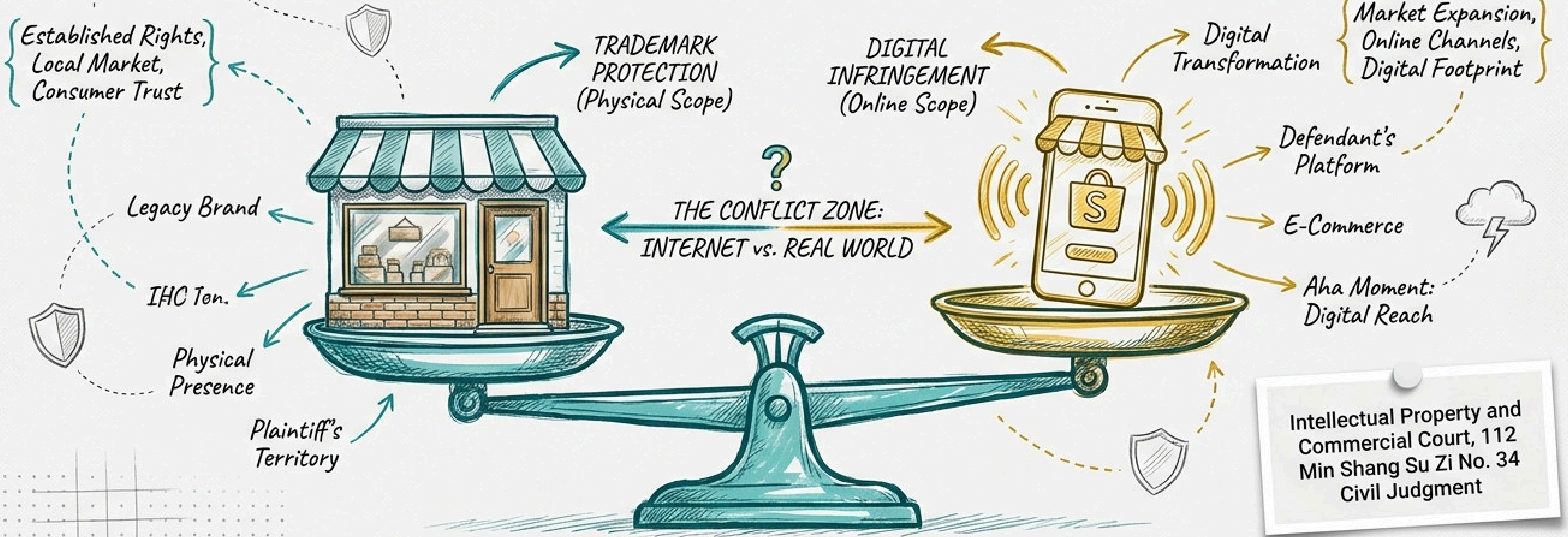
The Trademark Defense of a Legacy Brand: Analyzing the Shih Wei Hsiang Case

Where is the Boundary When a Traditional Physical Store Encounters Digital Transformation?



Intellectual Property and Commercial Court, 112 Min Shang Su Zi No. 34 Civil Judgment

NotebookLM

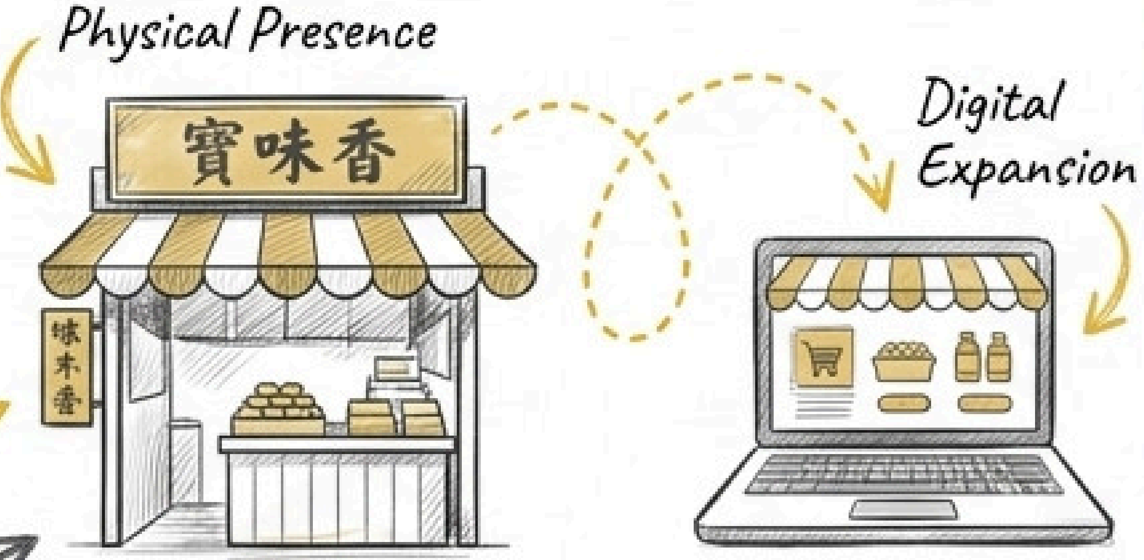
Background and Relationship: Trademark Conflict After Brothers Separate

