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International reports



Protection for well-known marks expanded

Formosa Transnational - Taiwan

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14 Jan 2015

Traditionally, the Taiwan Intellectual Property Office (TIPO) and the IP Court have held that there are different degrees of reputation and fame among so-called 'well-known' trademarks, and that owners of such marks which seek protection against trademark dilution must show that their marks enjoy a particularly strong reputation and a high degree of fame. TIPO and the IP Court maintain this view because protection against dilution can cross over to different goods and services, and may lead to unfair competition on the market. However, the Supreme Administrative Court has rejected the view held by TIPO and the IP Court and held that requiring the owner of a well-known trademark to prove that its mark enjoys a strong reputation and a high degree of fame in order to claim successfully a likelihood of dilution of the distinctiveness or reputation of the mark places a restriction on the protection of well-known trademarks that the Trademark Law does not impose.



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In Taiwan, protection for a well-known trademark is broader than for a normal registered trademark. The owner of a registered trademark can prohibit third parties only from using an identical or similar mark on or with identical or similar goods or services, as such use is likely to cause confusion among consumers. In contrast, the owner of a well-known trademark can rely on protection that may cross over to dissimilar goods and or services by asserting that use on or with dissimilar goods or services of a mark that is identical or similar to the well-known trademark is likely to dilute the distinctiveness or reputation of the mark, even where no likelihood of consumer confusion exists due to such use.



In terms of consumers, the Trademark Law is intended to protect them and to enable them to distinguish the origin of goods or services. The law also allows trademark owners to establish and cultivate their reputations and maintain fair competition – but protecting trademark owners is only one of the law's functions. This is the reasoning behind the restriction imposed by TIPO and the IP Court that the owner of a well-known trademark claiming protection against trademark dilution must prove that its mark enjoys a particularly strong reputation and a high degree of fame in order to assert a likelihood of dilution successfully.

In a case involving Japanese coffee brand UCC, the owner of the UCC mark for coffee filed an opposition against registration of the UCC collection and device mark owned by Taiwanese company Universal Cement Corporation, which used its UCC collection and device mark for concrete goods and the provision of retail services for construction materials. The IP Court held that the two marks could coexist due to the difference in appearance of the marks and because UCC was the acronym for Universal Cement Corporation, which had been using the UCC collection and device mark for many years. Moreover, the IP Court noted that the UCC coffee brand was famous only for coffee and related drinks, and thus the existence and use of both marks was unlikely to cause confusion among the relevant consumers. Further, the IP Court stated that Universal Cement Corporation was using its UCC collection and device mark properly, and such mark enjoyed a good reputation. Thus, use of the UCC collection and device mark would not dilute the reputation of the well-known UCC coffee brand.

However, the Supreme Administrative Court questioned the IP Court's ruling and asserted that as the UCC coffee brand existed before the UCC collection and device mark was first used, Universal Cement Corporation had no grounds for claiming that its mark was distinctive. Further, the Supreme Administrative Court held that requiring the owner of a well-known trademark to prove a further, higher degree of solid reputation and fame of the mark in order to assert a likelihood of dilution successfully improperly added a restriction which the Trademark Law did not require.

Based on this ruling, there appears to have been a relaxation of the requirement to show a likelihood of dilution of the distinctiveness or reputation of a well-known trademark, which should make it easier for owners of such marks to assert their rights across different goods and services.

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