

TRADEMARK VS. COMPANY NAME

Navigating the Boundaries of Corporate
Identity and Infringement



*Based on: Taiwan Intellectual Property and
Commercial Court, Civil Case No. 59 (2023)*

Step 1: Discovery

Plaintiff finds Defendant using "ASIA PACIFIC RESORT" for a newly established hotel facility.

Step 2: Cease & Desist

Plaintiff sends two formal warning letters in July and August 2023. Defendant claims historical company name usage.

Step 3: Litigation

Plaintiff sues for Trademark Infringement under Trademark Act Articles 36, 68, 69, and 70.

THE CORE QUESTION:

Does using a registered trademark's exact text as a newly registered corporate name constitute intentional trademark infringement?



THE PLAINTIFF

Asia Pacific Hotel (Assignee of Xinruihe Co., Ltd.)

Trademarks: Reg. No. 00101210 & 00101668
(Valid until 2038)

Market Focus: Urban Hot Spring Hotel.

ASIA PACIFIC HOTEL



THE DEFENDANT

Asia Pacific Lukang Resort Co., Ltd.

Origin: Renamed from "Taiji Construction" in 2019; resort company formed in 2022 after winning a Ministry of Labor contract.

Market Focus: Labor Union training facility and resort located in Lukang, Changhua.

Issue #1: Does the Trademark Hold Power?



- Defendant's Claim:

"Asia Pacific" is merely a geographical term; therefore, it lacks distinctiveness and cannot be monopolized.

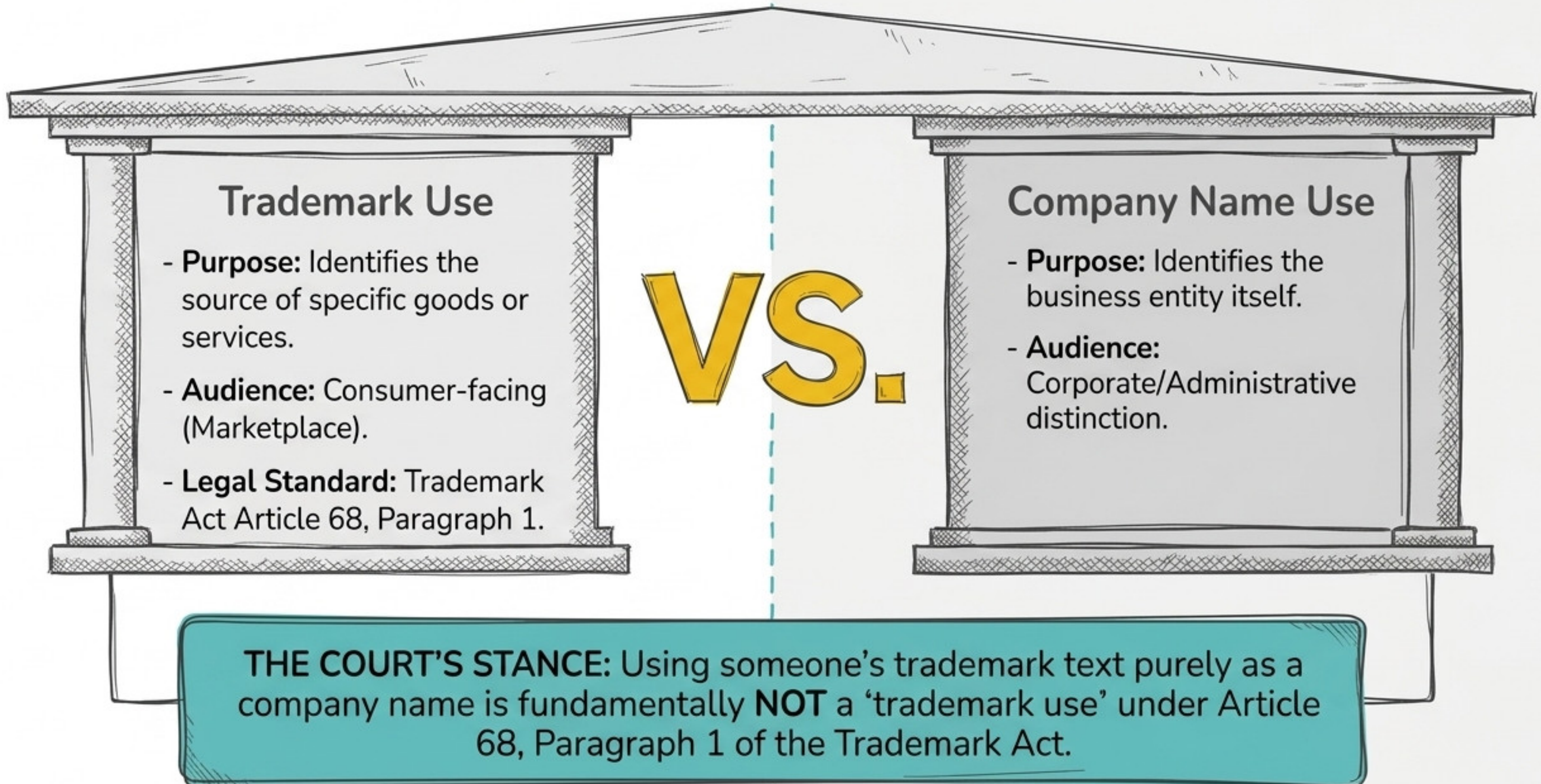
- Court's Ruling:

