

# Chinese Character Marks in the Eyes of the European Public

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*This article discusses whether the growing number of Chinese brands expanding to Europe has led to an increase in the number of Chinese character EUTMs. It offers insights into the possible hurdles to the registration of a Chinese character EUTM. Are there any distinctiveness concerns for Chinese characters specifically? And how is the issue of descriptiveness dealt with?*

When China comes up in discussions about trade mark rights, it is often in relation to the concerns that many businesses appear to have when entering the Chinese market: can one effectively enforce trade mark rights in China? Is there a risk of local protectionism? Should one fear trade mark squatting and hijacking? However, the world is shifting. While many European brands are seeking to secure a position in the Chinese market, many Chinese brands are expanding to Europe at the same time. According to the statistics published by the European Union Intellectual Property Office (EUIPO), 770 European trade mark (EUTM) applications were filed by Chinese applicants in 2007. In 2016, this number amounted to 7,975.<sup>1</sup> Thus, the number of EUTM applications from China has increased tenfold in 10 years. Below are examples of Chinese trademarks that already are widely known in Europe and the list most certainly does not end here.<sup>2</sup>



ZTE



lenovo

Haier

When accessing the Chinese market, companies are often advised to make sure they register a Chinese equivalent of their roman character trademarks. For example, Google, Inc., The Coca-Cola Company, Apple, Inc., NIKE Innovate C.V., Disney Enterprises, Inc. and Louis Vuitton Malletier all have registered the Chinese character names of their brands as Chinese trademarks.<sup>3</sup>

谷歌



苹果



迪士尼

路易威登

This however does not mean that these brand owners have not sought protection for their Latin script trademarks. The signs below are all registered as Chinese trademarks as well.<sup>4</sup>

GOOGLE



APPLE



DISNEY

LOUIS VUITTON

When entering the European market, many Chinese companies make sure to seek protection of their Western brand name. But what about their Chinese character brand

<sup>1</sup> See <https://euipo.europa.eu/ohimportal/nl/the-office?countryName=BH/cs> [Accessed 3 September 2017].

<sup>2</sup> The registration numbers of the listed trade marks are respectively: EUTM Nos 009213992, 002472991, 004817946 and 003705746; and Benelux trade mark registration No.0663805.

<sup>3</sup> Chinese trademark registration Nos. 5122681, 3439405, 7672115, 6281185, 819469, 1479729 and 241000.

<sup>4</sup> Chinese trademark registration Nos. 1471705, 3439406, 7672114, 299114, 855786, 773171 and 241019.

names? Do Chinese brand owners register these too in Europe? If so, how are such Chinese character marks dealt with in the examination process?

## Figures and trends

As mentioned, the number EUTM applications from China has grown tenfold in the past 10 years. The sharpest increase appears to be in the last few years and particularly in 2016, which showed a 92 per cent increase compared to the year before.<sup>5</sup> With 7,975 EUTM filings in 2016, China ranked sixth in number of EUTM applications, and second in the number of EUTM applications from outside the EU.

The total number of EUTM filings that consist of or include Chinese or Japanese characters has grown too, although at a slower but still impressive pace. The number of EUTM applications with Vienna Code “28.3 Inscriptions in Chinese or Japanese characters” has tripled in the past 10 years (see Fig.1): this number has grown from 232 in 2007 to 767 in 2016.

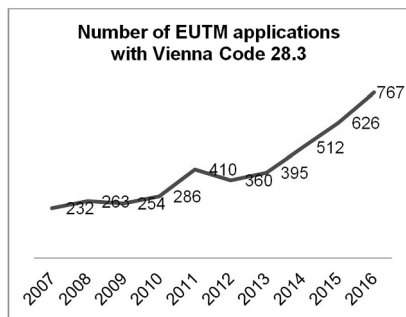


Figure 1 Number of EUTM applications with Vienna Code 28.3

It should be noted that Vienna Code 28.3 includes both Chinese and Japanese character marks. Additionally, it appears from a review of these trade marks that a few Korean character marks are included as well. Thus, these figures do not exclusively concern Chinese character marks. The absolute number of EUTM applications for Chinese characters should therefore be lower. Having said that, the trend suggested in Fig.1 is clearly visible: the number of Chinese character mark applications appears to be increasing.

