trademarks filed before November 2019 ?

4th revision of the TML

-Art. 68.4

Punishment against:

-Bad faith application

-Bad faith litigation

Recent cases of SPC

Ellassay歌力思

Retrial 2014 – Guiding case in 2017

UNIQLO优衣库

Retrial 2018 –SPC year case in 2018

In both cases :

- A trademark acquired in **bad faith**
- **Cannot be protected** : claims dismissed
- Trademark eventually invalidated

2. Damages from bad faith applicant

EU Enforcement Directive 2004/48

Recital [26] The aim is not to introduce an obligation to provide for punitive damages but to allow for compensation based on an objective criterion while taking account of the **expenses incurred by the rightholder, such as the costs of identification and research.**

EU Enforcement Directive 2004/48

Article 14

Legal costs

Member States shall ensure **that reasonable and proportionate legal costs and other expenses** incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless **equity** does not allow this.

Case law: United Video Properties, C-57/15, 20160728

In principle, flat-rate is possible

But can not be too low

Significant and appropriate part of the reasonable cost

Direct and close cost, even no fault

EUTMR

Article 109

Costs

1. The losing party in opposition proceedings, proceedings for revocation, proceedings for a declaration of invalidity or appeal proceedings **shall bear the fees paid by the other party**. Without prejudice to Article 146(7), the losing party shall also **bear all costs incurred** by the other party that are essential to the proceedings, including travel and subsistence and the remuneration of a representative within the meaning of Article 120(1), within the limits of the scales set for each category of costs in the implementing act to be adopted in accordance with paragraph 2 of this Article. The fees to be borne by the losing party shall be limited to the fees paid by the other party for opposition, for an application for revocation or for a declaration of invalidity of the EU trade mark and for appeal.

EUTMIR 2018/626

Article 18 Maximum rate for costs

Opposition 300 euro

Revocation or invalidity 450 euro

Appeal 550 euro

Oral proceeding +400 euro

Hong Kong Trademark Rules

85

Taxation of costs

(Fee No. 27)

(1)

The Registrar shall have the power to tax any costs awarded by him in any proceedings before him.

(2)

In the event of an opposition to the registration of a trade mark being uncontested by the applicant for registration, the Registrar in deciding whether costs should be awarded to the opponent shall consider whether proceedings might have been avoided if reasonable notice had been given by the opponent to the applicant before the notice of opposition was filed.

Hong Kong Trademark Rules

Fee No. 27

Taxation of bill of costs under rule 85

\$450 for the first \$15,000 of the amount claimed

plus \$3 for every \$100 or fraction of \$100 of the amount claimed above \$15,000

China: Administrative Procedure Law

Art.61

Civil action relevant to administrative action

行政附带民事诉讼

简便、快捷、高效

Same fact, same determination

同一事实、同一定性

China Reasonable expenses

TML A.63.1

Reasonable expenses for stopping the infringing act

JI 2002 A.17

Reasonable expenses in investigating and collecting evidence

Attorney fees

China: case law

1. Company name

Golden Mantis金螳螂 20180417

Delixi德力西

2. Trademark

香港某珠宝店

THANK YOU !



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