Trademark Law of the People's Republic of China (2019 Amendment)

(Adopted at the 24th Session of the Standing Committee of the Fifth National People 's Congress on August 23, 1982; amended for the first time according to the "Decision on the Revision of the ‘Trademark Law of the People's Republic of China’" adopted at the 30th Session of the Standing Committee of the Seventh National People's Congress on February 22, 1993; amended for the second time according to the "Decision on the Revision of the ‘Trademark Law of the People's Republic of China’" adopted at the 24th Session of the Standing Committee of the Ninth National People's' Congress on October 27, 2001; amended for the third time according to the "Decision on the Revision of the ‘Trademark Law of the People's Republic of China’" adopted at the 4th Session of the

Standing Committee of the twelfth National People's' Congress on August 30, 2013; amended for the fourth time according to the "Decision on the Revision of Eight Laws including the ‘Construction Law of the People's Republic of China’" adopted at the 10th Session of the Standing Committee of the 13th National People's' Congress on April 23, 2019.)

Chapter I    General Provisions

Article 1.  This Law is enacted for the purposes of improving the administration of trademarks, protecting the exclusive right to use a trademark, and encouraging producers and traders to guarantee the quality of their goods and services and maintain the reputation of their trademarks, with a view to protect the interests of consumers, producers and traders and promote the development of the socialist market economy.

Article 2.  The Trademark Office of the administrative authority for industry and commerce under the State Council shall be responsible for the registration and administration of trademarks in China.

    The Trademark Review and Adjudication Board, established under the administrative authority for industry and commerce under the State Council, shall be responsible for the settlement of disputes relating to trademarks.

Article 3.  A registered trademark is a trademark that has been accepted and registered by the Trademark Office, which may be a trademark used on goods, a service mark, a collective mark or a certification mark. The owner of a registered trademark shall have the exclusive right to use the trademark, which shall be protected by law.

    A collective mark referred to in this Law is a sign registered in the name of a group, association or other organization for use by the members of such an organization in the course of trade to indicate the users' membership in the organization.

A certification mark referred to in this Law is a sign controlled by an organization capable of monitoring certain goods or services for use by organizations or persons other than such an organization on their goods or services to certify the geographical origin, material, mode of manufacture, quality or other specific characteristics of the goods or services.

  Provisions shall be made by the administrative authority for industry and commerce under the State Council concerning special matters in the registration and administration of collective marks and certification marks.

Article 4.  Any natural person, legal person or other organization, intending to acquire the exclusive right to use a mark for his goods or services in his production and business operations, shall apply for registration of the mark to the Trademark Office. A bad-faith application for registration of a trademark not intended for use shall be rejected.

    Provisions in this Law concerning trademarks used on goods shall apply to service marks.

Article 5.  Two or more natural persons, legal persons or other organizations may jointly apply for registration of a trademark to the Trademark Office, and may jointly enjoy and exercise the exclusive right to use the trademark.

Article 6.  For goods that, as required by the laws or administrative regulations, must bear a registered trademark, an application for registration of a trademark shall be filed. If no registration has been made, such goods cannot be offered for sale in the market.

Article 7.  When applying for the registration of a trademark and using a trademark, the principle of good faith shall be followed.

Any user of a trademark shall be responsible for the quality of the goods on which the trademark is used. Administrative authorities for industry and commerce at different levels shall, through the administration of trademarks, stop any practices that deceive consumers.

Article 8.  Any sign, capable of distinguishing the goods or services of one natural person, legal person or any other organization from those of other persons, including words, devices, letters, numerals, three-dimensional signs, combination of colours, sounds, etc., as well as the combination of such signs, shall be eligible for application for registration as a trademark.

Article 9.  A trademark that is the subject of an application for registration shall have distinctive character and be capable of being readily identified and distinguished, and shall not be in conflict with the legal rights obtained earlier by other persons.

    The owner of a registered trademark has the right to use the sign "Registered Trademark" or other signs indicating registration.

Article 10.  The following signs shall not be used as trademarks:

    (1) those identical with or similar to the State name, national flag, national emblem, national anthem, military flag, army emblem, military anthem, or decorations of the People's Republic of China, etc., and those identical with the name or symbol of a central government department of the State, or with the name of the particular place, or with the name or image of the symbolic building, where a central government department of the State is located;

    (2) those identical with or similar to the State name, national flag, national emblem or military flag of a foreign country, etc., unless consent has been given by the government of the country;

    (3) those identical with or similar to the name, flag or emblem of an international intergovernmental organization, etc., unless consent has been given by the organization or the public is not likely to be misled by such use;

    (4) those identical with or similar to an official sign or hallmark indicating control and warranty, unless authorization has been given;

    (5) those identical with or similar to the name or symbol of the Red Cross or the Red Crescent;

    (6) those having the nature of discrimination against any nationality;

    (7) those having the nature of fraud, being liable to mislead the public about the characteristics of the goods such as the quality or the place of origin; or

    (8) those detrimental to socialist morality or customs, or having other unhealthy influences.

    The geographical name of an administrative division at or above the county level or a foreign geographical name well-known to the public shall not be used as a trademark, unless the geographical name has another meaning or the geographical name is used as a component part of a collective mark or a certification mark; registered trademarks consisting of or containing geographical names shall continue to be valid.