One might expect that all Chinese character EUTMs are Chinese brands. Indeed, many of these trade mark registrations are brands from China, such as ALIBABA, PING AN and TENCENT.<sup>6</sup>

阿里巴巴

平安 腾讯

However, it appears that these marks also include the Chinese names of European brands, such as CARTIER and KNORR.<sup>7</sup>

卡地亚



Examples of Benelux trade mark registrations for Chinese characters in the name of European owners include HEINEKEN, SOLVAY and the Chinese name of Miffy/Nijntje.<sup>8</sup>

喜力 索尔维 米菲

## Word mark? Figurative mark?

When filing an application to register a Chinese character mark as a EUTM, the mark type, as always, would need to be indicated in the application. Given that Chinese is a language, one might be inclined to believe that a Chinese character mark should of course be a word mark. However, this is not the case. According to its Guidelines, EUIPO considers marks consisting of “letters from non-EU alphabets” as figurative marks. The examples given in these Guidelines even explicitly include a Chinese character mark.<sup>9</sup>

火瀑

The Benelux Office for Intellectual Property (BOIP) adopts the same approach. For example, Haier’s two Benelux trade mark registrations for its Chinese character brand are categorised as figurative marks.<sup>10</sup>

海尔

This does not mean that EUIPO and BOIP do not recognise that Chinese character marks are language marks. As mentioned, EUIPO applies the Vienna Classification, and assigns Vienna Code “28.3 Inscriptions in Chinese or Japanese characters” to Chinese character marks. The same applies to BOIP. This Vienna Code is assigned, even if it is not immediately apparent whether a trade mark is a Chinese character or which Chinese character it represents, see below for example.<sup>11</sup>

<sup>5</sup> In 2015, 4,165 EUTM applications were filed by Chinese applicants. In 2016, this number was 7,975.

<sup>6</sup> EUTM No.002246627, International trade mark registration No.0944702 designating inter alia EU and EUTM No.006050793.

<sup>7</sup> EUTM Nos 006503387 and 012720439.

<sup>8</sup> Benelux trade mark registration Nos 0528403, 0880890 and 0743001.

<sup>9</sup> EUIPO, Guidelines for Examination of European Union Trademarks, Part B, Section 2 on Formalities, para.10.2, pp.18–19 (entry into force date: 1 February 2017).

<sup>10</sup> Benelux trade mark registration Nos 0621217 and 0663806.

<sup>11</sup> EUTM Nos 014483622 and 008878183.



Likewise, this categorisation still applies if the Chinese character is written upside down, see below for example.<sup>12</sup>



To clarify the meaning of the Chinese characters, trade mark owners can add a description to their trade mark registrations.<sup>13</sup>

### Assessment on absolute grounds

Both EUIPO and BOIP assess trade mark applications on absolute grounds for refusal. In the context of Chinese character marks, the following two absolute grounds are of particular interest:

1. the sign must have distinctive character<sup>14</sup>;
2. the sign may not consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service.<sup>15</sup>

Both requirements will be explored in more detail in the following section.

### Distinctive character

A sign must possess distinctive character in order to be registered as a EUTM or a Benelux trade mark: it must serve to identify the product and/or services in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings.<sup>16</sup> As discussed in the previous section, Chinese character marks are recognised as language marks by EUIPO. This, however, does not mean that the meaning of the Chinese characters is typically taken into account in the examination process. As will become clear in the discussion about descriptiveness, the likely approach to Chinese characters in the examination process is that these will not be understood by the relevant public. Chinese characters might even be treated as figurative elements. From the point of view of distinctive character, this approach leads to two extreme possibilities.

On the one hand, this approach gives rise to the question whether very simple Chinese characters are considered capable of serving as an indication of commercial origin. This could apply to, for example, the following Chinese characters.



According to the case law, a sign that is excessively simple and is constituted by a basic geometrical figure, such as a circle, a line, a rectangle or a conventional pentagon, is not, in itself, capable of conveying a message which consumers will be able to remember. Consequently, consumers will not regard such a simple geometric shape as a trade mark, unless it has acquired distinctive character through use.<sup>17</sup> Similar considerations have been applied to simple signs which are not geometric figures. For example, the Court of First Instance found that there is no aspect of the sign



which

“may be easily and instantly memorised by an even relatively attentive relevant public and which would make it possible for it to be perceived immediately as an indication of the commercial origin of the goods in question”.<sup>18</sup>

By analogy, it is not unthinkable that very simple Chinese characters may be considered too simple to capture the attention of the consumer as signs which refer to the origin of a product/service.

On the other hand, a Chinese character mark may be considered too complex to be perceived as an indication of the commercial origin of the goods/services involved. However, examples of trade marks consisting of eight or more Chinese characters can be found in the EUTM register, such as below.<sup>19</sup>

全球城市文化论坛 罗思柴尔德木桐堡  
路丞金光大道 金光飛航  
中国国际金融有限公司

Likewise, BOIP has accepted lengthy Chinese character marks too, see below for examples.<sup>20</sup>

代尔夫特科技大学 荷兰种球贸易公司

Thus, it seems that the length of Chinese character marks in practice does not quickly meet objections in this regard.

