

Lawsuit Updates

Zuimei: Registered Trademark Right v. Enterprise Name Right

First-instance court: Xi'an City Intermediate People's Court

Case No.: Ximinsichuzi 279/2009

Second-instance court: Shaanxi Province

Higher People's Court

Case No.: Shaanminsanzhongzi 74/2009

Incorporated on 19 November 2002, the Shanghai Zuimei Catering Management Co., Ltd. (Zuimei) was granted, in March 2005, registration of the "Zuimei" mark (Registration No. 3504819) used in services in class 43, such as bar, hotel, restaurant, café, mobile food provision, banquet preparation and buffet.

Prior to the present case, Zuimei once sued, respectively in 2005 and 2006, the Chongqing Zuimei Catering Co., Ltd. in Chongqing City and the Ningbo Jiangdong Zuimei Catering Co., Ltd. in Zhejiang Province for infringement by their conspicuous use of the Chinese characters "醉美" (pronounced as "zui mei"). Zuimei won the two cases.

Incorporated on 20 August 1995, the Xi'an Jinri Catering & Entertainments Co., Ltd. (Jinri) started the Jinri Zuimei Branch on 17 May 2007. In 2009, Zuimei sued Jinri and Jinri Zuimei Branch on the ground that Jinri and the Jinri Zuimei Branch conspicuously used, without authorisation, the word "Zuimei" of the registered mark, and their use constituted an infringement of its trademark right and unfair competition. Jinri and the Jinri Zuimei Branch argued that their fair use of their lawfully registered enterprise name and inconspicuous use of the word "Zuimei" did not constitute an infringement, nor unfair competition.

The first-instance court concluded that the present case involved a dispute arising from conflict between the trademark right and the enterprise name right. In respect of infringement of registered trademark right of the nature, the elements should exist simultaneously where words used in the enterprise name and registered mark were identical or similar, they were conspicuously used in respect of identical



or similar goods or services, and there was likelihood of confusion on the part of the relevant sector of the public. By conspicuous use was meant that the trade name identical with or similar to the registered mark was separated from an enterprise name and was used conspicuously by way of altering its font, size or colour. In the present case, Jinri and the Jinri Zuimei Branch put the phrases "Jinri Zuimei" and "Jinri Zuimei Fashion Restaurant" on the plaque at the gate of their business venue and advertisement on the outside of buildings; the four Chinese characters "Jinri Zuimei" were written in identical size, colour and font, and the characters "Zuimei" were not conspicuously used, but in a normal and simplified way of using the trade name of an enterprise name. Besides, "Jinri Zuimei" was somewhat different from "Zuimei" in the number of Chinese characters and meaning. Where Zuimei's registered mark "Zuimei" had not been registered long, its business activities had long been in a loss, and it never engaged in any promotion and operational activities, the mark was not well received by consumers in Xi'an city, nor would the relevant sector of the public associate the Jinri Zuimei Branch with Zuimei in such a way as to cause confusion. Accordingly, the first-instance court decided, in August 2009, to have rejected Zuimei's litigant claims.

Dissatisfied with the decision, Zuimei appealed, and the second-instance court rejected the appeal and maintained the former decision on substantially the same grounds. ■

"QIANLIEKANG" Established as a Well-known Mark, but Not Protected as Such

First-instance court:

Chongqing No. 5 Intermediate People's Court

Case No.: Yuwuzhongfaminchuzi 245/2009

The Zhejiang Conba Pharmaceutical Co., Ltd. (Conba) is the proprietor of the registered mark "QIANLIEKANG", a mark that was established as a famous mark in 2001 in Zhejiang Province, and as a well-known mark in a lawsuit in 2005. Conba makes and markets the "QIANLIEKANG" brand Pulean pills for over 20 years in the market of more than 20 provinces, Macao, Hong Kong in China and South-east Asia. In 2009, Conba sued two businesses in Hubei and Chongqing for making and marketing "Beishengyuan Qian-

liekang soft capsules and for infringing its exclusive right to use the registered mark in suit, claiming that the two defendants cease the infringement and paying for the damages at the amount of RMB 400,000 yuan.

In the case, Conba claimed protection for the word marks “QIANLIEKANG” (Nos. 1312716, 545266, and 331581) used in respect of medicines for human use and nutritious foodstuff for medical use in class 5, coffee, bee honey, and syrup in class 30, and special flower powder pills and capsule in class 31.

The trial court focused its examination on whether the allegedly infringing “Beishengyuan Qianliekang soft capsules” were similar to the goods in respect of which the marks “QIANLIEKANG” was used. The court concluded that while on the package of the allegedly infringing products marketed by Quanxing Company were indicated the words of “Health Food”, on the pamphlets of the products was highlighted the prominent effect of curing prostate gland dysfunction. Besides, said products were made available in chain drugstores, and the word “Qianliekang” was used as the name of the drug. Judged by the common understanding of the average consumers, they were the same as a drug in terms of function and sites of sales, and goods similar to nutritious foodstuff for medical use in class 5, and was likely to cause confusion on the part of the average consumers.

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Conspicuous use of the word “QIANLIEKANG” identical with Conba’s registered mark on the packages of the allegedly infringing products was likely to cause confusion on the part of the relevant sector of the public. Therefore, the defendant’s act of marketing the allegedly infringing products constituted an infringement of the word mark “QIANLIEKANG” (Registration No. 1312716) used in class 5.

Regarding the plaintiff’s claim for protection of the word marks “QIANLIEKANG” (Registration Nos. 545266 and 331581), the court took the view that since the goods in respect of which the marks were used were different from the allegedly infringing nutritious foodstuff marketed by the defendant in class, and the use was unlikely to cause confusion on the part of the average consumers. Accordingly, the defendant’s act of marketing the allegedly infringing products was not found infringing Conba’s word marks “QIANLIEKANG” (Registration Nos. 545266 and 331581).

In December 2009, the court made the judgment, ordering the two defendants to cease and desist from the infringement and pay damages at the amount of RMB 100,000 yuan. ■

(Xiao Hai)