Article 11.  The following signs shall not be registered as trademarks:

     (1) signs which consist exclusively of the generic names, designs, or model numbers of the goods in respect of which the trademark is used;

    (2) signs which consist exclusively of direct indications of the quality, primary raw material, functions, intended purposes, weight, quantity or other characteristics of goods; or

    (3) Other signs which are devoid of any distinctive character.

    Signs mentioned in the preceding paragraph may be registered as trademarks if they have acquired distinctive character through use and are capable of being readily identified and distinguished.

Article 12.  Where a three-dimensional sign is the subject of an application for registration of a trademark, the trademark shall not be registered if it consists exclusively of the shape which results from the nature of the goods themselves, the shape of goods which is necessary to obtain a technical result, or the shape which gives substantial value to the goods.

Article 13.  Where the holder of a trademark, which is well known to the relative public, deems that his rights to the trademark is infringed, he may request the protection of the trademark as a well- known trademark in accordance with the stipulations of this law.

    A trademark shall not be registered and its use shall be prohibited where the trademark constitutes a reproduction, an imitation, or a translation, of a well-known trademark of another person not registered in China and is likely to create confusion, if the trademark is the subject of an application for registration in respect of goods which are identical or similar to the goods to which the well-known trademark applies.

   A trademark shall not be registered and its use shall be prohibited where the trademark constitutes a reproduction, an imitation, or a translation, of a well-known trademark of another person already registered in China and is likely to mislead the public and damage the interests of the owner of the registered well-known trademark, if the trademark is the subject of an application for registration in respect of goods which are not identical or similar to the goods to which the well-known trademark applies.

Article 14.  A well-known trademark shall, upon the request of the party concerned, be determined as one fact to be cognized in dealing with trademark related matters.

    The following factors shall be considered in determining a well-known trademark:

    (1) reputation of the trademark in the relevant sector of the public;

    (2) duration of use of the trademark;

    (3) duration, degree, and geographical scope of any publicity for the trademark;

    (4) history of protection of the trademark as a well-known trademark; and

    (5) other factors contributing to the reputation of the trademark.

    In the procedure of examining a trademark registration or investigating and prosecuting the infringement of the exclusive right to use a registered trademark by the administrative authority for industry and commerce, where the party concerned makes a request based on the provision of Article 13 of this law, the Trademark Office may determine whether a trademark is well known or not according to the need to examine or prosecute a trademark related case.

    When handling a trademark disputed case, where the party concerned makes a request based on the provision of Article 13 of this law, the Trademark Review and Adjudication Board may determine whether a trademark is well known or not according to the need to handle the case.

    In hearing a trademark civil or administrative case, where the party concerned makes a request based on the provision of Article 13 of this law, the people’s court designated by the Supreme People’s Court may determine whether a trademark is well known or not according to the need to hear the case.

    The producers and the business operators shall not use the words, “well-known trademark”, on goods, packages or containers of the goods, or use the words in advertising, exhibition or any other business activities.

Article 15.  A trademark shall not be registered and its use shall be prohibited if the agent or representative of the person who is the owner of a trademark applies, without authorization, for the registration of the trademark in his own name and if the owner raises an opposition.

    Where a trademark for which a registration is applied is identical or similar to an early used trademark of another party that is not registered, in respect of the same or similar goods, and where the applicant being of contract, business or other relationship except the relationship referred to in the preceding paragraph, is fully aware of the existence of the trademark owned by the other party, the trademark shall not be registered, if the other party raises an opposition.

Article 16.  A trademark shall not be registered and its use shall be prohibited if it consists of or contains a geographical indication in respect of goods not originating in the region indicated, to such an extent as to mislead the public; however, registrations made in good faith shall continue to be valid.

   A geographical indication referred to in the preceding paragraph is a sign which indicates a good as originating in certain region, where a given quality, reputation or other characteristic of the good is essentially attributable to the natural or human factors of the region.

Article 17.  Any foreigner or foreign enterprise intending to apply for registration of a trademark in China shall file an application in accordance with any agreement concluded between the People's Republic of China and his country of origin, or according to the international treaty to which both countries are parties, or on the basis of the principle of reciprocity.

Article 18.  Any Chinese entity or individual intending to apply for registration of a trademark or for any other matters concerning a trademark may handle it individually or may entrust a legally set-up trademark agency to act as his agent.

    Any foreigner or foreign enterprise intending to apply for registration of a trademark or for any other matters concerning a trademark in China shall entrust a legally set-up trademark agency to act as his agent.

Article 19.  The trademark agency shall follow the principle of good faith, comply with the provisions of laws and administrative regulations and handle the applications for trademark registrations and other trademark matters according to the instruction of its clients. In respect of the commercial secrets of the clients learned in the procedure of acting on behalf of the clients, the agency shall bear the obligation to keep them confidential.

    If a trademark for which the registration is applied by the client is possibly under the circumstances of not being approved registration as required in this law, the trademark agency shall inform the client of this explicitly.

    If a trademark agency knows or shall know that the trademark for which the client intends to apply belongs to the circumstances provided in Article 4, Article 15 and Article 32 of this law, the trademark agency shall not accept the entrustment.

