

(Translation)

**Examination Guidelines for the Protection of Well-known Trademarks
under Subparagraph 11 of Paragraph 1 of Article 30 of the Trademark Act**

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1. Preface

It takes considerable money, effort, and time to have a trademark become a well-known one. To protect such care and effort a well-known trademark right holder has devoted, and to prevent others from free-riding on the reputation and distinctiveness of such well-known trademark, it is necessary to provide more effective protection for well-known trademarks than for ordinary ones. Therefore, provisions in both national laws and international conventions or treaties have been enacted to afford stronger protection to well-known trademarks, and our Trademark Act is no exception. To strengthen the protection of well-known trademarks, the Trademark Act provides not only passive prevention of registrations by others in Subparagraph 11 of Paragraph 1 of Article 30, but also active prevention of uses by others in Subparagraph 1 and 2 of Paragraph 1 of Article 70. This Guidelines is enacted specifically to examine, during the stages of trademark application, opposition and invalidation proceedings, whether the registration of the trademark at issue¹ violates the provisions of Subparagraph 11 of Paragraph 1 of Article 30 of the Trademark Act. As for the determination of the infringement specified in Subparagraph 1 and 2 of Paragraph 1 of Article 70, it is not within the purview of the Guidelines² to discuss since the judicial authorities are in charge of such matter.

In addition to preventing the source identified by a well-known trademark from being likely to be confused, the protection of a well-known trademark should also include the protection of the distinctiveness and reputation of a trademark, so as to prevent the well-known trademark from being diluted or diminished. Before the Trademark Act was amended in 2003, protection of well-known trademarks was specified in Subparagraph 7 of Paragraph 1 of Article 37, which read: “No application shall be filed for registration of a trademark that is identical or similar to another person’s well-known trademark or mark that it is likely to cause public confusion.” Although the statutory language used were only the words “likely to cause public confusion” without “likely to dilute the distinctiveness or reputation of the well-known trademark,” to strengthen the protection of well-known trademarks, it in actual practice covered two situations: where the source identified by a well-known trademark

¹ The term “the trademark at issue” as used in this Guidelines includes trademarks for which applications for registration are filed and disputed registered trademarks.

² The contents of “Main Points for Determining a Well-known Trademark or Mark” released on May 1, 2004 are covered in this Guidelines; therefore, the Main Points will cease to apply.

is likely to be confused and where the distinctiveness and the reputation of the well-known trademark are likely to be diluted. Nevertheless, the two areas of protection have different theoretical bases and scopes of application, and it is necessary to make a distinction between them. This is why after the amendment to the Trademark Act in 2003, “likelihood of confusion” and “likelihood of dilution of the distinctiveness or reputation of the well-known trademark or mark” are specified in the forepart and the latter part, respectively, of Article 23, Paragraph 1, Subparagraph 12 of the Act. Subparagraph 11 of Paragraph 1 of Article 30 of the current Trademark Act comes from Subparagraph 12 of Paragraph 1 of Article 23 of the Trademark Act 2003 without any other amendment.

It is provided in the forepart of Subparagraph 11 of Paragraph 1 of Article 30 that a trademark application shall be rejected if the proposed trademark is identical or similar to another person's well-known trademark or mark and hence is likely to confuse the relevant public. Taken together with Subparagraph 10 of the same Article and Paragraph, both provisions clearly aim to prevent the likelihood of confusion by relevant consumers as to the source of the goods/services. The relationship between these two provisions will be elaborated on later.

The latter part of Subparagraph 11 of Paragraph 1 of Article 30 provides that a trademark application shall be rejected if the proposed trademark is identical or similar to another person's well-known trademark or mark and hence is likely to dilute the distinctiveness or reputation of the well-known trademark or mark. The provisions are to prevent the erosion of a well-known trademark's association with the source of the goods/services, as such erosion will diminish the distinctiveness of the well-known trademark or injure the reputation of the well-known trademark.

Each of the provisions of the forepart and the latter part of Subparagraph 11 of Paragraph 1 of Article 30 has a different theoretical basis and legislative intent. Therefore, this Guidelines is enacted and intended to be used as a basis for the examination of relevant cases.

