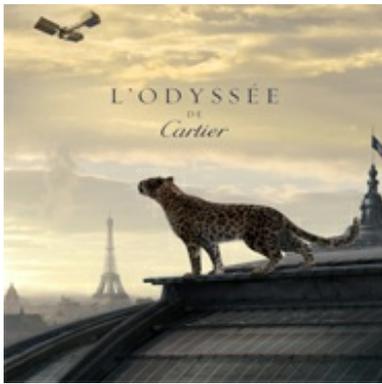


LEGAL/PRIVACY

What Cartier's China-based trademark win means for luxury marketers

April 15, 2013



By TRICIA CARR

Richemont-owned Cartier's recent win with a trademark infringement lawsuit against China-based companies indicates that luxury marketers should not ignore threats to brand equity in the country and send a message to counterfeiters.

[Sign up now](#)

Luxury Daily

Cartier won in a Shanghai court last week after it filed a lawsuit against two jewelry companies based in Beijing and a Chinese online supermarket that sells these companies' products for using the brand name without the French jeweler's consent. Luxury marketers should continue to pursue trademark cases to take a stance against counterfeiting, especially in China where the government is just starting to acknowledge the issue.

"Any successes at this point in China are reflective of a positive movement," said Steven Gursky, partner and head of intellectual property practice at [Olshan Frome Wolosky LLP](#), New York.

"They are beginning to stake out the claim that they will aggressively attack these things," he said.

Court ruling

Cartier was awarded approximately \$29,000 by a Shanghai court as a result of an unfair competition and trademark infringement lawsuit filed by the jeweler last July, according to a report from [Women's Wear Daily](#).

Beijing-based jewelry companies Beijing Mengkela Science and Technology Co. Ltd. and Beijing Huixin Tianyuan Science and Trade Co. Ltd. as well as China's largest online supermarket Yihaodian.com used phrases such as "Cartier classic style" and "Cartier collection" in their advertisements, per WWD.

The products associated with the advertising phrases were not produced or distributed by Cartier.

"The court agreed that the advertisements may have confused consumers about the quality and style of genuine Cartier jewelry," stated WWD reporter Casey Hall, who also conveyed that lawyers for Cartier mentioned in the suit that the brand "had been granted status as a well-known trademark by Chinese courts multiple times in the past."



Cartier bracelet

Luxury brands seem to most often pursue trademark infringement cases to send a message, rather than seek monetary gains.

Now, brands should strategically pick the areas of the world in which to enforce their trademark, per Mr. Gursky.

Counterfeiters and other criminals need to see that there are risks to their activities. Cartier especially will show that there are consequences to stealing its intellectual property.

Luxury marketers should view their legal budgets similar to their advertising budgets, per Mr. Gursky. They need to build their brand not only through advertising, but also by fighting legal battles to stop trademark infringement and counterfeiting.

Brands should go after the legal issues that will have the most impact.

"You would think nothing about a brand spending money on advertising, but these legal efforts are advertising in a different way," Mr. Gursky said. "It is advertising your pride and effectiveness as a brand."

China focus

Cartier's win also signals a step forward in the Chinese government's view on trademark infringement and counterfeiting.

The ruling in favor of Cartier is a start within the country's government system to protect legitimate brands, per Milton Pedraza, CEO of the [Luxury Institute](#), New York.

The world has become too transparent to let activities such as the robbing of a brand's name or creative assets proceed, he said.

"[Cartier] achieved protection of its trademark and brand equity from poachers and predators who, until recently, were allowed to do whatever they wanted by the Chinese government," Mr. Pedraza said.

"Now you can see that China understands that it can't be a country that doesn't play by the global rules of brand building," he said.

The legal activities centered on Cartier's lawsuit are also good news to brands that originate in China.

If China wants to foster its own brands, they must see that the Chinese government is fair and objective in allowing them to fight for their rights.

"If China wants to have legitimate brands, they need to have them protected around the world, too," Mr. Pedraza said.

On a global scale, luxury marketers must remain aware of the areas where their brand could be diluted through misrepresentation, counterfeiting and other illegal activities, per Brian Brogger, vice president of [Microtrace LLC](#), Minneapolis.

"As the global economy continues to struggle, we have seen increasing demand from brand owners to uniquely identify their genuine products and the ability to verify genuine products and materials has not been diluted," Mr. Brogger said.

Final Take

Tricia Carr, editorial assistant on [Luxury Daily](#), New York

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.