

What do Michael Jordan and Jeremy Lin have in common?

Trademark Filing Tips - First to File and Chinese Equivalents (3/1/16)

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Michael Jordan - One of the greatest athletes of all times; active entrepreneur. He is often credited as being instrumental in popularizing the NBA around the world.

Jeremy Lin - “Linsanity” personified; newcomer star athlete. He stunned the sports audience with a winning streak and sparked a popularity fire storm across the world of basketball game.

Both Michael Jordan and Jeremy Lin have their names registered as trademarks in China - but by others.

In 2003, “Qiao Dan,” the Chinese phonetic translation of “Jordan,” was registered as a trademark in the Chinese Trademark Office by “Qiao Dan Sports Company Limited” a Chinese Company, <http://www.qiaodan.com>. Since 2000, “Qiao Dan” sporting goods and apparels were widely marketed and sold in China by this company. In 2009, the Chinese Trademark Office recognized “Qiao Dan” as a well known trademark. Neither Michael Jordan nor his enterprise has anything to do with “Qiao Dan” or the goods.

Same theme as above - “Jeremy Lin” and “Lin Shu Hao,” Jeremy Lin’s Chinese birth name also appeared in two trademark applications filed by the WuXi Risheng Sporting Goods Co. Ltd., Jiangsi Province China, in July 2010. Notably, the trademark application was said to have cost the WuXi company about \$700. (Co-incidentally, WuXi Haoqiu Sporting Goods Co. Ltd. from the same neighborhood has also filed a trademark application of the “Micheal Jordan” name in 2011.)

In 2012, Mr. Jordan filed a lawsuit in a China court against “Qiao Dan” Sporting Goods alleging the latter of infringing on his Chinese name “Qian Dan,” his team number 23, and the jumping man logo. After a Beijing court ruled against him, Mr. Jordan took the trademark dispute to the Beijing High People’s Court in for a retrial. On June 18, once again, the court ruled against him,. According to online articles, Mr. Jordan has appealed to the People’s Supreme Court for the retrial of the case. As for Mr. Lin, there is no news on whether he may take any action to deal with the WuXi trademark issue.

So the “Jordan” and “Lin” names are being exploited in China without authorization from Michael Jordan or Jeremy Lin.

Whether and how the trademark rights and liabilities may ultimately be sorted out between the superstar athletes and Qiao Dan Sports or the WuXi company remain uncertain at this time. One thing for sure, lawsuits, negotiations and payouts between brand owners and Chinese trademark registrants will be expensive. What should one first learn from this story to protect oneself in a global intellectual property community?

File early! Brand owners should know this already. China has a first-to-file system for trademark registration. So, whoever first registers the mark would enjoy the exclusive right to use it for the goods or services designated in the registration. Evidence of prior use of the mark is not required for the registration. Worse yet, the brand owner’s first use of his trademark is usually not given much weight

against another party who has already registered the same or similar mark. So, in a trademark contest, unless the owner of the unregistered trademark can prove that his trademark was well-known to the China market before the filing of the opponent's trademark application or that the latter has registered the mark in bad faith, the unregistered trademark owner would not have much protection.

Failure to be the first-to-file may necessitate costly and time-consuming opposition, cancellation, litigation, and/or expensive buy-outs for the late-comer. In light of the relatively low cost for filing trademark registration, there is no reason to wait to file the trademark application until one's brand introduction to China has become an open secret.

Protect the Chinese equivalents! As the Jordan story tells us, the well-known Jordan brand does not guarantee that it will be recognized and protected in China.

Chinese consumers tend to verbalize a foreign word with Chinese words (characters). To those who are not familiar with the foreign language, the sound and the meaning of the trademark, if any, would not help connect the brand with the goods. To facilitate the consumers' audio and mental association with the foreign brands, many companies routinely adopt a Chinese version of their trademarks from the foreign language.

The Chinese version may be derived from translation, transliteration, homophones (words with similar sounds but different meaning), or any combination of them. The Chinese language is rich in characters. This presents many opportunities for creating character sets with unique sounds and meanings that are pleasing to the ears and heart of the consumers. These Chinese marks are as important as their foreign counterparts. File the trademark applications as soon as possible and protect them. Keep a watchful eye on those infringers who might sneak into the market with different character combinations but with similar phonetic attributes.

Prevention in the filing strategy! Filing early to secure registration of both foreign and Chinese trademark versions is a cost-effective, preventative means of trademark protection and enforcement in China. From an economic perspective, the cost of filing a trademark application is thousands of dollars less than that associated with other enforcement actions such as opposition/cancellation proceedings and lawsuits.

Though there is no assurance that a third party's application of an identical or similar trademark will automatically be rejected, any earlier registration or a first-filed trademark application can create a barrier to impede/reduce the number of potentially conflicting third party registrations. Without such a barrier, the trademark owner could face difficult and expensive challenges of extended opposition/cancellation proceedings, lawsuits, negotiations and/or payouts with uncertain outcomes.

There are many ways to protect intellectual property rights in China, all of which demand the development of procedural, legal and practical strategies and actions to provide maximum, cost-effective protection. The above points may seem simple but they are the necessary foundation of a strong IPR protection strategy in China for foreign brand owners.