2. Application of the Forepart of Subparagraph 11 of Paragraph 1 of Article 30

The most basic function of a trademark is to distinguish the source of goods or services, so the traditional likelihood of confusion theory is centered on this basic function and explores possible factors that may cause confusion as

to the source of goods or services. It is also one of the primary goals of each nation's trademark law to ensure the function of a trademark that is to distinguish the source of goods or services, so as to protect the interests of consumers. Where relevant consumers are not likely to be confused into thinking that the goods or services bearing two trademarks come from the same source but infer that there is a sponsorship or a subordinate or affiliate relationship between two trademarks, a likelihood of confusion is also considered to exist in practice. Therefore, the expression "likely to cause confusion to relevant consumers" means the impression that a trademark leaves to the consumers is likely to confuse relevant consumers about the source of goods or services, including different sources of goods or services coming from the same source, or an affiliate, license, franchise, or any other similar relationship that exists between the users of the two trademarks³.

Both the forepart of Subparagraph 11 and Subparagraph 10 of Paragraph 1 of Article 30 provide the provisions on "likelihood of confusion"; the difference between them is the objects they protect. The forepart of Subparagraph 11 protects well-known trademarks, whereas Subparagraph 10 protects prior-registered or earlier-filed trademarks. Given the legal principle that the same expression has the same meaning, the two provisions are obviously consistent in respect of the judgment of "likelihood of confusion." Therefore, when judging the issue of "likelihood of confusion" prescribed in the forepart of Subparagraph 11 of Paragraph 1 of Article 30, the Examination Guidelines on "Likelihood of Confusion," which was released by TIPO, can also be applied.

Because the forepart of Subparagraph 11 of Paragraph 1 of Article 30 is to protect well-known trademarks from likelihood of confusion, and as the ultimate criterion for the assessment of any violation of the provisions thereof is whether relevant consumers are likely to be confused, the following will first describe the object protected under the forepart of Subparagraph 11 of Paragraph 1 of Article 30, that is, the trademark cited as the basis for refusal of registration or for opposition (hereinafter the "cited trademark") being a well-known trademark, and then provide the factors to be considered when

³ According to the Examination Guidelines on "Likelihood of Confusion", there are different types of confusion, including where relevant consumers of goods/services mistakenly assume that two different trademarks come from the same source and where relevant consumers of goods/services do not mistake two trademarks as the same one but are highly likely to mistakenly assume that the goods/services offered under the two trademarks are goods/services from the same source, or mistakenly assume that the users of the two trademarks have an affiliation, license, franchise or any other similar relationship.

judging whether there is a likelihood of confusion to relevant consumers.

2.1 Trademarks Being Well-known

2.1.1 Definition

The term “well-known trademark” means any trademark of which the distinctiveness and reputation are widely recognized by consumers. However, as a matter of fact, there are different levels of fame for well-known trademarks. For example, if the distinctiveness and reputation identified by a trademark are widely recognized by “general consumers,” the trademark has a higher level of fame, and if the distinctiveness and reputation identified by a trademark are commonly known to “relevant consumers” in the market of specifically relevant goods, and no evidence shows that they are widely recognized by “general consumers,” the trademark has a lower level of fame. Nevertheless, a trademark is considered a well-known one as long as its distinctiveness and reputation have been widely recognized by “relevant consumers,” regardless of what level of fame it has. Accordingly, the term “well-known” specified in the Act refers to a mark, which, with sufficient evidence to proof, has been commonly recognized by the relevant enterprises or consumers. (Article 33 of the Trademark Regulations) The provisions jibe with the WIPO’s Memorandum on Well-known Marks; i.e., a trademark can be considered a well-known one and be protected by the provisions on the protection for well-known trademarks in Trademark Act if the distinctiveness and reputation identified by the trademark are commonly recognized by the “relevant” enterprises or consumers.

Moreover, the term “relevant enterprises or consumers” is defined by the scope of the transaction of the goods/services on which the trademark is used, including but not limited to the following three types:

1. Actual or potential consumers of the goods or services on which the trademark is used;
2. Persons involved in the channels of distribution of the goods or services on which the trademark is used;
3. Relevant business operators dealing in the goods or services on which the trademark is used.

