

Original Paper

Music Trademark: New Development of Intellectual Property in Digital Economy

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Abstract

With the vigorous development of digital economy, the enterprise must pay more attention to the Internet instead of totally the traditional way, and new types of trademarks, especially music trademark, can attract the attention of consumers more than traditional trademarks. But situation is different in different countries and international organization. This paper takes China and the European Union as the research objects, and observes the specific standards in the practical operation of registering new trademarks such as music trademarks both in China and in the European Union through studying a large number of cases and analyzing local laws in comparative study. In China, a music that wants to be registered as a trademark needs to have at least three requirements: legitimacy, distinctive and long-term and heavy use. EU and its member states have different requirements for whether a music is allowed to be registered as a trademark. When member states want to make their own trademark law according to the EU law, they have their own domestic practices and customs of the member states so they finally formed the different trademark legal system from each other. However, music is now generally accepted as a registered trademark in the European Union.

Keywords

digital economy, intellectual property, music trademark, examination criteria, comparative research

1. Introduction

Trademarks have been in the world for a long time. Trademark usage dates from the times of our very earliest recorded knowledge. In ancient times, when people exchanged goods, they had to put a mark on their goods in order to distinguish them from other people's goods, which was a trademark. Trademarks started to play an important role with industrialization, and they have since become a key factor in the modern world of international trade and market-oriented economies. Trademarks have

made a development during ancient period.

1.1 Background and Necessity to Research

Nowadays, trademark is a special legal term. A brand is referred to as a “trademark” after it is registered by relevant government departments—the Intellectual Property Office or the Trademark Office—in accordance with the national law. Registration is a constituent requirement for protection. A trademark is protected by law and the registrant enjoys the right to exclusive use of the trademark after registration. When a trademark has an overseas market, it is often registered in many countries as well.

Trademarks are very important to the whole market, not only to consumers but also to producers and sellers. In the lawsuit between Johnson & Johnson and the World Red Cross on the trademark of “Red Cross”, we can see the competition between the trademarks that have lasted for hundreds of years, which also reflects the importance of trademarks especially under the background of digital economy.

First, for consumers, trademarks can distinguish a certain commodity and service from other commodities or services, so that consumers can buy goods and services based on the trust of a certain brand, avoid confusion and wrong perception, and thus ensure the quality of products the consumers received.

Second, for producers and sellers, trademarks help them to distinguish their products from those of other manufacturers, so as to attract consumers who trust them. At the same time, trademarks also help motivating producers and sellers to improve quality to attract more consumers. It must be highlighted that the trademark must be registered in relation to certain products or services. There is no trademark registered for all kinds of goods and services, since that would be contrary to free competition rules. For example, the bread produced by a bakery is very attractive and delicious. The owner of the bakery named the bread “Peony bread”. If the bread of another bakery is also called “Peony bread”, it violates the rights of the first owner. But if there is a clothing store producing “Peony jeans”, there will be no infringement.

Third, trademarks can be used as investment tools. In fact, for some large companies, especially international companies, trademarks have become important intangible assets, symbolizing the company's future revenue, market share and competitiveness. Just as the President of Coca Cola said: even if all the Coca Cola factories in the world were burned down overnight, I could rebuild all the factories in the next day with the Coca Cola trademark, and I could regain the investment and start up again in a few months with the Coca Cola trademark. This is the huge power of trademark.

Some large companies even set up a department to take care of the trademark, from which you can see how important the trademark is Johnson & Johnson, one of fortune 500 company, is a leading manufacturer who major in health care and personal care products. The main competence of this department is to ask for new registrations of new trademarks or of solicitations of previous trademarks and suit other companies using similar trademarks for the same or similar products (or writing

objections to the registration of new trademarks by other companies), and suit people using the same trademark without the authorization. Johnson & Johnson's trademark strategy is a multi-trademark strategy, which means any company that wants to obtain a special license to use the Johnson & Johnson's trademarks (for example: BAND-AID, Aveeno baby, Motrin and Desitin) will need the approval of the legal department and trademark department of Johnson & Johnson. Johnson & Johnson has certainly benefited from such a strong trademark management approach. The Disney-Band-Aid, a joint venture between Johnson & Johnson and Disney, is popular among young people and children.

