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Intel successful in trademark infringement action against LED products manufacturer

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On December 25 2014 the Intellectual Property Court rendered a decision in favour of Intel Corporation in a trademark infringement action involving the use of EDIXEON and EDIXEON INSIDE as trademarks by Edison Opto Corp.

Intel sued defendant Edison Opto and its legal representative jointly for infringement of the following trademarks:

- XEON, registered in 2001 for computer-related goods in Class 9 of the Nice Classification:

XEON

- INTEL XEON, registered in 2000 for computer-related goods in Class 9:

INTEL XEON

- INTEL INSIDE XEON, registered in 2000 for computer-related goods in Class 9:

INTEL INSIDE XEON

- INTEL INSIDE, registered in 1997 for computer-related goods in Class 9:

INTEL INSIDE

The plaintiff has been using the XEON mark worldwide as a brand name for its "central processing units" for a long time, and has occupied market shares of up to 80% for these products globally. The XEON mark has thus achieved fame among the relevant consumers worldwide.

The defendant is a local company doing business in the field of manufacturing and selling LED products. It had previously filed an application for the EDIXEON mark in Class 9 for "integrated circuits, semiconductors, electronic circuits, LEDs, etc", which had been successfully invalidated by the plaintiff in 2011. However, the defendant continued to use the EDIXEON mark on LED products and used the term 'Edixeon Inside' to indicate "EDIXEON-trademarked products". The plaintiff alleged that the above acts intended to take undue advantage of the fame of its XEON mark, to cause confusion among consumers and to dilute the distinctiveness of the XEON mark. Therefore, they constituted trademark infringement and unfair competition.

The Intellectual Property Court ruled in favour of the plaintiff based on the following findings:

1. The defendant used the terms 'Edixeon' and 'Edixeon Inside' as product names and on product manuals and advertisements. Such use conformed to the definition of 'use of a trademark' under the Trademark Act.

2. The trademark XEON was first created and used by the plaintiff as a brand name for "processors", for which it has a very high market share around the world. The plaintiff's XEON mark is highly distinctive and has been recognised as such by the Intellectual Property Office in previous decisions in invalidation actions. Since the defendant could not illustrate how it had created the EDIXEON mark, and since the suffix 'xeon' of the EDIXEON mark was identical to the plaintiff's mark, the use of EDIXEON and EDIXEON INSIDE could cause confusion among consumers.
3. The goods "integrated circuit, semi-conductor etc" designated by the defendants' EDIXEON and EDIXEON INSIDE marks were highly similar to the goods covered by the plaintiff's marks. Thus, the customers targeted by both parties largely overlapped and the defendant must have been aware of the existence of the plaintiff's mark. The LED products and computer-related products were examined under the current trademark practice and were also considered to be similar.
4. Since the plaintiff's XEON mark has achieved fame among the relevant consumers, the defendant's use of EDIXEON and EDIXEON INSIDE could dilute the high distinctiveness of the plaintiff's mark, and the defendant's products bearing these marks could be associated with the plaintiff. Thus, the defendant could take undue advantage of the fame of the plaintiff's XEON mark.
5. As a famous mark shall be considered as a symbol that represents a party's business or service, the defendant's use of EDIXEON and EDIXEON INSIDE constituted use of the plaintiff's symbol of business and violated the Fair Trade Act.

Given the above reasons, the Intellectual Property Court found that there had been trademark infringement and that Edison Opto and its legal representative were jointly liable to pay damages, in the amount of the selling price of all seized products sold by the defendant.