

This article was published in the *World Trademark Review* on April 16, 2015.

Fair Trade Act no longer protects registered trademarks

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Previously, famous trademarks, whether or not registered in Taiwan, could be protected under the Fair Trade Act. However, following revisions effective as of February 6 2015, the Fair Trade Act no longer protects trademarks duly registered in Taiwan under the Trademark Act. The Fair Trade Act will only grant protection to famous trademarks or trade dress which are not registered in Taiwan.

The key revisions to the Fair Trade Act include the following points:

1. Any famous personal name, business or corporate name, trademark, container, packaging or appearance of goods, or any other symbol that identifies the supplier of the goods or services could be protected under the Fair Trade Act. The revisions to the Fair Trade Act explicitly exclude from protection trademarks registered under the Trademark Act. The Fair Trade Act will protect only unregistered trademarks or other trade dress. Registered trademarks may be protected only under the Trademark Act.
2. Previously, the Fair Trade Act prohibited any unauthorised use of a famous mark on goods or services which were not identical or similar, but where use of the mark would cause a likelihood of confusion. However, the revisions to the Fair Trade Act prohibit only the unauthorised use of famous trademarks or other trade dress for identical or similar goods or services.
3. Under the Trademark Act, the infringement of registered trademarks is subject to civil and/or criminal liability. Previously, the Fair Trade Act imposed civil liability and criminal or administrative penalties for infringement of famous trademarks or other trade dress. However, the revised Fair Trade Act stipulates that the infringement of famous trademarks or other trade dress in violation of the Fair Trade Act will be subject only to civil liability for claims for damages or injunctions. Criminal and administrative penalties are no longer available. The Fair Trade Commission - the authority in charge of implementing the Fair Trade Act - no longer accepts or handles any claims of infringement of famous trademarks or other trade dress.

Due to the change to the scope of protection of famous trademarks or other trade dress under the Fair Trade Act, it is crucial for brand owners to arrange protection for their trademarks or other trade dress before seeking to enter the market.