

THE 'WATANABE' TRADEMARK DISPUTE

A Case Study on Prior Use and Bad Faith Imitation



Source: Intellectual Property and Commercial Court

Date: 2024

Reference: Administrative Judgment Case No. 64

Educational Explainer Briefing



The Legal Framework

Article 30, Paragraph 1, Subparagraph 12 of the
Trademark Act

A trademark shall NOT be registered if it is:

1. Identical or highly similar to another person's **Prior Used Trademark**.
2. Applied for registration with the intent to imitate (**Bad Faith**).
3. Driven by **awareness** of the prior mark due to contractual, regional, or business competitor relationships.



The Central Question:

Did the applicant know about the
competitor's prior use before filing? *

The Trademarks in Question

The Disputed Trademark

- Applicant: Watanabe Food Co., Ltd.
- Filing Date: May 21, 2021
- Designation: Class 43 (Restaurants, hot pots, diners)



The Prior Used Trademark

- Owner: Dong Zheng Co., Ltd.
- Prior Use Date: Late 2020 (Pre-dating Plaintiff's filing)
- Designation: Class 43 (Japanese Restaurant Services)



The Linguistic Smoking Gun: A Rare Variant

The Standard Form

- "Watanabe" is a highly common Japanese surname.
- Written in standard form, it possesses low inherent distinctiveness.

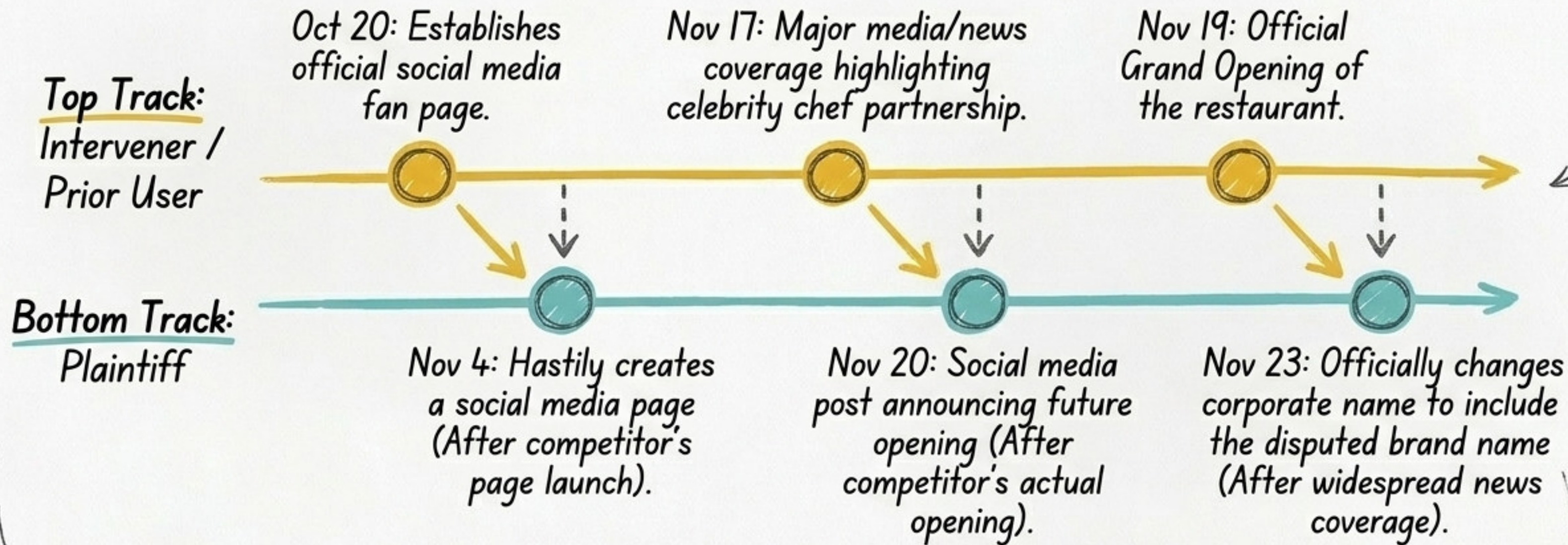
渡辺

The Rare Variant

- The Intervener deliberately used a highly uncommon, complex variant for the second character.
- It features a unique, multi-stroke structure in the lower right portion.

