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Enclosure No. 1 Copy hereof has been sent to For. & Dom. Commerce
General
June 7, 1928, on the subject: Patents

No. 5488

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, June 7, 1928.

P-93.543

Subject: Registration of Trade Marks.

THIS COPY MUST BE
RETURNED TO A-6/C
ROOM 374-1/2

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

NOT FOR PUBLICATION

Sir:

I have the honor to refer to the despatch No. 5230 of January 21, 1928, from this Consulate General to the Department, and to transmit herewith a copy of a self-explanatory despatch No. 5528 of this date, with enclosures, from this Consulate General to the American Legation at Peking, in regard to the subject above mentioned.

1/

I have the honor to be, Sir,

Your obedient servant,

Edwin S. Cunningham,
American Consul General.

Enclosure:

1/- Copy of a despatch No. 5528 dated June 7, 1928, to the Legation.

Despatch in quintuplicate.
Enclosure in quintuplicate.

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Enclosure No. 1 to despatch of Edwin S. Cunningham, American Consul General at Shanghai, China, to the Department, dated June 7, 1928, on the subject: "Registration of Trade Marks."

No. 5528

AMERICAN CONSULAR SERVICE

American Consulate General,
Shanghai, China, June 7, 1928.

Subject: Registration of Trade Marks.

The Honorable J. V. A. MacMurray, American Minister,
Peking, China.

Sir:

I have the honor to refer to the Legation's radio instruction No. 36 of March 2nd, 6.00 p.m., which required this office, upon receipt of a telegram from Canton to be sent in response to the Legation's telegram of March 2nd, 5.00 p.m., to inquire of the local authorities what or the law and regulations promulgated at Canton are the "old laws" mentioned in articles 7, 8, and 9 of the first enclosure to despatch No. 5398 of January 21, 1928, from this Consulate General. A radio from Consul Huston in charge at Canton, dated March 3rd, 1.00 p.m., was received at this office on March 5th. This communicated the information that trade mark registration rules and regulations effective in Kwangtung and Kwangsi were promulgated February 27, 1924, by the then Ministry of Construction, but that they were then being administered by the Bureau of Industry. Thereafter a despatch embodying the sense of the Legation's instruction referred to above, was forwarded

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to the Commissioner of Foreign Affairs for Kiangsu.

2/ However, it was deemed politic in transmitting the inquiry to attempt an admission from him that the "old laws" referred to comprehended not only the laws and regulations promulgated by the Canton Government, but more particularly the Peking Trade Mark Law of 1923, which could rightly come under that designation. Such an admission was expected to have important implications. The inquiry to the Commissioner was therefore worded accordingly.

3/ This despatch was dated March 8, 1928, at which time no reply had been received to the previous communication of January 30, 1928, on the subject of the "National Registration Bureau" which was referred to in the despatch to the Legation No. 5598 of January 21, 1928.

1/ On March 24, 1928, the Commissioner was again addressed at length in the premises, a copy of which despatch is transmitted herewith for the Legation's information. This further communication was not prompted by any reply from the Commissioner but was sent because of a notice appearing in the native press requiring new registrations to be effected with the "National Registration Bureau" forthwith. Attention is particularly directed to the statement in this enclosure that American trade mark owners and those acting for such owners are being advised not to register with the new bureau.

The Commissioner was progressively reminded in these various despatches of his prevarication in the matter of replies to these inquiries and representations, but it was not until May 26, 1928, that a despatch was received

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Enclosure
 Consul General
 June 7, 1928
 no. 8881
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2/ from him, which purports to furnish a comprehensive answer thereto. A copy in translation of this self-explanatory despatch is transmitted herewith from which it will be observed that many important points which formed the subject of these inquiries and representations, have not been touched upon. However, it is apparent from this reply that the "old laws" previously referred to comprise the Peking Trade Mark Law of 1923, as well as the trade mark regulations promulgated by the Kwangtung Provincial Government and approved by the Nationalist Government on September 18, 1925, albeit this cannot be taken as an admission that the Nationalist Government recognizes the present validity of the Peking Trade Mark Law. On the contrary, this seems to be denied by the statement that "theoretically it is a matter of course that no law promulgated by Peking can be considered valid in the territory under control of the Nationalist Government". Moreover, the Commissioner has verbally insisted that the Chinese characters 舊制 should in this particular conjunction be translated as "existing system" instead of "old laws" as rendered by this office. Although "old system" is probably the best translation, there is no essential difference in the meaning of the two phrases. It is also to be noted from this reply that a recommendation was made to the Nationalist Government for the extension of the time limit for registrations and re-registrations with the "National Registration Bureau" to June 19, 1928, and that this extension has presumably been approved.