<sup>12</sup> Benelux trademark registration No. 0912261.

<sup>13</sup> See for example EUTM No 013170709.

<sup>14</sup> Regulation on the European Union trade mark as amended (EUTMR) art.7(1)(b); and Benelux Convention on Intellectual Property (BCIP) art.2.11(1)(b).

<sup>15</sup> EUTMR art.7(1)(c); and BCIP art.2.11(1)(c).

<sup>16</sup> See, e.g., *Procter & Gamble v OHIM* (C-468/01 P) EU:C:2004:259; [2004] E.T.M.R. 88 at [32].

<sup>17</sup> Court of First Instance 12 September 2007, *Cain Cellars v OHIM* (T-304/05) EU:T:2007:271 at [22].

<sup>18</sup> The sign represents half a “smiley” smile. See *Smiley Co SPRL v OHIM* (T-139/08) EU:T:2009:364 at [31].

<sup>19</sup> EUTM Nos 015237803, 013345657, 005999271 and 009207713.

<sup>20</sup> Benelux trademark registration Nos. 0909843 and 3154021.

## Descriptiveness

Pursuant to art.7(1)(c) EUTMR and art.2.11(1)(c) BCIP, descriptive signs will not qualify for trade mark registration. How should these articles be interpreted with respect to Chinese character marks? As an example from practice: the Chinese characters

are a registered EUTM for “tofu or bean curd” in class 29.<sup>21</sup> If one knew that the two aforesaid Chinese characters mean exactly “tofu”, one might intuitively find that this mark is descriptive and therefore it should not have passed the examination against absolute grounds for refusal.

However, the European Court of Justice (ECJ) clarified in *Matratzen Concord AG v Hukla Germany SA*<sup>22</sup> how foreign language trade mark applications should be dealt with. That case concerned the national Spanish trade mark MATRATZEN, registered for inter alia beds and mattresses. Given that *Matratzen* is German for mattresses, the Spanish referring court requested the ECJ to shed light on the question whether the registration of a term (*Matratzen*) as a national trade mark in a Member State (Spain) is precluded by the circumstance that the term is descriptive in another Member State (Germany) of the goods or services in respect of which registration is sought. The ECJ considered, in line with settled case law, that the perception of the relevant public in the territory in respect of which registration is applied for needs to be taken into account when assessing whether a national trade mark is devoid of distinctive character or is descriptive. Thus, if the relevant public does not recognise the term as descriptive, the trade mark application should not be refused on the basis of descriptiveness. In Spain, the knowledge of the German language is very limited. Considering this, the German word for mattresses (*Matratzen*) can be the subject of a valid Spanish national trade mark for mattresses and beds.

Turning to the Chinese language in particular, the Opposition Division of the EUIPO has considered various times in the context of oppositions how the Chinese language is perceived by the average consumer.<sup>23</sup> It is likely that the same approach is taken in the examination process. For example, the Opposition Division has held that “*Chinese characters are not likely to be pronounced having regard to the extremely limited knowledge of*

*Chinese by the relevant consumers*”,<sup>24</sup> or even outright and very firmly: “*letters in Chinese will not be pronounced by the relevant consumer as they will not be understood by the relevant public in the Community*”.<sup>25</sup> In another decision, the Opposition Division described the following Chinese character mark as a “*figurative mark composed of two Chinese characters*”.

It went on to elaborate that “the majority of the relevant public is not familiar with Asian languages and will see the Chinese characters as purely figurative elements”.<sup>26</sup>

The Opposition Division even considered the Chinese characters in the mark

as mere ornamental elements. According to the Opposition Division, these Chinese characters are “likely to be seen by the consumers as mere ornamental elements that highlight the presence and relevance of the word”.<sup>27</sup> Hence, when the EUTM application for

was examined on absolute grounds, the examiner probably deemed that the average consumer would not understand that these two Chinese characters mean “tofu”. It might have even treated the mark as a mere figurative mark. As such, there was no reason to refuse this trade mark for descriptiveness.

In 2013, proposals of the European Commission aimed to drastically change this approach. That year, the European Commission presented a reform package to make the trade mark registration systems in the EU “cheaper, quicker, more reliable and predictable”.<sup>28</sup> This reform package inter alia featured a proposal for a recast of the Trade Mark Directive 2008/95<sup>29</sup> and a proposal for a Regulation amending Community Trade Mark Regulation 207/2009 (the Amending Regulation).<sup>30</sup> Both proposals introduced an extension of the absolute grounds for refusal: the absolute grounds for refusal would apply, notwithstanding that such ground obtains “only where a

<sup>21</sup> EUTM No.013334801.