1.2 Contents and Methods of Research

This paper analyzes the standards applicable for registration of music trademarks by means of comparative case studies. Through some trademarks which are registered or rejected in China and EU countries, combined with the legal provisions and the opinions of the trademark administration agencies and scholars, this paper summarizes what is the standard of music to be registered as trademarks in practice, in order to provide a basis for future legal provisions and trademark applications.

1.3 Innovation and Difficulties

The innovation of this paper lies in the selection of a rapidly developing blue ocean: some new types of trademarks. Academic enthusiasm for new trademarks continues to grow. The number of registered music trademarks in China is very limited, “dididididi” is the first music trademark registered in China. There are independent laws in national systems of EU countries, and there are also laws at the EU level. As a result, there are a large number of laws available for reference, but no international harmonized and unique provision, which makes it more complicated when different laws are invoked.

2. Registration of Music Trademarks in China

2.1 Research Background

Nowadays, it is not a period which lack of information, but a period with too much information, where people are often submerged in the ocean of information. Therefore, the traditional types of trademarks cannot attract the attention of consumers like before, and the music trademarks—among other non-traditional marks—can touch people's new senses, such as hearing. This is the reason why these new kinds of marks are popular among producers and sellers. Thus music can be used to distinguish one good or one service from another. Music is usually protected by copyright and related rights of the composer, the signer and the other musicians involved, the producer. Besides, some musical works having the distinctive nature can be registered as trademarks. The most famous sound trademarks in the world include Apple computer boot sound, Nokia song, MGM lion roar and so on.

2.2 Provisions on the Registration of Music Trademark in China

There are mainly three laws and regulations which relate to the registration of trademarks in China: the

Trademark Law, the Standard for Trademark Examination and the Regulation for Trademark Law Implementation.

The provisions in the newest Trademark Law (the third amendment) said that any mark that distinguishes the commodities of a natural person, legal person or other organization from those of others, including words, graphics, letters, numbers, three-dimensional marks, color combinations and music, and combinations of the above-mentioned elements, may be applied for registration as a trademark. In other words, on the one hand, the traditional requirement of “visibility” was deleted and, on the other hand, music trademarks were included in the enumeration of examples contained within the scope of protection of trademarks. However, music trademarks are not still a common or generalized example in China. In China, only a few sound trademarks meet the requirements and have been granted registration. Thus because the registration requirements are quite stringent, which we will discuss in detail later.

The “Standard for Trademark Examination” only stipulates the principle of examination standard, and describes the marks should have “significant” quality but lacks the quantitative guidance. Therefore, the examination organ still has much discretion.

According to article 13 of the Regulation for Trademark Law Implementation, if an applicant wants his or her music marks to be registered as trademarks, it shall be expressly declared in the application form, submit a music sample that meets the requirements, describe the music trademark applied for registration and explain the way of use of the trademark. Where a music trademark is to be described, it shall be described with staff notation or simplified notation and accompanied by a written explanation. If it is impossible to describe it by staff or by simple notation, it shall be described by words, and the description of the trademark shall be consistent with the music sample. Article 13 sets out the documentary requirements for the filing of music trademarks for registration.

2.3 Case Study: Music Trademarks Registration in China

A real case of music trademark that was successfully registered in China is “Tencent didi” trademark. Tencent is a Chinese company focused on entertainment and social media. The trademark “dididididi” involved in the case is a prompt music played when new message comes during the operation of a social software named QQ under Tencent.

Tencent filed an application with the National Trademark Office of China on May 4, 2014, requesting the registration of the trademark on class 38. National Trademark Office of China rejected the application on August 11, 2015. Later, on April 18, 2016, the National Trademark Review Office of China still held that it did not meet the registration standards and therefore refused to register. On December 7, 2016, Tencent took the National Trademark Review Office of China to the Beijing Intellectual Property Court. On April 27, 2018, the Beijing Intellectual Property Court concluded in favor of Tencent’s and request that National Trademark Review Office of China should register the

“didididididi” as music trademark.

This is the first trademark which is registered as a music trademark in China, and I think Chinese law is applied since this is just a little try. Since Chinese law has no regulation about “music trademarks” before, it should be cautious; since the music “didididididi” is really obvious and one will not mix it with any other sound or music, I think it is the right time to make a try. So I really agree with the result which was given out by the Beijing Intellectual Property Court on April 27, 2018.

