Narrative Fair Use System for Weakly Distinctive Trademarks: From the "Green Pepper" Case

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Abstract: Weakly distinctive trademarks can be protected through registration, but it's often unclear how much protection they provide. This paper compares the protection of weakly distinctive trademarks and its exceptions to the interests of law. It also introduces the British John Locke on the right to property of the labor of the doctrine of acquisition. This method helps us understand the role of reasonable use in determining trademark infringement. We can see that weakly distinctive trademark protection is focused on the public interest of the reasonable use of the trademark narrative. This is better than the traditional and abstract determination of trademark use because it is more predictable and practical.

Keywords: Fair Use; Weakly Distinctive Trademarks; Balance of Interests; John Locke

1. Introduction

On January 13th, 2022, the Sichuan High Court heard the case of trademark infringement dispute between the appellant Wenjiang Wu'a-Pa Green Pepper Fish Hot Pot Restaurant and the appellee Shanghai Wan Cui Tang Catering Management Company Limited, and pronounced the judgment that Wenjiang Wu'a-Pa Green Pepper Fish Hot Pot Restaurant's use of the word "Green Pepper" was a reasonable use, and did not infringe on the trademark right of Wan Cui Tang Company. The court ruled that the use of the word "green peppercorn" by Wenjiang Five Grandma's Green Pepper Fish Hot Pot Restaurant was reasonable use and did not infringe on Wancui Tang's trademark right, and reversed the judgment of the first instance and rejected all the litigation requests of Wancui Tang. This case characterizes Wan Cui Tang Company as "bumper sticker rights protection", which was selected in the 2022 work report of the Supreme Court. As early as 2018, the Shanghai Intellectual Property Court had a dispute over the trademark right of "green pepper", but this time the judgment was in favor of Wancuitang Company, the holder of the trademark right of green pepper, on the grounds of causing confusion among consumers. Both involved in the same subject matter and subject, but reached the opposite conclusion, the reason is that the weak distinctive trademark rights for the definition of the right and trademark law on the nature of the effectiveness of the fair use system is not yet very clear. Therefore, the author hopes that through the weak distinctive trademark rights boundary and reasonable use of the nature of the system, to explore the reasonable use of the system to protect the weak distinctive trademark infringement.

2. Protectability of Weakly Distinctive Trademarks: from Utilitarianism to Natural Law

According to Article 11(1) of China's Trademark Law, "generic names" "descriptive signs" and other non-distinctive signs shall not be registered as trademarks, and Article 11(2) of China's Trademark Law stipulates that "weakly distinctive trademarks" shall not be registered as trademarks, but shall be recognized as "weakly distinctive trademarks". The so-called "weakly distinctive trademark" means that a mark that originally had only a "first meaning" has acquired a "second meaning" that is sufficient to distinguish it from similar products through the long-term operation of the merchant, and thus meets the basic distinguishing function of a trademark. [1]

Weak distinctiveness of the protection of trademarks identified different standards, some countries do not recognize and protect the current trademark legislation and practice of the "second meaning" trademarks, [2] and there are requirements to violate the trademark

law prohibitions on the grounds of revocation of all "weakly distinctive trademarks". and the author believes that the trademark "itself is not the source of its property value, its value comes from the marked goods or services, from the business reputation of the industrial and commercial subject it marked", since the weak distinctive trademark exists as a trademark value of the existence of the attribute, should not be excluded from the scope of the protection of trademark law.

2.1 Direct Reasons: Optimal Solution of Economic Benefits on Trademark Functionality Theory

Some scholars believe that the traditional identification function is not the only core function of a trademark, but also includes advertising functions and so on. [3]