<sup>22</sup> *Matratzen Concord AG v Hukla Germany SA* (C421/04) EU:C:2006:164; [2006] E.T.M.R. 48.

<sup>23</sup> At the time of most of these decisions, EUIPO was still named the Office for Harmonization in the Internal Market (OHIM).

<sup>24</sup> OHIM Opposition Division 8 October 2015, ruling on opposition No.B 2 458 928.

<sup>25</sup> OHIM Opposition Division 24 November 2008, ruling on opposition No.B 1 196 874.

<sup>26</sup> EUIPO Opposition Division 19 September 2016, ruling on opposition No.B 2 570 284.

<sup>27</sup> OHIM Opposition Division 30 November 2005, ruling on opposition No. B 673 550.

<sup>28</sup> See [http://europa.eu/rapid/press-release\\_IP-13-287\\_en.htm?locale=en](http://europa.eu/rapid/press-release_IP-13-287_en.htm?locale=en) [Accessed 3 September 2017].

<sup>29</sup> See <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0161:FIN:EN:PDF> [Accessed 3 September 2017].

<sup>30</sup> See <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2013:0162:FIN:EN:PDF> [Accessed 3 September 2017].

trademark in a foreign language is translated or transcribed in any script or official language of the Member States”.<sup>31</sup> The rationale of this extension can be found in Recital 11 of the Preamble to the proposed text of the Amending Regulation. This Recital reads as follows:

“Trademarks applied for in a script or language not intelligible in the Union should not deserve protection if their registration would have to be refused on absolute grounds when translated or transcribed in any official language of the Member States.”

The implications of the proposed amendment can be illustrated by using the mark



as an example. As mentioned, a translation of these two Chinese characters in (inter alia) English reads “tofu”. If one attempted to register the word TOFU as a EUTM for “tofu”, the application in all probability would be rejected. Thus, according to the proposed amendment, the same would have to apply to a EUTM application for the Chinese characters for “tofu”.

This proposed amendment, however, was not adopted in the final versions of the new Trademark Directive 2015/2436 and the Amending Regulation 2015/2424, and rightly so. One might be of the opinion that this proposal does justice to increased globalisation, which compels us to look beyond national borders. Adopting the proposal would ascertain that a descriptive term in a foreign language may be used by all, and as such serve the public interest. However, this argument turns a blind eye to the reality in which trade marks are used and the territorial nature of trade marks. As many as 7,097 languages are spoken in the world today.<sup>32</sup> If the proposed criterion were adopted, each of these languages would have to be taken into account when assessing descriptiveness. Aside from the tremendous burden this would pile on the trade mark offices, this would mean that descriptiveness in, e.g., Yaghan or Saponi poses a bar to registration in Europe. These two languages are both spoken by fewer than five people in the world (namely in Chile and Indonesia).<sup>33</sup> Without doubt both have rarely (if at all) been heard of by the European public. It is not apparent why a refusal in view of such languages would protect the public interest in Europe.

This public interest of course is more apparent in the case of more widely spoken languages, such as Chinese. However, this does not lead to the conclusion that the proposed amendment should have been adopted. Foreign languages will be taken into account in the current *Matratzen Concord* approach, where appropriate. If a foreign term is understood by the relevant public in its descriptive meaning, the trade mark will have to be refused as descriptive. In this regard, BOIP’s Guidelines on the criteria for the examination of trade marks on absolute grounds for example explicitly mention that “public familiarity with other languages, particularly English, is relatively high”.<sup>34</sup>

Can the general public in the EU be considered to be familiar with the Chinese language? The Chinese population in the EU is substantial. As at 2011, approximately 2.3 million overseas Chinese are scattered around the various EU countries. The largest Chinese communities are in the UK, France, Italy, Spain, the Netherlands, Germany, Ireland, Austria, Belgium and Portugal. Together, the Chinese communities in these 10 countries account for around 95 per cent of the total Chinese population in the EU.<sup>35</sup> Despite the large Chinese population in the EU, it is unlikely that the general public in the EU will be considered to be familiar with Chinese at the moment. This already appears from the considerations of the EUIPO Opposition Division cited in the foregoing. However, Chinese as a second language is rapidly growing in popularity in the EU. For example, the European Commission has funded the “Chinese for Europeans” project, which was launched in 2011. This project features an e-learning platform that encourages learning Mandarin Chinese. The educational material on the platform is available in as many as 23 different European languages.<sup>36</sup> Further, a 2014 survey has found that, in the UK, Chinese is seen as the most useful second language.<sup>37</sup> Against this background, the recent announcement that Europe’s first-ever bilingual Chinese-English school is to open comes as no surprise.<sup>38</sup>