    Except the application for the registration of trademark relating to its agent service, the trademark agency shall not apply for the registration of any trademarks.

Article 20.  Trademark agency association shall, in accordance with the provisions of the articles of association, strictly execute the conditions to adopt its members and impose punishment on members that have violated professional self-discipline.

Article 21.  Applications for international registration of trademark shall be dealt with in accordance with the relevant international treaties which the People’s Republic of China has concluded and acceded to. The specific measures therefor shall be formulated by the State Council.

Chapter II    Application for Registration of a Trademark

Article 22.  Where an applicant files an application for registration of a trademark, he shall indicate, in accordance with a prescribed classification of goods, the classification of the goods and the designation of the goods in respect of which the trademark is to be used.

    The applicant for registration of trademark may apply for registration of one trademark for goods in different classes in one application.

    The Application documents for applying for registration of trademark may be filed in written or in electronic data transmission.

Article 23.  A new application for registration shall be made if the exclusive right to use a registered trademark shall be obtained in respect of the goods beyond the approved ones.

Article 24.  A new application for registration of a trademark shall be made if the sign of a registered trademark is to be altered.

Article 25.  An applicant for registration of a trademark who, within six months from the date of application for registration of his trademark in a foreign country, applies for registration of the same trademark in China in respect of the same goods has a right of priority in accordance with any agreement concluded between China and the foreign country, or with the international treaty to which both countries are party, or on the principle of mutual recognition of the right of priority.

    An applicant claiming a right of priority by virtue of the preceding paragraph shall make a written declaration at the time of the filing of the application and shall submit within three months a copy of the documents relating to the previous application; an applicant who does not make the written declaration, or who fails to submit the copy of the documents relating to the previous application before the end of the prescribed period, shall be deemed never to have claimed a right of priority.

Article 26.  If a trademark is first used on goods exhibited at an international exhibition sponsored or recognized by the Chinese government, an applicant for registration of the trademark has a right of priority for a period of six months from the date of exhibition of the goods.

    An applicant claiming a right of priority by virtue of the preceding paragraph shall make a written declaration at the time of the filing of the application and shall submit within three months documentary evidence concerning, inter alia, the title of the exhibition, the use of the trademark on the exhibited goods and the date of the exhibition; an applicant who does not make the written declaration or who fails to submit the documentary evidence before the end of the prescribed period shall be deemed never to have claimed a right of priority.

Article 27.  Statements made and documents submitted for the purposes of application for registration of a trademark shall be authentic, accurate and complete.

Chapter III    Examination and Acceptance for Registration of a Trademark

Article 28.  In respect of the application for registration of a trademark, the Trademark Office shall complete the examination therefor within nine months from the date of receiving the application documents, and accept and publish the same, where the application for registration of the trademark is in compliance with the relevant provisions of this Law.

Article 29.  In the procedure of examination, if the Trademark Office deems that explanation and amendments shall be made to an application for registration of trademark, it may require the applicant to make the explanation and amendments. If the applicant fails to make the explanation and amendments, no influence is made for the Trademark Office to make the decision.

Article 30.  Where an application for registration of a trademark is not in compliance with the relevant provisions of this Law, or if the trademark is identical with or similar to a trademark of another person that has been registered or accepted in respect of identical or similar goods, the Trademark Office shall refuse to accept the application and shall not publish the same.

Article 31.  Where two or more applicants apply for registration of identical or similar trademarks in respect of identical or similar goods, the application filed the earliest shall be accepted and published; if the applications are filed on the same day, the trademark which is used the earliest shall be accepted and published, and applications of other persons shall be refused and not be published.

Article 32.  An application for registration of a trademark shall not be of such a nature as to infringe the existing earlier right of another person. An application shall not be made with intent to register a trademark which is used by another person and enjoys certain reputation.

Article 33.  The prior right owner or any interested party may, within three months from the date of publication, files an opposition against an accepted and published application for registration of a trademark, if he finds that the application stands in violation of the provisions of Article 13, paragraph two or three of Article 13,, Article 15, paragraph one of Article 16, paragraph one, Article 30, Article 31 or Article 32 of this law, or any person finds that the application stands in violation with the provisions of Article 4, Article 10, Article 11, or Article 12, or paragraph 4 of Article 19 of this law. If no opposition is filed within the specified period, the trademark shall be registered, a certificate of registration shall be issued, and the registration shall be published.

Article 34.  Where an application for registration of a trademark is refused and no publication is made, the Trademark Office shall notify the applicant of the same in writing. Where the applicant is dissatisfied, he may, within fifteen days from receipt of the notification, apply for review to the Trademark Review and Adjudication Board. The Trademark Review and Adjudication Board shall make a decision within nine months from the receipt of the request for review and notify the applicant in writing. Where there are special circumstances that require an extension of time, the Trademark Review and Adjudication Board may make the decision in another three months with the approval from the administrative authority for industry and commerce under the State Council. Where any party is dissatisfied with the decision of the Trademark Review and Adjudication Board, he may, within thirty days from receipt of the notification, institute legal proceedings with the people's court.