Plaintiff (Older Brother's Line)

Teal: Claiming the Shield of Registration

- Holds Registered Trademark (01761941, 01762585).
- **Filing Date**: 2015/08/10.
- **Legal Claim:** Unauthorized use constitutes **Infringement**, demanding **Removal of Infringement** (Trademark Act §68③, §69 I).

Defendant (Younger Brother's Heir)



Establishment pre-dates 2015 Filing!

- Operated the physical store continuously since 2003.
- **Legal Defense**: Meets criteria for **Prior Use in Good Faith** (Trademark Act §36 I ③), claiming exemption from trademark restrictions.

Gold: The Shield of Prior Use & Good Faith

Key Issue: What constitutes Prior Use in Good Faith?

Trademark Act §36 I ③ stipulates that if an identical or similar trademark has been used in good faith **prior to another's Filing Date, it is is not bound by Trademark Rights.**

[✓]

Must be in use before the Filing Date (2015/08/10).

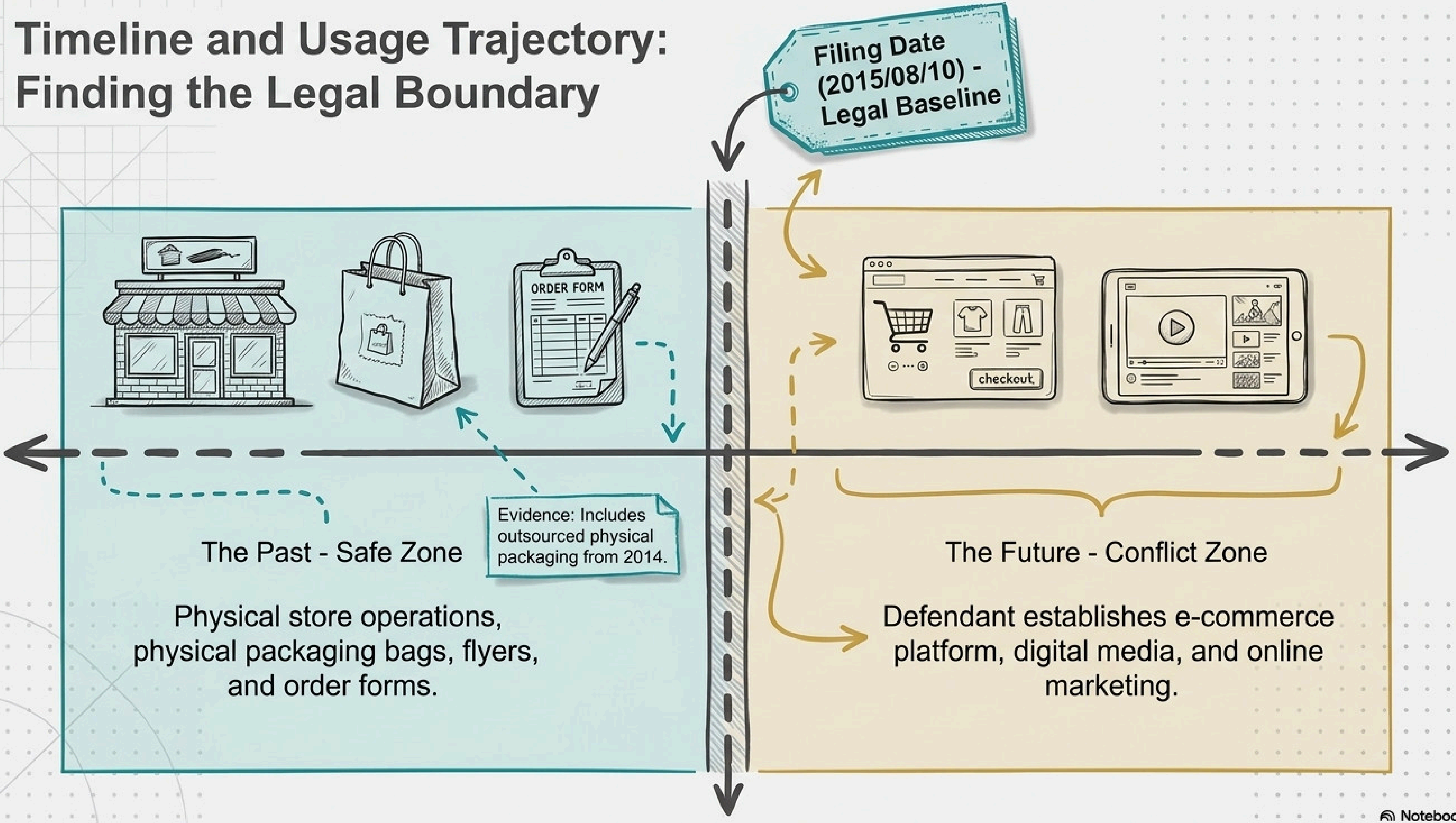
[✓]

Must not be for the purpose of unfair competition (no bad faith).

