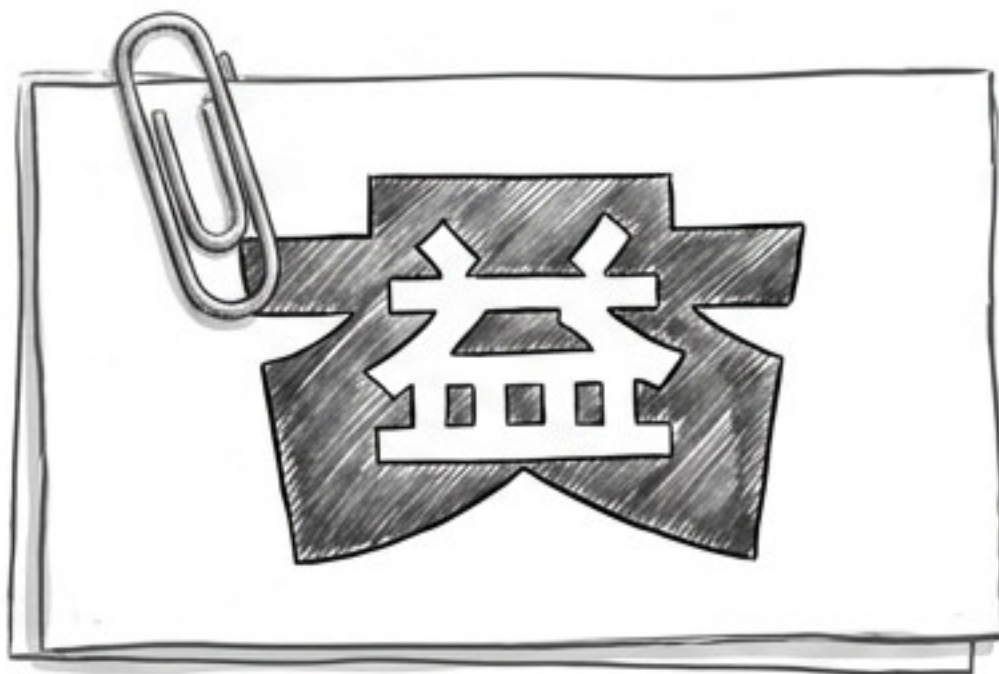


The “Da Yi” Trademark Dispute

An Educational Breakdown of Exclusive Licensing & Statutory Damages



Source: Intellectual Property and
Commercial Court, 2023 Min-Shang-Shang
No. 2 Civil Judgment.



The Incident Timeline

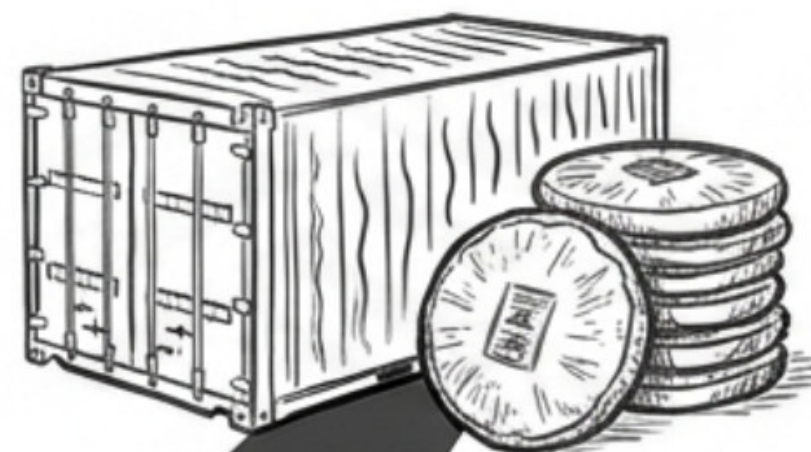
Step 1: The License
Appellant receives the exclusive Taiwan license for the trademark (Class 30: Tea).



註冊第 01266906 號

第 30 類：茶葉；紅茶；紅茶包；綠茶；清茶；茶磚；茶精；茶葉粉；香片茶；包種茶；普洱茶；烏龍茶；龍井茶；鐵觀音茶；茶葉袋茶；泡沫紅茶；茶葉飲料；泡沫綠茶。

Step 2: The Import
Appellee imports 2,604 counterfeit tea cakes from Malaysia.



Step 3: The Seizure
Customs intercepts the shipment. Goods are seized before hitting the consumer market.



The Courtroom Battle

Exclusive Licensee



I have the explicit right to sue as the exclusive licensee in Taiwan.

I demand 12,170 NTD per tea cake based on fair market value.

Importer



Your license was unregistered during the import. You have no legal standing to sue me.

The goods were seized at customs. Zero market entry means zero damages.

Issue 1: Can an Unregistered Licensee Sue?

Trademark Act, Article 39:

Exclusive licensing, if not registered, cannot be set up as a defense against third parties.

~~Registration protects everyone, including trademark infringers.~~

YES, they can sue. Registration requirements exist to protect bona fide third parties in honest business transactions—NOT bad-faith tortfeasors (infringers).

Issue II: Calculating Invisible Harm

2,604 cakes × ~~12,170~~ NTD = Over 31 Million NTD.

Trademark Act,
Articles 68 & 71:
Unauthorized importing
is infringement.
Statutory damages
apply to ease the
burden of proof.

Goods were destroyed by Customs.
No market chaos occurred.
The requested penalty is
disproportionate to actual harm.

2,604 cakes × 500 NTD (Adjusted Rate) = 1,302,000 NTD

Judgment Summary & Key Takeaways



Procedural Standing

Unregistered Rights Bind Infringers. Trademark Act Article 39 protects honest transactions, not infringers. Exclusive licensees possess immediate legal standing to sue.



Substantive Infringement

Importing Constitutes "Use". Merely importing counterfeit goods, even if intercepted and destroyed by Customs, definitively constitutes trademark infringement.



Financial Implications

Judicial Discretion on Damages. While statutory damages ease the evidentiary burden, courts will aggressively adjust per-item values downward if the goods never enter the market, preventing windfall payouts.