Beijing intellectual property court held that:

1) Significant: “didididididi” is significant

There are a number of factors that need to be considered to see if a music meets the demand of trademark. The first traditional element is whether it has the basic attribute of a trademark: significant. Significant means that one normal person will not mix this trademark with other trademarks, especially in the same or similar product or service. The second element is that we should consider the particularity of music trademarks, that is, the cognitive habits of the relevant public and the actual situation of designating the use of goods or services. The third element is to consider the length of the musical trademark and the complexity of its constituent elements, such as rhythm and melody. The fourth element is whether music trademark can identify the source of a good or service.

Although the trademark in Tencent case is only composed of the same music element “di”, it has a specific rhythm and music effect, and is not common in life. Therefore, it does not belong to the overall music identified by the decision of the lawsuit which is relatively simple, nor does it belong to the functional music.

Previously, the Trademark Review and Adjudication Board of China’s State Administration for Industry and Commerce deemed the sound of “didididididi” to be “relatively simple”, only slightly short, monotonous and repetitive, and lacking the “distinctive features” of trademarks, so it should not be registered.

At the same time, Tencent believes that it is untenable that the Trademark Review and Adjudication Board consider the sound of “didididididi” to be “relatively simple” and not significant. Tencent believes that in fact, the trademark is usually “simple”, such as MGM Mirage “Lion roar”, is the roar of a lion in nature, it is very simple. Many other internationally recognized music trademarks, including the registered music trademark of radio International, are also simple. But simplicity does not mean absence of significance. In other words, “didididididi” is “relatively simple”, it is slightly short, monotonous and repetitive, but it is significant as well.

2) Long-term and Heavy Use: “Didididididi” has Become Distinctive by Long-term and Heavy Use, it has a Distinguishable Source

Generally speaking, the music trademark needs to be used for a long time to obtain distinctive features. In the late 1990s, China's Internet developed rapidly. Since February 1999, QQ, the APP owned by

Tencent company, has been used on the Internet. It has played the role of trademark service source in TV broadcasting and news service projects. So as a result, “dididididi” should be registered.

Tencent believes that the application for trademark takes Tencent QQ instant messaging software as the platform. During the operation of Tencent QQ application, the music “dididididi” played when a message is sent. After hearing the “dididididi”, users of Tencent will know that it is Tencent QQ message prompt, and the “dididididi” can directly correspond to Tencent QQ instant messaging service. Tencent's “dididididi” has been used extensively for a long time, and its visibility and significance have been further enhanced. The public has directly linked the goods and services they use to Tencent through the voice “dididididi”, which means “dididididi” has obvious distinguishing effect. Tencent also provides clear numbers to back this up. According to the evidence, “dididididi” has been continuously used in the QQ instant messaging platform since its launch in 1999. Since Tencent launched QQ in February 1999, the number of monthly active QQ accounts reached 829 million by June 2014, among which the highest number of simultaneous online accounts reached 206 million. In other words, because a large number of users have been using the sound of “dididididi” for a long time, the sound has been closely associated with Tencent, and the sound has become different.

There is another case which is related to Long-term and heavy use. Chinese people have a tradition: every night at seven o'clock in Beijing time, people all over China begin to sit in front of the television to watch the CCTV (China Central Television) News Broadcast. Chinese people are very familiar with the 17 second opening music of News Broadcast. “News broadcast” has been using this music as opening music since 1998. Once the opening music rings, Chinese people know it's seven o'clock, and it's time to watch the News Broadcast. Since the application was submitted on May 4, 2013, the China Trademark Office has repeatedly asked China Radio and Television (i.e. the applicant of the sound trademark) to submit evidence on the prior use and influence of the music trademark. After 34 months of application and demonstration, the music was finally registered in China on Class 38 and 41 on July 7, 2016. Obviously, in the process of registration of this sound trademark, the China Trademark Office has also considered two factors: significance and prior use.

3) Originality and Functionality

The Beijing Intellectual Property Court did not specify the “originality and functionality” of music trademarks.

Previously, the Trademark Review and Adjudication Board had required music trademarks to be “original”. But Tencent company stressed that the trademark is used to mark the difference between the source of goods or services, usually the logo which can “differs from other goods or services” can be registered as a trademark, and “originality” is never the components of judging whether a logo can be registered as a trademark, which means there is no need to discuss “originality”.

