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## Trademark Review and Adjudication Board, et al. v. Yi'an Trading Corporation

*Citation: The Beijing Higher People's Court's Administrative Judgment No. Gaoxingzhongzi 00201/2005*

*Date of judgment: June 20, 2005*

### **Procedural history**

The Longyan Cigarette Plant (Longyan) raised opposition, with the Trademark Office, to the application filed by the Yi'an Trading Corporation (Yi'an) for the registration of its trademark upon the preliminary examination and publication thereof; the Trademark Office decided that the ground for the opposition was tenable. Dissatisfied, Yi'an requested the Trademark Review and Adjudication Board (TRAB) for review and adjudication, and the TRAB upheld the Trademark Office's decision. Yi'an then sued in the Beijing No. 1 Intermediate People's Court, which, in its first-instance judgment, decided to have vacated the TRAB's adjudication. The TRAB and Longyan both appealed to the Beijing Higher People's Court.

### **Issue**

Whether words used in publicity of a brand was the prior use as defined in Article 31 of the Trademark Law?

### **Facts**

On February 13, 1999, Yi'an filed an application for registration of the trademark "Dancing with the wolf and the device" (No. 1478896) to be used in goods in class 34, such as cigarettes and cigars. Said mark was composed of a running wolf and the Chinese characters meaning "dancing with the wolf" within a square frame.

Upon the preliminary examination and publication of said mark, Longyan filed an opposition thereto, arguing that, from 1997, it began to use the phrase “Dancing with the wolf to show heroic character” in its advertisement on TV or in its other non-advertising publicities. Yi’an preemptively obtained the registration of the mark which it had put to use earlier and had had certain influence.

In its Reexamination Decision of Opposition, the TRAB held that Longyan began to use the main phrase “Dancing with the wolf to show heroic character” to advertise its brand; said phrase used in cigarettes had become relatively reputable; on seeing the phrase in the goods of cigarettes, consumers would associate Longyan with its cigarette products. For this reason, said phrase had functioned to indicate the source of the goods. Yi’an’s act of applying for registration of the mark in question while knowing Longyan’s prior use thereof was contrary to the provision of Article 31 of the Trademark Law.

In the first-instance judgment, it was held that the trademark that was already in use and had certain influence referred to in Article 31 of the Trademark Law should be one used in a manner not prohibited by law, otherwise, it could not be posed against another party’s application for registration thereof. Under the Advertisement Law, it was prohibited to put on any advertisement for tobacco in radio broadcast, in motion pictures, on TV, and in the press. If Longyan’s advertisement was expressly directed to cigarette goods, it was in violation of the Advertisement Law; if it did not expressly indicate the goods referred to, it could not be posed against another party’s later registration for use in goods, such as cigarettes. Therefore, the evidence Longyan adduced could not prove that the phrase “Dancing with the wolf” used to advertise its brand was the advertisement phrase that was already in use and had certain influence, and not, meanwhile, prohibited under the law.

The TRAB appealed, arguing that Longyan’s “Dancing with the wolf” commercial on TV should be deemed to be one for brand with an implied meaning, and should not be simply determined as a tobacco advertisement. Its non-advertising publicity should be regarded as legitimate use, which, under the circumstance of non-violation of the law and having no adverse effect on the society, would exert a gradual and imperceptible influence of the publicity on the part of the relevant sec-

tor of consumers in respect of the tobacco industry.

### **Rule of law**

Article 31 of the Trademark Law *No trademark application shall infringe another party's existing prior rights. Nor shall an applicant register in an unfair means a mark that is already in use by another party and has certain influence.*

Article 18 of the Advertisement Law *It is prohibited to publish advertisements for tobacco in radio broadcast, in motion pictures, on TV, and in the press. It is prohibited to put up advertisements for tobacco at the public places or venues, such as waiting rooms, cinemas, theaters, conference halls, stadiums and gymnasiums.*

### **Reasoning**

“A mark that is already in use by another party and has certain influence” mentioned in Article 31 of the Trademark Law referred to the mark that another party had practically used in its production and business activities, wherein, the “use” should be practical use, and the “trademark” a sign functioning to distinguish the source of goods, and was actually used in goods. The mark in suit was composed of three portions: the wolf device, the phrase “Dancing with the wolf” and the square frame; “Dancing with the wolf” was the phrase of publicity Longyan used in its TV commercials and other non-advertisement publicity from 1997; it was not used on the package of the “Seven Wolves” brand cigarettes, so it should not be deemed to be the mark practically used in “Seven Wolves” brand cigarette goods; although the wolf device was similar to the one that Longyan began to use on the package of “Seven Wolves” brand cigarettes from 1995, Longyan's wolf device was not registered, nor preliminarily examined, so should not be protected under Article 28 of the Trademark Law, nor could serve as the ground to refuse the mark in suit.

### **Holding**

The publicity phrase “Dancing with the wolf” and the wolf device the Longyan used to publicize its brand was not the prior use as defined in Article 31 of the Trademark Law.