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Content

Lifang & Partner's View

The Right of Priority—a Mechanism for Global Trademark Portfolios

The Right of Priority—a Mechanism for Global Trademark Portfolios

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On 19 September 2018, Tesco launched Jack's discount supermarket chain in Chatteris, Cambridgeshire, UK. The chain is named after Tesco's founder Sir John Edward Cohen ('Jack') and a further 60 stores are projected to open throughout the UK.

As one of the biggest retailers in the UK, Tesco's business tactics are always under the spotlight. So, to keep their new brand out of the public eye, Tesco made the first trademark filing for Jack's in Sri Lanka in 2017, in the name of a Sri Lankan subsidiary, PTL Limited. Doing this gave Tesco a six-month convention priority period to file in other jurisdictions and still claim the original filing date as that of the Sri Lankan entity. Through this strategy, Tesco could delay their trademark filings in key markets, such as the UK and EU, because they had a prior right elsewhere.

It was important for them to keep their launch secret. However, trademark applications always reveal the plans of businesses. So, Tesco's decision to file first in Sri Lanka shows that significant effort and thought went into creating the strategy that they adopted.

Being far away from UK, there could be doubt as to the connection between the Sri Lankan trademark and Tesco in the UK. Such doubt benefitted Tesco.

Because of the priority system, Tesco could still claim the filing date in Sri Lanka as its UK application date. Additionally, some have speculated that because of processing delays that are endemic within the Sri Lanka Trademark system, Tesco was able to benefit from both the priority system and a substantially delayed publication date.

The Right of Priority

The right of priority was first provided for in the *Paris Convention*. In relation to trademarks, the right means that, based on a regular first application filed in one of the Contracting States, the applicant may, within 6 months, apply for protection in any of the other Contracting States.

Any subsequent applications will be regarded as if they had been filed on the same day as the first application. In other words, they will have priority (hence the expression "right of priority") over applications filed by others during the said 6-months period for the same trademark. More than that, the right of priority is adequate to establish when the application was filed in the country concerned, whatever may be the subsequent fate of the first application.

Under the provisions on national treatment, the *Paris Convention* provides that, as for the protection of industrial property, each Contracting State must grant the same protection to nationals of other Contracting States that it grants to its own nationals. Nationals of non-Contracting States are also entitled to national treatment under the Convention if they are domiciled or have a real and effective industrial or commercial establishment in a Contracting State. In practical terms, under the national treatment principle, a Chinese entity may first file a trademark application in Canada and claim the right of priority in the USA based on the Canadian application.

Claiming Priority in China

Article 25 of the *Trademark Law* states that if any trademark applicant has first filed a trademark application in a foreign country within the preceding 6 months and files an application in China for registration of the same trademark in respect of the goods in the same class, they may, in accordance with any agreement between the said foreign country and China, in accordance with any international treaty to which both countries are member countries, or on the basis of the principle of mutual recognition of the right of priority, enjoy a right of priority. Under Article 25, there are three approaches for claiming priority in China;

1. Because China is a contracting state of Paris Convention, if an application for the registration of the same mark in relation to some or all of a class of goods or services was made in one or more Convention countries is made within 6 months that applicant may claim priority in China. For example, under the provisions on national treatment, a Canadian may claim priority based on an application in the USA.
2. China is a member of the WTO and so is Hong Kong. Therefore, a UK company may claim priority based on a trademark application in Hong Kong.
3. In accordance with any agreement between Mainland China and a Chinese region. For example, under the Mainland China and Taiwan *Cross-strait IPR Protection and Cooperation Agreement* dated 29 June 2010, a right of priority may be claimed under the Agreement. In other words, an applicant in mainland China may claim priority based on its trademark application in Taiwan.
4. Based on the principle of mutual recognition of priority rights. For example, Article 34 of the *Regulations on European Union Trade Marks* recognizes the right of priority of a trademark applicant of any State that is a party to the *Paris Convention*. Therefore, because of the principle of reciprocity, the Chinese Trademark Office recognizes the priority of certain EU trademark applications.

The Chinese Trademark Office requires certain documents from any person making a written statement when a trademark application is filed that claims priority. Within three months, a copy of the application documents for trademark registration that was first filed is required. Where the applicant fails to make the written statement or fails to submit a copy of the application documents for trademark registration within the time limit, the claim to the right of priority shall be deemed to have not been made.

Claiming Priority Based on a Chinese Trademark Application

Based on a Chinese trademark application, the applicant may claim the right of priority in any Contracting State of the *Paris convention*, a contracting party of the WTO, or other regions such as EU. However, trademark practices are not the same in all jurisdictions. For instance, in a European Union Trade Mark (EUTM) application, one can claim priority on more than a single earlier application provided that the goods or service covered by each of those earlier applications is different, and all those earlier applications are within 6 months.

First filing	Country	Goods/services	EUTM filed	Goods/services
6 April	Italy	Perfumes	11 September	Perfumes, bags, clothing
9 May	Germany	Bags		
23 May	Spain	Clothing		

(The Chart is from *Guidelines for Examination of European Union Trade Marks*)

There are formal requirements for claiming priority in an EUTM application. The priority claim is filed together, with number, date and country of the previous application. Priority documents and translations are also required, if an official online source of the previous application is not available for verification.

【1】

As for claiming priority in Hong Kong, a claim with the particulars of the previous application is enough, priority documents are not required unless there is conflicting right. 【2】

Conclusion

Claiming priority in the right place at the right time may can help you to build your trademark portfolio with minimum conflict and maximum ease. Lifang & Partners has a lot of experience at handling international trademark portfolios, so we can guide you through the process of building your trademark portfolio and managing it.



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Mrs. Liang's practice areas are trademark, copyright and unfair competition law. She worked in the Trademark Office of the State Administration for Industry and Commerce from 1994 to 2002 and was responsible for trademark application examinations and trademark oppositions. Prior to joining Lifang & Partners, Mrs. Liang worked for China Patent Agency (Hong Kong) Ltd. for eight years and acted as a trademark manager for two of those years.

【1】 Article 35, *Regulation on the European Union trade mark*

【2】 Section 41, *TRADE MARKS ORDINANCE* (CAP 559)



IMPORTANT INFORMATION

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