



The Trademark Prosecution Review

2025

**China: Navigating non-use
cancellations before the CNIPA**

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The second edition of the *WTR Trademark Prosecution Review* takes a wide-ranging view of best strategies for securing trademarks in the key regions of the Americas, the Asia-Pacific, and Europe, the Middle East and Africa. The review combines on-the-ground knowledge and analytic insight to offer an unparalleled deep dive into the prosecution landscape in specific key markets.

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China: Navigating non-use cancellations before the CNIPA

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IN SUMMARY

According to the monthly report and annual report issued by the China National Intellectual Property Administration of China (CNIPA), the number of applications for review of non-use cancellation surged from 13,413 in 2019 to 21,393 in 2023. Not all the cancellation decisions will be reviewed, so the number of non-use cancellation actions in the first stage is higher than the above statistical data. It means that more and more trademark registrants have to actively cancel others' trademarks or respond to office actions. This article provides some special overview of the regulations, cases and developments of trademark non-use cancellation practices in China. They may be different from the practices in other countries and areas and could help you do business better in China.

DISCUSSION POINTS

- Use of a trademark on gifts
 - Use of a trademark in the context of OEM trade practices
 - Altered use of a trademark and use of a trademark that points to other similar registrations
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REFERENCED IN THIS ARTICLE

- Standards on Trademark Examination and Trial 2016
 - Guidelines on Trademark Examination and Trial 2021
 - Guidelines of the Beijing High People's Court concerning the Trial of Administrative Cases involving Trademark Authorisation and Confirmation 2019
 - Trademark Law of the People's Republic of China 2019
 - Provisions of the Supreme People's Court on Several Issues concerning the Trial of Administrative Cases involving Trademark Authorisation and Confirmation 2017
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USE OF A TRADEMARK ON GIFTS

Gift giving is a marketing strategy commonly adopted in commercial practice. Here, the concept of gift giving refers to the offering of gifts in purchases, usually free of charge, to consumers for promotional purposes to boost sales. So, when a trademark is used on such gifts, will it be deemed as effective commercial use to defend non-use cancellation?

In article 5.3.5 of the Standards on Trademark Examination and Trial 2016,^[1] 'the use of a mark only on gifts' is clearly listed as one of the situations that does not constitute the effective commercial use of the trademark in the sense of the Chinese Trademark Law. However, in the Guidelines on Trademark Examination and Trial 2021,^[2] this regulation has been deleted. No particular regulation is available now as to whether the use of a mark on gifts constitutes effective use in commerce or not.

The CNIPA and courts tend to make decisions regarding use on a case-by-case basis. However, the most important factor to be taken into consideration is whether the trademark

used in a gift has functioned to identify the source of the goods or services in actual use. In other words, when a gift is given out to consumers, for free or for a fee, as long as the consumers can identify the source of goods or services as emanating from the gift provider, it will be recognised as effective commercial use.

In the cancellation action against the trademark '☞ ☞' No. 4392695 (2019 JXZ No. 1690),-^[3] this trademark was registered on daily porcelain, porcelain decorations, etc, in Class 21. The trademark holder submitted the commissioned production contract and invoice, the commissioned design agreement and invoice, the exhibition contract signed between the licensee and others, the contract and invoice for the licensee to sell the main goods to others, as well as media reports on the relevant goods. The court decided that although the trademark is used on goods that are given to consumers as gifts free of charge, considering that the trademark has functioned to identify the source of the goods, the evidence is effective to prove the use of the trademark.

In some cases, the court considered the main business of the trademark holder and considered whether gifting is common practice when doing business.

In the cancellation action against the trademark '☞ ☞' No. 853410 (2017 JXZ No. 2424),-^[4] this trademark was registered on clocks, commemorative medals, etc, in Class 14. The trademark holder submitted the evidence showing that it had commissioned others to manufacture 1,000 pieces of silver commemorative medals labelled with the disputed trademark, but there is no evidence to prove that it sold the commemorative medals. The court considered the characteristics of the main business of the trademark holder and considered that the commemorative medals are commonly used for gifting to customers. Whether gifting or selling, they all constitute the commercial use aimed at consumers. As such, the trademark registration was decided to be maintained.

If the trademark holder labels its own trademark on other parties' already branded products and gives out the goods as gifts, it will be determined that the consumers are unlikely to identify the source of the gifts as coming from the trademark holder.

In the cancellation action against the trademark 'Mobil' No. 1170515 (2021 JXZ No. 5414),-^[5] this trademark was registered on wallets, suitcases, etc, in Class 18. The trademark holder ordered gifts from other backpack manufacturers, including backpacks and suitcases labelled with the brands of the manufacturers. The logo design reference image shows that these products are also marked with the disputed trademark. However, considering that the aforementioned products are all sourced from other brands, and that there is a significant difference between the trademark holder's actual business and luggage products, even if the relevant public can see the aforementioned luggage products, they will not consider them to be sourced from the trademark holder. Therefore, the relevant public is unlikely to establish a connection between the disputed trademark and the goods it identifies, and therefore it does not constitute the use of the trademark.