It is the intention of this Consulate General to

the validity
prepare

prepare a reply to the despatch dated May 21, 1928, from the Commissioner of Foreign Affairs for Kiangsu, as there is much material therein as well as the omissions previously mentioned, which necessitate further discussion. A copy of that reply will be transmitted to the Legation in due course.

I have the honor to be, Sir,
After a despatch on this subject had been written and was ready for transmission, the Legation's radio instruction No. 121 of June 1st, 6.00 p.m. was received. This repeated the direction made in the Legation's radio instruction No. 36 of March 2nd, 6.00 p.m. that this office ascertain and report immediately the meaning of the term "old laws" which was referred to therein. Accordingly a reply was despatched by radio, No. 134 of June 5th, 9 a.m., giving briefly the meaning of this term as afforded by the translation of the Commissioner's despatch, a copy of which is attached hereto.

It is understood that a number of trade mark owners, including a limited number of Americans, have registered (or re-registered their Peking registrations) with the "National Registration Bureau." However, for some time past the Nationalist Government has seemed to maintain a passive attitude with respect to the application of their new registration law, due perhaps to the northward march of their troops and the possibilities which may arise therefrom. It may be contemplated that with Peking in their possession the Nationalists will be found amenable to a system of centralized registration having country-wide application and validity.

The Shanghai Provisional Court has not challenged

the validity

No. 1 to despatch No. 577 of Edwin S. Cunningham.
Consul General, Shanghai, China, dated June 7, 1928
Subject: "Registration of Trade Marks."

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the validity of the Peking Trade Mark Law of 1923. In
some actions tried by that tribunal reference has been
made to this law, but so far it has not been the occa-
sion of a direct issue vis-a-vis the new Nationalist
Registration Law.

I have the honor to be, Sir,

Your obedient servant,

Edwin S. Cunningham,
American Consul General.

I have the honor to enclose a clipping from the
Copies to Department.

Enclosures:

- 1/- Copy of a despatch to the Commissioner
of Foreign Affairs for Kiangsu, March 24, 1928.
- 2/- Copy in translation of a despatch from the
Commissioner of Foreign Affairs for Kiangsu,
May 21, 1928.

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will be declared null and void, and future proce-
dure of law will not be affected.
is the time limit is that under it, all firms,
corporation, trade marks and other registrations which
it is desired to have re-registered will be registered
at all cases with the National Registration Bureau at
Shanghai according to the new registration law enacted
by that Bureau. Information regarding procedure may
be obtained from the Bureau office at the Bureau."

Before making any recommendation to my Government on
the subject of the new registration law which has been
enacted by the Nationalist authorities, this Consular
General desires to be officially informed by you concerning
the procedure which applicants for registrations of trade
marks will be required to follow. In this connection
it is requested that the text of the regulations (if
any exist) governing such procedure should be furnished.
Should it be the case that the procedure is to be governed

Enclosure No. 1 to despatch No. 5578 of Edwin S. Cunningham,
American Consul General, Shanghai, China, dated June 7, 1928
on the subject: "Registration of Trade Marks."

(COPY)

AMERICAN CONSULAR SERVICE

by the existing old laws as specified in article 7 of the
American Consulate General,
new registration law, Shanghai, China, March 24, 1928.

which particular old laws are meant and that the text
Subject: "Registration of Trade Marks." the examining
American trade mark owners, and those asking for such

The Honorable Commissioner of Foreign Affairs for Kiangsu,
Shanghai.

Meanwhile, that representations be
made to your government urging the expediency of a dual
registration of trade marks in territory which, after

Sir:
all, I have the honor to enclose a clipping from the SHIN
WAN PAO newspaper of March 14, 1928, a translation of
which is quoted below:

1/ "The National Registration Bureau has ordered that
all registrations which have been effected in the
Trade Mark Bureau, Ministry of Agriculture and Com-
merce, Peking, and/or with local authorities, must
be re-registered on or before March 24, 1928.
Failing such re-registration within the prescribed
period, the original certificate of registration
will be declared null and void, and future protec-
tion of law will not be extended.

As the time limit is thus imminent, all firms,
companies, trade marks and mining enterprises which
it is desired to have re-registered must be register-
ed at once with the National Registration Bureau at
Nanking according to the new registration law enacted
by that Bureau. Information regarding procedure may
be obtained from the Shanghai Office of the Bureau."

Before making any recommendation to my Government on
the subject of the new registration law which has been
enacted by the Nationalist authorities, this Consulate
General desires to be officially informed by you concerning
the procedure which applicants for registrations of trade
marks will be required to follow. In this connection
it is requested that the text of the regulations (if
any exist) governing such procedure should be furnished.

