Valid Proofs of Prior Copyright in Cases Involving the Authorization and Determination of Trademark Rights

[Jiaquan IP Law]

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The legal basis and judging standard for evidence of prior copyright in administrative cases - involving the authorization and determination of trademark rights - is explicitly stipulated in Article 19 of the *Interpretation of the Supreme People's Court on Several Issues Concerning the Trial of Administrative Cases Involving the Authorization and Determination of Trademark Rights*. The Supreme People's Court promulgated this on January 10, 2017.

Prior copyright is one of the most commonly used and effective claims in trademark opposition and invalidation cases. When carrying out international trade, people (especially foreign applicants) usually communicate by phone or emails. Documents associated with transactions, in most cases, are in English language, outside China, and without an official seal affixed or a signature signed with a third-party witness.

Foreign parties often find it difficult to prove, with an effective evidence chain, their relationship of agency/representative or if the trademark is already in use and has certain reputation, not to mention if the trademark is famous. Relatively speaking, trademarks of foreign applicants are often originally designed, which can be viewed as a work protected by the China Copyright Law; while effective evidence for copyright is relatively easy to collect. More importantly, the protection of a copyright is not limited by territory: work designed outside China can be direct evidence for prior copyright claimed in China. Hence, compared with other grounds, claiming prior copyright in trademark opposition and invalidation cases can often obtain twice the result with half the effort.

Prior copyright is the major argument in one of the trademark invalidation cases we handled recently. In the administrative proceeding, the Trademark Review and Adjudication Board (TRAB) considered that the filed evidence was inadmissible; the Court, however, had accepted the same evidence in the legal proceeding. It appears that the Court and the trademark administrative authorities have different standards as to the determination of prior copyright. Hereafter, we will dissect the above case and expound on the questions about valid proofs of prior copyright on the provisions of China Trademark Law and Copyright Law and the new judicial interpretation.

Case review

The petitioner, ** Sweden AB (hereinafter Sweden AB), is a Swedish company specialized in design, manufacture and sales of kayaks with a core brand ("kayaks with logo").

In January 2015, Sweden AB discovered that one of its Chinese distributors in Shanghai (hereinafter Shanghai Company) registered a trademark in China using an identical logo designating goods such as "boats, oars, and disengaging gear for boats" etc. without its permission. Sweden AB then filed a

petition of invalidation against the said trademark on the ground of prior copyright infringement.

The application date of the trademark in dispute is May 31, 2012. Sweden AB provided the following evidence to support its argument:

(1) Certificate of Registration of its Swedish trademark: The application date was February 16, 1996 and the registration date was September 27, 1996. The Swedish trademark, designating goods "kayak" etc., is identical to the graphic element of the trademark in dispute.

(2) The magazine 'Outside': Published in May 2011 in Mainland China, Sweden AB ran an ad in the magazine for its kayak products with the logo appeared on the products.

(3) Emails between Sweden AB and Shanghai Company in September 2013. In the emails, Shanghai Company asked Sweden AB to provide information about the kayak products.

(4) Notarial certificate of Shanghai Company's website accomplished in March 2015. It explicitly set out in the website that "we are professional on selling kayak products of **(the petitioner)".

(5) **Copyright Registration Certificate**: issued by the National Copyright Administration of the PRC (the NCAC) in March 2015, which indicates that the author is Sweden AB and the creation date of the work is 1 February 1996. The design of the work is identical with the graphic element of the trademark in dispute.

Here below are the comments of the TRAB in the administrative proceeding:

In this case, Evidence 1 can only prove the belonging of the Swedish trademark. In the absence of other proof, a presumption based on Evidence 4 that the Registrant (Shanghai Company) filed the trademark in bad faith shall not be allowed. While the first publication date indicated in Evidence 5 is earlier than the application date of the trademark in dispute, the registration date of copyright is later than that of the trademark in dispute, thus Evidence 5 does not testify that the Petitioner (Sweden AB) enjoys prior copyright. In the absence of other proof, Evidence 2 is not sufficient to prove that prior to the application date of the trademark in dispute, the Petitioner has used an identical or similar trademark on similar goods such as "boats" etc. in Mainland China and enjoyed a certain reputation. All of this evidence will not be sufficient to conclude that prior to the application date of the trademark in dispute, the Petitioner has used "kayaks with logo" of some reputation as a trademark or trade name on similar goods such as "motorboats, boats" etc.

Sweden AB further appealed to the Beijing IP Court. The following comments are based on the above evidence from the Court, discussing the aspects, which shall be used to determine whether the Plaintiff (Sweden AB) enjoys prior copyright of the boat-shaped work:

(1) Whether the China Copyright Law protects the boat-shaped work. Article 3 of the Copyright Law of the People's Republic of China states that "F*or the purpose of this Law, the term "works" includes works of literature, art, natural science, social science, engineering technology and the like which are created in the following forms… (4) Works of fine art and photographic works…*". The boat-shaped work involved with the previously mentioned Copyright Registration Certificate and Trademark Registration Certificate has originality and belongs to works of fine art prescribed by the Copyright Law. Therefore, it should be under the protection of the Copyright Law.