USE OF A TRADEMARK IN THE CONTEXT OF OEM TRADE PRACTICES

The term 'original equipment manufacturer' (OEM), as mentioned in the following text, refers to two different situations. One is that the owner of a trademark not registered in China entrusts a Chinese company to produce and process relevant goods, and exports all goods without selling them in China. The other one is that the production is entrusted by the owner of a trademark as registered not in China, but the products are not exported from China.

According to article 19.16 of the Guidelines of the Beijing High People's Court concerning the Trial of Administrative Cases involving Trademark Authorisation and Confirmation 2019,^[6] it confirms that where the goods labelled with a disputed mark are not circulated in China and are directly exported to a foreign country, the registrant's request for maintaining the trademark registration shall be supported. The Guidelines on Trademark Examination and Trial 2021^[7] take a similar approach.

It is now quite a common practice for the CNIPA and the court to recognise the effective commercial use of a trademark labelled on goods that are directly exported to a foreign country without circulation among Chinese consumers. The rationale behind this practice is that the production link takes place within China, and in this process, the mark has already functioned to identify the origin of the goods, at least among the relevant public, including those closely related operators. Also, if the trademark holder has registered its trademark in China, even if its goods are only manufactured in China, the CNIPA and the court tend to believe the holder has a goodwill to use, and is actively using, the mark, instead of 'token use', considering the large costs involved in the exportation. They also tend to believe that there exists the possibility that these goods may someday be imported back into China for sale due to increasing interconnectivity between countries. Another consideration is that if the use of a trademark in the context of OEM trade practices does not constitute effective commercial use, OEM trades in China will be impacted significantly.

It is not difficult to prove the chain from making the order and exporting the products from China. But when collecting and preparing evidence, the trademark holder is likely to neglect that only when all the products are exported from China, which can constitute the use of the trademark under OEM. In the absence of this evidence, it shall not constitute trademark use, even though the products are entrusted for production by a foreign trademark holder. From some evidence, we can see that the trademark holder directly or through its Chinese company entrusts a Chinese factory for production and processing but does not provide export evidence. In addition, there is also a lack of the evidence showing the sales of products in the Chinese market. Under such circumstances, it shall not constitute effective trademark use.

In the cancellation action against the trademark 'Aptamil' No. 10000314 (2022 JXZ No. 5134),^[8] this trademark was registered on toilet paper, paper napkins, etc, in Class 16. The trademark holder submitted product photos, WeChat Moments screenshots, online promotional screenshots, the trademark licence agreement and authorisation letter, the distributor cooperation agreement and delivery note, the OEM contract and receipt, etc. The court considered that the OEM contract and the receipt only reflected the commissioned production of the products and did not prove that the trademark holder had engaged in commercial use of the disputed trademark in the sense of trademark law.

ALTERED USE OF A TRADEMARK AND USE OF A TRADEMARK THAT POINTS TO OTHER SIMILAR REGISTRATIONS

According to article 49 of the Trademark Law of the People's Republic of China,^[9] a trademark registrant should not make alterations with respect to the registered trademark. However, in practice, it is usually difficult to ensure that the mark in actual use is exactly the same as the one already registered. So, to what extent does the use of a mark constitute the effective use of a registered mark?

According to article 26 of the Provisions of the Supreme People's Court on Several Issues concerning the Trial of Administrative Cases involving Trademark Authorisation and Confirmation,^[10] where the mark in actual use is only slightly different from the registered mark and does not change its dominant feature, the use of the mark can be deemed as effective use of the registered mark. As such, the focal point in cancellation proceedings with respect to a mark is not whether it is exactly the same as the registered mark but whether it changes the dominant feature of the registered mark.

In *Jing Shunyou v Huizhou Qibei Technology Co, Ltd* (2023 ZGFXZ No. 5),^[11] the Supreme People's Court decided that the mark in actual use, namely 'HONG MENG EDUCATION & Device' only adds the word 'HONG MENG' which means education, to the registered mark 'HONG MENG & Device' No. 7998354 and does not change the dominant feature of the registered mark. In this case, the additional word 'HONG MENG' (education) is of weak distinctiveness in respect of the educational services in Class 41 on which the disputed mark is registered. In other words, the dominant part of the mark in actual use is the same as the one already registered. Accordingly, the Supreme People's Court finally recognised the use of the trademark with an additional descriptive word as the effective use of the registered mark, and the registration of the disputed mark was finally decided to be maintained.

It takes four and a half years from lodging the non-use cancellation to receiving the judgment from the Supreme People's Court. We can see that the trademark in actual use does not have obvious difference from the registered mark in the appearance. However, the CNIPA, the Beijing IP Court and the Beijing High People's Court all determined that the evidence is insufficient to prove the use of the trademark.