In addition, if a trademark is widely recognized by any type of the above-defined relevant enterprises or consumers, it should be deemed a

well-known trademark. In judging whether a cited trademark is well-known or not, the reference point should be the registration date of the trademark at issue. (Paragraph 2 of Article 30 of the Trademark Act)

2.1.2 Determination of Well-known Trademarks

The issue of whether a trademark is well-known or not should be decided by the domestic consumers' recognition of the trademark. It is the result of extensively domestic use of a trademark that domestic consumers commonly come to know the existence of that trademark. Therefore, to claim that a trademark is well-known, relevant evidence of domestic use of the trademark should, in principle, be submitted. However, even if a trademark has never been used domestically or its actual domestic use is not extensive, it can still be deemed well-known if the objective evidence shows that the fame of the trademark established through extensive use in other countries has reached Taiwan. To decide if the fame of a trademark has reached Taiwan or not, whether the geographical scope of the use of the trademark is closely connected with Taiwan should be considered, including factors such as whether there are frequently economic, trade and traveling activities or similar culture and language between that geographical scope and Taiwan⁴. In addition, the fact

⁴ For example, in the judgment of the Taipei High Administrative Court in Case No. 93-Su-4268 dated December 30, 2005, the Court pointed out the following: “‘アンパンマン’ (‘Anpanman,’ translated as ‘麵包超人’ in Chinese) is a renowned comic-book and cartoon character created by Japanese painter Takashi Yanase. Since 1977, ‘アンパンマン’ and ‘アンパンマン and Anpanman device’ had been registered in Japan. (See the attachment marked 5 to the Intervenor’s written opposition for details.) Since the Intervenor obtained the license to screen Anpanman animations and to merchandise the character in 1988, the Anpanman cartoon has been broadcast continuously on nationwide TV channels in Japan, and relevant goods such as animated movies, cartoon videotapes, VCDs, and CDs have been introduced subsequently. The Intervenor also granted licenses to other companies to manufacture, produce, and sell Anpanman merchandise, such as stationery, toys, clothing, and food. All of these facts can be substantiated by the materials submitted by the Intervenor as evidence along with the written opposition, which has been attached to the case file of the original decision, including copies of the license agreement, registration documents for the cited trademark, TV program schedules, and product catalogs for relevant picture books, stationery, and toys. Accordingly, it can be held that prior to the filing date of the trademark at issue, i.e., November 13, 2001, the cited trademark had enjoyed a high level of fame in Japan. Moreover, the Intervenor presented marketing materials showing the sale of the goods bearing the cited trademark in Taiwan. Of these materials, Attachment 9 to the written opposition contains statistics of the number of Taiwanese going to Japan from 1992 to 2002, which shows that beginning in 1992, about sixty or seventy thousand citizens went to Japan every year. Attachment 10 to the written opposition is a license agreement, which shows that the Intervenor granted Turner Entertainment Networks Asia, Inc. a license to broadcast the Anpanman cartoon on a local TV channel (TNT & Cartoon Network Asia) as of April 1999. Also, Attachment 12 to the written opposition, which gave the sales statistics of the Anpanman products in Taiwan, indicates that since April 1998, the Japanese company Fujiya System Center Co., Ltd has introduced Anpanman chocolates into Taiwan. Moreover, according to Attachment 14 to the written opposition, there has been a buzz of discussion about the Anpanman and its peripheral products since 1998, and there are boutiques selling Anpanman merchandise. Based on the above evidence, the fact that Japan is close to Taiwan, business travel between both countries is frequent, and there has been a rapid and convenient flow of information, and the

that the goods of the trademark are extensively covered by newspapers and magazines sold in Taiwan or that the trademark has been widely and frequently discussed on the Internet in Chinese can also be used as a factor in considering the fame of the trademark.

