



Trademark Case Study

“蓆夢思 (xi meng si)” vs “席夢思 (xi meng si)” ~Evidence Dispute~

On September 1, 2010, Taiwan Liberty Times reported: “*The Taiwanese bedding company 蓆夢思 (xi meng si) which was founded nearly 30 years ago had a dispute with the American company 席夢思 (xi meng si) which has 140 years history. The foreign company prevailed again.*” Is the meaning between the lines that foreign companies usually have predominance when trademark disputes arise between foreign companies and Taiwanese companies?! The answer is definitely negative.

The Taiwanese company “Seemoons Bed Co., Ltd.” (hereafter referred to as “Seemoons”) filed an Opposition and an Invalidation respectively on January 11, 2006 and May 30, 2008 against the same trademark of Reg. No. 1181460 “席夢思” registered in the name of the American company “Dreamwell, Ltd.” (hereafter referred to as “Dreamwell”) based on the reason that said trademark is similar to Seemoons’ mark “蓆夢思”.

Seemoons argued that Dreamwell’s mark “席夢思” in connection with the goods “mattresses, couches with no backs, bed bases, beds, etc.” is not registrable since said Chinese characters mean “western-style spring beds” and are therefore a descriptive term of the designated goods. Furthermore, not only Decision No. 1597 of the Administrative Court made in 1982 but also Trademark Opposition Decision No. 751523 and Trademark Invalidation Decision No. 72710 of the Taiwan Intellectual Property Office (TIPO) indicated that the Chinese characters “席夢思” are a general term standing for the goods “spring beds or spring mattresses”. In addition, Seemoons has used the mark “蓆夢思” since 1981 on the services “acting as an agent for quoting prices and making tenders for product” and been engaged in mattresses and bedding products since 1980. Its mark “蓆夢思” is therefore known by related consumers. However, Dreamwell uses “席夢思”, which is very similar to “蓆夢思”, as its trademark on goods like mattresses so that confusion would very likely occur. Besides, Dreamwell’s mark “席夢思” is also similar to the main part of the company name of Seemoons in Chinese. Based on the afore-mentioned reasons, Seemoons stated that the registration of the mark “席夢思” violates Articles 23-I-2, 3, 12 and 16 so it should be revoked.

After reviewing the arguments and provided data of both parties, the TIPO held the opinion that whether a trademark is a descriptive term or whether a trademark is a general name of the designated goods/services should be determined by general concepts prevailing in the society and objective evidence. Although the Chinese words “蓆(席)夢思” has been considered a descriptive term or a general name of goods by decisions of the Administrative Court and the TIPO, these decisions were made more than 20 years ago, and consumers’ recognition is usually changed following the objective circumstances, economic activities or spatial-temporal change. Therefore, whether “席夢思” is a descriptive term or a general name of goods should be determined by and referred to actual use evidence.

Dreamwell is a subsidiary of the American company Simmons Bedding Company. In 1870, Mr. Zalmon G. Simmons created the first spring bed. In 1890, Simmons Group became one of the biggest spring bed manufacturers in the world. Since 1998, in which year the distributor in Taiwan, Simmons Bedding & Furniture (Taiwan) Ltd., was established, advertisements have been constantly and intensively published in mass media, like newspapers, magazines, etc. Various catalogues introducing goods labeled



with the mark “席夢思” were printed. Huge money was invested every year for promoting goods labeled with “席夢思”. The sale volume in 2002 amounted NTD66,960,056 and in 2004 increased to NTD175,503,663. Accordingly, the fact can be inferred that the Chinese characters “席夢思” are not a general name of spring bed mattresses and has become famous as well as distinctive so the mark “席夢思” is a sign that identifies goods or services and may be distinguished from those of others. Because of the extensive marketing and intensive reports of Dreamwell in mass media, the mark “席夢思” is known by related consumers. Therefore, Articles 23-I-2 and 3 are not suitable. Although Seemoons submitted evidence printed out from internet indicating that “席夢思” is a term standing for spring beds, said evidence was mostly printed from websites of mainland China. Trademarks follow the territoriality *principle*, and “席夢思” has been extensively and intensively used so it is known by the public. Whether “席夢思” is a general name standing for spring beds or mattresses should be determined by the trading markets and consumers’ recognition in Taiwan.

Seemoons further claimed that “席夢思” violates Articles 23-I-12 and 16 that respectively stipulate that “a trademark application shall be rejected if the trademark is identical or similar to another person's well-known trademark or mark and hence is likely to confuse the relevant public or likely to dilute the distinctiveness or reputation of the said well-known trademark or mark”; and “a trademark application shall be rejected if the trademark comprises the name of a famous juristic person, entity or other group, and hence likely to cause confusion with the relevant public”, so the mark “席夢思” is not registrable. After reviewing the evidence and information Seemoons submitted (such as trademark registrations, product catalogues, awards presented by National Federation of the Republic of China Furniture Association, etc.), the TIPO admitted that Seemoons obtained trademark registrations in Taiwan. However, in addition to a small number of advertising in mass media in 2004, 2005 and 2006, no other evidence like use evidence of the mark “席夢思”, information about business operation or marketing areas, sale volumes, etc. could prove that the Chinese company name of Seemoons and its mark “席夢思” have both become famous in Taiwan.

