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### **Court extends the boundary of use**

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The Taiwan High Court has ruled that a trademark, which does not appear in the traditional forms, such as packaging, constitutes use, so long as the trademark is identical wherever it appears.

The issue of what constitutes “use” for purposes of trademark infringement is one of the most important issues facing trademark owners in enforcing their rights. Given the proclivity of rights owners to rely on criminal actions to protect their rights, judges and prosecutors generally apply fairly stringent standards.

According to Article 62 of Taiwan's Trademark Law, any party who with intent to defraud others commits either of the two following acts shall be punishable by up to three years imprisonment, and/or a fine of up to NT\$200,000 (NT\$32 : US\$1):

1. Using a design that is identical or similar to another person's registered trademark on the same or similar goods;
2. Display or circulation of advertisements, posters, descriptive literature, price lists, or other written materials that contain a design identical or similar to another person's registered trademark for the same or similar goods.

Use under Taiwan's Trademark Law is thus defined in Article 6, paragraph 1:

"Use" referred to in this law means using, for the purpose of distribution and sales, a mark on a product, its container, packaging, label, brochure, price list or other similar things that are possessed, displayed or circulated.

This definition lacks clarity, especially once possession, display or circulation of a trademark isn't limited to pre-20th century media. In the internet age, what "similar things" in Article 6 refers to is subject to court interpretation. Although the case was decided over a year ago, *Sony v. Cheng*, resulted in a decision by Taiwan's high court that moves one step closer to clarifying the definition of use. This ruling should give trademark owners some cause for optimism, considering the court ruled in favor of the plaintiff even though the infringing trademark appeared not in printed form on packaging, or on the media which was being sold, but as a screen image that could only be viewed when the game program pirated by the defendant was run on a Sony PlayStation or on a computer.

The court said in its ruling:

Any electromagnetic apparatus such as a game console, CD player or magnetic tape player that can be used to pass the image of a trademark or logo through a computer interface that can be viewed on a television screen or computer monitor...should be understood to fit into the scope of 'similar things' described in Article 6, paragraph 1 of the Trademark Law.

Although the packaging of the pirated game disk was not adorned by trademark or logo, the

appearance of the PlayStation logo on a TV screen or computer monitor was deemed by the court to constitute use of Sony's trademark. The court judged that the accused clearly knew that Sony's trademark would be seen by users of the pirated games, but had made a decision to sell the games anyhow, thus violating Article 63 of the Trademark Law, which prescribes a maximum prison sentence of one year and/or a maximum fine of NT\$50,000.

This ruling is significant firstly because of the court's recognition that trademarks could be used on "surfaces" other than traditional packaging or promotional materials; namely, the appearance of a trademark or logo on a television screen or computer monitor was construed as use. Secondly, the court considered that for use of trademark to be applicable in the case, the logo displayed on a screen must be identical on all computers used to run the CD-ROM. Conversely, if a trademark were displayed differently when run on two separate computers, it would not constitute use as defined in the Trademark Law, according to the high court ruling.

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