In addition, the Trademark Review and Adjudication Board had held that the music of “dididididi” just indicates that the software (like QQ of Tencent) goes online. It is included in the software to indicate a feature, similar to the sound of a car burglar alarm, neither of which could be registered as a trademark because the sound did not distinguish the source of the service. On this question, Tencent believes that the Trademark Review and Adjudication Board had a misunderstanding. The sound of car brake and engine start is a sound from nature, which has the function of embodying in nature. However, Tencent's “dididididi” is not the original sound of nature, so the “functional” judgment standard proposed by the Trademark Review and Adjudication Board has no legal basis.

3. Development of Music Trademarks in EU

3.1 Provisions on the Registration of Music Trademark in EU

Trademarks are important to modern business, so there are many international treaties on trademarks in the world. As I highlighted before, the requirements for trademarks may vary in different international treaties and in different national legislation. In the EU, there are different regulations about trademarks. Thus because the division of competences between this regional organization and the countries being part of it. Registration can be applied for one country or for all the EU countries or for some EU countries.

Directive 2015/2424, which came into force on 23 March 2016, makes significant changes to the original trademark law of the European Community. Directive 2015/2424 is the one to be applied if we want our trademark to be national or to be registered in some countries of the EU, but not in all the EU. If we need a EU trademark, then EU Regulation 2017/1001 is applicable.

This system has many advantages. First, with a consumer base of 500 million, the EU is one of the largest economies in the world. Through a “one-step” registration process, protection is granted across the member states of the EU. Second, the trademark can be applied for once to be used in all 28 member states of EU (after Brexit, EU has 27 Member States). Compared with applying separately in each member country, the cost is greatly reduced; of course it will be much easier for companies which have business in some countries of the EU, not just one country. Third, in relation to the revocation reasons, the use of the trademark in any member state will be deemed to be the use of all member states. Consequently, even if the trademark is only used in one of the participating countries, there is no risk of revocation because it is not used in other countries. Fourth, if the applicant wishes to apply for registration in Europe, he/she will have priority if he/she accedes to the Paris Convention and has acceded for less than 6 months. Where a registered trademark has been published in an EU member state, priority may be claimed in the application for an EU trademark.

Directive 2015/2424 modifies the previous trademark rules and changes the scope of registered trademark protection. First, sound and combination of color are listed as registrable (as long as they are

presented in the right way). Second, the “graphic representation” requirement for trademark applications is eliminated. This change allowed as long as can generally be obtained through technology, identifies through may present, no longer required by the graphical representation, as long as meet the clear, accurate, and independent, easy to get, can understand, persistent and objective requirements, clearly stated, “graphical representation” is no longer necessary for trademark present form. Third, the introduction of a new type of trademark, the certification mark, will allow the certification body or organization to allow its users to use the mark in goods or services that have passed the certification standard.

In Regulation 2017/1001, the requirement of graphical representation of the sign was removed, which means this Regulation eliminated the requirement of the graphic representation of the brand, facilitating the registration of these new types of trademarks. This is the reason why musical pieces are nowadays considered registrable signs among EU countries.

Directive (EU) 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks. This law is applicable to national trademarks. Article 4 of Directive 2015/2436 told us the absolute grounds for refusal of registration. It is said in article 4 that in some certain cases, the trademarks will be declared invalid.

Besides, Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark is in force. This regulation is applicable when person/company wants to ask for an EU trademark. In the article 1 of REGULATION (EU) 2017/1001, the definition of trademark is like this: First, a trade mark for goods or services which is registered in accordance with the conditions contained in this Regulation and in the manner herein provided is hereinafter referred to as a “European Union trade mark (‘EU trade mark’)”. Second, An EU trademark shall have a unitary character. It shall have equal effect throughout the Union: it shall not be registered, transferred or surrendered or be the subject of a decision revoking the rights of the proprietor or declaring it invalid, nor shall its use be prohibited, save in respect of the whole Union. This principle shall apply unless otherwise provided for in this Regulation.

3.2 Case Study: Music Trademark Registration in the EU

In this section I will study dispute between Shield Mark BV and Joost Kist h.o.d.n. Memex, in relation to the latter's use in the course of his trade of signature tunes (jingles) previously registered by Shield Mark at the Benelux, as a EU trademark. The national judge applied for the registration of the first nine notes of Beethoven's famous piano music “to Alice” as a music trademark, and attached a written explanation that “the trademark consists of the first nine notes of “to Alice”.

