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IP Court: use of trademarks on gifts may constitute trademark use

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Trademark use is one of the core issues under the Trademark Act. However, the definition of 'trademark use' is a controversial issue. According to the Trademark Act, trademark use should be "in the course of trade". The Intellectual Property Office and the Intellectual Property Court, as well as other judicial authorities, have been inclined to define 'trademark use' as corresponding only to the sale of goods or any other use for monetary consideration, thus excluding gifts.

Nevertheless, the Intellectual Property Office and the Intellectual Property Court have recently changed their approach and accepted that the use of trademarks on gifts could constitute trademark use in certain situations.

The Intellectual Property Court held that the use of trademarks on gifts could constitute trademark use in two non-use revocation administrative litigation cases against two VALENTINO trademarks, owned by Valentino SpA. Valentino SpA had not sold any perfume bearing the VALENTINO trademarks prior to 2008, but had given perfumes as gifts when consumers purchased other VALENTINO-branded goods that exceeded a certain price.

The Intellectual Property Court pointed out that, since the gifts were given to promote VALENTINO-branded goods, they were capable of being recognised by relevant consumers as indicating origin. Therefore, such use could be accepted as trademark use.

It is expected that the Intellectual Property Court's new approach will have an impact on the outcome of similar cases involving trademark use issues.