Proceeding of ICGPSH 2025 Symposium: Exploring Spelling Evolution and Educational Approaches to Dyslexia
DOI: 10.54254/2753-7048/2025.HT25605

From Threshold to Criterion: Rethinking Trademark Use in Infringement Determination

Jialu Tian

School of Humanities and Social Sciences, The Chinese University of Hong Kong, Shenzhen, China
124090584@link.cuhk.edu.cn

Abstract: With the development of technology, the landscape of trademark infringement has grown increasingly intricate. The criterion of "trademark use" has sparked considerable debate in trademark infringement cases. While some argue that it should serve as a threshold for trademark infringement, others contend otherwise. Under the confusion of standard usage, many businesses' rights were infringed, which deeply affects judicial impartiality. This article focuses on the issue of whether "use as a trademark" should be a threshold requirement in trademark infringement determination. Through comparing the legal systems between the UK and China, it is helpful to prejudice the trend on trademark infringement's criterion in judicial practice, incorporating relevant cases and experts' opinions. This study reveals that a strict threshold requirement may lead to unjust outcomes, particularly in new types of trademark infringement cases. However, using as a trademark can still play a valuable role in the determination of trademark infringement. The paper proposes a balanced approach: "Use as a trademark" should be regarded as a significant criterion, instead of a threshold, for trademark infringement.

Keywords: Trademark infringement, Threshold, Trademark law, Criterion

1. Introduction

The determination of trademark infringement is a multifaceted legal conundrum. Especially in the current era where the Internet economy has revolutionized business patterns and given rise to new forms of trademark infringement, the role of "use as a trademark" has always been controversial. Different countries have adopted divergent stances on this criterion. In trademark infringement cases, the UK focuses on signals while China places greater emphasis on trademark. This discrepancy means that the same cases may be handled differently in these two jurisdictions, potentially leading to dissatisfaction among businesses and consumers globally.

This article seeks to analyze whether "use as a trademark" should be a strict threshold requirement in trademark infringement. By analyzing relevant case law and incorporating experts' opinions, this study aims to provide a deeper understanding of trademark infringement determination from various perspectives, contributing to a more harmonized and just approach to trademark protection in the global marketplace.

© 2026 The Authors. This is an open access article distributed under the terms of the Creative Commons Attribution License 4.0 (https://creativecommons.org/licenses/by/4.0/).

DOI: 10.54254/2753-7048/2025.HT25605

2. The determination of trademark usage

The definition of "using as a trademark" is a subject of considerable debate among different scholars and schools of thought. They can be divided into four types of opinions: traditional formalist, functionalist, subjective intent theory and critical legal studies perspective.

From the traditional formalist perspective, trademark use necessitates an "objective manifestation" that is both "commercial" and "source-identifying." In other words, for a signal to qualify as a trademark, it must be employed within a commercial context. American expert emphasizes that a trademark must be used in commerce in a "public, continuous, and bona fide" manner. Merely registering a trademark or engaging in token use is insufficient to constitute valid trademark use [1]. Similarly, EU court rulings require "genuine use" that signals should have a real commercial impact in the market, rather than merely serving as a formal use to maintain trademark rights. This traditional formalist stance could potentially impact the practice of defensive trademark registration.

Proponents of the functionalist view assert that the essence of trademark use lies in fulfilling the function of "distinguishing the source of goods or services". To critique formalism as overly rigid, experts from reformists of trademark law consist that if a mark establishes source-identifying significance, it qualifies as trademark use [2]. They emphasis the function of trademark which is closer to daily trademark usage. In The semiotic analysis of trademark law, trademark protection should focus on consumer perception. If the use of a mark creates a connection between products and a specific source in the mind of consumers, it constitutes a trademark use — even without actual sales [3]. However, the challenge of proving consumer perceptions remains an open question.

The core argument of subjective intent theory is that the user's subjective intent is crucial to determining trademark use. This theory support that the marks which only serve a decorative purpose can not be taken as trademark. But this theory lead to a serious problem that it is hard to prove subjective intent. The evidence of determining trademark infringement just depends on what the clients say, which is easy to counterfeit.