Article 35.  Where an opposition is filed against an accepted and published application for registration of a trademark, the Trademark Office shall hear both the opponent and the opposed party's statement of facts and grounds and shall, after investigation and verification, make a decision on whether the registration shall be approved or not within twelve months from the date of expiry of the publication and shall notify the opponent and the opposed in writing. Where there are special circumstances that require an extension of time, the Trademark Office may make the decision in another six months with the approval from the administrative authority for industry and commerce under the State Council.

    Where the Trademark Office makes a decision to approve the application for registration of a trademark, a certificate of trademark registration shall be issued and the trademark shall be published. Where the opponent party dissatisfies with the decision, he may, in accordance with the provisions of Article 44, or Article 45 of this law, request the Trademark Review and Adjudication Board to declare the registered trademark invalid.

    The opposed party may, if dissatisfying with the decision made by the Trademark Office for not approving the application for registration of trademark, apply for a review to the Trademark Review and Adjudication Board within fifteen days from the receipt of the notification. The Trademark Review and Adjudication Board shall make a decision within twelve months from the receipt of the request for review and notify the opponent and the opposed party in writing. Where there are special circumstances that require an extension of time, the Trademark Review and Adjudication Board may make the decision in another six months with the approval from the administrative authority for industry and commerce under the State Council. Where the opposed party is dissatisfied with the decision of the Trademark Review and Adjudication Board, he may, within thirty days from receipt of the notification, institute legal proceedings with the people's court. The people's court shall notify the opponent party to participate in the legal proceedings as the third party.

    In the reviewing procedure based on the provision of the preceding paragraph, the Trademark Review and Adjudication Board may suspend the reviewing if the existing earlier right concerned shall be determined based on the result of another case which is heard by the People’s court or is handled by the administrative agency. The reviewing procedures shall be resumed after the causes of the suspension have been eliminated.

Article 36.  Where, at the expiration of the specified period, no party applies for review of a decision made by the Trademark Office of refusing the application for registration or of not approving the registration or institutes legal proceedings with the people's court against a reviewing decision of the Trademark Review and Adjudication Board, the decision of refusing the application for registration, the decision of not approving the registration or the reviewing decision shall come into effect.

 After reviewing, if it is decided that an opposition is not justified and the trademark is approved to be registered, the applicant's exclusive right to use the trademark shall start from the date of expiry of the three-month period from the publication of the accepted application. Where, after the date of expiry of the publication, but before the decision to approve the registration is made, another party uses a trademark which is identical or similar to the trademark to be approved for registration in respect of the same or similar goods, the decision to approve the registration has no retroactive effect on the use of the registered trademark by the other party. However, the damage caused to the trademark registrant by the other party who has used the trademark in bad faith shall be compensated.

Article 37.  Applications for registration of trademarks and applications for review shall be examined in a timely manner.

Article 38.  If an applicant for registration of a trademark or a holder of a registered trademark finds an obvious error in the documents relating to the application or registration, he may apply for rectification of the error. The Trademark Office shall, within the scope of its powers in accordance with law, make the rectification and notify the interested party.

    Rectification of errors by virtue of the preceding paragraph does not include the rectification of substantive matters in the documents relating to the application or registration.

Chapter IV    Renewal, Modification, Assignment and Licensing of Registered Trademarks

Article 39.  The period of validity of a registered trademark shall be ten years starting from the date of registration.

Article 40.  Where a trademark registrant intends to continue to use the trademark after the expiry of the period of validity, he shall proceed by going through the formalities to renew the registration within twelve months before the said expiry. Where no formalities are gone through within the said period, a grace period of six months may be allowed. The period of validity of each renewal of registration shall be ten years, which shall be calculated from the day following the expiration of the previous period of validity of such a trademark. If no formalities are gone through at the expiry of the prescribed period, the registered trademark shall be removed from the register.

    The Trademark Office shall publish the trademark after its registration is renewed.

Article 41.  An application for a change shall be made if the name or address of the owner of a registered trademark, or other matters contained in the registration, is to be changed.

Article 42.  Where a registered trademark is to be assigned, the assignor and assignee shall sign an agreement of assignment and jointly file an application with the Trademark Office. The assignee shall guarantee the quality of the goods in respect of which the registered trademark is used.

    Where a registered trademark is to be assigned, the trademark registrant shall assign in a lump all of its trademarks that are similar to each other in respect of the same goods, or identical or similar to each other in respect of the similar goods.

    Where an assignment is liable to create confusion or has other unhealthy influence, the Trademark Office shall not approve the assignment, stating the reasons and notifying the applicant in writing.

    The assignment of a registered trademark shall be published after it has been approved. The assignee shall have the exclusive right to use the trademark from the date of publication.

Article 43.  The owner of a registered trademark may, by signing a trademark license contract, authorize another person to use his registered trademark. The licensor shall supervise the quality of the goods in respect of which the licensee uses his registered trademark. The licensee shall guarantee the quality of the goods in respect of which the registered trademark is used.

    Where any party is authorized to use a registered trademark of another person, the name of the licensee and the geographic origin of the goods must be indicated on the goods that bear the registered trademark.

    Where the licensor authorizes another person to use his registered trademark, he shall submit the trademark license to the Trademark Office for recording, and the Trademark Office shall publish it. A trademark license shall not be used against any bona fide third party, if no record therefor is made.