REJECTED. The trademark is valid.

- Legal Reasoning:

- **Inherent Distinctiveness:** The geographic term "Asia Pacific" has no direct connection to the specific service location (a local hotel). It is an "arbitrary use" of a geographic name.
- **Acquired Distinctiveness:** The mark has been registered and used for nearly 30 years. Consumers successfully recognize it as a source indicator for the Plaintiff's specific hotel services.

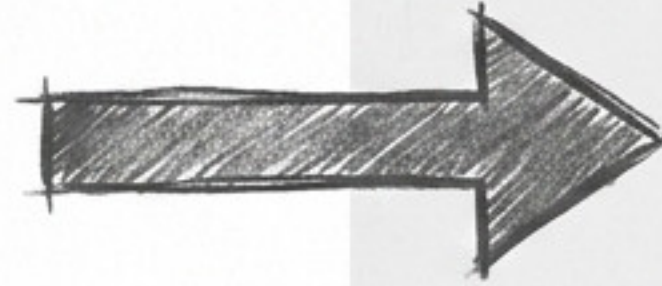
Issue #2: The Nature of “Use”



The Legislative Evolution: Fixing the Loophole

Prior Law (Pre-2011, Article 62)

- Rule: Strict protection. Using ANY registered trademark as a company name was deemed infringement.
- Result: Led to rampant abuse by trademark trolls threatening legitimate businesses. Law repealed.



Current Law (Post-2011, Article 70)

- Rule: Calibrated protection. The prohibition against company name usage is now strictly limited to "Well-Known Trademarks" only.



THE CONCEPTUAL GAP:

What happens if the trademark is registered, but fails to reach the legal threshold of "Well-Known"?

Issue #3: The 'Well-Known' Threshold



1. The Evidentiary Burden:

To utilize the protections of Trademark Act Article 70 against a company name, the Plaintiff must definitively prove their mark is 'Well-Known' across the general consumer base.