This growing interest in the Chinese language may lead to an increase in the number of people in the EU speaking Chinese. Considering this, it cannot be excluded that public familiarity with Chinese may be assumed in the future. In that case, the scope of protection of registered descriptive Chinese character marks is likely to be negatively impacted. Also, the meaning of Chinese characters would then play a role in the examination process, possibly leading to refusal for descriptiveness.

<sup>31</sup> Proposed amendment to art.3 (old) of the Trade Mark Directive and proposed amendment to art.7(2) (amendment 10) of the CTMR.

<sup>32</sup> See <https://www.ethnologue.com/> [Accessed 3 September 2017].

<sup>33</sup> See <http://www.unesco.org/languages-atlas/index.php> [Accessed 3 September 2017].

<sup>34</sup> Guidelines on the criteria for the examination of trade marks on absolute grounds (version of 1 January 2009), para.9.3.

<sup>35</sup> K. Latham and B. Wu, “Chinese Immigration into the EU: New Trends, Dynamics and Implications”, Europe China Research and Advice Network (2013), p.26.

<sup>36</sup> See <http://www.chinese4.eu/> [Accessed 3 September 2017].

<sup>37</sup> See <https://yougov.co.uk/news/2014/04/11/chinese-most-useful-second-language/> [Accessed 3 September 2017].

<sup>38</sup> See <http://www.independent.co.uk/news/education/education-news/one-year-olds-taught-chinese-london-prep-school-kensington-wade-a7368391.html> [Accessed 3 September 2017].

## Other considerations

The finding that Chinese characters are likely to be treated as figurative elements is an aspect to take into account when deciding on the mark for which to file registration. One could for example seek to register one's Chinese character brand name standing alone as a trade mark, or add the pinyin<sup>39</sup> of this brand name. If pinyin is added, the Chinese characters would be most likely to remain the most relevant elements of the mark to the Chinese eye. However, as discussed in the foregoing, the public in Europe has even been considered likely to perceive Chinese characters as "mere ornamental elements" only. Thus, from a European perspective, such a composite sign will probably be considered to consist of verbal components (the pinyin) and figurative components (the Chinese characters). In principle, the verbal element of a trade mark is typically considered to have a stronger impact on the consumer than the figurative element. This is because the public does not tend to analyse trade marks and will more easily refer to them by their verbal elements than by describing their figurative elements.<sup>40</sup> As a consequence, adding pinyin may undermine the importance of the Chinese character elements.

Further, it appears from the foregoing discussion that there are both Chinese and European brand owners who have decided to secure trade mark protection for their Chinese brand names in Europe. Simply filing a trade mark application and renewing it in time once it is registered, however, does not suffice to ensure protection. One should keep in mind that actual use of the trade mark is required within five years after registration. If the mark

is not put to genuine use within that period, it will be vulnerable to cancellation for non-use, unless there are proper reasons for non-use. The same applies when genuine use of the mark is suspended for a period of five successive years.<sup>41</sup>

## Conclusion

Chinese character EUTMs are on the rise. In part, the increasing number of EUTM applications by Chinese proprietors may explain this. However, these Chinese character marks also include the Chinese brand names of European trade mark owners. Thus, there seems to be a growing interest in Chinese character marks among not only Chinese but also European brand owners.

Currently, the examination on absolute grounds does not appear to pose any significant hurdles to the registration of a Chinese character mark as a EUTM or Benelux trade mark. One potential obstacle is that very simple Chinese characters may be considered incapable of serving as an indication of the commercial origin. On the other hand, the complexity of long Chinese character marks in practice does not appear to pose problems in terms of the requirement of distinctive character. The presumed lack of knowledge of the Chinese language also brushes aside possible descriptiveness objections. That said, the growing interest in China and the Chinese language may lead to increasing familiarity with Chinese in Europe. Consequently, the current approach of treating Chinese characters as figurative elements may eventually become untenable.

<sup>39</sup> Pinyin is a commonly used system for transliterating Chinese into the Latin alphabet.

<sup>40</sup> See, e.g., *Wassen International Ltd v OHIM (Selenium-Ace)* (T-312/03) EU:T:2005:289.

<sup>41</sup> EUTMR art.15(1); and BCIP art.2.26(2)(a).