(2) Whether the Plaintiff enjoys the copyright of the

boat- shaped work. Article 11 of the Copyright Law prescribes that "*Except where otherwise provided in this Law, the copyright in a work shall belong to its author… The citizen, legal person or entity without legal personality whose name is indicated on a work shall, in the absence of proof to the contrary, be deemed to be the author of the work.*" Therefore, we are of the opinion that, in the absence of proof to the contrary, both the Copyright Registration Certificate and the Swedish Trademark Registration Certificate can prove that the Plaintiff, whose name is indicated on the work, owns the copyright of the work. It stipulates in Article 7 of the *Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Laws in the Trial of Cases Involving Copyright Disputes that "The manuscripts, originals, legal publications, copyright registration certificates, certificates issued by authorities and contracts for obtaining rights etc. presented by the parties can be served as proofs of copyright.*" Although the previously mentioned Interpretation was directed towards civil cases, we hold that it also applies to administrative cases. Viewing from the name indicated on the work as well as the burden of proof, the Copyright Registration Certificate filed by the Plaintiff could be taken as evidence that the Plaintiff enjoys the copyright of the work involved with this case.

(3) Whether the Plaintiff enjoyed the copyright of the work before the third party (Shanghai Company) filed a registration application for the trademark in dispute. Article 10 (1) of the Copyright Law provided that "*the right of publication, that is, the right to decide whether to make a work available to the public*." Publication is an act making a work available to the public according to the Copyright Law. Therefore, we consider, the act that the Plaintiff applying for registration of the boat-shaped work in Sweden shall be deemed as an act making the work available to the public. The first publication date of the work shall be no later than the Swedish trademark registration date September 27, 1996, which meets well with the first publication date March 1, 1996 as indicated in the Chinese Copyright Registration Certificate. We may determine that the first publication date of the work is no later than September 27, 1996. There are errors in affirming facts and applying laws in the appealed Decision issued by the Defendant (TRAB) that copyright of the work was obtained upon registration, which violates the corresponding legal stipulations and therefore should be corrected.

Of the above opinions, we support the Court's opinion, which has a relatively more accurate understanding of the applicable regulations of the Trademark Law and Copyright Law. Violation against any of the situations described in the two sentences in Article 32 shall prevent the trademark in dispute from registration.

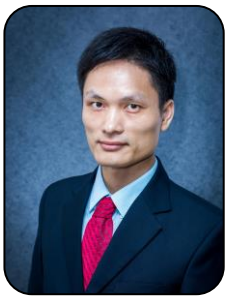
"The prior right of another person" provided in the first sentence refers to a legal right formed before the application date of the trademark in dispute, while the act of registering the trademark has constituted infringement. Copyright is protected by the Copyright Law and meets the requirement of the previously mentioned "prior right". It should be legally protected without a prerequisite "of some reputation".

According to Article 9 of the *Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Laws in the Trial of Cases Involving Copyright Disputes*, "publication" demands to make the work available to unspecified public, but awareness of the public is not a necessary condition. While a foreign trademark registration certificate's primary use is to

verify the trademark right, it is also evidence of publication in the sense of Copyright Law. The owner of the foreign trademark shall be deemed the interested party of the work and has the right to initiate invalidation proceedings against the trademarks, which infringe any of its copyrights. A registered trademark has been published to unspecified public through inevitable publication procedures. Any person is likely to be informed of the logo or work of art. Therefore, foreign trademark registration certificate that formerly exist is sufficient to determine the copyright, even there is no other supporting evidence.

Finally, we put forward our views about the rest of evidence, which were not commented on by the Court. Evidence 2 is a valid proof of the logo being published in Mainland China; therefore, it can be presumed that the relevant public in Mainland China has had an opportunity to get access to the work. It will become a key evidence for affirming the earlier copyright in the absent of the earlier Swedish Trademark Certificate. Evidences 3 and 4 increase the possibility that the Registrant of the trademark in dispute had got access to the work and registered the mark maliciously, which help the examiner or the judge to make judgments.

From what we have mentioned above, if an invalidation action against a trademark is filed, grounding on prior copyright, then documents like foreign trademark registration certificate, newspapers or magazines which are issued prior to the application date of the trademark in dispute, can be served as valid proof of prior copyright. Of course, if the petitioner holds the Copyright Registration Certificate which was issued prior to the application date of the trademark in dispute, the determination of trademark right will become simpler.



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Mr. Zio Zhihao Deng has wide-ranging experience in prosecuting, enforcing, and litigating complex Chinese intellectual property matters encompassing the spectrum of trademark, patent, copyright and domain names. He advises a number of multi-national corporations, assisting them in acquiring and defending their most-vital intellectual properties.

After graduating from Huazhong University of Science and Technology with a double major in mechanical engineering and law, Deng joined Jiaquan in 2007 as a patent engineer with a focus on patent prosecution. He passed the Chinese Bar Examination in 2012 and then also began handling trademark prosecution. In 2014, he passed the Chinese Patent Attorney Examination and has since turned his attention to the patent and trademark enforcement and litigation.

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