Should it be the case that the procedure is to be governed

by

A letter from this office, dated June 7, 1928, and
by the "existing old laws" as specified in article 7 of the
this Consulate General addressed a lengthy despatch to
new registration law, it is requested that you indicate
you on the subject of the newly established "National
which particular old laws are meant and that the text
Registration Bureau", in which a number of enquiries
thereof be communicated to this office. In the meantime
measures were instituted. No reply has been received
American trade mark owners, and those acting for such
to this despatch and you were reminded of this on March
owners, are being advised not to register with the new
8th inst. Therefore, the impropriety, to say the least,
bureau.

of fixing and proclaiming on March 15, 1928, a time limit
It is desired, meanwhile, that representations be
for these re-registrations be imminent on March 24, 1928,
made to your government urging the impolicy of a dual
with many difficulties relating to the new registration
registration of trade marks in territory which, after
law and its organs the "National Registration Bureau" to
all, should be regarded as a single unit economically,
be officially clarified, must be made apparent to your
its present political divisions notwithstanding. This
Government.

office is also persuaded that such a measure, particularly
Even should a number of American firms desire to
if it should be precipitously enforced, cannot but lead
simply with the requirements of this new registration
to wholesale piracy of trade marks which have already
law, they could not by reason of distance do so within
been registered at Peking by the bona fide owners and,
the narrow limits of the prescribed time.

It is therefore requested that you will immediately
are already handicapped with so many self-evident dis-
make strong and energetic representations to your Government
abilities. Moreover, at the time the various foreign
in the premises and that this Consulate General will be
governments waived their objections to the enforcement
accorded the courtesy of a prompt reply.
of the Peking Trade Mark Registration Law of 1925, it
was believed and trusted that, according to the prin-

ciples of international law, registrations under that
act would be held valid throughout the territory of the
Chinese Republic. This office cannot therefore now
admit that a new registration be forced on its nationals
supplanting the existing system in that part of China
which is under the control of the Nationalist authorities.

You are asked to recall that on January 30, 1928,

Copied by *CAN*
Copied with *you*

this

Enclosure No. 2 to despatch No. 5124 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 7, 1928,
on the subject: "Registration of Trade Marks."

A letter from Chia Hsiang-3-2, Commissioner of Foreign Affairs
for Kiangsu, to American Consul General, Shanghai.

this Consulate General addressed a lengthy despatch to
you on the subject of the newly established "National
Registration Bureau", in which a number of enquiries
thereon were instituted. No reply has been received
to this despatch and you were reminded of this on March
8th last. Therefore, the impropriety, to say the least,
of fixing and proclaiming on March 15, 1928, a time limit
for these re-registrations so imminent as March 24, 1928,
with many ambiguities relating to the new registration
law and its organ the "National Registration Bureau" to
be officially clarified, must be made apparent to your
Government. In view of the fact that I have
now Even should a number of American firms desire to
comply with the requirements of this new registration
law, they could not by reason of distance do so within
the narrow limits of the prescribed time. This Bureau, a
considerable number of trademarks belonging to foreign
It is therefore requested that you will immediately
make strong and energetic representations to your Government
in the premises and that this Consulate General will be
accorded the courtesy of a prompt reply.

Accept, Sir, the renewed assurance of my high con-
sideration.

Enclosure: 1/- a newspaper clipping.
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Enclosure No. 2 to despatch No. 5528 of Edwin S. Cunningham,
American Consul General at Shanghai, China, dated June 7, 1928,
on the subject: "Registration of Trade Marks."

A letter from Chin Wen-su, Commissioner of Foreign Affairs
for Kiangsu, to American Consul General, Shanghai.

Applying for registration of new trademarks during the
past few months is by no means small. It is entirely
by means of the re-registered designs and descriptions
that we examined such new trademarks to ascertain if
any of them is an unauthorized reproduction of the trade-
mark registered at Peking. If bona-fide owners of
trademarks should be rejected May 21, 1928 this office
for re-registration while given (Received May 22nd) ac-
cording to law before the bona-fide owners apply for
re-registration, we, in the absence of any record avail-
able for inspection, could only take the new applica-
tions to be lawful. In that event, it would be still
more difficult to handle any complications that might
arise in future.

