

# International Copyright Litigation Taiwan Chapter 2010

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## 1. SOURCES OF LAW

1.1 *What are the principal sources of law and regulation relating to copyright and copyright litigation? (Briefly describe the role of international, federal or state laws and relevance of court decisions, list and briefly describe relevant statutes and international treaties)*

The principal sources of law and regulation relating to copyright are the Copyright Act; Enforcement Rules of the Act; the Copyright Intermediary Organisation Act; the Optical Disk Act; the Fair Trade Act; the Civil Code; the Criminal Code; and guidelines prescribed in relation to Article 87-1 (number of copies), Article 80-2 (practical examples), and Article 47 (compensation for use) of the Act.

Law and regulation relating to copyright litigation include Intellectual Property Court Organisation Act; the Intellectual Property Case Adjudication Act; Regulations of Copyright Dispute Mediation; Code of Civil Procedure; and Code of Criminal Procedure. Court decisions and copyright-related explanation letters issued by the Taiwan Intellectual Property Office also operate as referential sources.

Relevant applicable international treaties include the Treaty of Friendship, Commerce and Navigation between the Republic of China and the United States of America; Rome Convention 1961; WIPO Copyright Treaty 1966; *WIPO Performances and Phonograms Treaty 1966*; *Universal Copyright Convention*; Geneva Convention 1971; Brussels Convention 1974; Berne Convention (Paris Act) 1979; Agreement for the Protection of Copyright between the Coordination Council for North American Affairs and the American Institute in Taiwan; and the TRIPs. The Copyright Act is enacted in line with the general spirit of these international treaties.

1.2 *What is the order of priority of the relevant sources, i.e. which take precedence in the event of a conflict?*

In the event of a conflict, the special legislation (e.g. the Copyright Act) takes precedence over the general legislation (e.g. Civil Code and Criminal Code). In summary, the order of priority for the relevant sources is: (i) statutes (special legislation over general legislation) and treaties; (ii) court decisions; and (iii) general legal principles. If there is a conflict between statutes and treaties, treaties are generally considered to take precedence if they are ratified after the statute comes into effect.

## 2. COURT AND ADMINISTRATIVE SYSTEM

2.1 *In which courts are copyrights enforced? Are they specialised copyrights courts? If not, what level of expertise can a copyright holder expect from the courts?*

Copyrights are mainly enforced in the Intellectual Property Court established on 1 July 2008. It is a specialised court dealing exclusively with matters relating to intellectual property rights, including copyrights.

*2.2 Is there any administrative body (e.g. a copyright office)? If so, does it have any jurisdiction in copyright litigation?*

The Ministry of Economic Affairs (the MOEA) is the competent administrative authority for copyright under the Copyright Act. The MOEA in turn appoints the Taiwan Intellectual Property Office (the TIPO) as the specialised agency in charge of copyright matters. The TIPO has no jurisdiction in copyright litigation.

*2.3 To what extent are courts willing to consider, or are bound by, the opinions of other national or foreign courts that have handed down decisions in similar cases?*

Generally speaking, all courts are bound by precedents set by the Supreme Court of Taiwan. The judges may exercise their discretionary power to consider, but are not bound by, the opinions of other national or foreign courts in similar cases.

*2.4 Who can represent parties before the courts handling copyright litigation?*

Qualified attorneys-at-law can represent parties before the courts handling copyright litigation. Only in exceptional cases do courts permit a non-lawyer to represent a party in a civil action. As for criminal proceedings, a complainant can be represented by their spouse or an attorney-at-law. The accused in a criminal case can be represented only by an attorney-at-law.

*2.5 What is the language of the proceedings? Is there a choice of language?*

The proceedings are typically conducted in Mandarin Chinese. Where necessary, a party, witness, expert witness, or interested party may request the assistance of an interpreter for translation of the proceedings into a foreign language. The written statements must be presented in Mandarin Chinese while the parties may also include passages in a foreign language where appropriate.

### **3. SUBSTANTIVE LAW**

*3.1 What types of works are copyrightable under your law? Does your national law provide for a closed list of copyrightable works or for an open list?*

The Copyright Act defines a copyrightable work as a creation that is within a literary, scientific, artistic, or other intellectual domain. The Copyright Act further provides for a non-exhaustive open list of copyrightable works which includes: oral and literary works; musical works; dramatic and choreographic works; artistic works; photographic works; pictorial and graphical works; audiovisual works; sound recordings; architectural works; and computer programs. In addition, derivative works, compilations and performances are also copyrightable. However, the following works are expressly excluded from copyrightable subject matter under the Act: the Constitution, legal acts and regulations, official government documents; commonly used symbols, terms, formulas, numerical charts, forms and almanacs; news reports that are intended strictly to communicate facts; and questions for all kinds of examinations held pursuant to acts and regulations.

