

China: Infringement Liability with a Registered Trademark

Ms. Haiyu Li, Lawyer and Partner of Chofn IP

The Intermediate People's Court of Foshan City recently published its judgment on a trademark infringement dispute between Foshan Flying Deer Ceiling Fan Factory (the plaintiff) and Guangdong Flying Deer Electric Appliance Co., Ltd. (the defendant). This ruling clarifies whether the use of a registered trademark before it is invalidated constitutes infringement.

According to the ruling, a later invalidated trademark registration provides no rights or defenses to the owner in an infringement action. That former registrant may be liable for trademark infringement for the lifetime of the invalidated trademark registration, irrespective of whether the infringing conduct occurred before or after the date of the invalidation decision.

The defendant established its business in 2003 and adopted the trade name FLYING DEER in Chinese characters and registered the design mark



“” (registration no. 9575197) for “fans [air-conditioning], etc.” in 2012. That trademark registration was subsequently invalidated in September 2019 by Foshan Dongyuan Household Electrical Appliance Management Co., Ltd. (Foshan Dongyuan). Foshan Dongyuan is the owner of a trademark

registration for the mark “”, FLYING DEER in Chinese characters, as well as the logo design (registration no. 307540) for “electric fans, etc.” registered in 1998. That invalidation action was granted on grounds of being similar to Foshan Dongyuan's prior registered marks.

The plaintiff in the infringement action is the licensee of the registered trademark “”. The plaintiff obtained authorization from the current owner and was authorized to enforce the trademark rights independently.

The defendant and plaintiff are both located in Foshan city and do business in the same industry. The plaintiff initiated the first-instance infringement lawsuit in 2017 and claimed that the defendant's infringing acts occurred between

2016 and 2019.

The defendant argued that, before the China National Intellectual Property Administration invalidated the disputed mark in September 2019, use of the registered mark was legitimate and did not constitute infringement. The court found that the defendant deliberately filed the application containing a similar logo mark to a part of another's prior registered trademark and used the imitating logo mark combined with wording contained in the foregoing prior registered trademark. The court decided that this use undoubtedly constituted bad-faith infringement. The court confirmed that a successful invalidation action results in the registration being declared *ab initio*, so the use of the registered disputed mark is not a defense to allegations of infringement.

The judgment sets a good example for other legitimate owners about combating trademark imitation and infringement. **Registration of a trademark is not equivalent to absolute legitimacy. The use of a registered trademark might still constitute infringement if the registration was acquired illegitimately.** Legitimate rights owners should proactively protect their rights by objecting to a trademark registration for an infringing mark through invalidation proceedings followed by filing a civil lawsuit for trademark infringement and damages.

Note: This article is also published in INTA Bulletin with the link below. <https://www.inta.org/perspectives/china-infringement-liability-with-a-registered-trademark/>