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Defendants found not guilty of infringement, but ordered to distinguish their goods

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In a case regarding the use of trademarks similar to earlier registered trademarks, the Intellectual Property Court has dismissed the plaintiff's claim of trademark infringement, but ordered the defendants to add distinguishing features to their products (September 10 2013).

Plaintiff Fong Jhon Jhou, a Taiwanese national, filed suit against defendants FCC (Taiwan) Co Ltd and Chien Hsiang Trading Co Ltd for infringement of the following trademarks:

- F.C.C. SPORT, registered in 2001 for automobile parts, including clutches, in Class 12 of the Nice Classification:

F.C.C.
SPORT

- F.C.C. SPORT, registered in 2005 for retailing services in Class 35:

F.C.C.
SPORT

FCC Taiwan was the subsidiary, and Chien Hsian the local distributor, of Japanese company FCC Co Ltd. FCC Co Ltd is well known for its clutches and related products, which are sold under the following trademarks ('the disputed trademarks'):



Chien Hsian had imported clutches bearing the disputed marks since 1978, while FCC Taiwan started to import the products in 1998.

FCC Co Ltd had registered the disputed trademarks in 2007 and 2008, respectively. However, the registrations were invalidated by the plaintiff in 2011 based on his prior registrations for the F.C.C. SPORT marks.

In the lawsuit at hand, the defendants sought to invalidate the plaintiff's F.C.C. SPORT trademark registrations based on the fame of the disputed trademarks, established by their parent company in Japan. However, their attempt failed due to a lack of sufficient evidence to substantiate the fame of the marks. The defendants also claimed that 'F.C.C.' was the abbreviation of the US 'Federal Communication Commission' and, therefore, could not be granted registration. This argument also failed.

The IP Court, however, recognised that the importation and sale of clutches bearing the disputed trademarks by the defendants constituted legitimate trademark use under the Trademark Law; the use of the disputed trademarks by the defendants preceded the registration of the plaintiff's F.C.C. SPORT marks. The court also accepted that the use of the disputed trademarks was in good faith, based on the creation and history of the marks in Japan.

The court thus dismissed the plaintiff's claim of trademark infringement, but ordered the defendants to distinguish their marks from those of the plaintiff in accordance with the requirements set forth in the 'goodfaith' provision of the Trademark Law.

Following the decision of the Intellectual Property Court, the plaintiff assigned the registrations of its marks to FCC Taiwan. The assignment was approved and recorded on December 23 2013.

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