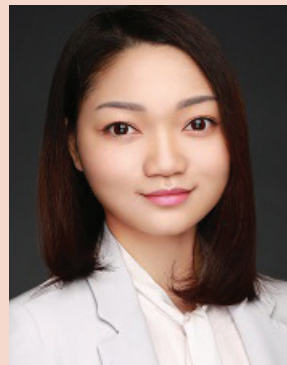


The implementation of theory of relativity in sound mark registration in China

Shirley Ya LIN & Nikita Min XUE of HongFangLaw examine the tech company Tencent's successful challenge against the Chinese trademark review administration and give their take on this case and its implications, analyzing why the Tencent case is unique and how sound marks could be registrable in China.

Résumés



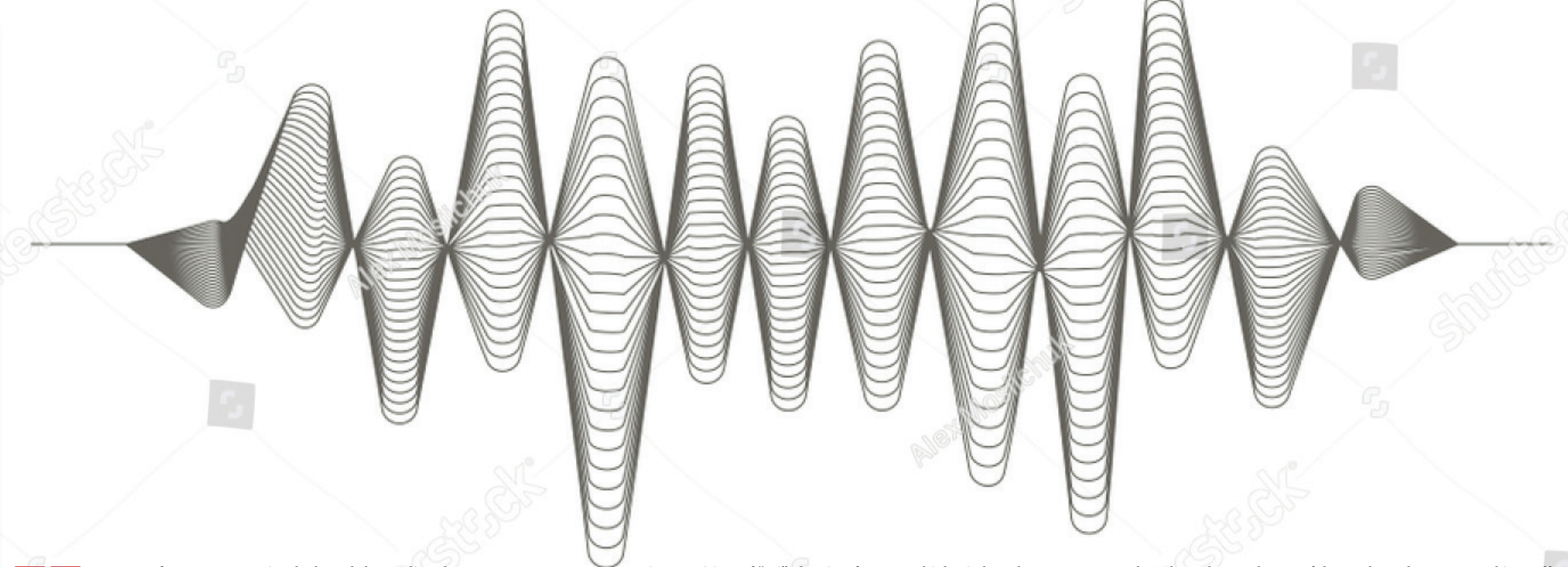
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Shirley is an associate at HFL and offers her expertise in dispute resolution, trademark acquisition, project management and legal translation. In addition to legal disputes, she also gives helpful advice on branding, marketing and contractual matters. With her English and Chinese, plain and legal languages, legal concepts can be effectively delivered to clients. She is also a keen contributor of review articles of law and practice in China.

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How many of you can recognize the brands by reading the following staves? The 20th Century Fox Fanfare, the "Intel Inside Bong", McDonald's "I'm lovin' it" jingle... It is interesting how people may conjure the sounds and even the associated images or footages by just looking at the descriptions without actually hearing or seeing them. This is the power of sonic branding, a marketing strategy much sought after these days for the wonder it could work.

Amid the growing interest, in recent years we have witnessed an increasing number of sound mark filings. At this juncture, Tencent's fight for its "Di Di Di Di Di Di" sound mark against Chinese trademark administrations hit the public's nerves and made it the first sound trademark case ever heard by a court in the jurisdiction.

The tech giant in China has long been using the ring tone to notify incoming messages on its instant-messaging software named QQ, a penguin image. Launched in 1999, QQ recorded over 200 million concurrent users on April 11, 2014, just before the time when Tencent filed the sound mark application and the effectiveness date of the third amendment of China Trademark Law (effective since May 1st, 2014).

