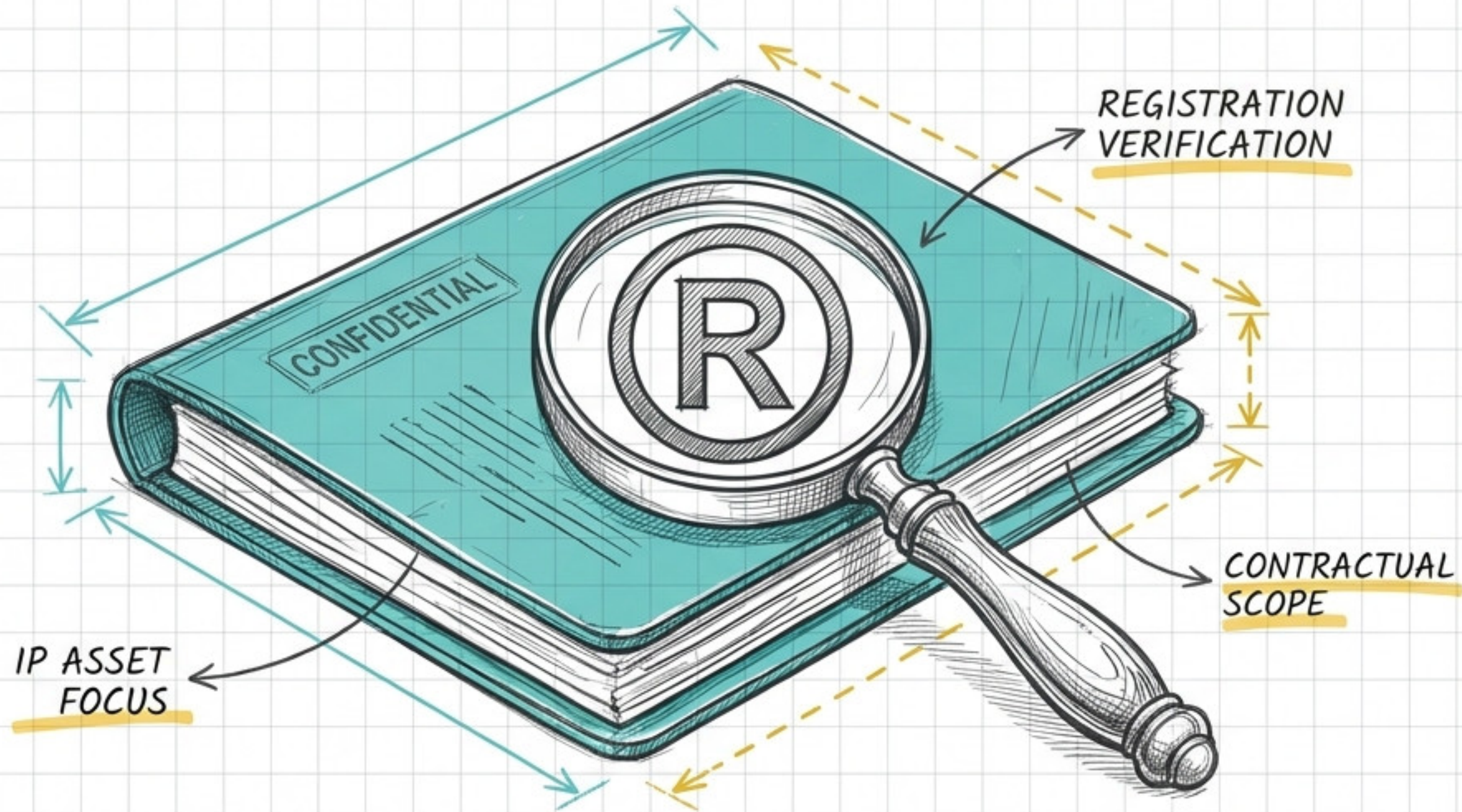




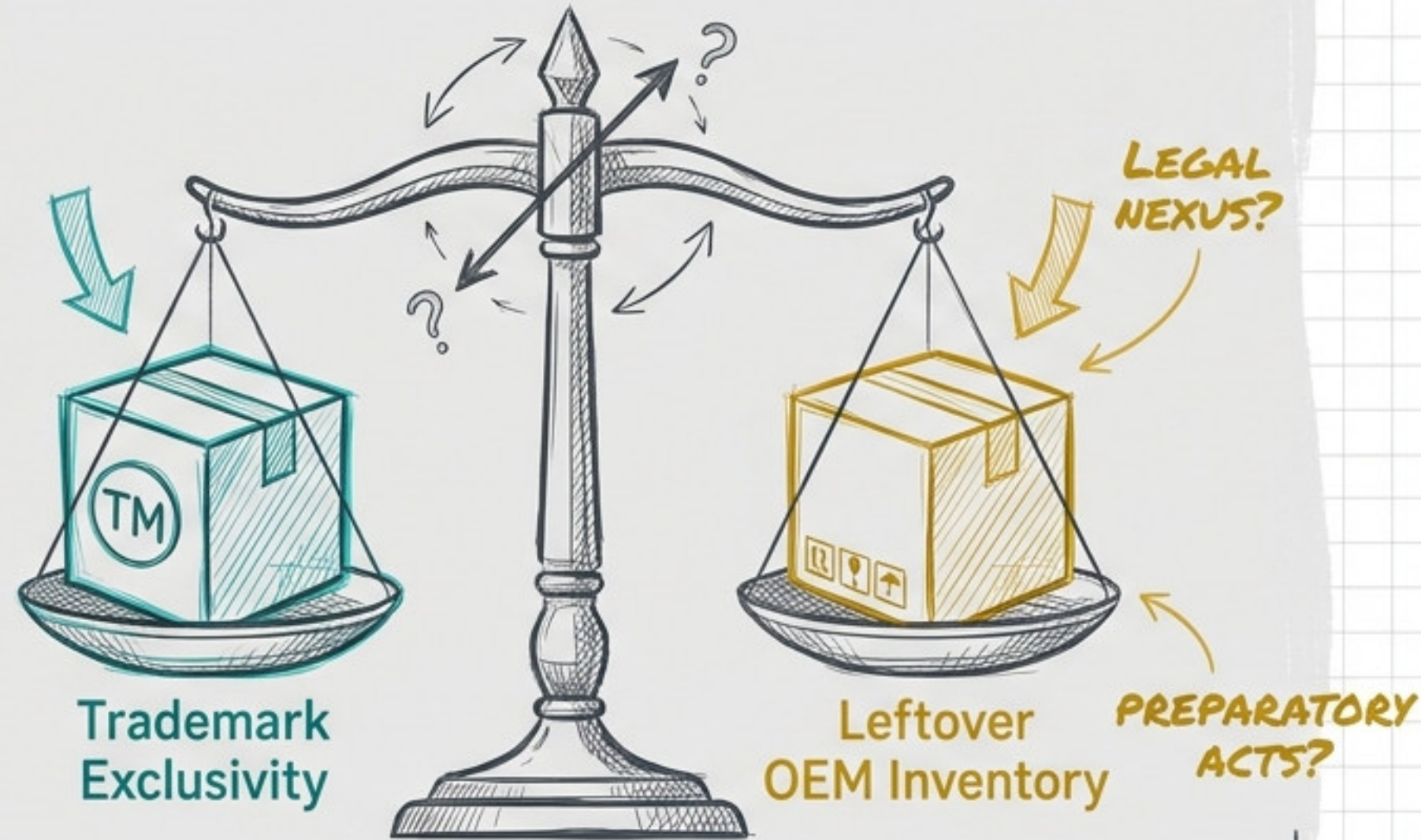
Trademark Infringement in OEM Partnerships

A Case Study on Post-Termination Packaging & Use

Source: Taiwan Intellectual Property and Commercial Court
Date: 2023 (Civil Case 112 Min-Shang-Su-Zi No. 19)

The OEM Packaging Dilemma

What happens to unused, branded packaging containers when an Original Equipment Manufacturer (OEM) partnership ends?