The opposition was not in favor of Seemoons so it filed an appeal, an administrative litigation and further an administrative appeal. All the afore-mentioned actions failed. Seemoons spent nearly four and half years (2006/01/11 ~ 2010/07/06) on these cases, but after all the efforts made, it still achieved nothing.

After the Appeal was rejected and an administrative litigation was filed, Seemoons filed an Invalidation against the same mark based on Article 23-I-14. Seemoons stated that the pronunciations and appearances of mark Reg. No. 1181460 “席夢思” and “席夢思” owned by Seemoons are similar. The mark “席夢思” is designated for use on mattresses that are also identical to the goods “席夢思” were used on. Seemoons was engaged in mattresses and bedding products since 1980, and applied for registration for the trademark “席夢思” covering services of acting as an agent for quoting prices and making tenders for product since 1981, and said trademark was granted for registration. 28 years passed, Seemoons opened four stores in Taipei and uses the mark “席夢思” to sell mattresses. The application of Dreamwell’s mark “席夢思” was filed on August 3, 2004 which is later than the date Seemoons started using its “席夢思” trademark. Furthermore, from the announcement on newspaper made by the Taiwan distributor, Simmons Bedding & Furniture (Taiwan) Ltd., the fact can be inferred that Dreamwell knew the existence of the mark “席夢思” before filing the trademark application. Therefore, the registration of Dreamwell’s mark “席夢思” violates Article 23-I-14.



In fact, the main purpose of Article 23-I-14 of the Trademark Law is to avoid that someone plagiarizes marks created by other person and registers said mark preemptively in connection with identical or similar goods/services. The reason why Seemoons cited this article is that its trademark “蓆夢思” is either not granted for registration or revoked. According to online database of the TIPO, Seemoons owns the following trademarks in relation to beds and related goods. However, trademarks containing “蓆夢思” were no longer valid.

Reg. No.	Reg. Date	Expiry Date	Trademark
00088224	05/23/1977	05/22/2017	
0109079	01/01/1979	05/22/1997	
00109080	01/01/1979	05/22/2017	
00150476	03/16/1981	Publication Date of Revocation: 10/01/1985	
00153211	Decision Published Date: 03/01/1981	Publication Date of Revocation: 12/01/1982	
00324211	05/01/1986	04/15/2004 (not renewed)	
00324212	05/01/1986	Publication Date of Revocation: 09/16/1976	
00339087	Decision Published Date: 06/16/1986	Publication Date of Revocation: 02/16/1987	



Seemoons claimed that its mark “蓆夢思” has been used before August 3, 2004 on which date Dreamwell applied for registration of its mark “蓆夢思”, and the Taiwan distributor of Dreamwell knew the existence of the mark “蓆夢思”. However, Dreamwell submitted 2 advertisements which were published respectively on October 30, 1933 and May 29, 1937 in mainland China. In these advertisements, the words “蓆夢思 Simmons” and “蓆夢思三用沙發床(three-functional sofa bed)” were enlarged. Based on said evidence, the fact can be proved that Dreamwell’s mother company has started to use the mark “蓆夢思” in connection with spring mattresses, sofa bed, etc. latest since 1933 which is much earlier than the first use date of the Seemoons’ mark “蓆夢思”. Therefore, the Invalidation was rejected.

Seemoons did not accept the TIPO’s decision and then filed an appeal, an *administrative* litigation and even an *administrative* appeal. However, all the results are not good for it. The representative of Seemoons said to Taiwan Liberty Times: “*Seemoons’ mark 蓆夢思 has obtained registration and got date of selling earlier than them of Dreamwell’s mark 蓆夢思 in Taiwan. To a company which has endeavored for more than 30 years in Taiwan, this kind of result is very unfair.*”

In generally, if a registered trademark lapses because of not renewed and a third party registers an identical or similar trademark covering identical or similar goods/services, the owner of the former registered trademark can claim for its rights based on Article 23-I-14 of the Trademark Law. However, this article is not suitable in Seemoons vs. Dreamwell case. The main reason is that the date of the use evidence Dreamwell provided is much earlier than the use date of Seemoons’ trademark “蓆夢思”.

Although Seemoons claimed that it has endeavored for more than three decades in Taiwan, it could not provide extensive use evidence to prove that its mark “蓆夢思” has been considered a famous mark in relation to beds or related products. Therefore, the opposition is not in favor of it. Furthermore, Seemoons was not only unable to prove that Dreamwell’s mark “蓆夢思” is a plagiarism of Seemoons’ mark or company name in Chinese, but also unable to convince the TIPO that the advertising in 1933 and 1937 are not adoptable. In the end, Seemoons did not win in the Invalidation, either.

Making a comprehensive survey of the Seemoons vs. Dreamwell case, the preservation of use evidence is the key to the whole case. Both the marks “蓆夢思” or “蓆夢思” were not registrable since they were formerly deemed a descriptive term or a general name of goods. However, after 20 years, said two marks are allowed to be registered because of recognition changes following objective circumstances or changes in economic activities. At this time, who owns the trademark rights should be decided by the evidence provided.

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