[!]

Limitation: Strictly confined to the scope of Identical or Similar Goods or Services originally used.

Timeline and Usage Trajectory: Finding the Legal Boundary



Issue Analysis 1: Does Product Flavor Innovation Cross the Boundary?

Plaintiff Claim:

Spicy beef jerky and pork floss almond crisp candy are subsequent developments, not existing products before 2015.

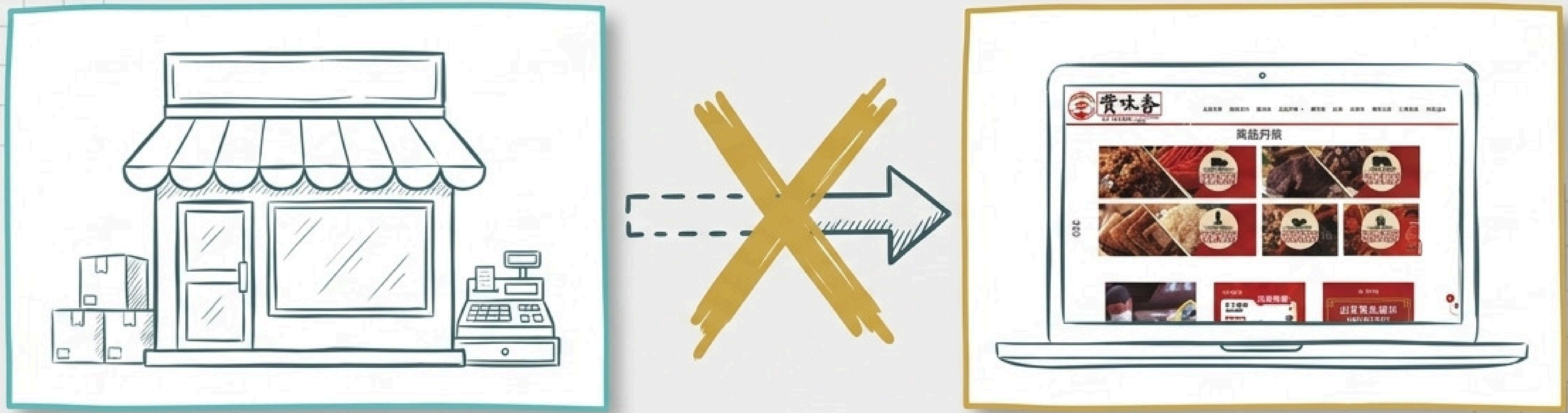
Court Ruling:

Defendant originally sold processed meat and nut foods. Developing different flavors or mixed products based on the original foundation does not exceed the original product scope.

Developing original foundation

Meet Prior Use in Good Faith (Did not exceed original product scope).

Issue Analysis 2: Is an Online Store a Natural Extension of a Physical Store?



Original usage patterns (physical packaging, flyers).
Defendant claims: Online marketing just adds billboards; consumers still buy from the same physical store.

Court's Logic: Establishing digital media and internet mediums constitutes an expanded scope of use after the Filing Date.

An online platform does not meet the limitation of confined to the originally used goods or services, and is not protected by Prior Use in Good Faith.

Final Judgment: Clear Division of Boundaries

Defendant may continue using the trademark on physical product packaging, flyers, and order forms.

Legal Result: This portion does not constitute Infringement.

Physical Evidence: Allowed Use

Prohibited from using the trademark via digital video, electronic media, and online platforms. Must remove text from all web platforms.

Legal Result: Constitutes expanded use, must execute Removal of Infringement.

Litigation costs shall be borne one-half by the Defendant, and the remainder by the Plaintiff.

Judgment Highlights and Business Insights

The Legal Watershed

Protection of Prior Use in Good Faith strictly relies on the Filing Date.
Extension of physical product flavors is allowed, but cross-dimensional expansion of sales channels (physical to digital) is considered exceeding the scope.

The Brand Moat

Digital transformation is not an automatic extension of rights.

Family businesses or legacy stores must clarify Trademark Rights ownership before expanding into e-commerce.

Operational Defense

Retaining early commercial evidence (e.g., 2014 packaging designs, old order forms, long-term client testimonies) is the sole weapon to successfully claim prior use in good faith.