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Shishi Jiaxiang Foodstuff Co., Ltd. et al. v. Zhangzhou City Zhongyifan Foodstuff Co., Ltd.

Citation: The Supreme People's Court's Civil Judgment No. Zhizhongzi 1/2000

Date of judgment: May 10, 2000

Procedural history

The Zhangzhou City Zhongyifan Foodstuff Co., Ltd. (Zhongyifan) sued, in the Fujian Province Higher People's Court, the Shishi Jiaxiang Foodstuff Co., Ltd. (Jiaxiang), the Fujian Province Shishi City Huaxiang Foodstuff Co., Ltd (Huaxiang) and the Shishi Dexiang Foodstuff Co., Ltd. (Dexiang) for infringement of its exclusive right to use its registered mark. Dissatisfied with the first-instance judgment, Jiaxiang, Huaxiang and Dexiang appealed to the Supreme People's Court.

Issue

Whether the holder of an unregistered trademark could pose its prior used mark against a later registered mark

Facts

In 1995, Jiaxiang began to use "Niuniu" as the commodity name of the dilated food it made, and was granted, on April 21, 1996, the registration of the word mark "Niuniule" to be used in respect of goods in class 30, such as candy, bread and cake. Later, Jiaxiang, Huaxiang and Dexiang used "Niuniu" as commodity name, with the sign of registered trademark "®" attached, on the package of their products for the jointly made dilated food "Niuniu Series Food Gift Pack" and "Wenbo Series Food Gift Pack".

The Zhongyifan filed an application, on January 13, 1998, and was granted, on August 21, 1998,

the Certificate of Registration of the “Niuniu” Mark (No. 1200997) issued by the Trademark Office.

On February 7, 1999, the Zhongyifan sued Jiaxiang, Huaxiang and Dexiang for infringement of its exclusive right to use the registered mark. Upon hearing the case, the first-instance court held that Jiaxiang, Huaxiang and Dexiang used, without authorization from the registrant of the mark, a mark identical with the “Niuniu” registered mark on the goods of the same class, and infringed the plaintiff’s exclusive right to use the registered trademark, so should be held liable therefor. Although using “Niuniu” as a commodity name first, Jiaxiang did not apply for registration of it as a mark. Now, another party had been granted the registration of “Niuniu” as a trademark, the trademark right should be the first to be protected under the law. Jiaxiang’s counterclaim that it had the prior right in the “Niuniu” mark was not tenable.

In the course of the first-instance trial, Jiaxiang requested the Trademark Review and Adjudication Board (TRAB) to cancel the “Niuniu” mark registered by unfair means. In the course of the second-instance trial, the TRAB made the final Adjudication (No. Shangpingzi 3826/1999) on Registration of the “Niuniu” mark by Unfair Means, holding that the “Niuniu” Mark was distinctive enough to indicate the food the registrant produced and which was reputable to an extent; Zhongyifan’s act had constituted one of registration of a mark imitating another party’s somewhat reputable mark. It was decided to have cancelled the registration of the “Niuniu” mark (No. 1200997).

Rule of law

Article 25, paragraph five, of the Regulations for the Implementation of the Trademark Law *Where a registered trademark has been cancelled under Article 27, paragraphs one and two, of the Trademark Law, the exclusive right to use said mark shall be deemed not to have existed from the beginning.*

Reasoning

The first-instance judgment was made before the TRAB made its adjudication on the registration of the mark by unfair means. According to the TRAB’s Adjudication, the registered “Niuniu”