As for the question whether the trademark has been filed for registration or has been registered in Taiwan, it is not a pre-condition for determining whether the trademark is well-known. According to Article 6-2 of the Paris Convention, unregistered well-known trademarks should also be protected. Since Taiwan is a member of WTO, according to Article 2 of the TRIPS Agreement, it is the obligation to comply with the provisions of the aforesaid Article. Therefore, well-known trademarks protected by the forepart of Subparagraph 11 of Paragraph 1 of Article 30 should include both registered and unregistered well-known trademarks. In other words, even if a cited trademark is an unregistered well-known trademark, it still can be the object protected by the forepart of Subparagraph 11 of Paragraph 1 of Article 30. Hence, in applying the forepart of Subparagraph 11 of Paragraph 1 of Article 30 and Subparagraph 10 of the same Article and Paragraph, which reads: “A trademark application shall be rejected if the proposed trademark is identical or similar to a ‘registered’ or an ‘earlier-filed’ trademark that is designated for use on identical or similar goods or services thereof and hence likely to cause confusion to relevant consumers,” the biggest difference between two provisions is that where the cited well-known trademark has not been filed or registered in Taiwan, only the forepart of Subparagraph 11 of Paragraph 1 of Article 30 is applicable.

2.1.2.1 Factors to Be Considered When Determining Well-known Trademarks

The determination of well-known trademarks should be made on a case-by-case basis and by taking into consideration the following factors as a whole:

1. The strength of the distinctiveness of the trademark:

The more distinctive a trademark is, the deeper the impression on consumers it makes and the easier for it to become a well-known trademark commonly known to the relevant enterprises or consumers. For

evidence of use in Japan, it can surely be acknowledged that before the filing date of the trademark at issue, i.e., November 13, 2001, the reputation identified by the cited trademark had been widely recognized by the relevant enterprises and consumers, and that the cited trademark should have reached the level of being well-known....”

example, fanciful trademarks become well-known trademarks much more easily than arbitrary ones.

2. The extent to which the relevant enterprises or consumers know or recognize the trademark:

The extent to which the relevant enterprises or consumers know or recognize a trademark may be substantiated by relevant evidence. Market surveys or opinion poll reports can also be used as evidence showing the extent to which the relevant enterprises or consumers know or recognize the trademark.

3. The duration, scope, and geographical area of use of the trademark:

By submitting evidentiary materials pertaining to the duration, scope, and geographical area of use of a trademark, it can be inferred whether the trademark has reached the level of being widely recognized by the relevant enterprises or consumers and become well-known, particularly in the commercial activities in which the trademark right holder actually engaged. Generally, the longer the duration and the broader the scope and geographical area of use of a trademark are, the more likely the trademark will reach the level of being widely recognized by the relevant enterprises or consumers and become well-known.

4. The duration, scope, and geographical area of promotion of the trademark:

In principle, the longer the duration and the broader the scope and geographical area of promotion of a trademark are, the more likely the trademark will reach the level of being widely recognized by the relevant enterprises or consumers and become well-known. However, if a trademark has been intensively and extensively promoted, such as being intensively publicized nationwide through advertising, promotional items or by electronic media (including the Internet), even though it has not been promoted for a long period of time, it may still reach the level of being widely recognized by the relevant enterprises or consumers and become well-known.

5. Whether the trademark has applied for registration or the trademark has been registered, and its term, scope, and geographic area that are registered or being registered:

For the determination of whether a cited trademark is well-known, the

trademark right holder generally provides not only the evidence of actual use of the cited trademark but also relevant documentation on its domestic and foreign registrations. Filed or granted registration of a trademark in any country and the number of the registration granted and the term thereof may also be used as factors in determining whether the trademark is well-known. The more registrations have been applied for or granted for a trademark and the longer the term of any registration of the trademark is, the more likely these facts can be supporting evidence that the trademark is extensively used in the marketplace, and further be used to help determine whether the trademark has reached the level of being widely recognized by the relevant enterprises or consumers and has become well-known.

