

# Trademark Protection for Wine Brands in China

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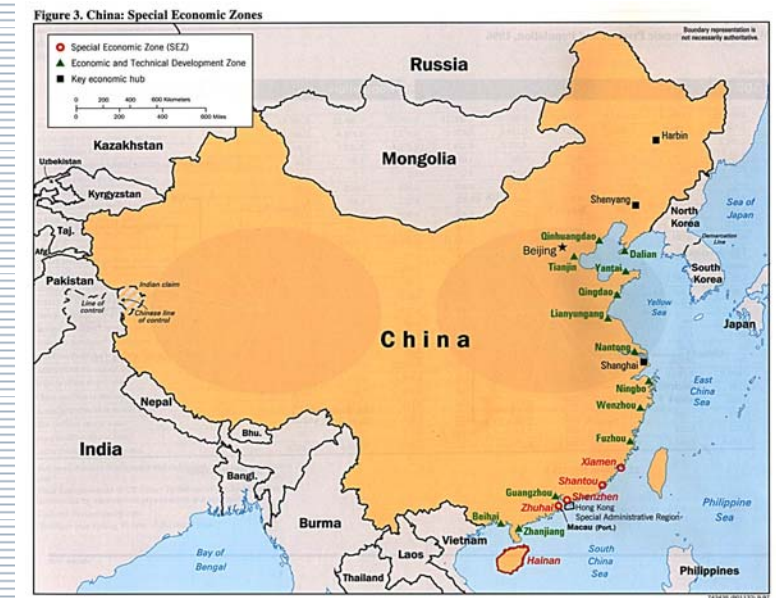
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## ***Disclaimer***

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# Territoriality

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- Trademark rights in the U.S. do not extend beyond U.S. borders, not even to Canada.
- Rights must be independently established in each country.

# Common Law vs. Civil Law

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- U.S. is a common law country.
- Trademark rights may be established based on use.

# Common Law vs. Civil Law

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- Other English speaking countries also have some form of common law trademark rights.
- E.g., Canada, UK, Australia, NZ, Ireland, etc.

# Common Law vs. Civil Law

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- However, most countries, including China, operate under civil law.
- Pursuant to civil law, trademark rights can **only** be established through trademark registration.

# Common Law vs. Civil Law

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- Unlike the U.S. (and Canada), most countries, including China, do not require use of the mark in commerce to obtain registration.
- As a result, the first to file an application for a trademark for particular goods obtains TM rights.

# Common Law vs. Civil Law

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- With the Internet, it's not uncommon for pirates to file for TMs and then attempt to prevent use by brand owner.



# Common Law vs. Civil Law

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- A few years ago in China one individual filed for the marks **CARTLIDGE & BROWN, RED TRUCK, ROCK RABBIT** and **SCREW KAPPA NAPA**.

# Common Law vs. Civil Law

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- China is the 5<sup>th</sup> largest wine producer in the world, ahead of Australia, Chile and South Africa.
- China (including Hong Kong) is among the top ten global markets for wine consumption.

# Common Law vs. Civil Law

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- China still a commodity economy focused on copying.
- COFCO, largest state-owned food company, registered the mark NAVA VALLEY for wine.



# Common Law vs. Civil Law

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- Benefit of China system is that any U.S. company can defensively register its trademark in China before it ever sells wine there.

# Common Law vs. Civil Law

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- However, should be noted that trademark registration systems are different for PRC, Hong Kong and Macau (one country, two systems).
- Registration in one will not afford protection in the other.

# Foreign Trademark Registration

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Two Ways For Foreign Registration:

1. Direct filing in a country;
2. International registration.

# Direct Filing

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- Any U.S. winery can file for TM registration in any country in the world.
- Most U.S. trademark attorneys maintain international network of foreign trademark counsel.



# International Registration

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- International treaty – Madrid Protocol, U.S. is signatory.
- File an international registration with USPTO based on U.S. trademark registration, extended to other Madrid signatories through WIPO, including China, but not Hong Kong or Macau.

# International Registration

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## BENEFITS:

- Need not retain local counsel, lowers costs.
- Need only renew international registration, not individual country registrations.

# International Registration

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## BENEFITS:

- European countries, Japan, China, Australia, Singapore are signatories.
- Mandatory 18 month period for examination and approval/refusal.

# International Registration

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## SHORTCOMINGS:

- Tied to U.S. registration.
- If refused, still need to retain local counsel to respond.
- Canada, Hong Kong, and the majority of Latin American countries have not implemented.

# Foreign Distribution

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- For any significant foreign market, file TM application before distribution, especially China.

# Foreign Distribution

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- Failure to file could result in foreign distributor filing first and usurping your brand.
- Could be exposing yourself to foreign infringement action if do not have rights to mark, significant penalties depending on jurisdiction.

# Foreign Distribution

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- If you plan to use Chinese characters for brand name of wine sold in China, need protection for Chinese written translation as well as English characters.

# Foreign Distribution

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- However, if a party files for the phonetic transliteration of your mark in Chinese characters before you register your mark in Latin characters, could also block your registration.



# Conclusion

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- Any plan for foreign distribution should include a strategy for foreign trademark registration ahead of such distribution, especially in China.

# Thank You

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