Chapter V    Declaration of Invalidation Concerning Registered Trademarks

Article 44.  Where a registered trademark stands in violation of the provisions of Article4, Article 10, Article 11, or Article 12 or paragraph 4 of Article 19 of this Law, or the registration of a trademark has been acquired by fraud or any other unfair means, the Trademark Office shall declare the registered trademark invalid; any other organization or individual may request the Trademark Review and Adjudication Board to declare such a registered trademark invalid. Where the Trademark Office makes a decision to declare a registered trademark invalid, the Trademark Office shall notify the interested party in writing. The party may, if dissatisfying with the decision made by the Trademark Office, apply for a review to the Trademark Review and Adjudication Board within fifteen days from the receipt of the notification. The Trademark Review and Adjudication Board shall make a decision within nine months from the receipt of the request for review and shall notify the party in writing. Where there are special circumstances that require an extension of time, the Trademark Review and Adjudication Board may make the decision in another three months with the approval from the administrative authority for industry and commerce under the State Council. The interested party may, if dissatisfying with the decision of the Trademark Review and Adjudication Board, institute legal proceedings with the people's court within thirty days from receipt of the notification.

    Where any other entity or individual requests the Trademark Review and Adjudication Board to declare a registered trademark invalid, the Trademark Review and Adjudication Board shall, after receipt of the application for invalidation, notify the interested party in writing and request it or him to respond with arguments within a specified period. The Trademark Review and Adjudication Board shall make adjudication either to maintain a registered trademark or to declare a registered trademark invalid within nine months from the receipt of the request for invalidation and shall notify the interested party of the same in writing. Where there are special circumstances that require an extension of time, the Trademark Review and Adjudication Board may make the adjudication in another three months with the approval from the administrative authority for industry and commerce under the State Council. Where any party is dissatisfied with the adjudication of the Trademark Review and Adjudication Board, he may, within thirty days from receipt of the notification, institute legal proceedings with the people's court. The people's court shall notify the other party to the adjudication proceedings to participate in the legal proceedings as the third party.

Article 45.  Where a registered trademark stands in violation of the provisions of Article 13 paragraph two and three, Article 15, Article 16 paragraph one, Article 30, Article 31, or Article 32 of this Law, the earlier right owners or any interested party may, within five years from the date of registration, request the Trademark Review and Adjudication Board to declare the registered trademark invalid. Where the registration has been made in bad faith, the owner of a well-known trademark shall not be bound by the five-year time limit.

    The Trademark Review and Adjudication Board shall, after receipt of the request for declaring a registered trademark invalid, notify the interested party in writing and request it or him to respond with arguments within a specified period. The Trademark Review and Adjudication Board shall make adjudication either to maintain a registered trademark or to declare a registered trademark invalid within twelve months from the receipt of request for adjudication and shall notify the interested parties of the same in writing. Where there are special circumstances that require an extension of time, the Trademark Review and Adjudication Board may make the adjudication in another six months with the approval from the administrative authority for industry and commerce under the State Council. Where any party is dissatisfied with the adjudication of the Trademark Review and Adjudication Board, he may, within thirty days from receipt of the notification, institute legal proceedings with the people's court. The people's court shall notify the other party to the adjudication proceedings to participate in the legal proceedings as the third party.

    In the procedure to examine the request for declaring a registered trademark invalid based on the provision of the preceding paragraph, the Trademark Review and Adjudication Board may suspend the examination if the existing earlier right concerned shall be determined based on the result of another case which is heard by the People’s court or is handled by the administrative agency. The examination procedures shall be resumed after the causes of the suspension have been eliminated.

Article 46.  Where, at the expiration of the specified period, no party applies for review of the decision made by the Trademark Office of declaring a registered trademark invalid or institutes legal proceedings with the people's court against a reviewing decision, a adjudication of maintaining a registered trademark or declaring a registered trademark invalid of the Trademark Review and Adjudication Board, the decision of the Trademark Office or the reviewing decision or the adjudication of the Trademark Review and Adjudication Board shall come into effect.

Article 47.  Where a registered trademark is declared invalid pursuant to Article 44 or 45 of this law, the Trademark Office shall publish the invalidation, and the exclusive right to use the said trademark shall be deemed as not existing from the very beginning.

    A decision or adjudication on declaring a registered trademark invalid shall have no retroactive effect on any judgment, order or mediation decision on any trademark infringement case made and already enforced by the people's court before the invalidation, nor on any decision on any trademark infringement case made and already enforced by the authority of administration for industry and commerce before the invalidation, and nor on any trademark assignment contract or trademark license contract already performed before the invalidation. However, the trademark registrant shall compensate any loss caused to another person due to its bad faith.

    If, pursuant to the provisions of the preceding paragraph, the non-return of the monetary damage for trademark infringement, the fees for assignment of trademark, or the fees for licensing trademark is obviously contrary to the principle of equity, all or part of the preceding payments shall be returned.

Chapter VI    Administration of the Use of Trademarks

Article 48.  The use of a trademark, as referred to in this Law means the use of the trademark on goods, packages or containers of the goods or in trading documents, or the use of the trademark in advertising, exhibition or any other business activities so as to distinguish the origin of goods.