6. Any record of successful enforcement of trademark rights, especially the fact that the trademark has been recognized as a well-known one by an administrative or judicial authority:

Record of successful enforcement of the trademark rights could include any opposition, invalidation, administrative appeal, or court decisions where the trademark was determined to be well-known. When considering this factor, it is necessary to draw attention to the time of the successful enforcement of the rights. This is because the well-known status of a well-known trademark will change with time. If much time has elapsed between when the trademark rights were successfully enforced and when a legal disposition is made (i.e., over three years has passed from when the trademark was recognized by an administrative or judicial authority as well-known to when a legal disposition is made), then whether the trademark is still a well-known one must be determined on the basis of other relevant evidence.

7. The value of the trademark:

In principle, the higher the value a trademark is, the more likely it is widely recognized by the relevant enterprises or consumers.

8. Other factors that could be considered in determining whether a trademark is well-known:

The above factors for judging whether a trademark is well-known are only examples, rather than a listing of the required elements. They may not be all necessarily taken into consideration in one case; only those that are relevant enough to determine whether the trademark is well-known should

be considered, depending on the circumstances of the case.

2.1.2.2 Evidence Used to Determine Whether a Trademark Is Well-known

When taking the above factors into consideration to judge whether a trademark is well-known, the following materials may serve as supporting evidence:

1. invoices, distribution documents, and import/export documents of the goods/services, and detailed statistics concerning the sales, market shares, and marketing for the goods or services;
2. domestic and foreign advertising materials from mass media, such as newspapers, magazines, and television, including information as to the size of the advertisement, the amount of money spent on advertising, and the volume of advertising, and evidential materials such as applications for placement of advertisement, records of TV commercials, and advertisements on the sides of buses, at bus stops, in MRT stations, on highway billboards, on store signboards and on roadside billboards;
3. evidential materials relating to the locations of sale, trade channels, and orientation of places of sale for the goods/services, such as when and where exclusive counters are set up within department stores and when and where chain stores are opened;
4. evidence relating to the trademark's market evaluation and value, ranking of sales, ranking of advertising volume, or the status of the business operations related to the trademark, for example, materials showing that the trademark is ranked by any credible domestic or foreign newspaper or magazine as one of the world's top 100 brands or Taiwan's top 10 most valuable brands, consumer satisfaction surveys of the goods bearing the trademark, or relevant discussions in Chinese on the Internet and Internet users' evaluation;
5. materials showing when the trademark was created and the continual use of the trademark, such as a brief description of the company or the company's history, or the dates relevant advertising boards were erected;
6. domestic or foreign registration information of the trademark, such as certificate of registration or a list of worldwide registrations;
7. relevant certificates or market survey reports provided by credible organizations;

8. documents relating to relevant determination made by an administrative or judicial authority, such as opposition decisions, invalidation decisions, administrative appeal decisions, or court decisions;
9. other materials proving the trademark is well-known, such as those showing the goods were exhibited or the services were promoted at domestic or foreign trade shows or exhibitions.

Moreover, the above evidence of use of a trademark must include a representation of the trademark and a date, or be supplemented by any materials that may be used to identify the trademark as used and the date of use. Such evidence of use is not limited to domestic materials. However, in the case of foreign materials, whether they can serve as evidence that the trademark is well-known still depends on whether the domestically relevant enterprises or consumers may have come to know the trademark from those materials. In addition, the trademark right holder may not be required to present evidence that his or her trademark is well-known once the burden of producing this evidence has been satisfied and the trademark has been determined to be well-known⁵. However, if it is required in the examination of the case, the trademark right holder may still be asked to submit relevant evidence again. For example, in a prior case it may have been decided that the cited trademark was well-known, but in a subsequent case, the degree of similarity between the two trademarks in question or the degree of similarity between the relevant goods is rather low, as compared to the situation in the prior case. In such event, to decide that likelihood of confusion exists, a higher level of the well-known status of the trademark is required, and therefore the trademark right holder must submit more relevant evidence to prove that.

2.2 Factors to Be Considered When Determining Likelihood of Public Confusion

As stated earlier, both the forepart of Subparagraph 11 of Paragraph 1 of Article 30 and Subparagraph 10 of the same Article and Paragraph provide rules and regulations on the “likelihood of confusion,” and their purpose is to prevent consumers from being confused as to the source of the goods/services. Therefore, in applying the forepart of Subparagraph 11 of Paragraph 1 of

⁵ For example, in an opposition decision, No. G00951360 dated May 15, 2007, it was held, according to the evidence presented by the opposer, namely, copies of opposition decision No. G00931535 and invalidation decision No. H00950188, that the cited trademarks “桑瑪克” Reg. No. 835816, “SUN MARK” Reg. No. 835817, and “Corporate Mark of SUN MARK WINDOW FILM CO., LTD.” Reg. No. 838145 were well-known trademarks.

