

Heidelberg Materials AG successfully obtains registration of HEIDELBERG MATERIALS

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Yang Mingming, 09 September 2024, first published by WTR

- Registering a mark with a geographical name component may be quite challenging in China
- A letter of consent from a municipal government may serve as an official endorsement that such a mark can perform its source-identifying function
- Following an initial refusal, the CNIPA approved Heidelberg Materials AG's territorial extension application

The case

Established in 1873, Heidelberg Materials AG, which is headquartered in Heidelberg, Germany, is one of the world's most renowned and influential building materials manufacturers. As an industry leader, the company provides essential building materials, such as cement, aggregates, ready-mixed concrete and asphalt, operating in over 50 countries worldwide.

On 30 March 2023 Heidelberg Materials AG filed for an international registration for its house mark, depicted below, in Classes 39 and 40, with territorial extension to China:



On 4 August 2023 the China National Intellectual Property Administration (CNIPA) rejected the application for all designated services based on the findings that:

1. 'Heidelberg', as a foreign geographical name well known to the public, shall not be used as a trademark; and

2. the mark is devoid of distinctiveness when used for the designated services.

Heidelberg Materials AG filed for review of the refusal, arguing, among other things, that:

- consent had been obtained from the Municipality of Heidelberg for the registration and use of the applied-for trademark; and
- the mark, as a whole, could be distinguished from the geographical name Heidelberg and function as a source identifier of services.

On 29 May 2024 the CNIPA approved the territorial extension application.

The difficulty of registering geographical names in China

Registering a trademark with a geographical name component may be quite challenging in China. In principle, geographical names are deemed to be inherently non-distinctive. Examiners often cite Article 10(2) of the Trademark Law to reject applications containing names of administrative divisions at or above county level or well-known foreign geographical names. If such marks are filed by applicants from locations other than those geographical names indicated in the trademark, they could be found misleading to the public, thus violating Article 10(1)(7) of the Trademark Law.

The prevalence of translation software and AI tools has also popularised foreign geographical names among the Chinese public, and the increasing awareness of such names is leading to more foreign geographical names being deemed well known in China.

The Supreme People's Court introduced, in its 2020 judicial interpretation, an exception that allows the registration of a trademark consisting of the geographical name of an administrative division at or above the county level or a well-known foreign geographical name and other elements, provided that the overall sign has a meaning distinct from the geographical name. The CNIPA further clarified in its 2021 Trademark Examination and Review Guidelines that "geographical names with other meanings" refer to those with a certain signification that outweighs the meaning as a geographical name and will not mislead the public.

However, in practice, the examination of marks with a geographical name component and other elements tends to be rigorous. Applicants seeking to register such marks will need to prove that their marks fall into any of the following scenarios:

1. the addition of other elements makes the overall mark distinctive;
2. the mark has formed a meaning stronger than that of the geographical name; or
3. the mark has no meaning and is not likely to be recognised as a geographical name.

In the present case, Heidelberg is a well-known city name in Germany, with its own entries in Chinese search engines and dictionaries. A search of the CNIPA database revealed that the CNIPA rejected the application for a trademark combining 'Heidelberg' with other words and a device filed by another applicant located in Heidelberg. The CNIPA reasoned that 'Heidelberg', as the distinctive part of the applied-for mark, referred to a well-known German city and thus constituted a well-known foreign geographical name that could not be used as a trademark. Given that the applied-for trademark constituted a mark prohibited from being used as a trademark, the applicant's use evidence could not serve as a basis for registration. Trademark rights are territorial, and the extraterritorial registrations for the applicant's mark could not establish its registrability in China.

Comment

Here, Heidelberg Materials AG was not only from Heidelberg, but had also obtained consent from the Municipality of Heidelberg for the registration and use of the applied-for trademark. A letter of consent from a city government, though not a mandatory document, may serve as an official endorsement that such a trademark, even in its place of origin, can perform its source-identifying function beyond the mere nomenclature of the geographical name. The success in the refusal review will help Heidelberg Materials AG deploy its house mark portfolio in China.

It is worth noting, however, that a letter of consent from a municipal government may not be a panacea for overcoming an *ex officio* refusal related to geographical names. The market fame of Heidelberg Materials in China and worldwide also played a significant role in the successful registration of the trademark. Applicants are therefore advised to tailor their filing strategy on a case-by-case basis.

Wanhuida Intellectual Property represented Heidelberg Materials AG in this case

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