Article 49.  Where a trademark registrant, in using a registered trademark, alters the registered trademark, or changes the name or address of the owner of a registered trademark, or other matters contained in the registration without the prescribed procedure, the local Trademark Office shall order it to make corrections within a specified time limit, or the registered trademark can be canceled by the Trademark Office, if no corrections are made at the expiry of the specified time limit.

    Where a registered trademark become a generic name of its designated goods or has not been used for an uninterrupted period of three years without justified reasons, any entity or individual may request the Trademark Office to cancel the registered trademark. The Trademark Office shall make a decision within nine months from receipt of the request for cancellation. Where there are any special circumstances that require an extension of time, the Trademark Office may make the decision in another three months with the approval from the administrative authority for industry and commerce under the State Council.

Article 50.  Where a registered trademark has been canceled, has been declared invalid or has not been renewed upon expiry of the period of validity, the Trademark Office shall, during one year from the date of cancellation, invalidation or removal, refuse to accept any application for registration of a trademark that is identical with or similar to the trademark.

Article 51.  Where any person violates the provisions of Article 6 of this Law, the local administrative authority for industry and commerce shall order him to file an application for the registration within a specified time limit, and may in addition impose a fine, and where the volume of illegal business is more than RMB50,000 yuan, a fine of less than 20% of the volume of the illegal business may be imposed. Where there is no volume of illegal business or the volume of illegal business is less than RMB50,000 yuan, a fine of less than RMB10,000 yuan may be imposed.

Article 52.  Where a person uses an unregistered trademark as a registered trademark, or the use of an unregistered trademark violates the provision of Article 10 of this law, the local administrative authority for industry and commerce shall stop the use of the trademarks, order him to rectify the situation within a specified time limit, and may in addition circulate a notice of criticism. Where the volume of illegal business is more than RMB50,000 yuan, a fine of less than 20% of the volume of the illegal business may be imposed, and where there is no volume of illegal business or the volume of illegal business is less than RMB50,000 yuan, a fine of less than RMB10,000 yuan may be imposed.

Article 53.  Where any person violates the provision of Article 14 paragraph five, the local administrative authority for industry and commerce shall order him to rectify the situation within a specified period, and in addition impose a fine of RMB100,000 yuan.

Article 54.  Any party dissatisfied with the decision of the Trademark Office to cancel a registered trademark may, within fifteen days from receipt of the notification, apply for review to the Trademark Review and Adjudication Board, which Board shall make a decision within nine months and notify the applicant in writing. Where there are any special circumstances that require an extension of time, the Board may make the decision in another three months with the approval from the administrative authority for industry and commerce under the State Council. Where any party is dissatisfied with the decision of the Trademark Review and Adjudication Board, he may, within thirty days from receipt of the notification, institute legal proceedings with the people's court.

Article 55.  Where, at the expiration of the specified period, no party applies for review of a decision made by the Trademark Office to cancel a registered trademark or institutes legal proceedings with the people's court against a reviewing decision of the Trademark Review and Adjudication Board, the decision to cancel the registered trademark Office or the reviewing decision shall come into effect.

For a registered trademark which has been canceled, the Trademark Office shall publish it, and the exclusive right to use the said registered trademark shall be terminated from the date of publication.

Chapter VII    Protection of the Exclusive Right to Use a Registered Trademark

Article 56.  The exclusive right to use a registered trademark is limited to the trademark which has been registered and to the goods in respect of which the registration has been made.

Article 57.  A person infringes the exclusive right to use a registered trademark if he:

  (1) uses a trademark that is identical with a registered trademark in relation to identical goods without the authorization of the owner of the registered trademark;

  (2) uses a trademark that is similar to a registered trademark in relation to identical goods, or uses a trademark that is identical with or similar to a registered trademark in relation to similar goods, without the authorization of the owner of the registered trademark, and liable to create confusion.

  (3) offers for sale goods that are in infringement of the exclusive right to use a registered trademark;

  (4) counterfeits, or makes without authorization, representations of a registered trademark of another person, or offers for sale such representations;

  (5) changes a registered trademark and put goods bearing the changed trademark on market without consent of the owner of the registered trademark;

  (6) intentionally provides facilities to a person who infringes the exclusive right to use a registered trademark so as to help the person to execute an infringement on the exclusive right to use the registered trademark; or

  (7) causes, in other respects, prejudice to the exclusive right of another person to use a registered trademark.

Article 58.  Any act of using a registered trademark or a non-registered well-known trademark of another person as the trade name of an enterprise name shall constitute an act of unfair competition and shall be dealt with in accordance with the Anti-unfair Competition Law of the People’s Republic of China.

Article 59.  Where a registered trademark contains the generic name, design or model of the goods in question, or directly shows the quality, main raw materials, functions, intended purposes, weight, quantity or other characteristics of the goods in question, or contains geographical names, the proprietor of the exclusive right to use the registered trademark shall have no right to prohibit the fair use thereof by another person.

    Where a registered trademark of a three-dimensional sign consists of the shape which results from the nature of the goods themselves, the shape of goods which is necessary to obtain a technical result, or the shape which gives substantial value to the goods, the proprietor of the exclusive right to use the registered trademark shall have no right to prohibit the fair use thereof by another person.

