

CNIPA Backs Acushnet in Opposition Against ‘Shifty’ Application (2022)

Time: Mar 03
2022

Mingming Yang & Nan Jiang, 3 May 2022, first published by WTR

Background

Acushnet Company is a recognised global leader in the golf industry, offering quality and performance golf products, which are categorised and traded under brands such as Titleist (golf equipment), Footjoy (golf wear) and Scotty Cameron (putter), among others.

In early 2021 a peculiar trademark application was brought to Acushnet's attention. The trademark FUTLEWT was applied for by a Chinese company in respect of golf clubs, club heads, golf bags, golf gloves and putting mat (golfing equipment), among others, in Class 28. The trademark application was filed on 29 July 2020 and published on 13 December 2020.

At first sight, the mark applied for, FUTLEWT, seemed like an honest application; it appeared to be a coined word with no conspicuous association with Acushnet. Nevertheless, when put under scrutiny, it was clear that the representation of the trademark had been deliberately arranged and tweaked to make it almost visually identical to Acushnet's TITLEIST mark, despite having remarkably different letter components. This may explain why the alarming similarities between the mark and Acushnet's cited TITLEIST mark were overlooked during the preliminary examination.



On 14 March 2021 Acushnet filed an opposition against the trademark FUTLEWT, citing its prior TITLEIST trademarks registered in respect of “golfing equipment, golf clubs and so forth” in Class 28.

CNIPA decision

The opposition was upheld by the China National Intellectual Property Administration (CNIPA) on 23 December 2021. The CNIPA sided with Acushnet, finding that the opposed mark was confusingly similar to Acushnet's prior registered marks, and that the coexistence of the parties' marks for similar goods was likely to cause confusion among the relevant public. Further, the opposed mark was an imitation of Acushnet's well-known trademark. Therefore, should the mark be allowed to proceed to registration and used in practice, it was likely to mislead the relevant public and harm Acushnet's interests.

An old trick

The trick employed by the trademark squatter in this case is an old one - but one that might just work. In order to pull off this trick, trademark squatters need to design a graphic word mark, featuring seemingly harmless text that is cleverly arranged to visually mimic another's prior trademark. The key to the scheme is to deceive the examination system so that the application can slip through.

Comment

The phenomenon has been on the CNIPA's radar for quite a while. The agency even explicitly introduced the following in Article 5.1.5, Chapter 5, Part 2 of the newly promulgated "Guidelines for Trademark Examination and Adjudication":

In case the contested trademark and the cited trademark are different in terms of word component and pronunciation, but their visual similarity is likely to create confusion among the relevant public as to the origin of the goods or services to which these marks are attached, the contested trademark should be deemed as similar to the cited mark.

The guidelines provide a dozen of actual examples, such as CLUNLZILL v DUNHILL and 13055 v BOSS, as shown below:



It is therefore very welcome that the new guidelines expressly ban this practice. Unfortunately, notwithstanding the explicit prohibition, chances are high that trademark squatters could still game the system in practice.

Ideally, a graphic word mark should be subject to a double clearance check during the preliminary examination process. The word component would go undetected as the word *per se* is handpicked and not supposed to be flagged up in a routine clearance check. At this stage, if the mark is merely deemed to be a stylised word mark and no prior trademark appears to be standing in its way, it will sail through the examination and be published in the *Trademark Gazette*. If the mark is deemed to be a device or combination mark, it will be subject to a second clearance check, when the mark will be translated into graphic coding based on the International Classification of the Figurative Elements of Marks under the Vienna Agreement (Vienna Classification) and searched in the CNIPA's graphic database. For the FUTLEWT trademark to be flagged up in the process, Acushnet's TITLEIST trademark needs to have been previously entered as a device trademark in the database, or the second clearance check would become moot.

With the boom of artificial intelligence (AI) and surge in the trademark applications in China, brand owners are increasingly relying on AI to identify copycat filings in trademark monitoring programmes. Without manual screening, well-camouflaged copycat applications could easily trick AI, survive machine-based monitoring and mature to registration. It is an onerous task to fight registered copycat trademarks in China, since brand owners must have the registration invalidated before asserting their trademark rights, unless they can accomplish the daunting task of proving that the cited mark has reached well-known status prior to the application date of the copycat trademark.

In a nutshell, brand owners need designated in-house staff and/or outside counsel to manage their trademark monitoring programmes. On top of the AI-driven trademark monitoring programmes, brand owners could count on local counsel with intimate knowledge of their trademark portfolio to manually sift through fishy trademark filings. This could fill the gap left by machine-based monitoring programmes and help nip copycat trademarks in the bud.