Article 30, when taking into consideration the factors and the content of the factors to judge if there is a likelihood of confusion (i.e., the strength of the distinctiveness of the trademark, whether the trademarks in question are similar and the degree of similarity, whether the relevant goods/services are similar and their degree of similarity, whether the prior right holder has diversified operations in various fields, and the extent to which relevant consumers are familiar with the respective trademarks), the Examination Guidelines on "Likelihood of Confusion" can be used, just like in cases where Subparagraph 10 of the same Article and Paragraph is applied.

In addition, it is acknowledged in the likelihood of confusion theory that those factors used to determine the issue are interrelated. For example, in cases where the trademark possesses a higher level of well-known status, the use of a similar trademark can easily cause confusion even if the degree of similarity between the respective goods/services is low.

Furthermore, both the forepart of Subparagraph 11 of Paragraph 1 of Article 30 and Subparagraph 10 of the same Article and Paragraph require that the trademark concerned be similar; this requirement is also one of the factors to be considered when judging likelihood of confusion. The reason this factor is included as a requirement is because when there is similarity between trademarks, the possibility that such similarity will lead to likelihood of confusion is great; but this is not absolutely true in all cases. In some instances, there is no likelihood of confusion due to existence of other crucial factors, such as the fact that the two trademarks have been coexisting in the marketplace for a considerable period of time that relevant consumers of the goods/services have come to know both marks and are able to distinguish them from each other. Therefore, to obtain a more precise judgment of the likelihood of confusion, all relevant factors should be considered.

3. Application of the Latter Part of Subparagraph 11 of Paragraph 1 of Article 30

The purpose of Subparagraph 11 of Paragraph 1 of Article 30, with respect to "likely to dilute the distinctiveness or reputation of the well-known trademark or mark," is to prevent the likelihood of dilution of the distinctiveness or reputation of a well-known trademark. Though conventional theory on likelihood of confusion has broadened its scope to include any false association that the trademark at issue has a sponsorship, subordinate, or affiliate relationship with a prior trademark, however, registration of

trademarks in dispute at issue might not cause likelihood of confusion among relevant consumers but might dilute the distinctiveness or reputation of a well-known trademark. In order to keep in line with international trademark practices, the likelihood of confusion theory and the dilution theory must be, and are herein, clarified. In principle, the prevention of any use of a trademark that dilutes the distinctiveness or reputation of a well-known trademark is to provide well-known trademarks with a higher standard of protection. Therefore, if someone has filed a trademark for application that is identical or similar to a well-known trademark, and the trademark is likely to cause confusion to relevant consumers that two trademark goods come from the same source or different but related sources, then the application of the forepart of Subparagraph 11 of Paragraph 1 of Article 30 is sufficed; there is no need to apply the latter part.

The following will detail the application of the latter part of Subparagraph 11 of Paragraph 1 of Article 30 from the aspects of the meaning and types of trademark dilution, the trademarks entitled to dilution protection, and the factors used to judge whether there is a likelihood of trademark dilution.

3.1 The Meaning and Types of Trademark Dilution

It can be known from the statutory language of the latter part of Subparagraph 11 of Paragraph 1 of Article 30, “likely to dilute the distinctiveness or reputation of the well-known trademark,” that Trademark Act recognizes two types of trademark dilution, namely, “likelihood of dilution of the distinctiveness of well-known trademarks” and “likelihood of dilution of the reputation of well-known trademarks.” Their meanings are explained more fully below.

