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## CITIC Group v. Tianjin Zhongxin Real Estate Co., Ltd.

*Citation: The Tianjin Higher People's Court's Civil Judgment No. Jinggaominsanzhongzi 21/2006*

*Date of judgment: September 21, 2006*

### **Procedural history**

The CITIC Group (CITIC) (the two Chinese characters for CITIC were pronounced “zhong xin”) sued, in the Tianjin City No.1 Intermediate People’s Court, the Tianjin Zhongxin Real Estate Co., Ltd. (Tianjin Zhongxin) for trademark infringement and unfair competition. It was decided in the first-instant judgment that Tianjin Zhongxin immediately cease and desist from its act of using the representation of the CITIC’s well-known “Zhongxin” mark, and use its enterprise name in full. The CITIC appealed to the Tianjin Higher People’s Court.

### **Issue**

Whether use of words that were identical with another party’s well-know mark in one’s enterprise name constituted an infringement.

### **Facts**

The CITIC was incorporated in 1979, and it was granted the registration of “Zhongxin” or “CITIC” mark to be used in respect of financial services; said mark was established as well known by the Trademark Office in 1999. The CITIC’s business mainly covered financial services provision, real estate development, information industry, infrastructure construction, industrial and commercial investment, and other services. Meanwhile, most of its exclusively owned corporations or holding companies used the Chinese characters “Zhongxi” in their corporate names to indicate their affiliation with the CITIC.

Tianjin Zhongxi was set up in 2004 upon registration, with its business covering real estate development and brokerage, and property management; it extensively used the name or the abbreviated form of “Zhongxin” in its business projects and activities, such as in the Zhongxin Square, Zhongxin Real Estate, Zhongxin Mingdu Commercial Building and Zhongxin Food Plaza.

The first instance court took the view that the “Zhongxin” mark was once established as a well-known mark, and the fact was not opposed to by Tianjin Zhongxin; hence said mark should be protected as such in the present case; Tianjin Zhongxin had lawfully obtained the registration of its right in enterprise name, but its use of the simplified form of its enterprise name had infringed the CITIC’s exclusive trademark right. Accordingly, the court decided that Tianjin Zhongxin cease and desist from using the “Zhongxin” representation, and use its enterprise name in full.

The CITIC requested in its appeal to order the Tianjin Zhongxin to cease and desist from using the Chinese characters “Zhongxin” sign in its enterprise name.

### **Rule of law**

Article 52 of the Trademark Law *Any of the following acts shall be an infringement of the exclusive right to use a registered trademark: ... (5) causing, in other respects, prejudice to the exclusive right of another person to use a registered trademark.*

Article 1 of the Supreme People's Court's Interpretation of Several Issues Relating to Application of Law to Trial of Cases of Civil Disputes over Trademarks *Following acts are acts under Article 52 (5) of the Trademark Law that cause, in other respects, prejudice to the exclusive right of others to use registered trademarks:*

*(1) Conspicuously using lexical items identical with or similar to another person's registered trademark as one's own enterprise name in respect of identical or similar goods, which is easy to cause confusion on the part of the relevant public;*

*(2) Reproducing, imitating and translating another person's registered well-known mark or the main part thereof to be used in respect of non-identical or dissimilar goods as a trademark to mislead the public, which is likely to cause prejudice to the interests of the well-known mark registrant; ...*

Article 13 of the Provisions for the Establishment and Protection of Well-known Trademarks issued by the State Administration for Industry and Commerce *An interested party who believes that another party has registered his or its well-known mark as an enterprise name, which is likely to deceive or mislead the public, may apply to the competent authority for the registration of enterprise names for cancellation of the registration of said enterprise name. The competent authority for the registration of enterprise names shall deal with the matter in accordance with the Provisions for the Administration of the Registration of Enterprise Names.*

### **Reasoning**

In the present case, “Zhongxin” (or “CITIC” in English) mark was protected as a well-known mark. Either Tianjin Zhongxin’s conspicuous use of the Chinese characters identical with those used in the CITIC’s registered mark as its corporate trade name or its unauthorized use of the Chinese characters “Zhongxin” in respect of non-identical or dissimilar goods was likely to mislead the public, causing the relevant sector of the public to wrongly believe that Tianjin Zhongxin was associated with the CITIC, or create confusion about the source of the goods and service, thus causing possible prejudice to the interests of the CITIC. For this reason, Tianjin Zhongxin’s act of using the Chinese characters identical with those in another party’s well-known mark in its own enterprise name constituted trademark infringement, and should be stopped under the law. The first-instance judgment was made with somewhat undue application of law. The “Zhongxin” well-known mark should be adequately protected.

### **Holding**

Tianjin Zhongxin should immediately cease its infringement of the CITIC’s registered “Zhongxin” mark, and change its enterprise name and names of commercial facilities and projects containing the Chinese characters “Zhongxin”, and the word “Zhongxin” should not be used in the enterprise name.