# The Madrid System and its Potential Risks: A 4-Year Battle to Reclaim a Trademark from the Brink of Failure in Cambodia

Two refusals of protection appeared to have ended the effort to register the trademark "CrossLeader" when the International Trademark Registration of DOUBLESTAR GROUP CO., LTD., a Chinese state-owned listed tire company, under the Madrid System designating protection in Cambodia was continuously refused. However, with perseverance and a sharp legal strategy, KENFOX IP & Law Office helped DOUBLESTAR reverse the decision, securing the company's investments in Cambodia.

The final victory not only stands as a testament to DOUBLESTAR's perseverance but also offers valuable lessons, serving as a guide for other businesses seeking effective legal strategies to <u>protect their trademarks</u> under the Madrid System.

#### **Legal Challenges**

Our client, DOUBLESTAR, encountered significant obstacles in registering the trademark "CrossLeader" under International Trademark Registration No. 1354018, designating protection in Cambodia. The products in Class 12, including various automotive-related products, were initially issued a <u>provisional refusal notice</u> by the Cambodian Department of Intellectual Property (**DIP**). Specifically, the DIP contended that "CrossLeader" was likely to cause confusion with the previously registered trademark "CROSS" by TOYOTA JIDOSHA KABUSHIKI KAISHA, as both marks shared the element "cross," while "leader" was considered a generic descriptive element.

## **Response Strategy and Second Refusal**

KENFOX's response to the refusal notice was carefully crafted, emphasizing the differences between the trademarks "CrossLeader" and "CROSS". The argument was presented in two directions: Firstly, KENFOX detailed the dissimilarities in structure, pronunciation, and meaning of the marks. Secondly, we presented evidence of numerous accepted "CROSS" combination marks in Class 12 by the DIP, demonstrating the widespread use of this term in the industry. However, this first response failed to convince the DIP. Consequently, the DIP rejected KENFOX's arguments and issued a second refusal notice in February 2021.

#### **Turning Point: Overcoming the Second Refusal**

Notably, in the second refusal notice, the DIP only suggested that the refusal would be withdrawn if a Letter of Consent from the owner of the cited mark was obtained. This presented a deadlock, as DOUBLESTAR indicated that they were unable to obtain such a letter from TOYOTA.

Undeterred by this obstacle, KENFOX and DOUBLESTAR collaborated to review the situation and formulate a compelling argument focusing on three key points:

- **[i] Distinctiveness of "CrossLeader":** We underscored the widespread use of "CROSS" in the industry, demonstrating its weak inherent distinctiveness. By referencing multiple trademarks containing "CROSS" that had been accepted by the DIP, we argued for the fair treatment of our client's mark.
- **[ii] Global Acceptance:** "CrossLeader" had been accepted for registration in numerous jurisdictions worldwide. This widespread acceptance, covering 72 countries and territories, underscored the mark's distinctiveness and international recognition.
- **[iii] Co-existence:** We emphasized the coexistence of "CrossLeader" and the "CROSS" trademark in several countries, including Japan, the country of origin of TOYOTA JIDOSHA KABUSHIKI KAISHA. This coexistence without any disputes further strengthens the argument for the distinctiveness of our client's mark.

## **Final Victory: Conditional Acceptance of Protection**

DOUBLESTAR's perseverance and KENFOX's expertise and experience led to a significant breakthrough. After careful review, the DIP finally recognized the merit of our appeal, accepting protection for the trademark "CrossLeader," with the condition that the word "leader" would not be protected separately. This result not only marks a significant victory for DOUBLESTAR but also demonstrates KENFOX's expertise and strategic approach in effectively handling international trademark refusals.

www.kenfoxlaw.com Page 1/ 2

## **Final thoughts**

How to turn a trademark refusal into a victory, even when faced with seemingly insurmountable obstacles, especially when the mark has been repeatedly refused twice, is a challenging question. However, with the right legal strategy, in-depth legal knowledge, and sharp arguments, applicants can completely turn the tide, transforming legal obstacles into opportunities to prove the strength of their brand and ultimately achieve a resounding success.

The victory in the "CrossLeader" case not only marks the end of an arduous 4-year journey for DOUBLESTAR but also highlights KENFOX's innovative legal strategies and international expertise in resolving complex trademark disputes.

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www.kenfoxlaw.com Page 2/ 2