



Suzhou Industrial Park Administration for Market Regulation Investigates in Infringement of Registered Trademark Rights and Forgery of Product Production Dates by A Local Mechanical and Electrical Limited Company and Its Affiliated Technology Limited Company

Hong ZHENG, a lawyer from Tee & Howe Law Office, had recently represented a trademark owner to participate in an investigation of a trademark infringement case. This case, due to its typicality, involving illegal acts such as infringement of consumers' legitimate rights and interests, price fraud, illegal refitting of electric bicycles, and trademark infringement, was designated as a landmark case by Jiangsu Provincial Administration for Market Regulation. Below is a brief introduction to the case and the investigation results.

On August 17, 2023, based on whistle-blowing from a trademark owner, one of Tee & Howe's clients, law enforcement officers from Suzhou Industrial Park Administration for Market Regulation conducted a surprise inspection of the business premises of a local mechanical and electrical company and its affiliated technology company in Suzhou.

During the inspection, the law enforcement officers discovered a quantity of vacuum pump labels containing the client's trademark, which were identical to the labels already attached to the products in stock. Upon investigation, it was found that the two companies were engaged in their business activities of recycling, testing, repairing, and selling vacuum pumps. Without any authorization from the trademark owner, the two companies ordered and printed labels containing the client's trademark, and altered the serial numbers on the labels to represent a more recent year of manufacture. They then affixed these printed labels to the vacuum pumps they had recovered and repaired for sale.

Upon statistical evaluation, the two parties concerned printed a total of 670 labels containing the client's registered trademark without authorization, with a total printing cost of RMB16,700 . The total value of the 8 vacuum pumps sold and unsold amounted to RMB865,700, with illegal proceeds of RMB300,800.

The behavior of the two parties violated Article 57, Paragraph 4 of the *Trademark Law*, constituting an infringement of the exclusive right to use a registered trademark by manufacturing the registered trademark of

another registrant without permission. In the process of customizing the labels, they deliberately altered the first two digits of the serial number representing the product's year of manufacture, and then replaced the original labels on the recovered client's vacuum pumps with the altered labels for sale. This behavior violated Article 6, Paragraph 10 of the *Regulations on Punishing the Production and Sale of Counterfeit and Substandard Commodities* of Jiangsu Province, constituting the act of selling counterfeit and substandard goods with forged production dates.

On March 20, 2024, the Suzhou Industrial Park Administration for Market Regulation, in accordance with the provisions of Article 60, paragraph 2 of the *Trademark Law* and Article 19, paragraph 6 of the *Regulations on Punishing the Production and Sale of Counterfeit and Substandard Commodities* of Jiangsu Province, ordered the two parties to immediately cease the infringing acts, confiscate and destroy the unauthorized manufactured registered trademark labels. At the same time, a total penalty of RMB530,800 was imposed on the mechanical and electrical company in Suzhou, and a fine of RMB 86,000 was imposed on its affiliated technology company.

The successful investigation of this case not only upheld the legitimate rights and interests of the trademark owner but also demonstrated a

firm stance of law on the protection of intellectual property rights, making a positive contribution to creating a fair competitive market environment.



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Mr. ZHENG is a PRC Attorney-at-Law specialized in the field of IPRs prosecutions and enforcement. His areas of practice cover counseling on trademark, domain name, copyright, unfair competition law and patent infringement, including advising on securing and defending IP rights, taking legal actions against bad faith applications, counterfeits and infringing acts, negotiating for acquisition of trademarks, licensing and handling UDRP actions.

Mr. ZHENG has acted for many multinationals in managing and protecting trademark portfolios in China and handled hundreds of trademark prosecution cases. He has also represented many leading companies in over 200 both civil and administrative litigations in China, some of which were widely recognized as landmark cases in the IP field.

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