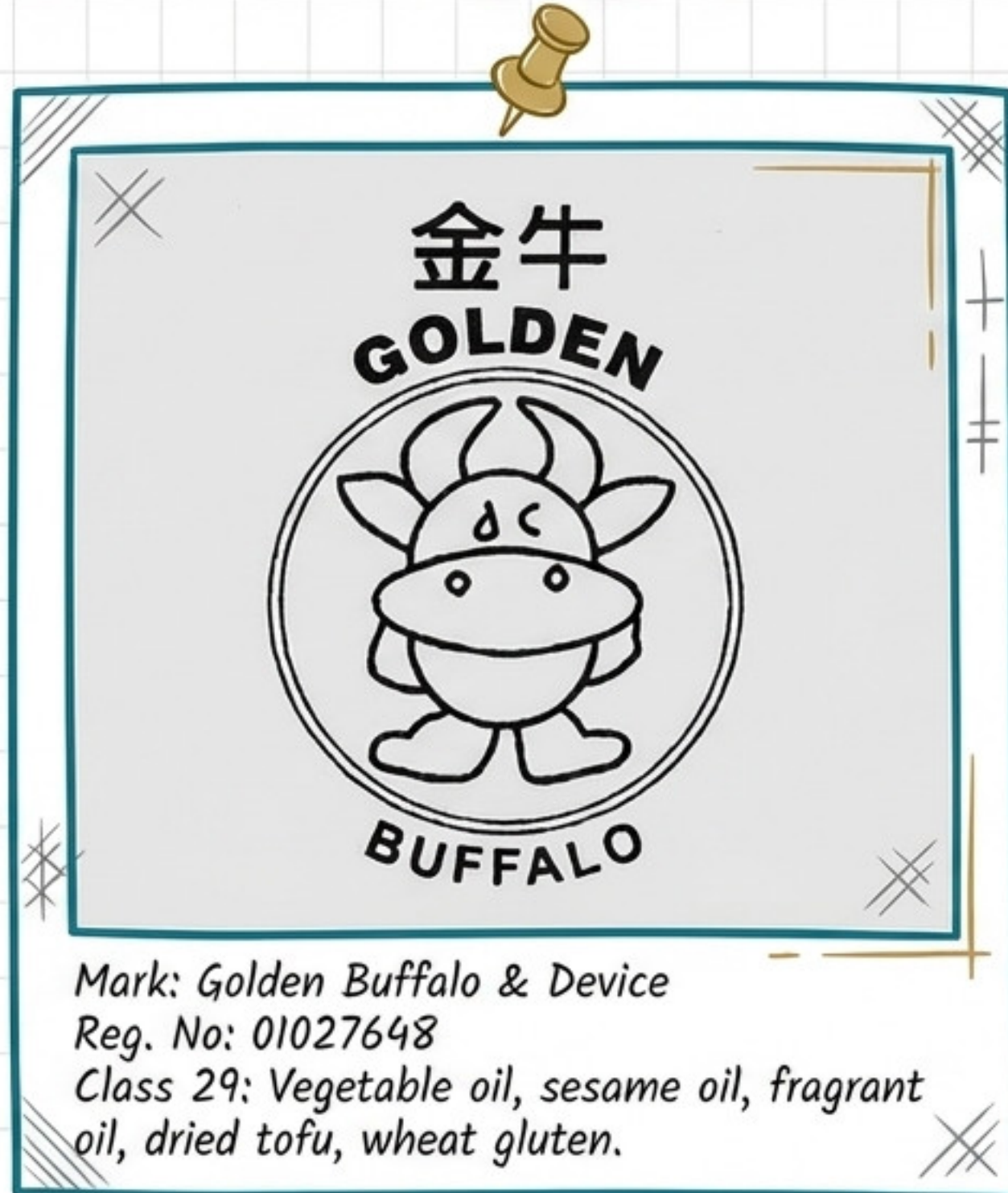


Does using leftover containers constitute intentional Trademark Infringement?



How does the law distinguish between Actual Infringement and Deemed Infringement (preparatory acts)?

The Trademarks in Question



The Breakdown of a Partnership



Anatomy of the Disputed Goods

The Mark:
The 'Golden Buffalo' trademark is printed directly into the glass base. It occupies >50% of the bottom surface area.



The Defendant's Label:
Defendant affixed their own registered trademark, company name, and factory address on the main body of the bottle.

