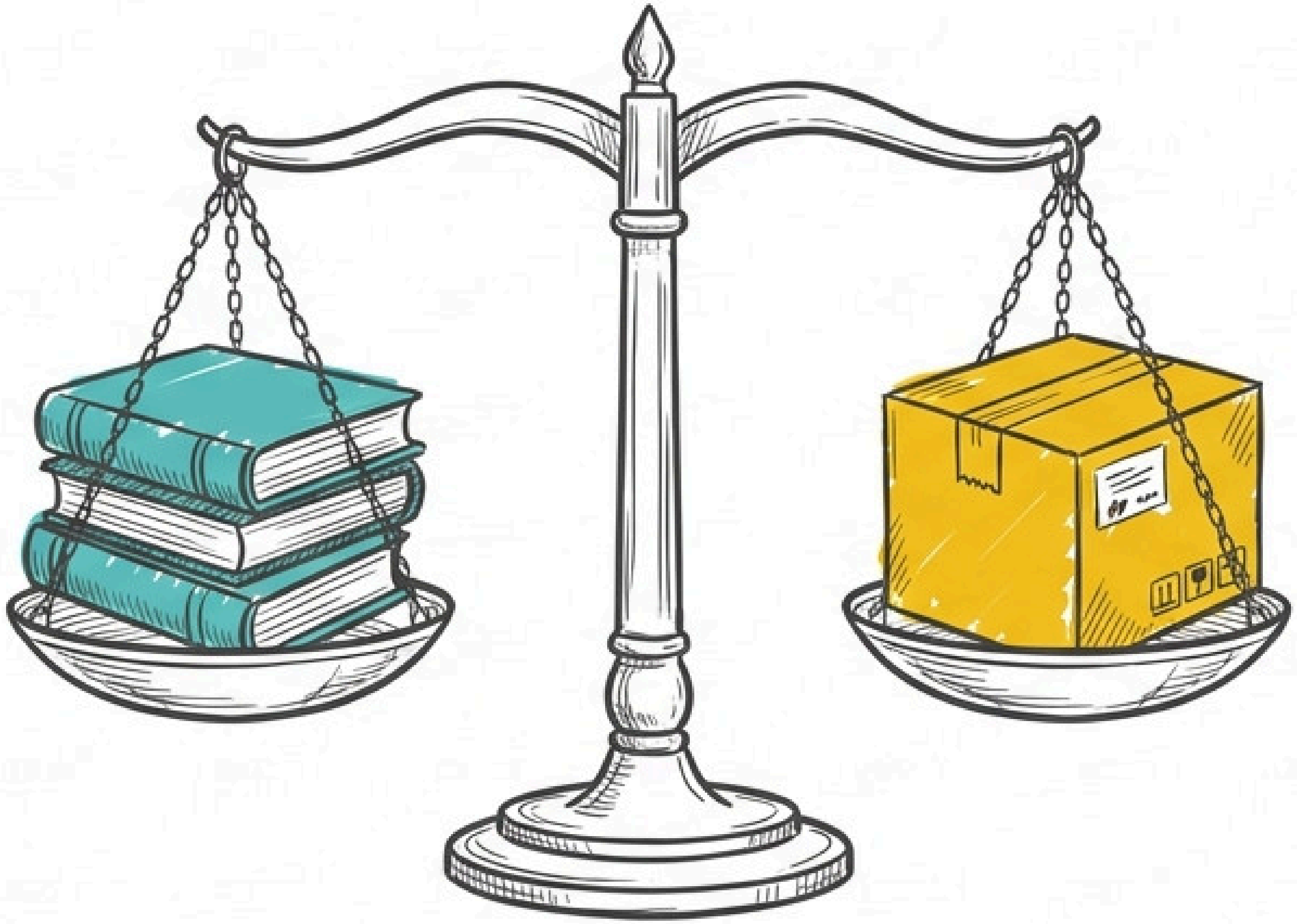
Trademark Dilution Across Industries: Eslite vs. Eslite Logistics

An Educational Breakdown of Intellectual Property & Commercial Court 111 Min-Shang-Shang-Geng-Yi-Zi No. 5 Civil Judgment



Source: Intellectual Property and Commercial Court (2023)

The Plaintiff: eslite

- **Established:** 1989.
- **Scope:** Registered in 37 categories (including books, retail, and logistics since 1996).
- **Status:** Universally recognized corporate brand.

VS

The Defendant: eslite logistics / moving

- **Established:** Operating for nearly 20 years.
- **Scope:** Providing physical labor (moving, packing, heavy logistics).
- **Claim:** Marketed themselves as the eslite of the moving industry.

The Evidence Room: The Marks in Question

Identical use of eslite mark across highly similar service classes (Class 39: Freight, Logistics, Packaging).

The Three Legal Battlegrounds

1 Issue I: Laches & Good Faith

Does a 20-year delay in enforcement equate to a loss of trademark rights?

2 Issue II: Well-Known Trademark

Does fame in retail protect against infringement in heavy labor/moving?

3 Issue III: Damages Calculation

How do we calculate financial liability when the infringer sells labor, not goods?