From the perspective of identification function, in 1976, U.S. Judge Timbers Friendly, in Abercrombie & Fitch, Co. v. Hunting World, Inc. In Hunting World, Inc. the court classified the marks into five categories, Generic Marks, Descriptive Marks, Suggestive Marks, Arbitrary Marks, and Coined or Fanciful Marks, based on the degree of fitness to obtain trademark protection based on the "first meaning" of the mark and the degree of association between the mark and the goods or services it refers to.[4] Among them, Coined or Fanciful Marks creates a brand new word with certain originality, which has no other meaning by itself, and its "first meaning" and "second meaning" overlap, i.e., it only has the meaning of the trademark, and has no other meaning besides. Suggestive Marks and Arbitrary Marks, whose "first meaning" and "second meaning" overlap, i.e., only have the meaning of the trademarks, and have no other meaning than that of the trademarks, and therefore there is no likelihood of confusion; Suggestive Marks and Arbitrary Marks, whose "first meaning" and "second meaning" are different from each other. Suggestive Marks and Arbitrary Marks, with their "first meaning" and "second meaning", are so far removed from the goods or services they relate to that there is little likelihood that the marks will be repeated and used in good faith in the field of the provision of their own goods and services, and therefore little likelihood of confusion. On the other hand, descriptive signs and generic names are descriptions of the raw materials, characteristics and other attributes of the products themselves, and their "first meaning" often involves fields that are more related to the goods or services referred to in the "second meaning", so they have the inherent defect of weak distinctiveness. Therefore, whether a trademark can become an object of protection under the Trademark Law should be subject to higher requirements, depending on whether its "second meaning" is recognized by consumers, and whether its semantic imaginative range covers the goods or services referred to, i.e., whether it has "acquired distinctiveness". The ability of a weakly distinctive trademark to prevent confusion is obviously weaker than that of a strongly distinctive trademark, but in the age of information technology, language and cultural connotations are gradually enriched, and more words have been created than in the previous commercial environment, and the "first meaning" of the original words has been continuously enriched. For example, "nylon" was first introduced as a trademark for a chemical compound, which was a made-up trademark with no other meaning, and has now degenerated into a generic name. If one wishes to re-register a trademark for such goods, the word "nylon" is inevitable, and if it is used up, one must ask for the creation of an unprecedented word or an original word from a vast dictionary, which is obviously much more costly than the use of an existing word. If the only way to satisfy the requirements for trademark registration is to create a purely inherently distinctive sign, it would be difficult and not in line with the requirements of economic and social development.

From the point of view of advertising function, in modern society, consumers mostly from the trademark to judge the quality of goods, operators also mainly with the help of trademark to stimulate, maintain and expand consumer demand, trademark is the most direct advertising tool. A strong distinctive trademark, because of its own meaning, and the goods or services it refers to the goods or services are far away, from the trademark alone to find out the attributes of the goods or services itself is relatively low; and a weakly distinctive trademark, often because of the attributes of the goods itself and its one way or another coupled with the link, so consumers can often be used from the trademark of the

words or signs to obtain information about the characteristics of the goods themselves. The information about the characteristics of the goods themselves can often be obtained by consumers from the words or marks used in the trademark. In the Sunmark case, the plaintiff produced fruit candies and registered the trademark “SWEETART”, which has both the “secondary meaning” referring to the attributes of the goods themselves and the “first meaning” of “sour and sweet” as the generic meaning. The “first meaning” discloses the characteristics of the goods to the consumers - the sweet and sour flavor of the fruit candy, which fulfills the role of attracting consumers. Therefore, the author believes that there is a certain distance between the “first meaning” and “second meaning”, and the smaller the distance, the weaker the prominence, the greater the benefit of advertising. In this case, “green pepper” as the trademark of fish hot pot, contains two meanings: the main flavor of the food is spicy; the main condiment of the food is green pepper, for the attraction of spicy consumers, undoubtedly has a high degree of attraction. A strongly distinctive trademark that conveys the former message to consumers requires higher advertising costs, which is not in line with the businessman's profit-seeking considerations. Therefore, even if a weakly distinctive trademark sacrifices some of the benefits of protection under trademark law due to its weaker distinctiveness, such a sacrifice is acceptable and even worthwhile in terms of economic benefits.