The owner of Shield Mark asked the court what is the exact meaning of Article 2 of First Council Directive 89/104/EEC. The Court of Justice of the EU concluded that Article 2 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to

trade marks is to be interpreted as meaning that sound signs must be capable of being regarded as trademarks provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings and are capable of being represented graphically. According to the CJEU, article 2 of Directive 89/104 must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived, provided that it can be represented graphically, particularly by means of images, lines or characters, and that its representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective. In the case of a sound sign, those requirements are not satisfied when the sign is represented graphically by means of a description using the written language, such as an indication that the sign consists of the notes going to make up a musical work, or the indication that it is the cry of an animal, or by means of a simple onomatopoeia or by means of a sequence of musical notes, without more. On the other hand, those requirements are satisfied where the sign is represented by a stave divided into measures and showing, in particular, a clef, musical notes and rests whose form indicates the relative value and, where necessary, accidentals. There are some sound marks which are registered in EU these years, like a trademark without text whose filing number is 017975948, the date of receipt is October 29, 2018, and registration date is March 13, 2019. The same is true as trademark without text whose filing number is 001480805, the date of receipt is January 28, 2000, and registration date is March 13, 2001. These trademarks are all music trademarks, and they all reflect the examination standards on music trademark in European Union.

4. Conclusion: What are the Actual Examination Criteria for Registering as a Music Trademark in China and EU

Through the above analysis of Chinese laws and the study of practical cases, it can be known that in China, a music that wants to be registered as a trademark needs to have at least three requirements. The first requirement is legitimacy. Music trademark is also a type of trademark, so it needs to follow the general requirements of trademark registration, namely legality. It is a negative regulation that the national anthem, military song and other banned music cannot be registered as trademarks. The second requirement is that music trademarks need to be distinctive. The criterion for judging the distinctiveness of sound trademarks is whether consumers can distinguish the source of goods or services according to the music from the perspective of hearing under the condition of general attention. For those universal sounds that do not distinguish the source of goods or services, such as ordinary sound of birds, dogs, horns, firecrackers etc., will not be approved for registration. The third requirement is that music trademarks need to be used in practice for a long time, namely long-term and heavy use. This requirement is actually a strengthening of the second requirement, because Chinese authorities believe that music trademarks need to be carefully treated in order to maintain a balance

between “protecting intellectual property rights” and “protecting the market economic environment”. In other words, a music can be considered distinctive only if it has been used extensively for a long time. The Chinese authorities can issue an examination opinion to the applicant, requiring the applicant to submit evidence of the use of the trademark and to state the distinctive features obtained from the use of the trademark.

In my opinion, China has established a new standard for examination of the significance of music trademarks, if one piece of music have been used for a long time and people can distinguish it clearly with other music, then this music can be registered as trademarks, because it has obtain a significance through long-term use. That is to say, for most normal tangible trademark, you should be significant at the exact time when you want to be registered. However, for music trademark, China has affirmed the standard of acquired significance (which is different as the natural significance or essentially significance), which means you do not have to be significant at the very beginning, you can be normal and simple, but if your trademark has been used for a long time, you can “gain” significance In particular, for simple, common tones, music or melodies, significance can be achieved through long-term use. As far as substantive requirements are concerned, if a sound wants to be registered as a trademark in the EU, it needs to be distinctive, which means that this trademark can distinguish the good or service in which that trademark is used from other goods or services.

As for EU, we can find that the EU and its member states have different requirements for whether a music is allowed to be registered as a trademark. When member states want to make their own trademark law according to the EU law, they have their own domestic practices and customs of the member states so they finally formed the different trademark legal system from each other. However, music is now generally accepted as a registered trademark in the European Union.

The European Court of Justice and the Office for the Coordination of the Internal Market (now known as the EU Intellectual Property Office) have adopted relatively strict registration standards for sound trademarks. According to the provisions of the Community trademark system, the pattern representation of the sound trademark shall be in the form of staff or sound spectrum. When the applicant uses staff notation to represent the sound trademark, the staff shall be broken down into sections and shall specify in detail the clef, note and rest. When the applicant uses acoustic spectrum to represent the trademark of sound, the time and frequency coordinates shall be indicated on the acoustic spectrum.

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