The Conflict: Does a hidden mark on the bottom still count as 'Trademark Use' if the main label identifies a different brand?

Defining Trademark Use

~~We didn't intend to use it as a trademark, and it was hidden on the bottom.~~

The mark is clearly printed, taking up >50% of the bottle's base.



The bottles were used for marketing identical or highly similar goods (vinegar, oils).



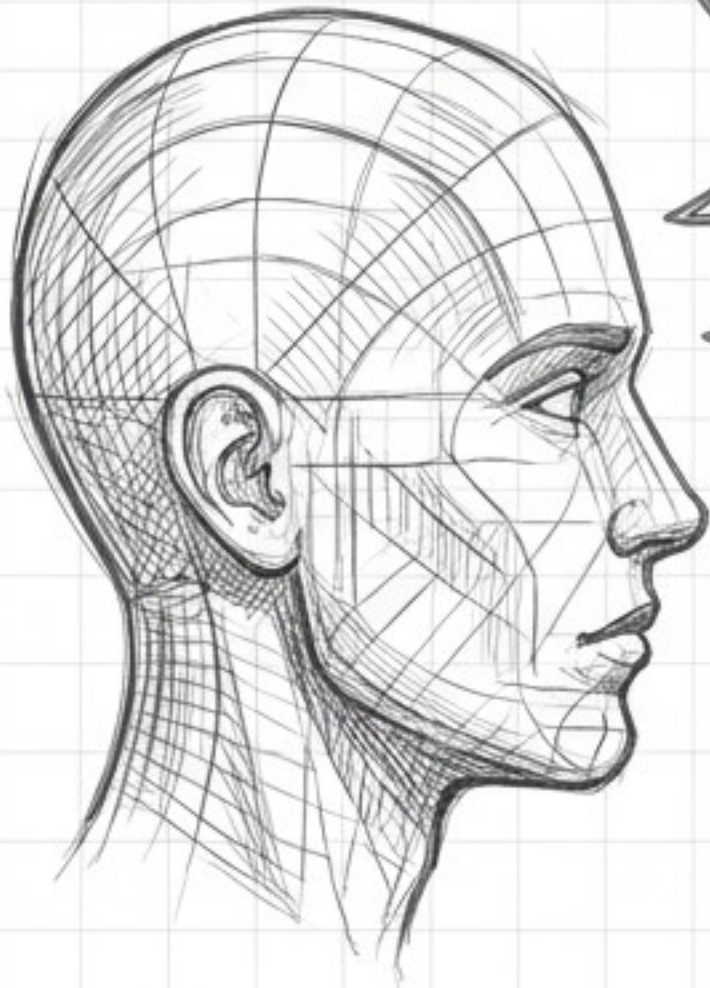
Article 68, Paragraph 1, Subparagraph 2

Affirmative Use: Failing to conceal the bottom mark means it functions as a trademark to consumers.

Likelihood of Confusion: Causes confusion regarding the source of goods.

Liability, Intent, and Negligence

Article 69, Paragraph 3 (Claim for Damages) requires subjective intent or negligence.



Consent: Plaintiff explicitly replied via email, instructing Defendant to use up the inventory.



Counsel: Defendant sought professional advice from a patent firm and reasonably relied on it.

No Intent or Negligence.

Because of the Plaintiff's explicit email and the Defendant's reasonable reliance, the claim for financial damages is dismissed.

The Hierarchy of Infringement

How do Articles 68 and 70 interact?



Mutual Exclusivity: If the conduct already fulfills the elements of actual infringement (Art. 68), it falls entirely within the trademark's exclusionary scope. There is no need to apply deemed infringement (Art. 70) for preparatory acts.

The Court's Final Orders



Lessons for OEM Partnerships

Post-Termination Clarity ✓

Never leave leftover branded packaging in a gray area. Outline exact destruction or buy-back procedures in the initial OEM contract.

The Danger of Mixed Signals

Telling a partner to “use up inventory” via email destroys the ability to claim financial damages later, even if actual infringement occurs.

Physical Destruction Required



Merely covering a branded container with a new label does not cure infringement. The physical mark must be definitively obscured or ☐ destroyed.