Court's Insight: The use of this rare variant creates a high degree of distinctiveness. The Plaintiff's exact mirroring of this specific, rare visual implies intentional imitation, not an industry coincidence.

The Race to the Market (Late 2020)



Data clearly establishes the Intervener as the Prior User and the Plaintiff as highly reactive.

Dismantling the Alibi: The Court's Evidence Review

Claim	Reality
“We incorporated our company with this name way back in <u>May 2020</u>.”	✗ Fact: The original May 2020 company name <u>used a different suffix (-ya)</u>, and their registered business scope <u>did not even include restaurant services</u> at the time.
“We chose the name because we hired an Executive Chef with that <u>exact surname</u> in January 2020.”	✗ Fact: The provided business cards had <u>no printed dates</u>. Furthermore, they <u>did not create any brand pages</u> until <u>November</u>—only after the competitor had launched in October.
“The similarity is a pure coincidence.”	✗ Fact: Both parties operate in the <u>exact same specialized industry</u> (Japanese cuisine). Coincidental matching of an incredibly rare variant character is statistically <u>improbable</u>.

Judgment: Lawsuit Dismissed

The Intellectual Property Office's decision to revoke the trademark stands.

- ✓ **Prior Use Proven:** The Intervener successfully demonstrated public use and media presence before the Plaintiff's filing.
- ✓ **Awareness Established:** Operating in the exact same competitive sector, the Plaintiff could not feign ignorance of a heavily publicized competitor.
- ✓ **Bad Faith Confirmed:** The sequential timeline of name changes and social media creations strongly indicated an intentional imitation of the prior mark.

The Plaintiff bears the cost of the litigation.

Key Takeaways & Strategic Insights



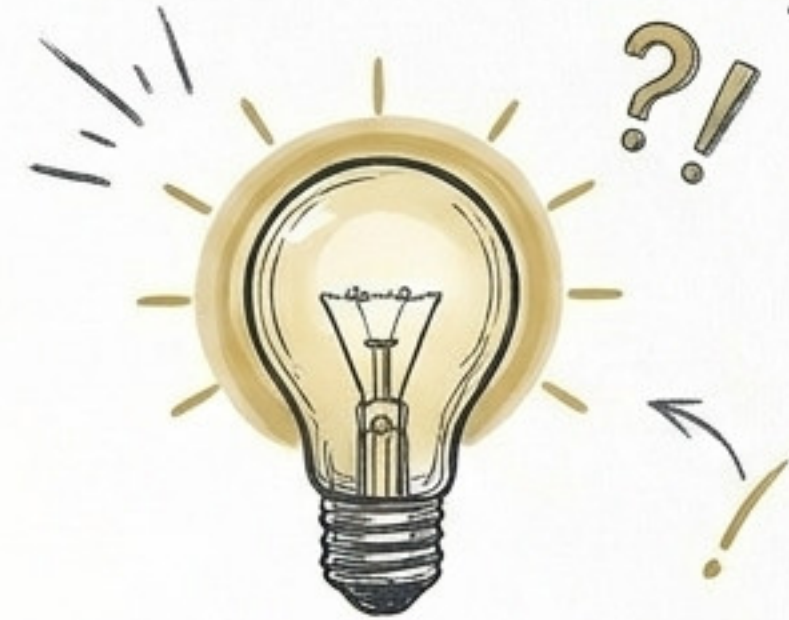
Distinctiveness Resides in the Details

Using a **rare linguistic variant** or **unique typographic element** drastically increases a mark's distinctiveness. It creates an undeniable **"fingerprint"** that makes it nearly impossible for imitators to successfully claim **"coincidental similarity."**



Digital Footprints are Admissible Evidence

Timestamps on social media fan pages, news coverage, and YouTube uploads serve as **irrefutable evidence**. In modern IP litigation, digital timestamps are the ultimate proof of **"Prior Use."**



The Burden of "Good Faith"

Reactive corporate name changes and **rushed marketing launches** immediately following a competitor's media coverage act as **massive red flags**. Courts view these **tight chronological patterns** as strong indicators of **"Bad Faith"** intent.