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IP Court holds gifts constitute trademark use

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Trademark use is one of the core issues under the Trademark Act. According to the act, trademark use may involve:

- issues of non-use revocation;
- the status of a famous trademark;
- a prior use claim;
- trademark infringement; and
- prior use defence in good faith against trademark infringement.

However, these remain controversial issues in relation to the definition of trademark use. According to the act, trademark use should be 'in the course of trade'. The Taiwan Intellectual Property Office (TIPO), the IP Court and other judicial authorities are inclined to define trademark use as just for sale or other use with monetary consideration, exclusive of gifts.

Nonetheless, TIPO and the IP Court have now changed their opinions and accept gifts as trademark use under certain situations.

The IP Court recently held that gifts could be seen as trademark use in two non-use revocation administrative cases against VALENTINO trademarks in the name of Valentino SpA. Valentino did not sell any perfume bearing VALENTINO marks before 2008, but it did give consumers perfume as gifts when the consumer purchased other VALENTINO marked goods over a certain monetary value.

The IP Court pointed out that since the gifts were given to promote the VALENTINO-trademarked goods, such gifts were

capable of being recognised by relevant consumers as a trademark and may therefore be accepted as trademark use.

The IP Court's new opinions will affect the results of other similar cases involving trademark use.

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