    Where, before a trademark registrant applies for the registration of a trademark, another person has used a trademark that is identical with or similar to the registered trademark in respect of identical or similar goods and has a certain influence, the proprietor of the exclusive right to use the registered trademark shall have no right to prohibit the person to continue to use the said trademark within the original scope. However, the proprietor of the exclusive right to use the registered trademark may require the other person to add a proper distinguishable sign on his goods.

Article 60.  Where a dispute arises from any of the acts of infringement of the exclusive right to use a registered trademark provided for in Article 57 of this Law, the parties involved shall settle the dispute through consultation. Where any of the parties refuses to pursue consultation or where consultation fails, the owner of the registered trademark or an interested party may institute legal proceedings with the people's court, or request the administrative authority for industry and commerce for actions.

    The administrative authority for industry and commerce may, upon determining the infringement has taken place, order the infringer to immediately stop the infringing act, confiscate and destroy the infringing goods and any implements specifically used to manufacture the infringing goods and counterfeit representations of the registered trademark. Where the volume of the illegal business is more than RMB50,000 yuan, a fine of less than five times of the volume of illegal business may be imposed. Where there is no volume of illegal business or the volume of illegal business is less than RMB50,000 yuan, a fine of less than RMB250,000 yuan may be impose. Any person who commits trademark infringement acts more than two times within five years or has other serious circumstances shall be given heavier punishment. Where any person unknowingly sells goods that have infringed the exclusive right to use a registered trademark and can prove that he obtains the good from a legitimate channel and can indicate the suppliers of the goods, the administrative authority for industry and commerce shall order him to stop selling the infringed goods.

    The parties concerned may request the administrative authority for industry and commerce handling the infringement dispute to mediate in settling the amount of damage for the infringement of the exclusive right to use a registered trademark, and may institute legal proceedings with the people's court in accordance with the Civil Procedural Law of the People's Republic of China. Where, after the mediation of the administrative authority for industry and commerce, the parties concerned fail to reach an agreement or there is no performance after the mediation decision becomes effective, any party may institute legal proceedings with the people's court in accordance with the Civil Procedural Law of the People's Republic of China.

Article 61.  The administrative authorities for industry and commerce have the power to investigate and handle by law any act of infringement of the exclusive right to use a registered trademark. Where a crime is suspected to have been committed, the case shall be transferred to the judicial authorities in a timely manner to be dealt with in accordance with the law.

Article 62.  The administrative authorities for industry and commerce at or above the county level may, based on evidence already obtained indicating suspected illegal conduct or information supplied by a member of the public, exercise the following powers in investigating suspected acts of infringement of the exclusive right of another person to use a registered trademark:

    (1) to inquire of an interested party about the case; to investigate into the circumstances relating to the infringement of the exclusive right of another person to use a registered trademark;

    (2) to examine or reproduce an interested party's contracts, invoices and account books and other materials relating to the infringement;

    (3) to conduct an on-site inspection of the premises where an interested party has carried out a suspected act of infringement of the exclusive right of another person to use a registered trademark; or

(4) to examine the articles relating to the act of infringement, and may seal or seize the articles if there is evidence proving that the articles are in infringement of the exclusive right of another person to use a registered trademark.

    When the administrative authorities for industry and commerce exercises the powers as provided for in the preceding paragraph, the interested parties shall give assistance and cooperate, and must not refuse or obstruct to do so.

    Where, in the procedure of investing and prosecuting a trademark infringement, there is a dispute over the ownership of a trademark or the owner of the trademark institutes a legal proceedings again a trademark infringement with the People’s court simultaneously, the administrative authority for industry and commerce may suspend the investigation and prosecution procedure. After the causes for suspension is eliminated, the procedures of investigation and prosecution shall be resumed or terminated.

Article 63.  The amount of damage for infringement of the exclusive right to use a registered trademark shall be assessed on the basis of the actual losses suffered by the right holder because of the infringement; where it is difficult to determine the actual losses, the amount may be assessed on the basis of the profits the infringer has earned because of the infringement. Where it is difficult to determine the losses the right holder has suffered or the profits the infringer has earned, the amount may be assessed by reference to the appropriate multiple of the amount of using the registered trademark under a contractual license. Where the infringement of the exclusive right to use a registered trademark is committed in bad faith and the circumstance is serious, the amount of damage shall be more than one time but less than three five times of the amount assessed by referring to the above calculation. The amount of the damage shall also include the reasonable expenses of the right holder incurred for stopping the infringing act.

    When the right holder has tried his best to provide the evidence, but account books and materials relating to the infringement act are mainly under the control of the infringer, to determine the amount of damage, the People’s court may order the infringer to provide the account books, materials relating to the infringement act. Where the infringer refuses to provide or provides false account books and materials, the People’s court may determine the amount of damage by reference to the claim and evidences provided by the right holder.

    Where it is difficult to determine the losses suffered by the right holder, the profits the infringer has earned and the fees of licensing a registered trademark, the people's court shall grant a compensation not exceeding RMB 3,000,000 yuan, according to the circumstances of the act of infringement.

In examining trademark dispute cases, the people's court shall, at the request of the rights holder, order the destruction of goods bearing counterfeit registered trademarks, except in special circumstances; order the destruction of materials and tools mainly used to manufacture goods bearing counterfeit registered trademarks, without compensation; or, in special circumstances, order the prohibition of the aforementioned materials and tools from entering commercial channels, without compensation.

