

## Apple's trade mark problems in China

Failing to properly secure your brand in China can be a very expensive mistake, as the experience of computer giant Apple shows.

The California-based technology company was forced to buy the iPad trade mark from another company for US\$60 million after a court ruled it did not have the rights to use it in China.

Apple's difficulties began when Proview Technology, a flatscreen contract manufacturer, registered trademarks for the IPAD and iPad names in the EU, China, Mexico, South Korea, Singapore, Indonesia, Thailand and Vietnam between 2000 and 2004, according to reports.

### Buying back the iPad name

In 2006 a branch of Proview company agreed to sell the "global trademark" for iPad back to Apple for a modest sum, but there was a subsequent dispute about whether or not the deal included rights to the trade mark in China.

Apple took legal action, but a Chinese court ruled that Proview was the rightful owner of the iPad trade mark in China.

At the same time, Proview requested authorities in several Chinese cities order resellers to take all iPads off their shelves.

Ultimately Apple agreed in a court-mediated settlement to pay US\$60 million to Proview for the name in July 2012. Despite the price tag, some observers said at the time that Apple got off cheaply, because Proview was in bankruptcy and urgently needed funds.

### Research before you start in China

The lesson from Apple's experience is that if you are considering selling or manufacturing in China you should ensure you have protection for your brand in China.

One of the first steps you should take is to check if anyone already owns the trade mark for your brand, and if not quickly apply for trade mark protection.

Registering your trade mark quickly is very important, because under China's "first-to-file" intellectual property laws, the person or company to file their trade mark application first is generally granted the right to that trade mark and can attempt to stop others from using it. You should engage an IP professional familiar with Chinese trade mark law to help you with both searching and your application.

It is advisable to check for both the English and Chinese versions of your trade mark, keeping in mind that your trade mark may consist of an image, a word, a slogan or any combination of these.

### Expert advice is invaluable

The way your trade mark is translated and transliterated in China can have a big impact on how it will be perceived by local customers, so advice from a firm experienced in Chinese trade mark law will prove invaluable, even before you apply to register your trade mark.

Your IP lawyer can also help you register your trade mark in China, either directly with the China Trade Mark Office or from Australia using an international trade mark registration protocol.

It is also important to protect your trade mark in China when working with partners and manufacturers. You should have robust legal agreements in place that will govern how your manufacturer works with your trade mark. These should also give you legal recourse should there be a breach of your intellectual property.

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