The last school of trademark using determination is critical legal studies perspective. They claim that the concept of trademark use has been distorted by corporate interests, necessitating a reevaluation of its social costs, considering the determination of trademark usage should be more complex. The expert from Stanford University criticizes the expansion of "trademark use" which enables monopolistic practices [4]. A European scholar argues that the EU's "genuine use" standard is not enough and should incorporate a "public interest balancing" test to prevent trademark hoarding [5]. As they suggest, how to balance trademark protection with public domain freedoms becomes a competitive problem.

No matter which school of thought it is, their definitions of trademark use are not uniform. Among these theories, it is difficult to avoid the subjective factor from consumers or businesses. Returning to the function of trademark law, its primary purpose is to serve consumers. Therefore, the basis of the judgement should be from the perspective of consumers. In recent years, an increasing number of courts have leaned towards the functionalist view. Many cases focus more on the possibility of consumer confusion, even though they still adhere to traditional formalist principles in their laws.

DOI: 10.54254/2753-7048/2025.HT25605

3. Comparison of UK and Chinese legal system regarding trademark infringement

3.1. Trademark infringement in the UK

The UK belongs to the common law systems, while China follows the civil law system. The two legal systems have different origins. The common law system attaches greater importance to past judicial practice cases, while the civil law system places more emphasis on judging cases based on established legal provisions. Comparing the laws of these two countries can be regarded as comparing two different legal systems. This approach enables a better understanding of the trademark usage in trademark law.

In the UK, the law often focuses on sign. According to the Trade Marks Act, a person infringes a registered trademark if they use, in the course of trade, a sign that is identical to the trademark in relation to goods or services that are identical to those for which the trademark is registered [6]. Notably, the original legal text does not use the term "trademark", but rather "signal". This indicates that when making judgments, more emphasis is placed on assessing the similarity of the signals and whether there will be any confusion.

A pertinent example is the case involving Lidl and Tesco. Lidl has used and registered yellow circular blue-background trademarks with and without text in the UK, enjoying a significant market share in the UK supermarket industry. Since September 2020, Tesco has used a similar yellow circular blue-background logo (CCP Signs) in its "Clubcard Prices" promotion activities. Lidl believes that Tesco’s actions infringe upon its trademark rights, constituting counterfeiting and copyright infringement. The court, considering that Lidl enjoys a certain reputation in the retail in the UK, ruled that Tesco’s actions had undermined the uniqueness of Lidl’s trademark. Therefore, it awarded Lidl victory in the claims of trademark infringement, counterfeiting infringement and copyright infringement [7]. This case illustrates that the UK court, relying on past precedents and the overall impact on consumers, ruled that Tesco's use of the similar logo constituted trademark infringement, even though the use was not a typical trademark use. This decision underscores the UK's emphasis on the potential for consumer confusion and the importance of maintaining the distinctiveness of registered trademarks.

3.2. Trademark infringement in China

In contrast to the UK's common law system, Chinese trademark law often takes "trademark" as a premise. The Trademark Law of the People’s Republic of China defines trademark infringement in a more statue-based manner. However, this does not mean that the confusion caused by non-trademark using should be ignored.

A notable case is that of Dim Do Dek. The denfendant company was established in 2020. This storefront signs, interior lighting fixtures, floor tiles, walls, honor walls, and promotional slogans of the restaurant it opened were all very similar to those of the "Dim Do Dek" restaurant. The People’s Court of Xuhui District held that "Dim Do Dek" is a well-known catering brand in Guangdong, and its decoration belongs to s service decoration with certain influence. The company used an interior decoration that was highly similar to the decoration of the "Dim Do Dek" restaurant, which could easily cause confusion or make people mistakenly believe that the involved store had a specific connection with the "Dim Do Dek" company, constituting unfair competition [8]. Although the interior decoration of the store does not constitute a trademark, the company still misled consumers, and thus the court ruled that it was trademark infringement. Chinese laws stipulate that trademark

DOI: 10.54254/2753-7048/2025.HT25605

use must be for trademark purposes to constitute trademark infringement, but actual judicial decisions may vary depending on the situations.