Goods bearing counterfeit registered trademarks shall not enter commercial channels after only removing counterfeit registered trademarks.

Article 64.  When the proprietor to exclusively use a registered trademark requests a compensation, but the accused infringer makes a defense on the grounds that the proprietor to exclusively use a registered trademark fails to use the registered trademark, the People’s court may require the proprietor to exclusively use the registered trademark to provide the evidences that he has actually used the registered trademark for three years before the legal proceedings is initiated. Where the proprietor fails to prove his actual use of the registered trademark in the previous three years and fails to prove that he has suffered other losses from the infringement act, the accused infringer shall not be held liable for damages.

    Where a party unknowingly offers for sale goods that are in infringement of the exclusive right of another person to use a registered trademark, but is able to prove that he has obtained the goods lawfully and to identify the supplier, he shall not be held liable for damages.

Article 65.  Where the owner of a registered trademark or an interested party has evidence indicating that another person is engaged in or will soon engage in an act of infringement of the former's exclusive right to use his registered trademark and that, unless the act is stopped in a timely manner, irreparable injury will be caused to his legitimate rights and interests, he may, before instituting legal proceedings, apply to the people's court for measures prohibiting the act and preserving the latter's assets in accordance with relevant laws.

Article 66.  To stop an act of infringement, where evidence may be destroyed or lost or become difficult to obtain in the future, the owner of a registered trademark or an interested party may, before instituting legal proceedings, apply to the people's court to have the evidence preserved in accordance with relevant laws.

Article 67.  Any person who, without the authorization of the owner of a registered trademark, uses a trademark that is identical with the registered trademark in relation to identical goods, if it constitutes a crime, shall be prosecuted according to law for his criminal liabilities in addition to compensating the damages that the infringee suffers.

    Any person who counterfeits, or makes without authorization, representations of a registered trademark of another person, or offers for sale such representations, if it constitutes a crime, shall be prosecuted according to law for his criminal liabilities.

    Any person who knowingly sells goods that bear a counterfeited registered trademark, if it constitutes a crime, shall be prosecuted according to law for his criminal liabilities in addition to compensating the damages the infringee suffers.

Article 68.  Where a trademark agency commits any of the following acts, the administrative authority for industry and commerce shall order it to rectify within specified time limit, give a warning, or impose of a fine of more than RMB10,000 yuan but less than 100,000 yuan, and shall give warnings to the executives directly responsible and other staff directly responsible and impose them a fine of more than RMB5,000 yuan but less than RMB50,000 yuan, and if a crime is constituted, a criminal liability shall be investigated according to the provisions of the criminal law:

    (1) to forge, alter or use forged or altered legal documents, seals or signatures in handling trademark matters;

(2) To attract trademark business by defaming other trademark agencies or to disturb the trademark agency market order by other unfair means; or

(3) To violate the provisions of Article 4, or paragraph 3 or 4 of Article 19 paragraph 3 or 4.

    Where a trademark agency has an act as provided in the provision of the preceding paragraph, the administrative authority for industry and commerce shall record it into the credit archives, and if the circumstance is serious, the Trademark Office or the Trademark Review and Adjudication Board may in addition order it to stop its trademark agency business and shall publish it.

    Where a trademark agency, violates the principle of good faith and infringes the legitimate interests of the clients, it shall bear the civil liability in accordance with laws and regulations and shall be punished by the trademark agency association based on its articles.

Where an application for registration of a trademark is filed in bad faith, administrative penalties such as a warning or a fine shall be imposed according to circumstances,; where a trademark lawsuit is filed in bad faith, punishment shall be imposed by the people’s court according to law.

Article 69.  State personnel responsible for trademark registration, administration, and review shall be impartial in implementing the law, incorruptible and self-disciplined, and devoted to their duty, and shall provide civilized services.

    State personnel in the Trademark Office and the Trademark Review and Adjudication Board and other personnel responsible for trademark registration, administration and review shall not be involved in trademark agency services or in the production or trading of goods.

Article 70.  Administrative authorities for industry and commerce shall establish and perfect an internal supervisory system to supervise and inspect the way state personnel responsible for trademark registration, administration, and review implement laws and administrative rules and regulations and observe discipline.

Article 71.  Where a member of state personnel responsible for trademark registration, administration and review is derelict of duty, abuses power, or practices fraud for personal considerations, or handles trademark registration, administration, and review matters in violation of the law, or accepts money or property from an interested party, or seeks improper gains, if the case is so serious as to constitute a crime, he shall be prosecuted according to law for his criminal liabilities; where the case does not constitute a crime, he shall be subject to disciplinary actions according to rules and regulations.

Chapter VIII    Supplementary Provisions

Article 72.  An application for registration of a trademark or for other matters concerning a trademark shall be subject to the payment of a fee. The schedule of fees shall be prescribed separately.

Article 73.  This Law shall enter into force on March 1, 1983. The Regulations Governing Trademarks promulgated by the State Council on April 10, 1963 shall be abrogated on the same date, and any other provisions concerning trademarks contrary to this Law shall cease to be effective at the same time.

Trademarks registered before this Law enters into force shall continue to be valid.