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Zhejiang Province Foodstuff Co., Ltd. v. Trademark Office

Citation: The Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 00162/2005

Date of judgment: May 18, 2005

Procedural history

The Zhejiang Province Foodstuff Co., Ltd. (ZFC) sued in the Beijing No. 1 Intermediate People's Court, alleging that the Trademark Office's Reply (No. Shanbiaoanzi 64/2004) on the Issue of Fair Use of the Word "Jinhua Ham" infringed its prior trademark right. It was decided in the first-instance judgment that the Trademark Office's Reply was not contrary to the law. The ZFC appealed to the Beijing Higher People's Court.

Issue

Whether non-conspicuous use of the geographical name of another party's registered mark was a fair use?

Facts

In October 1979, the "Jinhua Ham" mark (No. 130131) was registered. In 1983, the Trademark Office approved the change of the name of the mark registrant into the ZFC. In the Trademark Office's Register of Marks, the title of the registered mark was "Jinhua" and the device of the mark was "Jinhua Ham (arranged in a square)".

In 2002, the State General Administration for Quality Supervision, Inspection and Quarantine accorded the Jinhua Ham the protection of product made in the region of origin, covering, as approved, the administrative division of 15 counties and cities (districts). In 2003, the State General

Administration for Quality Supervision, Inspection and Quarantine published the recordal of the registration of 55 enterprises, such as the Changshan County Ham Corporation and Zhejiang Province, which had applied for use of the special sign of the region of origin of Jinhua Ham.

On September 24, 2003, the Zhejiang Province Administration for Industry and Commerce reported to the Trademark Office for direction on the issue of fair use of the “Jinhua Ham” involved in the trademark infringement dispute between the ZFC and the Jinhua Ham manufacturers in Jinhua City. In reply, the Trademark Office noted that ZFC’s exclusive right to use the registered mark of “Jinhua Ham” was protected under the law. The “Jinhua Special Ham”, “xx (mark) Jinhua Ham”, and “Jinhua xx (mark) Ham” were all the forms of fair use mentioned in Article 49 of the Regulations for the Implementation of the Trademark Law. Besides, in practical use, the characters in these forms of fair use should be arranged in the same way in identical typeface, size and color. The characters part of “Jinhua Ham” should not be highlighted.

It was decided in the first-instance judgment that the ZFC enjoyed the exclusive right to use the registered “Jinhua Ham”; under Article 49 of the Regulations for the Implementation of the Trademark Law, if a mark consisted of a geographical name, the proprietor of the exclusive right to use the registered trademark should have no right to prohibit the fair use thereof by another person. It was not undue for the Trademark Office to have made the requirement, in its Reply, as to the way of fair or due use of the characters “Jinhua Ham”, which had set it apart from the registered mark of ZFC in practical use.

Rule of law

Rule 49 of the Regulations for the Implementation of the Trademark Law as of 2002 Where a registered trademark consists of the generic name, design or model of the goods in question, or directly shows the quality, main raw materials, functions, intended purposes, weight, quantity or other characteristics of the goods in question, or consists of geographical names, the proprietor of the exclusive right to use the registered trademark shall have no right to prohibit the fair use thereof by another person.

Reasoning

The ZFC's registered mark was "Jinhua Ham", in which "Jinhua" was the geographical name of an administrative division at or above the county level. The "Jinhua Ham" had the character or meaning of the geographical indication, but the mark the plaintiff held was registered before the amendment made to the Trademark Law, so it remained valid. Under the pertinent provisions of the Trademark Law and the Regulations for the Implementation of the Trademark Law, where a registered trademark consisted of the generic name, design or model of the goods in question, or directly showed the quality, main raw materials, functions, intended purposes, weight, quantity or other characteristics of the goods in question, or consisted of geographical names, the proprietor of the exclusive right to use the registered trademark should have no right to prohibit the fair use thereof by another person. Since "Jinhua Ham" in the ZFC's registered "Jinhua Ham" mark was a geographical name, and the "ham" therein was a generic name of the goods, other parties had the right to duly sue them; in its reply, the Trademark Office duly defined the principles and line of demarcation of the three modes of the due use of the term "Jinhua Ham", and specifically required that practical use, the characters in these forms of fair use should be arranged in the same way in identical typeface, size and color. The characters part of "Jinhua Ham" should not be conspicuously used. The requirement made it possible for the use to be distinguished from the ZFC's registered mark, and was not conflict with the principle of protecting the exclusive right to use a registered mark under the Trademark Law.

Holding

For historical reasons, the word part of the early registered mark "Jinhua Ham" was merely composed of a geographical name and a commodity name. The registration remained valid, but the registered mark proprietor did not have the right to prohibit other parties from fair or due use of said geographical name and commodity name.