# Zhong Wu vs. ZHONGYU: Analyzing Trademark Differences Based on Which Principles in Vietnam?

Appealing <u>a trademark refusal</u> decision from the Intellectual Property Office of Vietnam (**VNIPO**) presents significant legal challenges, even with a single ground for refusal. Facing multiple grounds compounds the difficulty. However, KENFOX IP & Law Office recently succeeded in overturning a refusal for a trademark filed through the Madrid System designating Vietnam, despite the mark being rejected on three distinct grounds.

What persuaded the VNIPO to reconsider its initial conclusion and ultimately recognize the distinctiveness of a trademark previously rejected for containing Chinese characters and exhibiting similarities to two cited marks? What lessons can be learned from this successful appeal?

# Background

In 2018, the VNIPO refused protection for the trademark "Zhong Wu, Chinese characters and device" citing three provisions of the Intellectual Property Law: Articles 74.2(a), 74.2(e), and 74.2(h). Specifically:

No.	Applied-for mark	Grounds of refusal
		• Contains two Chinese characters "中武" (Article 74.2(a) of the Intellectual Property Law, as Chinese is not considered a commonly used language in Vietnam)
1	中 武 Zhong Wu	• Similarity leading to confusion with a prior registered trademark (the "device" element in the applied-for mark is similar to the "device" element in the cited mark under Article 74.2(e))
		PROSPECS
		(for goods "clothing, garments" in Class 25)
		• Similarity leading to confusion with a trademark that has expired but not more than 5 years ago (the word element "Zhong" is similar to the word element "ZHONGYU" in the cited mark under Article 74.2(h))
		+274
		ZHONGYU
		(for goods "clothing, garments" in Class 25)

## Key takeaways

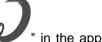
## Developing a Trademark Refusal Appeal Strategy

When a trademark faces rejection on three grounds, the prospect of a successful appeal may seem daunting. Multiple grounds for refusal undoubtedly diminish the chances of securing protection. However, this does not necessarily signify an insurmountable obstacle. Besides a thorough understanding of the refusal reasons, a well-constructed argument, comprehensive evidence, and experienced IP counsel are crucial for a successful outcome.

## 1. Understanding the Grounds for Refusal

In Vietnam, trademark examination reports tend to be brief, often outlining the legal bases for refusal without detailed analysis. This lack of clarity can hinder applicants seeking to appeal, as the true reasons for refusal may remain obscure. To mount a successful appeal, applicants must therefore deduce the underlying reasons

for the refusal and gather evidence demonstrating the mark's eligibility for protection. In this case, the examiner refused the trademark application due to its perceived similarity to two cited marks, creating a likelihood of consumer confusion. Specifically:



in the applied-for mark to be

Similarity of the Device: The examiner found the device element "

similar to the device " " in the cited mark. Specifically, both marks employ a stylized "W" with comparable layout and overall shape, potentially leading to consumer confusion, especially at a glance.

**Similarity of the "Zhong" Element:** The examiner also noted a resemblance between the "Zhong" element in the applied-for mark and the "ZHONGYU" element in the cited mark, which had expired but not more than 5 years. This similarity exists in both the phonetic (auditory) and visual aspects of the marks.

**Likelihood of Confusion:** The examiner asserted that the similarities in both the device and the "Zhong" element could mislead consumers regarding the commercial origin of the goods. Notably, for products in Class 25 (clothing, footwear), consumers often lack the time for careful <u>examination of trademarks</u>, increasing the risk of confusion.

# 2. Analyzing Differences in the Device Element of Composite Marks: Guiding Principles

Generally, when comparing composite trademarks (those containing both word and device elements), similarity in the device element may be found if the letters or words are identical, share the same position, and the stylistic elements (typeface, font, color) are insufficient to create a significant visual distinction. However, if only some characters or a portion of the words are identical, and the "*style or other visual elements differ distinctly*" between the marks, they may be considered visually dissimilar.

In this case, there are no <u>identical characters</u> or words between the two marks ("Zhong Wu" and "PROSPECS"). While it can be argued that the device elements share some similarity (both being stylized depictions of the letter "W"), the "*style or other visual elements differ distinctly*". This is a crucial point for the applicant to emphasize in demonstrating the dissimilarity between the marks:

- **Style:** The applied-for mark combines Latin script, Chinese characters, and a stylized device, creating a unique style distinct from the cited mark, which features only Latin script and a device.
- **Visual Elements:** A detailed analysis should highlight the clear differences in the strokes, thickness, angles, and composition of the stylized "W" in the two marks.
- **Font:** Although both marks use a sans-serif typeface, the fonts differ. This distinction should be analyzed to demonstrate its contribution to the overall visual dissimilarity.

