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*Practice Group(s):
Intellectual Property*

China Trade Marks – Inclusion of Retail and Wholesale services relating to medicines and pharmaceuticals

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Summary

The China Trade Marks Office (**CTMO**) recently announced that from 1 January 2013 it is accepting applications to register trade marks in relation to retail or wholesale services for pharmaceutical, veterinary and sanitary preparations and medical supplies only in class 35.

Prior to this, the CTMO had always rejected trade mark applications for retail and wholesale services. Brand owners generally had to rely on registering trade marks under vague descriptions such as "Intermediary business services relating to the commercialization of...", to try to obtain trade mark coverage for their retail or wholesale business in China.

We recommend that brand owners providing retail or wholesale services in the pharmaceutical or medical industry in China file new trade mark applications in China in class 35.

New Class 35 Services

The following 7 standard descriptions of services in class 35 will now be accepted by the CTMO for trade mark registrations:

1. retail or wholesale services for pharmaceutical, veterinary and sanitary preparations and medical supplies;
2. retail or wholesale services for pharmaceuticals;
3. retail or wholesale services for pharmaceutical preparations;
4. retail or wholesale services for sanitary preparations;
5. retail or wholesale services for medical supplies;
6. retail or wholesale services for veterinary medicines; and
7. retail or wholesale services for veterinary preparations.

The above retail or wholesale services can be provided online or through physical stores. The services also include the services provided around the actual sale of goods, not just the act of selling goods.

The new class 35 services will not be considered to be similar to any service in class 35 that is currently acceptable for trade mark registration by the CTMO. Therefore any previous application or registration in class 35 will not be given priority over a new application covering the new class 35 services.

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Transitional provisions

- The transitional period is from 1 January 2013 to 31 January 2013.
- All trade mark applications filed for registration in relation to the new class 35 services within this period will be considered as having been filed on the same day.
- If two conflicting trade mark applications are filed on the same day, the CTMO will preliminarily approve the application for the trade mark that was used first before 1 January 2013. The use (presumably in China) must be genuine use in relation to the specified class 35 services made available to the public.
- If the date of first use is the same for two or more trade marks and neither mark has been used, it is up to the applicants to negotiate an agreement. If no agreement can be reached, the applicants will draw lots.
- Brand owners are required to submit a business certificate demonstrating that the new class 35 services fall within the scope of their business. If a business certificate is not supplied, then the application will be rejected.
- If the scope of the business certificate is not completely consistent with the new class 35 services that the brand owner is applying for, the CTMO will accept the application and notify the brand owner and ask that the application be amended. While the CTMO has not provided any further guidelines around this, we expect that the CTMO will allow the brand owner further time to amend its business certificate without losing the filing date.

Once the transitional period ends on 31 January 2013, the CTMO will revert back to its usual practice of granting trade mark rights priority to the "first to file".

Recommendation

In light of the new class 35 services, we recommend that medical and pharmaceutical companies, that have a retail or wholesale business in China, file applications to register their trade marks in China for the new class 35 services during the transitional period which ends on 31 January 2013. Even if your business has not commenced use of its relevant trade marks in relation to these services in China, we recommend that a trade mark application be filed for these services as a defence against bad faith applications, especially in the case of well known international brands.

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