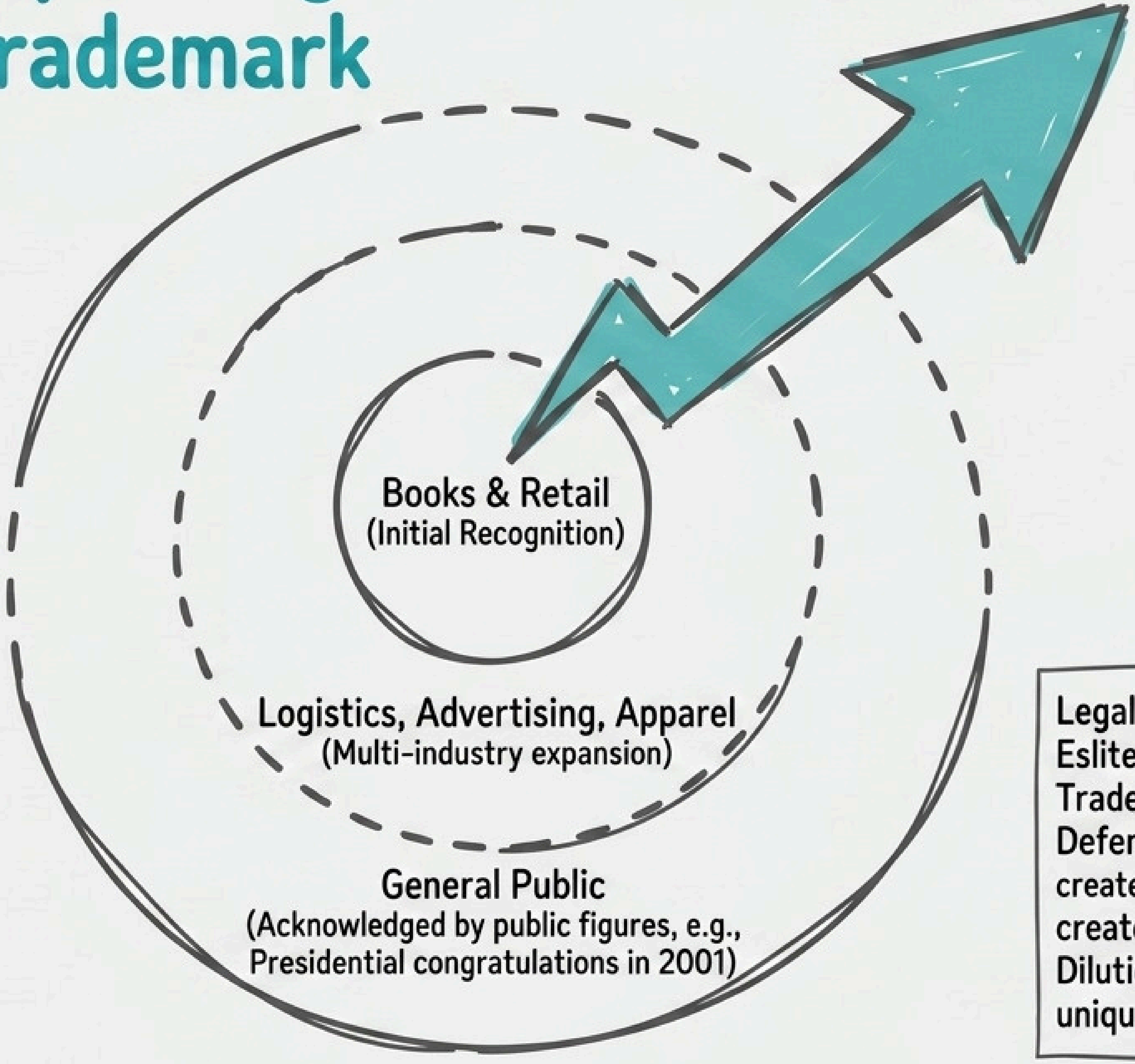
Issue I: Analyzing Laches & Good Faith

The Rule: Under the Principle of Good Faith, a rightsholder may lose the right to enforce (Laches) only if they actively cause the infringer to legitimately trust they will not act.

The Court's Diagnostic:

- Mere passage of time (20 years) is NOT enough.
- Defendant failed to prove Eslite explicitly or implicitly agreed to their use of the name.
- **Verdict on Issue I:** Without active contradiction or consent by the Plaintiff, Laches does not apply.