This principle is crucial when comparing trademarks to establish distinctiveness. It allows applicants to focus on stylistic and visual differences in the device elements to demonstrate overall dissimilarity. Furthermore, such analysis helps <u>mitigate the impact of any perceived similarities</u>. While the device elements may share some resemblance, distinct stylistic and visual differences can minimize the impact of such similarities, persuading the VNIPO that the marks remain distinguishable. By thoroughly exploiting these stylistic and visual distinctions, combined with a holistic assessment of the marks, applicants can strengthen their arguments for dissimilarity and the distinctiveness of the applied-for mark compared to the cited mark.

# 3. Analyzing Differences in the Word Element of Composite Marks: Applicable Principles

Demonstrating dissimilarity in the word element of composite marks requires more in-depth analysis. Typically, the following principles are applied to assess similarity or dissimilarity between word marks:

(i) Phonetic comparison: A phonetic comparison of visually perceptible marks can be conducted if they contain one or more pronounceable word elements. This comparison is relevant even if the word element also includes a figurative element or utilizes special characters, lettering, fonts, or colors.

(ii) Consumer perception: Phonetic comparison must be based on the pronunciation patterns of average consumers in the relevant country. Foreign words may be pronounced differently in different countries, and the pronunciation in the country of origin is not always relevant.

(iii) Overall phonetic impression: The overall phonetic impression of a mark containing a word element depends on the number and sequence of syllables, and the pronunciation in a specific country. Phonetic similarity exists if the sounds produced by pronouncing the word elements in the conflicting marks are identical or sufficiently close to be phonetically indistinguishable.

(iv) Phonetic value of foreign or unfamiliar words: The phonetic value of a foreign or unfamiliar word is determined by how the public in the relevant country pronounces it. However, variations in pronunciation may exist within a country due to regional differences or diverse consumer groups.

(v) Priority of word elements in composite marks: When comparing composite marks for phonetic similarity, word elements are generally given greater weight than figurative elements because consumers tend to read and remember words rather than accompanying visual elements. For example, the following composite marks in Indonesia were found to be phonetically similar despite the different images displayed.

**Regarding principle (i)**: This principle allows for phonetic comparison even if the word element contains figurative components or utilizes unique characters, lettering, fonts, or colors. In this case, although "Zhong Wu" includes Chinese characters and "ZHONGYU" incorporates a stylized figurative element, a phonetic comparison remains permissible.

#### Regarding principles (ii) and (iii):

- **Number and sequence of syllables:** "Zhong Wu" has two syllables, while "ZHONGYU" has three. The sequence of syllables also differs.
- **Rhythm:** The rhythmic patterns of the two words are distinct when pronounced. "Zhong Wu" follows a 2/2 rhythm, whereas "ZHONGYU" has a 3/2 rhythm.
- **Application of principle (ii):** Analyze how Vietnamese consumers pronounce these words. It is possible that Vietnamese pronunciation of "ZHONGYU" will deviate from the Chinese pronunciation, creating a more pronounced phonetic difference.

#### Regarding principle (iv):

- Phonetic value: Consider how Vietnamese consumers pronounce "Zhong Wu" and "ZHONGYU."
- **Foreign word:** As "Zhong Wu" is a Chinese term, consider both its Chinese pronunciation and how Vietnamese consumers pronounce it.

#### Regarding principle (v):

• **Emphasis on word elements:** In this case, the <u>word elements</u> "Zhong Wu" and "ZHONGYU" are prominent and more likely to attract consumer attention than the figurative elements. Therefore, consumers will readily perceive the phonetic differences between these word elements.

By applying these principles, the applicant can construct a compelling argument to demonstrate the phonetic dissimilarity between the two trademarks:

- **Detailed analysis:** Compare the number of syllables, syllable sequence, rhythm, and pronunciation of the two words.
- **Emphasize distinctions:** Highlight that the phonetic differences are sufficient for consumers to distinguish the marks.
- **Integrate with other factors:** Combine phonetic analysis with visual and conceptual analysis to strengthen the argument for the distinctiveness of the applied-for mark.

In conclusion, by effectively utilizing the principles of phonetic comparison, the applicant can persuade the VNIPO of the dissimilarity and distinctiveness of the word element in the applied-for mark compared to the cited mark, from a phonetic perspective.

## **Closing thoughts**

Even in complex cases involving multiple grounds for refusal, a successful appeal remains possible with a sound legal strategy, compelling arguments, persuasive evidence, and the support of experienced IP attorneys. A successful appeal demonstrates the applicant's ability to effectively persuade the VNIPO, providing the Office with a basis to reconsider and overturn its initial decision, thereby protecting the applicant's legitimate rights.

Facing challenges in <u>registering your trademark</u>? Has your trademark application been met with a refusal? Don't let legal obstacles hinder your brand's progress. Contact KENFOX IP & Law Office today. With 15 years of experience in intellectual property law, we are confident in our ability to be your trusted partner, assisting you in effectively protecting your trademark in Vietnam and internationally.

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