

# Don't Let Malicious Trademark Squatting Damage the Company's Brand Management!

– Brief Introduction to Procedures of Assistance in Handling  
Taiwan-China Trademark Matters

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## I. Taiwan-China trademark assistance mechanism – communication platform specifically established for “Taiwan-based businesses”

In brand management in China, the most troubling issue for “Taiwan-based businesses” is China-based unscrupulous businesses maliciously counterfeiting or squatting the trademark and brand obtained through hard work, causing confusion for consumers and resulting in obstruction for “Taiwan-based businesses” entering China.

Therefore, in response to endlessly emerging trademark squatting cases, Taiwan-based authentic business operators do not hesitate to spend large sums of money for administrative remedy procedures, such as filing revocation, opposition of squatted trademark, taking measures against actions in violation of unfair competition, etc., in order to defend their own trademark rights and interests. However, when proceeding with the remedy, “Taiwan-based businesses” often encounter issues on how to provide valid evidence to prove prior use of trademark, and being highly famous in the vast territory in China. To eliminate the difference in the awareness of fame of trademark between China and Taiwan and to effectively resolve unfair competition actions in China, such as malicious squatting or registration of trademark, business name, firm name, or infringing/counterfeiting actions, following the “Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs),” China and Taiwan signed the China-Taiwan Intellectual Property Right Protection Cooperation Agreement on June 29, 2010 which came into effect on September 12 in the same year. This established the China-Taiwan trademark assistance mechanism, which effectively resolves issues relating to squatted trademark through negotiation mode via the communication platform established by trademark competent authorities in China and Taiwan.

## II. Assistance mechanism implementation results

According to statistics from the TIPO, from September 2010 to February 2015, the total number of assistance cases accepted based on the China-Taiwan trademark assistance mechanism is 576 cases, the total number of assistance cases reported to State Administration for Industry and Commerce (SAIC) of the PRC is 449 cases, the number of reported cases completed assistance is 364 cases, the number of reported cases not yet completed assistance is 85 cases, and the rate of completion is 81.07%.

For example, trademarks such as “Bank of Taiwan”, “Taiyen Biotech”, “Micro-Star International (MSI)”, “Lady First”, “Mode Marie and M-letter Design”, etc. and the “Good Agricultural Practice (GAP)” certification mark encountering squatted registration by distributors or third parties in China, have all been successfully revoked to obtain vindication through the assistance mechanism. It is obvious that the establishment of the China-Taiwan trademark assistance mechanism is beneficial to Taiwan-based businesses.

When a well-known trademark of a “Taiwan-based business” is squatted in China, the most difficult issue lies in the vast territory of China. Even if evidence could be provided for extensive use of said trademark in Taiwan, there is still difficulty to have said trademark determined as a highly famous trademark in China. For example, regarding the trademarks such as “Lady First”, “Mode Marie and M-letter Design”, etc. mentioned above, although oppositions of trademarks squatted in China have been filed, the opposition procedures were unsuccessful. Thereafter, through the China-Taiwan trademark assistance mechanism, with the involved party strengthening evidence of malicious squatting, and the TIPO calling upon China to squarely face the fact that Taiwan-based business trademarks are being maliciously squatted, vindication was then obtained in the opposition reexamination procedure. The importance of the China-Taiwan trademark assistance mechanism in maintaining the rights of Taiwanese trademarks can be easily seen.

## III. Requirements for requesting China-Taiwan trademark assistance

It can be known from the description above that for Taiwan-based businesses, the China-Taiwan trademark assistance mechanism is undoubtedly another effective channel to defend the rights and interests of trademarks encountering squatting or counterfeiting. The present article briefly introduces how to request trademark assistance for your reference.

(i) Those who can seek help through the mechanism: include government agencies, legal persons, groups, individuals in Taiwan and Taiwan-funded enterprises in China, wherein “Taiwan-funded enterprises in China” refers to legal persons, groups, individuals in Taiwan investing or re-investing to operate agricultural, industrial, and commercial, etc. businesses in China.

(ii) Requirements for requesting assistance:

1. Remedy procedure to maintain rights and interests **“must”** have been carried out according to the laws and regulations in China before assistance can be requested.

For example: in the case of a trademark encountering malicious squatting in China, revocation of registration of said trademark must be requested with the Trademark Office or the Trademark Review and Adjudication Board of the SAIC of the PRC before assistance can be requested.

2. The case **must belong** to an authority under the jurisdiction of the SAIC of the PRC. If the case has been concluded or has been appealed to the Court, then the case is **not considered** to be applicable for assistance.

In principle, China-Taiwan assistance mechanism is applicable to the following cases: 1) registration application cases and rejection reexamination cases; 2) opposition cases and reexamination cases for decision of not being allowed registration; 3) revocation cases and revocation reexamination cases; 4) invalidity declaration cases and invalidity declaration reexamination cases; 5) rights management and actions in violation of unfair competition management cases; 6) other cases or administrative reconsideration cases.

3. The person filing the request encounters unreasonable and unfair treatment, particularly referring to the handling of procedural matters being in violation of fairness/justice.

4. Handling by an authority under the jurisdiction of the SAIC of the PRC is in violation of the laws and regulations in China or the Standards for Trademark Examination and Trial.

5. Person filing the request: to maximize the function of the assistance mechanism, the request for assistance is preferably filed by the “**trademark owner**” to the TIPO. If an agent is appointed, a Power of Attorney for the agent and the contact details and telephone number of the trademark owner must be provided.
6. Modes of Request: by e-mail or paper mode, and the request form and relevant evidence/information must be provided in electronic format.

When trademarks of China-based or Taiwan-based businesses encounter malicious squatting, besides following administrative or judicial remedy channels, the China-Taiwan

trademark assistance mechanism is another measure for effectively maintaining trademark rights to prevent the company's long-term effort of brand management from being damaged or hindered. This article briefly introduced such mechanism. If you have any questions relating to the China-Taiwan trademark assistance, please do not hesitate to contact our firm, and we will sincerely provide our response/explanation.