

# TOMMY HILFIGER overcomes CNIPA's refusal over a stripe logo mark

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Article 10 of China's Trademark Law enumerates circumstances where a trademark application will be *ex officio* refused by the China National Intellectual Property Administration (CNIPA). These circumstances are known as absolute grounds. Article 10.1.2 prohibits *inter alia* a sign, which is identical with or similar to the national flag of a foreign country, from being used (and registered) as a trademark, unless the consent of the government of that country is obtained.

## Facts

On 23<sup>rd</sup> July 2018, Tommy Hilfiger (TH) filed a trademark application for a stripe logo trademark (shown below) in Class 25, which was rejected on 24<sup>th</sup> December 2018 by the CNIPA on the ground that the mark is similar to the national flag of the Republic of Yemen and shall be prohibited from registration.



On 29<sup>th</sup> January 2019, TH filed for review of refusal before the Trademark Review and Adjudication Department of CNIPA (TRAD), arguing that the remarkable difference between the applied mark and Yemen's national flag insofar as color combination, layout and length-to-width ratio makes them distinguishable. The TRAD dismissed the argument and upheld the refusal on 23<sup>rd</sup> July 2019.

In parallel to the review of refusal, TH filed for the application of the same device mark in Class 25 in Yemen to contest the refusal. Yemen authority granted the registration on 22<sup>nd</sup> October 2019.

In December 2019, TH appealed the TRAD's review of refusal decision before the Beijing IP Court, submitting a notarized and legalized trademark registration certificate issued by Yemen authority to prove that TH has obtained the consent of Yemen government in terms of the registration of the litigious trademark. On 20<sup>th</sup> July 2020, the Beijing IP Court rendered a decision upholding the accused decision.

TH appealed to the Beijing High Court, which repealed on 22<sup>nd</sup> September 2021 the first instance decision and the accused

decision and ordered the TRAD to remake a new decision. The court of appeal finds that:

TH's mark is similar to Yemen's national flag in terms of overall appearance and visual effect.

The notarized and legalized registration certificate issued by the Republic of Yemen indicates that TH registers the same device mark, designating roughly the same goods in Yemen, from which Yemen government's consent over the registration of the litigious mark in China shall be presumed.

In compliance with the exception clause of Article 10.1.2 of the Trademark Law, the mark shall be allowed for registration.

## Comments

Obtaining a trademark registration has become increasingly difficult in China. In 2020, the CNIPA's approval rate decreases from 81% to 61% within just one year. As far as review of refusal is concerned, only 4.7% of the CNIPA's decision is reversed in the first instance of administrative litigation, if the agency excludes change of circumstances, where the obstacle to the registration of the refused trademark has been removed, from the statistics.

In practice, in order to overcome CNIPA's *ex officio* refusal relating to Article 10.1.2, the applicant needs to submit evidence certifying that the government approval of the foreign country has been secured. As a practical and more viable alternative, applicant is advised to obtain the registration of the same mark, designating the same goods/services in that country.