

Beijing High Court: Chinese equivalent of Milan could acquire secondary meaning through trademark use

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Article 10.2 of China's *Trademark Law* sets forth that a foreign geographic name known to the public shall not be used as a trademark, unless such name has other meaning.

On November 12, 2021, the Beijing High Court overruled an invalidation decision surrounding a trademark registration for “米兰”, the Chinese equivalent to Milan, the geographic name of a famous Italian city. This case is selected as one of the 50 Exemplary Intellectual Property Cases of 2021 by China Supreme People's Court.

Jiangxi Milan is a major player in the wedding photograph shooting industry in China. Starting off as a supplier of wedding dress marketed under the brand “米兰” in 1986, it opened a homonymic shooting studio in 1996 and obtained its first trademark registration for



(traditional Chinese for Milan) designating “photograph shooting” services in 1999. It applied in 2010 and obtained in 2012 registration for the simplified version “米兰” (contested mark) in class 41.

In 2019, a natural person initiated an invalidation action against the contested mark, contending that it is a famous geographic name in Italy and the registration is a breach of the absolute ground set forth in Article 10.2 of the *Trademark Law*. On October 29, 2020, China National Intellectual Property Administration (CNIPA) backed the petition and invalidated the contested mark. In the ensuing administrative litigation, the Beijing Intellectual Property Court (BIPC) upheld the CNIPA invalidation decision on June 24, 2021.

Jiangxi Milan appealed before the Beijing High Court.

The court of appeal overturned the CNIPA decision based on the below reasoning:

The legislative purpose of Article 10.2 of the *Trademark Law* is two-pronged: a) to ensure the public freedom of expression over geographic names and prohibit monopoly over public resources; and b) to avoid confusion and misidentification among the public. A geographic name is registrable on the premise that it has “*other meaning*”, which shall cover either of the following two circumstances: a) the said mark has other intrinsic meaning apart from indicating a geographic name; or

the said mark has acquired, through use, secondary meaning that has been acknowledged by the relevant public.

With regard to the argument the plaintiff raised that the contested mark also refers to *aglaia odorata*, a flower in the Chinese language, the court ascertains that it is undeniable fact that the contested mark is better known as the name of an Italian city among the Chinese public. Therefore, the argument was dismissed.

However, the evidence filed by Jiangxi Milan, including but not limited to the scale of its business operation in China, its exceptional financial performance, continuous advertising and promotion campaigns, and the recognition over the visibility of the contested mark by various administrative & judicial authorities, suffices to attest that stable correspondence has been established between the registrant and the contested mark amongst the relevant public in China and the said mark has acquired secondary meaning (other than the indication of a geographic name) through extensive use. The court also affirms that Jiangxi Milan exhibited no intention in piggybacking the Italian city neither in filing for nor in actual use of the contested mark.

To conclude, the court sustained the registration of the contested mark on its core services “*photographic reporting services; photography; microfilming; recording of video tapes; production of video tapes; rental of stage scenery; production of shows; digitalizing films*”, whilst invalidated its registration on the services “*translation; rental of cinematographic cameras*” for lack of evidence on acquired secondary meaning.

The case may serve as a point of reference in prosecuting trademark that is either a geographic name or has a geographic name component in China. Practitioners may resort to the parameters set forth by the Beijing High Court in assessing the registrability of such a mark:

In case the public has an equivalent or higher degree of familiarity over the mark “*other intrinsic meaning*” than its *geographic name indication*, the mark is registerable provided that evidence could be furnished to prove its inherent distinctiveness.

In case the public has a significantly lower degree of familiarity over the mark “*other intrinsic meaning*” than its *geographic name indication*, the mark is registerable provided that it has acquired secondary meaning through extensive use and may serve as a source identifier.

In practice, the CNIPA tends to *ex officio* reject trademark application that is either a geographic name or has a geographic name component. Brand owners better check with their local counsel before filing for such a trademark in China. For those having managed to secure a registration, registrants are advised to take extra precautions during actual use of these marks and consciously distance the mark from the geographic name to avoid creating undue association or confusion over source of origin.

Wanhuida represents Jiangxi Milan in both instances of court proceedings.