Yet since the day of trademark registration application on May 4th, 2014, Tencent had been on a losing streak against the China Trademark Office (CTMO) and the Trademark Review and Adjudication Board (TRAB) before it could eventually deliver a victory in court. Affirming the CTMO's rejection, the TRAB shared the opinions that the applied sound mark "Di Di Di Di Di Di" in Class 38 (Application No.: 14502527) is too simple to bear any creativeness or distinctiveness required of registrable signs. The sound was also viewed as a functional signal on QQ unable to help identify the source of the services, albeit the software's established popularity (Docket No.: Shang-Ping-Zi [2016] 0000035304). On December 6, 2016, Tencent filed a lawsuit against the TRAB in an attempt to appeal.

The first-instance Beijing Intellectual Property Court held in Tencent's favor that the six-beep tune passes the procedural test of registrability (Docket No.: [2016] Jing-73-Xing-Chu-3203). Despite

agencies and conference call services" irrelevant to the permissible "message transmission" on which the majority of trademark use evidence had been built. The court specifically pointed out that distinctive character on one item by itself does not justify the same on another. In the case of acquired distinctiveness, rigorous standards for examination should be set in order to avoid over-generalization.

The high-profile case is billed as an advance of China's trademark procedures. Yet a closer look into the case itself and the broader landscape may be a reason for brand owners not to get too excited.

First, it took over 4 years for the resourceful conglomerate Tencent to secure a registration for its household ring tone on the software that the millennial in China grew up with. Along with other exhibits, Tencent submitted 152 pieces of literature to the court to establish its mark's acquired distinctiveness. Then what are the chances for an ordinary company (not to mention start-ups or other small and micro businesses)? Since China is not a common law country, and trademarks are examined case by case, there are many variables that could make or break an application. But with reference to Tencent's grueling legal battles, let it just be said that registration of sound marks may not be quite promising without considerable investment of resources.

Could it be possible that the Tencent case is unique of its kind and says little about sound mark registration in China? Before May 5, 2014

its repetition of "Di", the ring features a high pitch and a compact style and delivers certain sound effects that are quite unique. It is also more than functional as a result of user preferences rather than default operations that could not be altered. Distinctiveness has been acquired through QQ's long-term presence and exceptional popularity. The sound with stable correspondence with the software and the company effectively functions to identify the source of the designated services in Class 38.

However, the TRAB insisted on their opinion and appealed before the Beijing Higher People's Court which maintained the lower court's judgment for the most part but narrowed the mark's coverage eligible for registration (Docket No.: [2018] Jing-Xing-Zhong-3673). The court struck out three service items, i.e. "TV broadcasting, news

when the 3rd amendment of the Trademark Law entered into effect, China was one of the contracting parties that had reservations on Article 15 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). It was once required that, "An application for trademark registration may be filed for any visible mark... that can distinguish the commodities of the natural person, legal person or other organization from those of others." After the amendment, registrable signs now include but not limited to "word, design, letter, numeral, three-dimensional symbol, combination of colors, and sound, as well as a combination of the above". Led by the first sound trademark applied by China Radio International (a state-owned international radio broadcaster) on May 4, 2014 and granted on May 14, 2016, only 15 of 546 sound mark filings have made it to registration over the

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four years since 2014. Tencent was one of the early applicants. Despite the above favorable judgments, other message notifications such as “Du Du Du Du Du Du” and “Ke Ke” (simulation of cough sound) that also rings familiar to QQ users were still not blessed.

Nevertheless, sound mark applications in China are not doomed to fail. And foreign enterprises have the same chances of securing sound mark registrations as their domestic counterparts do, as long as the marks applied are up to the examination standards. Not long after China Radio International’s registration, the first sound mark granted to a foreign applicant followed on August 21, 2016. It is “SOFY” in Class 5 filed by Unicharm Corporation, a Japanese manufacturer of sanitary products.

Facilitated by technical advances and motivated by Tencent’s success, the number of sound mark filings may witness a boost going forward. Therefore, there is much to take away from the current trademark practice and the Tencent case as to what kind of sound marks is deemed eligible and what kind is less so for those who wish to tap into the scarce resources. In our opinion, a registrable sound mark should be legal, non-functional and distinctive, and distinctiveness merits more discussion on whether it is inherent or acquired.

1. Legality

This is an aspect that the Tencent case did not touch upon, but a corner stone of a valid application. General rules for trademark filings apply, but sound marks come with special concerns.

Most importantly, the applied sound mark should not infringe upon prior rights, just as ordinary marks may be blocked for their similarity to prior marks or invalidated if they are found exploiting other’s copyrights, patents rights, or rights of name etc. The trickier part in this regard is a sound mark featuring a third-party work where copyright protection may apply. The situation may not be easily detected by examiners, but could risk ruining all the hard work

for the mark’s registration if disputes arise later. Therefore, when a copyrightable work is used as a trademark, users should make sure that they have intact rights to do so.