3.1.1 The Likelihood of Dilution of the Distinctiveness of Well-known Trademarks

The expression “likelihood of dilution of the distinctiveness of well-known trademarks” means the distinctiveness of well-known trademarks may be diluted, i.e., originally the use of a well-known trademark on certain goods or services would create merely an association with a particular source, but when the capability of the trademark to indicate a single source is gradually reduced or eliminated by an unauthorized third party’s use, it is highly possible that the trademark will become one that indicates two or more sources, or will fail to create in minds of the public an association with a single source or to leave them the impression of a unique trademark. For example, consumers seeing or

hearing “可口可樂” (Coca-Cola) will immediately associate it with the drinks sold under the trademark; however, if the same “可口可樂” trademark is used by a third party on different goods, when consumers see or hear “可口可樂” after the trademark has been marketed by the third party for some time, they might come to think that it indicates not only the original “可口可樂” drinks, but also that third party’s “可口可樂” goods. By this point, the distinctiveness of the “可口可樂” trademark may have been diluted or diminished.

3.1.2 The Likelihood of Dilution of the Reputation of Well-known Trademarks

The expression “likelihood of dilution of the reputation of well-known trademarks” means the likelihood that the reputation of a well-known trademark will be tarnished—i.e., the creation of a disparaging or negative association in the minds of consumers concerning the quality and reputation of a well-known trademark due to any unauthorized third party use. For example, the use of a well-known trademark by a third party in a manner that is harmful to the human body and mind or will destroy the reputation of the well-known trademark would lead to a negative impact on the reputation of the well-known trademark. To take another example, where the use of the trademark at issue on the designated goods may cause harm to the human body and mind or disparage the elegant image a well-known trademark has advertised for having, hence creating a negative impression of the well-known trademark.

From the meaning of trademark dilution detailed above, it can be understood that the provisions regarding trademark dilution are focused on the protection of well-known trademarks and the prevention of any damage to a well-known trademark’s capability to indicate the source of goods or services or the reputation identified thereby. It differs from the traditional likelihood of confusion theory, which is focused on the prevention of confusion among relevant consumers as to the source of the goods or services.

3.2 Trademarks Entitled to Dilution Protection

It can be seen from the above that trademark dilution protection is a solution to situations where well-known trademarks cannot be effectively protected under the traditional likelihood of confusion theory from third parties’ uses that will injure their distinctiveness or reputation. Therefore, when the goods/services of two parties’ trademarks are targeted at different market segments and the conflict of business interest between them is not obvious, consumers will not mistakenly assume that they come from the same, or

different but related, sources; but if registration is granted to the trademark at issue, the distinctiveness or reputation of the cited trademark is likely to be injured. This is exactly the issue that the mechanism of dilution protection seeks to resolve. However, since protecting this kind of trademark has crossed over into markets where conflict of interest is not obvious, there will be a huge impact on free competition, and it also gives rise to the risk of a monopoly of particular words, devices, or symbols, or any combination thereof. To reduce that harm and risk, the dilution protection should be limited to trademarks that enjoy higher levels of fame. Therefore, the level of fame required for a trademark to be entitled to dilution protection under the latter part of Subparagraph 11 of Paragraph 1 of Article 30 should be higher than that required in the forefront of the same Subparagraph. As for the factors used to determine whether a trademark is well-known and the evidence that can be submitted for consideration, they are the same as those described in paragraphs 2.1.2.1 and 2.1.2.2 above, but a greater weight of evidence is required—i.e., when considering either the duration and extent of a trademark's use on the goods or services, or the duration and extent of any advertising and promotion of the trademark, or the amount, figures, or geographical scope of the sale of the goods or services bearing the trademark, a longer duration, greater amount, or higher extent or broader scope should be required. Accordingly, where a trademark is well-known to the extent that it is widely recognized by the public, the latter part of Subparagraph 11 of Paragraph 1 of Article 30 can possibly be applied.