SIR,

The receipt is acknowledged of your various letters
with reference to the registration of trademarks. These by
communications having been referred collectively by my
professor, Mr. Quo, to the Ministry of Labor and Commerce
of the Nationalist Government for its consideration, I have
now received a reply to the effect that, acting under its
instructions, the National Registration Bureau has submitted
the following report: Ever since the establishment of this Bureau, a
considerable number of trademarks belonging to foreign
merchants have been re-registered and new applications
treated. The nationalities involved in such cases to
represent Britain, United States, Germany and Japan -
a fact which indicates that, for the sake of their own
interests, foreign merchants are willing to obey the
law and ordinances of the Nationalist Government.
Theoretically, it is a matter of course that no law
promulgated by Peking can be considered valid in the
territory under control of the Nationalist Government.
The present requirement is nothing more than re-regis-
tration of the trademarks registered at Peking and the
amount charged therefor is only one-fourth of the origi-
nal fee for registration. It follows, therefore,
that such a procedure is, for the most part, identical
in nature to mere re-inspection and is (really) not a
re-registration at all. The sympathy of our government
with Chinese and foreign merchants is abundantly manifest
and the statement, which the American Consul General made
in his letter to the effect that such a policy for dual-
registration of trademarks, if carried out with undue
haste, would not only lead to a wholesale piracy of the
trademarks registered with Peking but bring about detri-
ment to commerce and industries, is certainly at variance
with fact. The number of Chinese and foreign merchants

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applying for registration of new trademarks during the past few months is by no means small. It is entirely by means of the re-registered designs and descriptions that we examined such new trademarks to ascertain if any of them is an unauthorized reproduction of the trademark registered at Peking. If bona-fide owners of trademarks should be reluctant to call at this office for re-registration while pirates file applications according to law before the bona-fide owners apply for re-registration, we, in the absence of any record available for inspection, could only take the new applications to be lawful. In that event, it would be still more difficult to handle any complications that might arise in future.

It was simply because of the little dealy with which application was made for re-registration of the two trademarks PERLA DEL ORIENTE and COMETA DEL ORIENTE as used by American cigar manufacturers that the Belgian merchant, Ingenohl, applied for registration of trade marks identical in denomination and similar in design to those of the American manufacturers and secured the privilege of their being passed as legitimate. The parties have now sued each other at this Bureau and Ingenohl has filled his application to the Ministry (of Labor and Commerce) where we, having been ordered to decide upon the merits of the case, have submitted a report as shown by the record. In this particular instance, several debates will have to be held by the contending parties before the application can be granted or denied according to law and, needless to say, the amount of labor involved is great. Should the American manufacturers have filed their application at an earlier date, the Belgian trademarks, once examined, would have been turned down instead of being passed. It is obvious, therefore, that, unless dealt with according to the provisions of Article 5 of the Registration Law, a majority of the trademarks registered at Peking would be exposed to piracy - a situation which is just opposite to that alluded to by the American Consul General.

On May 3, 1923 when the Peking Trademark Bureau was created, foreign Consuls, taking treaty as a basis of their contention, unanimously opposed its establishment. As the matter is one which involves their interests, however, numerous foreign merchants, regardless of the will of their Consuls, applied to the Peking Trademark Bureau for registration of their trademarks. For three years thereafter or until June, 1926, foreign governments did not formally recognize the Chinese Trademark Law but, prior to its recognition, as many as over 14,000 applications were received for registration of foreign owned trademarks. This alone suffices to prove that foreign merchants are also well aware of the advantageousness of compliance with the domestic law of this country.

In the American Consul General's letter, an inquiry is made as to what law is meant by the expression CHIU CHIH which is applicable according to Article 7 of the Law of Registration. The only laws or ordinances existing on

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the subject of trademark are the Trademark Law promulgated by Peking on May 3, 1923 and the Trademark Regulations approved by the Nationalist Government upon request of the Bureau of Commerce of the Provincial Government of Kuangtung under date of September 12, 1926. Except a change in the period for examination and publication of trademarks from 6 months to 4 months and a change in the period for application for review from three years to two years and except the elimination of the two clauses providing for re-examination and further review, the text of the Trademark Regulations is an exact copy of the Peking Trademark Law without any alteration whatsoever and the Rules for Enforcement (of the Peking Trademark Law and the Kuangtung Trademark Regulations) are entirely the same. It follows, therefore, that, although two laws exist, they do not conflict or interfere with each other and in no way are the registration of trademarks and the protection of the interest therein affected by their existence.

As to the time limit for re-registration, it is a matter of record that the suggestion to extend it to June 19, 1928, has been referred by this Bureau to the Ministry of Labor and Commerce and the Ministry of Agriculture and Mining of the Nationalist Government for approval. There are two months yet from the present time to the expiry of the proposed extension and, in view of the free communication with foreign countries, there would appear to be no ground for fear of lack of sufficient time for foreign merchants to exchange correspondence. Any further hesitation or delay on their part would mean of course that they are willing to waive their own right.

For your information and consideration, this report is submitted so that action may be taken accordingly."

In compliance with the Ministry's request for transmission of the above report, I have to bring the same to your attention.

With my compliments,

(Signed) Chia Wen-sau.

Trans Fg
Checked by St
Copied by CHW
Compared with Yuen