From this case, we can learn that adding some descriptive parts to a registered mark shall not affect the recognition of the use of a registered trademark. However, there is no doubt that lots of evidence is required and work needs to be done to persuade the authorities. As such, it is advisable to register the trademark the same as in actual use. If after registration, the trademark will be altered even if it is not the substantive modification, it is advisable to file a fresh application for registration of the new trademark.

At present, the Chinese Trademark Law does not prohibit repeated registration of the same or similar trademark on similar goods. So, it is common that a trademark holder has the registrations for several similar trademarks and there is no substantive difference between these marks. The evidence may show exactly one trademark, but not the disputed trademark. What if the trademark in actual use does not change the dominant feature of the registered trademark, but at the same time points to some other mark registered in the name of the holder?

As is pointed out in article 19.13 of the Guidelines of the Beijing High People's Court concerning the Trial of Administrative Cases involving Trademark Authorisation and Confirmation 2019,^[12] where a trademark registrant owns several registrations, even if there are only nuanced differences between the trademark in actual use and the disputed trademark, the request for maintaining the registration of the disputed trademark may be rejected if it could be proved that the trademark actually used is some other registered trademark in the name of the holder.

In *Shanghai Sanshi Enterprise Management Co, Ltd v Lacoste* (2021 JXZ No. 5906),^[13] the Beijing High People's Court particularly pointed out that the mark shown in the evidence was the crocodile device facing right, which is different from the registered one that faces left.

Considering that the holder registered both versions of the crocodile device in Class 14 in China, the use of the right-facing one points to other registered marks with the same device in the name of the registrant, which does not constitute the effective use of the disputed mark that faces left. Accordingly, the disputed mark was decided to be cancelled.

In *Chocoladefabriken Lindt & Sprungli AG v Zhuang Fujiang* (2020 ZGFZX No. 72),^[14] the Supreme People's Court decided that the trademark shown in the evidence pointed to the mark 'L' Logo No. 9533138 as registered in the name of the holder, instead of the disputed mark 'L' No. 3040096. Although the two marks only differ slightly in the typeface and the device part, and the trademark in actual use does not change the dominant feature of the registered mark, as long as it points to another registered mark, the use of the trademark will be deemed as the effective use of the one that is more similar to it. In this case, the disputed mark was therefore cancelled.

In such kinds of cases, it is important to file solid evidence that the trademark in actual use does not point to other registered trademarks. In *Beijing Gaojie Shengshi Technology v Tencent Technology (Shenzhen) Co, Ltd* (2020 J73XC No. 17479),^[15] the Beijing IP Court pointed out that although the trademark in actual use is closer to the trademark 'L' No. 18015753 in Class 9, instead of the disputed mark 'L' No. 902500, by the time the contracts were concluded, the trademark shown in the contracts had not yet been approved for registration. As such, the use of the trademark 'L' can be deemed as the effective use of the disputed mark 'L'. Accordingly, the registration of the disputed mark was maintained.

From the above cases, we can see that if the holder owns several similar versions of the trademarks in China, more scrutiny will be given in the examination. Usually, the trademark examiner will take the initiative to check what marks have been registered in the name of the holder, and if they identify any mark that is more similar to the mark in actual use, they will tend to consider the trademark in actual use as the one more similar to it, instead of the disputed trademark, and cancel the disputed trademark registration, although the mark in actual use does not change the dominant feature of the registered mark.

Endnotes

- 1 <https://www.cta.org.cn/ywdt/201701/W020170105340933368453.pdf>. ^ [Back to section](#)
- 2 <https://sbj.cnipa.gov.cn/sbj/zcwj/202112/W020231026360188451411.pdf>. ^ [Back to section](#)
- 3 Beijing High People's Court: 2019 JXZ No. 1690. ^ [Back to section](#)
- 4 Beijing High People's Court: 2017 JXZ No. 2424. ^ [Back to section](#)
- 5 Beijing High People's Court: 2021 JXZ No. 5414. ^ [Back to section](#)
- 6 https://www.beijing.gov.cn/zhengce/fygfxfwj/202308/t20230817_3224611.html. ^ [Back to section](#)

- 7 <https://sbj.cnipa.gov.cn/sbj/zcwj/202112/W020231026360188451411.pdf>. ^ [Back to section](#)
- 8 Beijing High People's Court: 2022 JXZ No. 5134. ^ [Back to section](#)
- 9 https://www.gov.cn/guoqing/2020-12/24/content_5572941.htm. ^ [Back to section](#)
- 10 <https://www.court.gov.cn/fabu/xiangqing/34732.html>. ^ [Back to section](#)
- 11 The Supreme People's Court: 2023 ZGFXZ No. 5. ^ [Back to section](#)
- 12 https://www.beijing.gov.cn/zhengce/fygfxfwj/202308/t20230817_3224611.html. ^ [Back to section](#)
- 13 Beijing High People's Court: 2021 JXZ No. 5906. ^ [Back to section](#)
- 14 The Supreme People's Court: 2020 ZGFXZ No. 72. ^ [Back to section](#)
- 15 Beijing Intellectual Property Court: 2020 J73XC No. 17479. ^ [Back to section](#)



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