3.3 Factors to Be Considered When Judging Whether There Is Any Likelihood of Dilution of the Distinctiveness or Reputation of Well-known Trademarks

With respect to the provisions of the latter part of Subparagraph 11 of Paragraph 1 of Article 30 relating to trademark dilution, the ultimate criterion for assessment is whether or not the distinctiveness or reputation of the well-known trademark is likely to be diminished or diluted. Moreover, Subparagraph 11 of Paragraph 1 of Article 30 contains a reference to the similarity of trademarks as an essential requirement. Similarity of trademarks is also one of the factors to be considered in judging whether there is a likelihood of dilution. This factor is listed because the chance of dilution caused by use of similar trademarks is high, but it is not absolutely true in all cases. In some instances, there is no likelihood of dilution due to existence of other crucial factors. Therefore, to make a more precise determination of likelihood of

dilution, all relevant factors should be considered as far as possible. The following will detail the factors to be considered when judging whether there is a likelihood of dilution.

3.3.1 The Extent to Which the Trademark Is Well-known

As stated earlier, the dilution protection should be limited to trademarks that enjoy higher levels of fame. Whether a trademark enjoys a higher level of fame is associated with the scope of the geographical area within which the trademark is recognized and the extent to which consumers are familiar with the trademark. Generally, a trademark enjoys a higher level of fame if it is widely recognized by a majority of consumers in most of the domestic regions and, therefore, there is a higher degree of possibility that the distinctiveness and reputation of the trademark is likely to be diluted.

3.3.2 The Degree of Similarity between Trademarks

From the background, logic, and purpose of the concept of trademark dilution, it can be understood that trademark dilution should be applicable only to very exceptional cases, so that the harm to free competition can be reduced to a minimum. Hence, as far as the likelihood of dilution is concerned, a higher degree of similarity between trademarks should be required than that for likelihood of confusion. That is to say, although both the forepart and the latter part of Subparagraph 11 of Paragraph 1 of Article 30 state that trademark similarity is a requirement and a factor to consider when judging if the respective provisions should apply, the required degrees of similarity in the two cases are different. In the case of the latter part of Article 23, Paragraph 1, Subparagraph 12, a higher degree of similarity should be required, as compared to that required in the forepart of Article 23, Paragraph 1, Subparagraph 12⁶. It is easier to prove that the distinctiveness or reputation of a well-known trademark is likely to be diluted when the trademark at issue is identical to the cited trademark, and it is relatively difficult to prove the same if the two trademarks are not identical and the degree of similarity between them is not high.

3.3.3 The Extent to Which the Trademark Is Used on Other Goods/Services

A trademark that has been widely used by third parties on different

⁶ In a decision of the MOEA, Administrative Appeal No. 09506161120 dated January 24, 2006, it was indicated: "... for a trademark dilution case, a higher degree of similarity between the trademarks is required than that required for a finding of a likelihood of confusion...."

goods/services is less able to preclude others from using the same mark, and such a trademark is less likely to be diluted. For example, in the case of the well-known trademarks “UNITED AIRLINE” or “第一銀行,” if “UNITED” or “第一” has been widely used by third parties as a trademark on different goods/services, it may not be possible to claim that “UNITED” or “第一” is diluted.

3.3.4 The Degree of Inherent or Acquired Distinctiveness of the Well-known Trademark

All well-known trademarks are entitled to dilution protection, regardless of whether they are inherently distinctive or distinctive through acquired distinctiveness. Also, the more distinctive a well-known trademark is, the easier it is to reach the conclusion that its distinctiveness is diluted. It may be true that the distinctiveness of a trademark is associated with the level of fame the trademark enjoys, but the creativity embodied in the trademark is also an important factor in telling if the trademark is distinctive. Therefore, the dilution protection should be afforded to trademarks that enjoy a higher level of distinctiveness and fame, and it is easier for coined trademarks to achieve such a level of distinctiveness and fame.

3.3.5 Other Factors to Be Considered

There are other factors that may be considered when judging whether there is a likelihood of dilution, such as whether the holder of the trademark at issue had the intent to cause his trademark to be associated with a well-known trademark. In other words, if the holder of the trademark at issue deliberately enlarges or boldfaces a particular word or device portion that is identical to the cited trademark, such that the holder’s intent to cause his trademark to be associated with a well-known trademark can be presumed, this fact may also serve as a factor in judging the likelihood of dilution. In addition, any concrete evidence of actual association between the trademark at issue and the cited well-known trademark is also helpful in judging if the distinctiveness or reputation of that well-known trademark is likely to be diluted.