2.2 Deeper Logic: The Juridical Justification of the John Locke’s Theory of Labor Acquisition of Private Property Rights

In literary semantics, the semantics of a trademark often has two aspects, signifier and signified, signifier refers to the sound image, i.e., sound characters; signified refers to the abstract concept of the sound image in our mind, i.e., the concepts and meanings related to a certain thing within the range of our imagination. And signifier, signified is not one-to-one correspondence between each other, a mark, words may correspond to a number of different levels of meaning concepts, thus giving rise to the so-called “first meaning”, “second meaning”. The so-called “first meaning”, “second meaning”. As American scholars say, “second meaning” is synonymous with trademark, the so-called protection of trademark rights, the protection of the signified in the “second meaning” and the connection between the signifier, and this connection, often need to be The so-called protection of trademark rights is to protect the connection between the “second meaning” of signified and signifier, and this connection often requires labor to be transformed into private property rights. In terms of the “green pepper case”, the operator, through the long-term use, integrity management, advertising and publicity, so that a term originally used in the minds of consumers to refer to a condiment, but also gradually can be associated with “a spicy, green pepper as the main condiment of the fish hot pot” as a commodity, enriching the product. This product has enriched its connotation and acquired a “second meaning”. And this connotation based on the “second meaning” is obviously obtained through the operator's labor, “so that those who create the benefit to enjoy the benefit” is the basic spirit of modern civil law and the basic spirit of the modern legal system, If just because the connotation of “first meaning” and “second meaning” are close to each other, the protection of this connotation in the sense of trademark right is given up, so that other people can use it as they like, it is obviously unfair to the operator, and it is not conducive to encouraging other operators to make efforts to do business as well as to prevent consumers from being confused by other counterfeit goods and thus promote the overall social benefits. From the nature point of view, in the aspect of labor acquisition, such as the most distinctive imaginary trademark, due to the fact that it has no other meaning, it is obvious that there is no advertising and dissemination effect for the goods, and it is more difficult to cognize, remember and disseminate, and it even needs a certain commercial layout and business propaganda to obtain the recognition and acceptance of consumers, so as to have the significance of being protected by the trademark right, otherwise it is the significance of the meaningless mark, in this regard, the weakly distinctive trademark and the strongly distinctive trademark are the same as the strongly distinctive trademark. In this

regard, the weak distinctive trademark and strong distinctive trademark is no different, in line with the philosophical basis of intellectual property law, Locke put forward "as long as he makes anything out of the state provided by nature and that thing, he has already mixed in that thing with his labor, added something of his own" as the condition of property acquisition. It is also in line with the legislative purpose of "promoting the social progress and cultural prosperity of mankind", which is a common feature of intellectual property law. [5]

3. Justification of Narrative Fair Use of Weakly Distinctive Marks

If weakly distinctive trademarks are considered to be consistent with Locke's "labor property doctrine", then it can be argued that narrative fair use satisfies the sufficiency limitation and the spoilage limitation, the two prerequisites for the boundaries of this viewpoint. [6]

The condition of "sufficiency limitation", i.e., that labor can divest the original commons of its private rights only "if there is enough of the same good left in common with others". The significance of this condition is that it affirms the legitimacy of widespread appropriation of shared knowledge. Due to the intangible nature of intellectual property, a single use and possession does not result in the destruction or consumption of the intellectual product as an intangible; while fruit is objectively destroyed by being eaten, the chemical formula behind the fruit is not destroyed by use. This means that there are many possibilities of property rights formed by the labor of the same intellectual commons, such as the chemical formula of the molecular world, the same formula can produce different kinds of perfume products; in other words, the same property rights will also point to different intellectual commons, like the synthesis of a perfume, even if a company produces a successful, but also leaves the possibility of synthesis of other manufacturers with a variety of other methods. In the sense of trademark law, it corresponds to the corresponding relationship between the "first meaning" and the "second meaning", and the "first meaning" of a mark corresponds to a variety of "second meaning". The "first meaning" of a mark has the possibility of corresponding to multiple "second meanings", and a "second meaning" will also point to multiple "first meanings" of different marks. From the perspective of balancing interests, the optimal solution to promote social benefits is to respect such possibilities, prevent the proliferation and monopolization of rights, and protect the boundaries of free speech and thought.[7]

