

ESPACIO AROMA:

Importance of trademark registration in the country of manufacture of the products.

Espacio Aroma is a Uruguayan company with a history of more than 15 years in the market. Initially dedicated to providing aromatization services to companies, they were among the first to venture into Olfactory Marketing, performing these services professionally. Nowadays, it commercializes products for ambient and body aromatization and it is a well-known company in Uruguay.

Espacio Aroma performs the creation of the fragrances' formula and the assembly of the final product in Uruguay, but many of the basic materials, such as containers, bottles, caps and electronic devices (for example, diffusers), are imported from China. However, Espacio Aroma had not registered its trademarks in that country, only having a registered trademark in Uruguay and in some Latin American countries where the products are commercialized.

Background

In 2017, when a container with lithographed products with the Espacio Aroma trademarks was about to be imported to Uruguay, it was stopped by the Chinese customs, alleging that the company was using an unauthorized third party's trademark.

As a result of this event, it was discovered that a third party in bad faith (Zhejiang Yiwu Long Yu Investment Management Co., Ltd.) had registered

Client	ESPACIO AROMA
Authority	Chinese Trademark Office
Trademarks	espacio aroma 



such trademarks in China, taking advantage of the background and prestige of our client, which is why legal actions were initiated in China.

Nullity action against Chinese company

On March 15, 2019, a nullity action was filed in China against Zhejiang Yiwu Long Yu Investment Management Co., Ltd. with the aim of obtaining a declaration of invalidity of the trademarks and registered in Class 3 of the Nice International Classification, mainly on the grounds of the trademark's notoriety, previous registrations in Uruguay and other South American countries, and the copyright it holds as the creator of the logos.

The following evidence was therefore provided:

A. Related to the previous existence of the trademark Espacio Aroma:

- ▶ Notary certification of Facebook pages, press releases, registration with the Uruguayan Ministry of Public Health and labeling of packaging.
- ▶ Contracts for the creation of the logos and the sketch of the stand with the creative company in charge.
- ▶ Affidavit of the company that created the logo commissioned by Espacio Aroma.

B. Commercial presence of products with the brands Espacio Aroma and EA in China:

- ▶ Letter from Chinese suppliers where it is stated the relationship maintained with Espacio Aroma.
- ▶ Cities where the suppliers are located in order to prove that the Chinese company that registered the trademarks was familiar with the product, knowing it, and thus proving their bad faith.



Favorable ruling: trademarks invalidated

Having analyzed the case, the Chinese Trademark Office decided to declare the registrations of the trademarks in question invalid, for infringing the previous copyrights of Espacio Aroma, in violation of Chinese trademark law, based on:

1. Our client's logos constitute a unique form of expression and have a certain

distinctiveness, thus falling into the category of works protected by Chinese trademark law.

2. According to the design contract sent by Espacio Aroma concluded on May 10th 2010, our client commissioned them the design of two logos for its company.

3. The contested trademarks are identical in terms of their elements, visual effect and means of communication to those of our client, as required by the Chinese trademark law.

4. Our client has commercialized and advertised its products using the brands and logos, having therefore the Chinese company the possibility to know them. Furthermore, the latter did not provide a reasonable explanation for the creation of these designs, so their registration infringes Chinese trademark law.

Conclusions

It was possible to obtain the invalidation of two trademarks registered in bad faith, which could have caused great damage to the company Espacio Aroma and its business of producing and selling ambient and body aromatization products, allowing the company to import them from China safely.

It could be observed in a real case the importance of the registration of the trademark in the country where the products are manufactured, which is in most cases China. Therefore, it is strongly recommended that trademarks are registered in those countries where they are used, either through commercialization or product manufacturing.

It should be noted that trademark registration has a territorial effect, therefore registration in only one country is not sufficient to provide protection to the trademark in the rest of the world, leaving it vulnerable to situations such as the one described in this article.

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