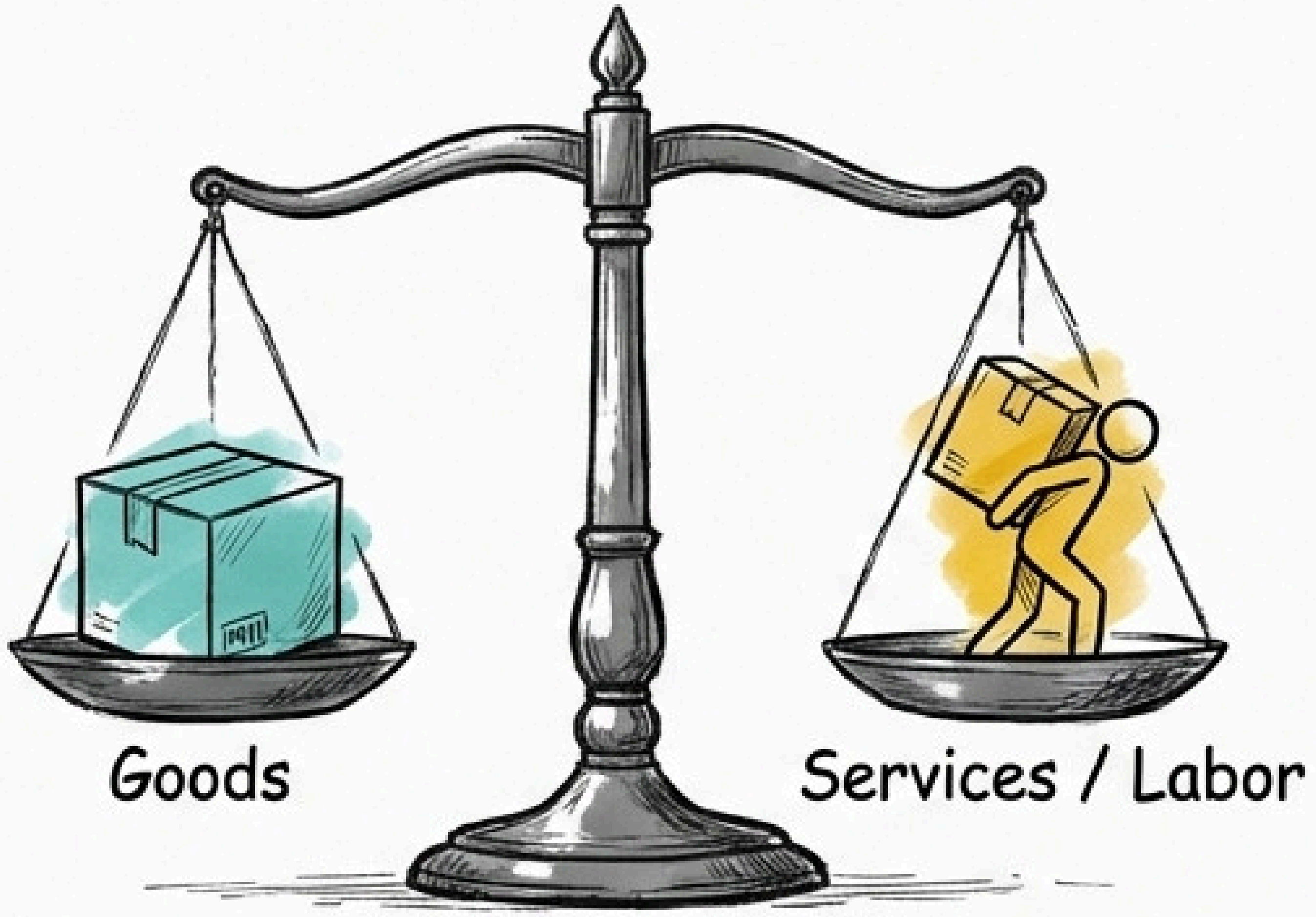
Issue II: The Expanding Radius of a Well-Known Trademark



Legal Conclusion:
Eslite has achieved Well-Known Trademark status. Therefore, the Defendant's use in Class 39 creates a Likelihood of Confusion and creates a severe risk of Trademark Dilution (diminishing the brand's unique, single-source identity).

Issue III: Damages - Calculating the Cost of Sweat & Labor

The Legal Dilemma: Trademark Act typically calculates damages based on retail product prices. But the Defendant sells physical labor (moving), not products.



The Court's Solution: Calculate liability based on Operating Gross Profit derived from the infringement.

[Total Revenue (2016-2019 Tax Records)] -
[Generous Labor Cost Deductions]
==================================
= [Operating Gross Profit]

Conclusion: Even using the most generous deductions for labor costs, the Defendant's profits vastly exceeded the requested compensation.

The Final Resolution: The Court's Ruling

- Injunction: Defendants are strictly prohibited from using identical or similar eslite marks for Class 39 services.
- Destruction: Must remove and destroy all signage, business cards, ads, and web pages containing the infringing marks.
- Name Change: Must legally change their corporate name to remove any iteration of eslite.
- Damages: Joint and several liability to pay the Plaintiff NT$ 6,000,000 plus 5% annual interest.

Key Takeaways & Legal Implications

IP Vigilance: Time Does Not Erase Rights.

Delaying legal action does not automatically trigger Laches or violate Good Good Faith unless the trademark owner actively misleads the infringer.

Brand Protection: Fame is a Shield.

A genuinely Well-Known Trademark is protected against Trademark Dilution even across seemingly unrelated industries (e.g., books vs. heavy moving).

Infringement Costs: Labor is No Excuse.

Providing sweat-equity services instead of physical goods does not shield an infringer from massive financial Damages based on Operating Gross Profit.

Source: Intellectual Property and Commercial Court (2023) 111 Min-Shang-Shang-Geng-Yi-Zi No. 5 Civil Judgment.