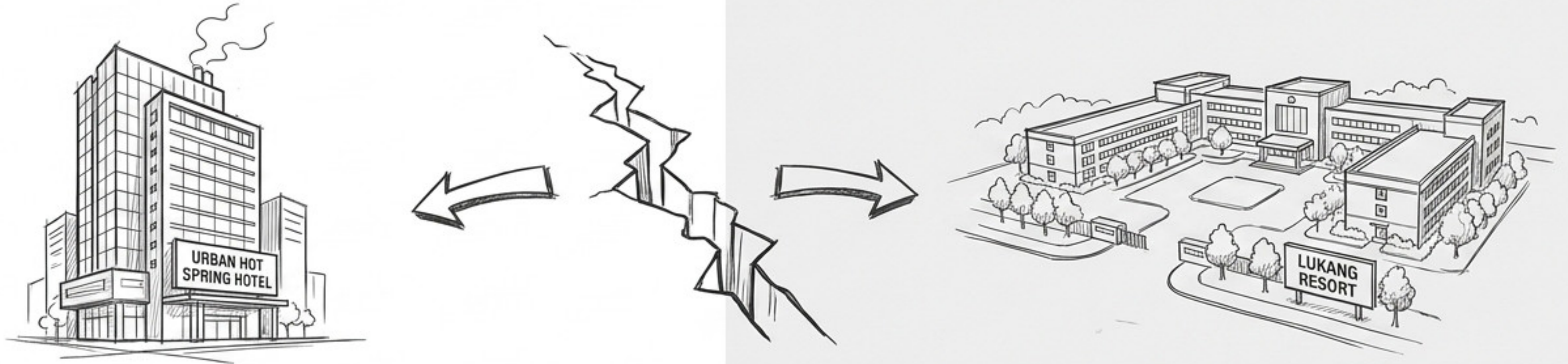
2. The Evidence Provided:

- ☐ Basic website screenshots.
- ☐ A single 2023 online travel fair press release.
- ☐ Standard Google search result volume.

COURT'S CONCLUSION: Insufficient. While valid, the evidence fails to elevate 'Asia Pacific Hotel' to the strict legal status of a 'Well-Known Trademark.' Therefore, Article 70 protections do not apply.

Issue #4: Market Reality & Unfair Competition

The Final Legal Test: Since the mark isn't famous, did the Defendant act in bad faith to intentionally cause a "Likelihood of Confusion"?



The Evidence of Separation

- **Corporate History:** Defendant changed its parent company name long before this specific dispute (2019).
- **Organic Origin:** The Lukang resort was established specifically to fulfill a Ministry of Labor government contract, not to steal hot spring clientele.
- **Geographic Disconnect:** Vast distance between the Plaintiff's urban hot spring and Defendant's labor training resort in Lukang.

**CONCLUSION: No intent to deceive. No Unfair Competition.
Zero Likelihood of Confusion.**

The Final Verdict



JUDGMENT: Plaintiff's claims for trademark infringement and damages are entirely DISMISSED.

COSTS: All litigation costs to be borne by the Plaintiff.

SUMMARY: Using a standard registered trademark as a company name does not constitute infringement under the current Trademark Act, provided the mark is not legally "Well-Known," there is no bad faith, and the market sectors remain distinctly separate.

Key Takeaways & Strategic Implications



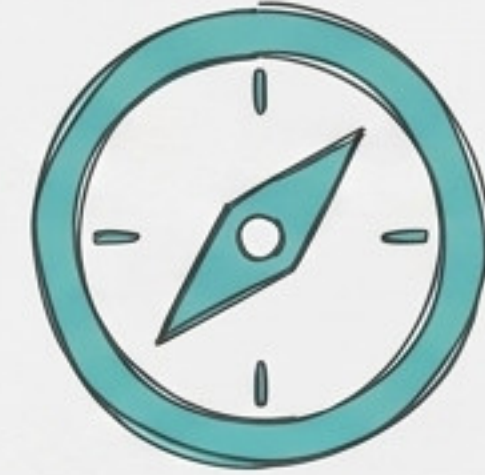
1. The Limits of Registration

Registration grants exclusivity for specific goods/services, but does not grant an automatic monopoly over corporate naming across all industries. That broader shield is reserved exclusively for **"Well-Known Trademarks."**



2. The Evidentiary Burden

To bridge the gap between Trademark Law and Unfair Competition, plaintiffs must provide overwhelming, systemic evidence of either **"Fame"** or **"Bad Faith."** Simple web screenshots are insufficient to tip the scales.



3. Market Reality Matters

Courts look beyond the paperwork to the physical marketplace. Geographic distance, divergent target demographics, and organic business history (like fulfilling government contracts) heavily insulate defendants against claims of **"Likelihood of Confusion."**