When comparing the two countries, it can be found that although there are differences in legal provisions between them, in judicial practice, they both focus on whether it causes confusion among consumers. This also demonstrates the flexibility of the law in judicial practice.

4. "Use as a trademark" as a criterion, not a threshold

The core purpose of trademark law is to protect the identifying function of trademark, preventing consumers from being confused about products' and service's source. As discussed in the second part of this paper, judicial practices show the trend to functionalist view. This shift underscores the importance of focusing on consumer perception rather than adhering strictly to formal criteria. Therefore, to determine whether a logo is infringing, it is crucial to assess whether it can cause confusion among consumers.

In some cases, even if a packaging or logo is not used as a trademark in the traditional sense, it can still cause consumer confusion. For example, the case of Yanghe Blue Classic in terms of packaging design guides consumers to determine the source of the product through unique features. When the liquor industry commonly uses traditional colors such as red and yellow, Yanghe Blue classic take the lead in introducing "Klein blue" as the main color. The color is not the trademark of Yanghe Blue Classic but it can remind consumers of this specific brand. This clearly shows that non-trademark using can also have indicative function, which can also mislead consumers.

Another example is the case of non-traditional trademark uses in the form of search engine keyword advertising. With the development of the Internet-based commodity economy, new forms of trademark infringement are emerging, breaking the traditional infringement patterns. Suppose a company sets a competitor's trademark as a keyword for its own advertising. When consumers search for the trademark-owner's products, the infringing company's products appears, which may mislead consumers into believing that there is a connection between the two products.

In the case of Jim Adler, the founder of the Texas personal injury law firm Jim S. Adler, PC, Jim Adler, has long used trademark such as "Jim Adler" for marketing and placed Google keyword advertisement. McNeil Consultants, LLC and Quintessa Marketing, LLC operate the lawyer referral business under the name "Accident Injury Legal Center", purchased Adler's advertisement, raised the bid to make the their advertisement appear near Adler's advertisement. They used "click-to-call" to induce consumers searching for Adler to hire the recommended lawyers. Adler filed a lawsuit with the local court but was rejected. Later, the Fifth Circuit Court of Appeals of the United Stated deemed Adler's complaint to be sufficient and overturned the decision of the local court, sending the case back for a retrial [9]. Although McNeil did not use Adler 's trademark as its own, the act of registering the search engine keywords as a trademark would cause confusion among consumers. If using the trademark as a criterion were considered, such behavior would be overlooked. This not only harms the rights of other businesses but also infringes upon the rights of consumers.

Some scholars believe that trademark usage is a prerequisite for the liability stipulated in the Lanham Act. However, those who advocate treating it as a threshold standard have placed far greater emphasis on this concept than it deserves. Judging trademark usage requires considering it from the perspective of consumers, and this determination is highly dependent on specific circumstances. Courts can only determine whether the defendant's use constitutes an act of indicating the source of the defendant's goods by asking consumers [10]. "Use as a trademark" is a subjective criterion which is hard to determine. From the function of the trademark law, courts should focus on whether the action confusing consumers instead of concentrating on whether it is used as a trademark.

DOI: 10.54254/2753-7048/2025.HT25605

The significance of employing the criterion of "use as a trademark" should not be diminished. There are situations where applying this criterion for classification is essential. In addition to trademark usage, there are also descriptive usage and decorative usage. This classification can better prevent erroneous judgments and allow market entities to be more free in the free market. Not setting the use as a trademark as a threshold standard is to better take into account trademark infringement in gray area and to reduce the controversy of some cases. This also can give courts more discretionary power, making judicial practice more reasonable.