The condition of "spoilage limitation", i.e., that a person cannot take more out of the community than he or she is able to utilize to the fullest. From a natural law perspective, all objects are created not to be wasted but to be utilized. Because of the intangible nature of intellectual property, some scholars have questioned the idea of property rights in abstract things, arguing that Lockean theory does not apply to abstract things, such as ideas, which are one of them, and which are not consumed or destroyed by consumption, and therefore cannot be wasted. What is important to note is that abstractions, as intangibles, are not naturally wasted in themselves, but the timing and other material benefits behind them may be, for example, if a patent is monopolized, which results in all ideas for its improvement remaining theoretical, and if the market has a fleeting interest in it, then it may be wasted. For example, if a patent is monopolized, all ideas for its improvement will remain at the theoretical level, and if there is a fleeting demand for it in the market, then those who put forward ideas for its improvement are considered to be wasted, which is a kind of monopoly of ideas leading to the possibility of wasting the time margin of its effective utilization. This condition is reflected in China's Trademark Law, where the exclusive possession of the "first meaning" is a kind of idea exclusivity, which corresponds to the system of the Trademark Law, such as the legitimate use and prohibition clauses; and the possession of the "second meaning" without the intention to utilize the idea to do anything, which is a kind of idea exclusivity, which is the possibility of wasting the time of its effective use. The possession of the "second meaning" without the intention to do anything with it is another manifestation of "prevention of wasteful restriction", which corresponds to the principle of prevention of abuse of rights in the Trademark Law as well as the system of revocation of registered trademarks for three consecutive years of

non-use, and the crackdown on the hoarding of a large number of trademarks.

4. Clarifying the Boundaries of Narrative Fair Use

In the above case, a rather ambiguous attitude was adopted towards the determination of legitimate use, ranging from the determination of non-trademarkable use of "the 'green peppercorns' contained in the logo is an objective description of the seasoning of green peppercorns contained in the fish hot pot, a specialty dish provided by the company" to the determination of "no intention to attach to the registered trademark" and the determination of likelihood of confusion. The Court also found that there was a likelihood of confusion in the statement that "there is no intention to attach to the registered trademark in question, and it will not lead to misrecognition or confusion among the relevant public". This mode of analysis, which favors constituent elements rather than laddering, seems to be all-encompassing, but in fact is not conducive to the demonstrative effect of the case decision. The public, as well as the adjudicator, has no way of knowing which element is decisive or whether the two together constitute a determination of fair use. In this regard, it is particularly important to clarify the nature of the fair use regime.

4.1 General Principles: Fair Use as the "First Threshold" for Infringement Determination

In terms of the traditional idea of trademark infringement, it is generally divided into four steps, namely, trademark use, the class of goods, the degree of similarity of trademarks, and the likelihood of confusion; and compared to the weakly distinctive trademark infringement, the basic idea of the determination of the same, the only difference is that the defendant in this kind of litigation often put forward a narrative fair use defense.

The fair use system is found throughout intellectual property law and is aimed at achieving a balance of interests by making certain reservations for the public interest. The fair use system in copyright law or patent law is interpreted as the rule of limitation of rights, that is, from the objective facts, it seems to have constituted the infringement of intellectual property rights, but based on the consideration of specific interests, it is considered that such use is justified, and is not regarded as an infringement, similar to the criminal law to exclude the illegality of the behavior that meets the constitutive elements of the blocking cause. For the trademark law meaning of "reasonable use" should not do the above interpretation, but should be used as a constitutive element of the special component, the purpose is to clarify that some cases are not trademark infringement, the role is more similar to the "first threshold", rather than the "last barrier". First of all, from the perspective of the nature of the right, patent, copyright itself, in addition to private intellectual creation and has the attribute of public interest, higher than the private right of part of the public interest for reasonable avoidance of the right; itself is only used to identify the source of goods of a private nature, does not undertake any public interest, even if some trademarks as mentioned above objectively have the role of rich cultural connotation, the subjective rights holders also have the intention of profit-making only. Intent, so there is no way to talk about the so-called "fair use" of the "public interest and the cost is far greater than the right holder to transfer certain property rights". In terms of the process of creation and extinction of rights, patent and copyright are directly born from the creation of the creator, and after a period of monopoly into the public domain; while trademarks are more similar to the "drawing of boundaries" type of monopoly from a part of the public domain, according to Locke's point of view, the scope of the rights of trademarks is smaller than the copyright, patent, and the scope of rights is smaller than the copyright. According to Locke's point of view, the scope of trademark right is smaller than the copyright and patent right itself, and should be strictly limited. Therefore, the judgment of fair use should be used as a trademark infringement of the idea of refinement, that is, the fair use itself does not belong to the scope of trademark infringement, rather than belonging to the limitation of the right or infringement of the exception.