Another reason for rejection right off the bat and difficult to dispute is potential adverse effects to the country and society. Article 10 of the Trademark Law bans the trademark use of any sound that could be falsely associated with a country (unless warranted), a governmental organization, the Red Cross, the Red Crescent etc. or may be perceived as discriminative or deceptive. It follows that filings of national anthems or theme songs will almost certainly be blocked without permission from the nation or organization concerned. In more ordinary scenarios, applicants should avoid filing sounds that may conjure improper perceptions, such as obscene and vulgar words or sound effects. Special attention should also be paid to elements that may have varying meanings to different audiences. Although the appreciation for sounds may transcend the language barrier, culture is still an important player in shaping the taste.

2. Non-functionality

In the Tencent case, the CTMO and TRAB did raise an issue about the function signaled by the “Di Di Di Di Di Di” sound, based on which they decided not to approve its registration. However, their concern is more about distinctiveness, but what we are discussing here is grounded on reining in monopoly and promoting social development.

As trademark rights is a form of monopoly that could be extended indefinitely, registration of functional or generic sounds, by outlawing their use by people other than the registrants, will give such trademark holders unfair advantages and hinder the development of the industry and beyond. Therefore, functional sounds should not be registered. Even if they accidentally enter into registration where invalidation may not be applicable, the rights should not be maintained against reasonable use by third parties.

As for the standards, reference could be drawn from Article 12 of the Trademark Law that regulates 3D trademark filings. Giving a little twist to the provision, we may say that sound marks should not be registered if it is only a sound resulting from the nature of the goods, a sound of the goods necessary for achieving a technical effect, or a sound to add a substantive value to the goods. Based on the principles, second thoughts are warranted for filings of simple clicking sounds on computer mice or the ordinary siren on first aid services.

On a further note, a possible scenario is that applicants may file a mark combining generic, functional sounds and their original work. As mentioned in a preceding paragraph, if the former part is also adopted by others and the use does not cause confusion or mistake, the rights holder should not be in a position to challenge.

3. Distinctiveness

Distinctiveness is the life of trademarks for them to distinguish from one another. Sound marks may do a good job in capturing the audience’s attention, but sometimes not as great when it comes to identifying a brand. As a brand’s icon, a sound should be somewhat unique at the appropriate length. In general, a sound is more distinctive when it is not inherently associated with the designated goods or services. Just as the bitten apple logo is special on electronic devices but rather not on farm products, a baby’s giggle will hardly break any ground if used to advertise baby products, nursery homes, pre-school education institutes etc. An epic orchestra piece is sure enough original, but it could easily lose the audience before having the brand recognized. And if too short and simple, it may not serve to distinguish. With these examples, it becomes clear that inherent distinctiveness is not easily achievable for sound marks. A deployable strategy is to vocalize the brand name with a tune, like the first sound mark “SOFY” granted to the foreign applicant Unicharm Corporation.

Distinctiveness could also be acquired, as revealed by the Tencent case. The “Di Di Di Di Di Di” sound as a variation of message notification, is not innately unique on “message transmission” or other services in relation. However, adopted at the dawn of the information era and hammered into people’s heart after its long-term presence, the ring tone has taken on distinctiveness that could serve to pinpoint the services. Brand owners may take this as a lesson, to design the scenarios where their sound marks are to be used and keep track of the applications as evidence. The existing registered sound marks have all been popularized via broadcast, advertising or social media. Blessed with today’s digital accessibility and literacy, it should be easier for brand owners to popularize a sound and collect the evidence of trademark use nowadays. However, as elaborated by the second-instance court, the scope of acquired distinctiveness should be limited to the truly relevant goods/services. This should be taken into account when using a sound and filing for its registration.

“ But with reference to Tencent’s grueling legal battles, let it just be said that registration of sound marks may not be quite promising without considerable investment of resources. ”



In practice, it takes a lot of hard work for brand owners to create the stove within proper length but with significant feature for users to remember and identify, and they must struggle among these segments before delivering a final piece of satisfactory creation. Separated from the services or goods that a trademark relies on, the sound mark could be plain, simple and even repetitive, like the Tencent case with six short sounds of DI at the same frequency, but the final victory after the four-year battle proved that this sound mark could be also distinctive enough to help users identify the source of the services and goods, and that is the most important spirit of a registered trademark by law.

In a nutshell, sound marks are not easily attainable for issues of its kind to be attended to, but it is still a type of trademarks to which general rules apply. As the trademark system in China develop, interested brand owners should not be daunted by the success rate up to now as long as they are well prepared for the administrations’ challenges in terms of their sound marks’ legality, non-functionality and distinctiveness.

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