5. Conclusion

This article focuses on the core function of trademark laws and give many examples to illustrate that "use as a trademark" should not be a threshold standard of the trademark infringement. At first, starting from the definition of trademark usage, this paper identify the trend of judicial practice through analyzing the viewpoints of different schools on trademark usage, which will help interpret the usage as a trademark in the discussion and facilitate the analysis of cases. Secondly, comparing the UK and Chinese legal systems proves that regardless of the legal system, the core of trademark law is to protect consumers from being confused. This opinion is repeated again in the third part of the paper, using many cases to supply the proposition. In conclusion, "use as a trademark" can be an important criterion for evaluation, but it should not be the threshold standard of the determination of trademark infringement.

While this article offers valuable insights into the role of "use as a trademark" in trademark infringement cases, it also has some limitations. One of the primary limitations is the scope of the comparative analysis, which is limited to the UK and China. Future research could benefit from a broader comparative study that includes other jurisdictions with diverse legal traditions, such as the United States, the European Union, and emerging economies like India and Brazil. This would provide a more comprehensive understanding of global trends and variations in trademark law. Additionally, the article could delve deeper into the practical implications of adopting a functionalist approach to trademark infringement. While the functionalist view emphasizes consumer confusion, it may also raise questions about the burden of proof and the potential for subjective interpretation. Future research could explore methodologies for more effectively assessing consumer confusion and developing guidelines for consistent application in judicial practice.

References

[1] McCarthy, J. T. (2023). McCarthy on trademarks and unfair competition (6th ed., Vol. 1-10). Thomson Reuters.
[2] Dinwoodie, G. B., & Janis, M. D. (2007). Confusion over use: Contextualism in trademark law. Iowa Law Review, 92(5), 1597-1667.
[3] Beebe, B. (2004). The semiotic analysis of trademark law. UCLA Law Review, 51 (3), 621-704.https: //cyber.harvard.edu/people/tfisher/Beebe Semiotics Dilution.pdf
[4] Lemley, M. A. (1999). The modern Lanham Act and the death of common sense. Yale Law Journal, 108 (7), 1687-1715. https: //doi.org/10.2307/797442
[5] Senftleben, M. (2020). Towards a horizontal standard for limiting intellectual property rights? WTO panel reports shed light on the three-step test in copyright law. Journal of Intellectual Property Law & Practice, 15 (6), 436-446. https: //doi.org/10.1093/jiplp/jpaa038
[6] Legislation. gov. uk. (1994). Trade Marks Act, 1994, s. 10(1). https: //www.legislation.gov.uk/ukpga/1994/26/part/I/enacted
[7] Royal Courts of Justice. (2024). Lidl Great Britain Limited, & Lidl Stiftung & Co KG v. Tesco Stores Limited, & Tesco PLC, [2024] EWCA Civ 262. Retrieved from https: //www.judiciary.uk/wp-content/uploads/2024/03/Lidl-v-Tesco-CoA-Judgment-19.03.24.pdf

DOI: 10.54254/2753-7048/2025.HT25605

[8] Shanghai Xuhui District People's Court. (2023). Dim Do Dek v. De Mou Xuan (2021) Hu. 0104 Civ. 18101. Retrieved from https: //wenshu.court.gov.cn/website/wenshu/181107ANFZ0BXSK4/index.html?docId=WF+HPKPejYExX1om5vKnD9sE1/i6m1qXjdrj82FaZC+jrJ/XS6iiZp/dgBYosE2gZj5plhhaVIEFi7cowWER7DEK47w5XLl4ea77kBqF5YM06y1r9WYpo2F8V2819cYz

[9] United States Court of Appeals. (5th Cir. 2021). Jim S. Adler, P.C., & Jim Adler v. McNeil Consultants, L.L.C., Lauren Von McNeil, & Quintessa Marketing, L.L.C., 851 F.3d 440. Retrieved from https: //cases.justia.com/federal/appellate-courts/ca5/20-10936/20-10936-2021-08-10.pdf?ts=1628638215

[10] McKennam, M. P. (2009). Trademark Use and the Problem of Source. U. Ill. L. Rev., 773 .