4.2 Clarity of Nature: Narrative Fair Use as a Determination of What Does Not Constitute Trademark Use

For the process of the narrative reasonable use

of the specific role played by how, the academic and practical community has not been finalized: the United States scholars think that the narrative reasonable use of the determination of the possibility of confusion;[8] and there are scholars believe that the narrative reasonable use of the determination of the circumstances that do not constitute a trademark use.[9] The author's view is more supportive of the latter, that is, in the determination of trademark infringement, narrative fair use should be summarized in the determination of trademark use as a supplementary confirmation.

First of all, on the interpretation of the perspective of the text, China's law does not matter "trademark use" concept, and the academic community tends to Trademark Law's Article 48 "trademark's use" and the concept of confusion, that the two are the same statement. According to Article 48 of the "trademark's use" of the constituent elements of three: the use of the environment for the commercial environment; with the existence of a close link between the goods; the role of the source of the logo. From the point of view of the nature of the trademark itself, to distinguish their own goods or services from the goods or services of others with distinctive features, easy to identify the sign is a trademark, the traditional function of the trademark is to identify the source of the function. Therefore, these three elements clearly point to trademark use. At the same time, Article 59 of the Trademark Law lists various cases of legitimate use, "the common name, figure, model of the goods, or directly express the quality, main raw materials, function, use, weight, quantity and other characteristics of the goods, or the name of the place contained" theoretically does not reach the level of Theoretically, it does not reach the degree of "easy to cause confusion", the general consumer based on the cognition of rational people, for the two still have a certain ability to distinguish.

Secondly, in the economic point of view, from the Lockean point of view, the fair use of trademarks and trademark infringement in the perspective of the right to regulate, there is no difference between the essence of the two, seems to be redundant in the design of the system, only one of them can fulfill the purpose of the legislation, and the two together will produce a contradiction in terms of choice. Therefore, the fair use as a non-trademark use of special circumstances of the enumerated provisions, as an integral part of the determination of trademark infringement can be achieved in a process of judicial cost savings. At the same time, the narrative fair use as part of the trademark use of the determination, can make it in the whole process of determining infringement will be used as a prerequisite for the determination of infringement, will make it play the role of the "insurer" or "shock absorber", in a sense can be In a sense, some of the special circumstances in the first step of the determination of infringement will be excluded from the specific determination of trademark infringement process. If it is placed in the "likelihood of confusion" determination of the final level, there is a suspicion of duplication of judgment, not quite necessary.

Some scholars are concerned about the reasonable use of the possibility of confusion with the conflict, the reality is that there are many cases in line with the defense of reasonable use in fact produce confusion, if it is not a trademark type of use to make it escape the infringement penalties does not seem to be appropriate.[10] For example, the Shanghai "Green Pepper" case argued that there was a likelihood of confusion through consumer comments on the food ordering platform, which led to the conclusion that narrative fair use was not established. Obviously, the Shanghai IP Court's decision is more in line with the public's cognitive concepts, and there is a certain degree of reasonableness, because the purpose of trademark law is to prevent confusion of sources. However, it should be noted that not all confusing behaviors should be regulated by the trademark law, and similar behaviors that do not constitute trademark use but create the possibility of confusion can also be dealt with through the role of competition law. For example, in the recently disputed "Dai Pai Dong Case", it is clear that "Dai Pai Dong" belongs to the category of generic names, and the use of "Dai Pai Dong" to label the name of the restaurant was found to be a fair use. However, the store's interior, dishes, signs, etc. are obviously modeled on the "Nanjing Dai Pai Dong" tendency, naturally, can be dealt with through the regulation of "free-riding"

behavior in the competition law.

5. Conclusions

The discussion on narrative fair use and weak distinctive trademark is not over, the level of analysis of the relevant judgment is not very clear, the standard of judgment is not uniform, the public perception of the relevant system is also deviated from the law, in fact, there are still a lot of problems and disputes waiting to be solved. The crux of all the problems lies in the lack of clear boundaries of rights. And through the Locke's point of view can be based on the natural law jurisprudence for the boundaries of the rights and the rights of the limitations to make a convincing division.

In the process of trademark infringement of narrative fair use should play a role, has always been the focus of controversy in the practice of trademark narrative fair use. Whether from the economic point of view, or from the point of view of the legal status, the narrative fair use as a situation does not constitute trademark use is more reasonable, but also in line with the concept of trademark law as its superior concept of "fair use" of the commonality.

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