*3.2 Does the author of a work have to be a national of your country for the work to qualify as copyrightable or does a work qualify for copyright protection irrespective of the nationality of the author?*

The author of a work does not have to be a Taiwanese national for their work to be protected under the Copyright Act. A foreign national author's work is copyrightable if the initial publication of the work is made in Taiwan. A work which is initially published elsewhere is copyrightable if it is then published in Taiwan within 30 days, provided that the author's home country provides reciprocal treatment to Taiwanese national authors on the same terms. A foreign national author's work may also be copyrightable through the operation of a treaty (e.g. the WTO TRIPs agreements) or an agreement or foreign national law that affords reciprocal protection to Taiwanese nationals.

*3.3 What types of rights are covered by copyright? To what extent are moral rights covered by copyright?*

Copyright covers both economic rights and moral rights in Taiwan. Economic rights include the right to reproduce; to publicly recite; to publicly broadcast; to publicly present/perform; to publicly transmit; to publicly display; to adapt; to compile; to lease; to disseminate; and to import the work (Articles 22 to 29 of the Copyright Act). Moral rights are the rights to publicly release; to indicate the author's name on; and to prohibit others from distorting or otherwise tampering with the work (Articles 15 to 17 of the Copyright Act).

*3.4 What defences are available to an alleged infringer? To what extent can 'fair use' or 'fair dealing' be used as a defence? If these doctrines do not exist, are there any comparable limitations?*

The following defences are typically available to an alleged infringer:

- the alleged work is not copyrightable;
- the claimant is not the legal holder of the copyright in issue;
- the alleged infringer has no access to the work in issue or there is no substantial similarity between the allegedly infringing work and the copyrighted work in issue;
- fair use; and
- statute of limitations.

The 'fair use' defence, if successful, negates all infringement liability and is one of the most commonly raised defences in practice.

*3.5 Is there a requirement of copyright registration? Is copyright registration required to enforce a copyright, i.e. to obtain damages or other relief? Is a copyright deposit required? Is a copyright notice required? What are the consequences, if any, for failure to make a copyright deposit or to display a copyright notice?*

The copyright registration requirement was repealed in 1985. Currently a work is copyrightable upon its completion with no registration required for copyright protection. Also, neither a copyright deposit nor copyright notice is required to enforce a copyright. It should be noted, however, that a copyright notice gives rise to a presumption that the author, the copyright holder, and the date and place of publication are true as indicated in the notice. Failure to display a copyright notice

therefore may deprive the copyright holder of the benefits of such a presumption and add to the holder's burden to prove those matters in litigation.

### 3.6 *How long does copyright protection last?*

Moral rights subsist until death of the author (Article 18 of the Copyright Act).

As for economic rights, protection subsists and continues:

- where the author is a natural person, throughout the life of the author plus 50 years after their death or, if the initial public release of the work is made between 40-50 years following the author's death, a further 10 years after the work is publicly released (Article 30);
- in the case of a joint work, throughout the life of the authors plus 50 years after the death of the last surviving author (Article 31);
- where the author is unknown, for 50 years after the work is publicly released (Article 32);
- where the author is a juristic person, for 50 years after the work is publicly released; or if the work is never publicly released within 50 years of its completion, for 50 years from its completion (Article 33); and
- for photographic works, audiovisual works, sound recordings and performances, for 50 years after the work is publicly released; or if the work is never publicly released within 50 years of its completion, for 50 years from its completion (Article 34).

### 3.7 *How is copyright infringement assessed? Is actual copying to be proved or is substantial similarity sufficient to establish infringement?*

According to precedent established by the Supreme Court, copyright infringement is assessed based on two elements: (i) access to the work; and (ii) substantial similarity. Substantial similarity is generally sufficient to establish infringement and actual copying does not need to be proved. In determining substantial similarity, the court typically considers both the quantity and quality of what is copied.

### 3.8 *Are there any particularities of assessing copyright infringement for specific types of works (e.g. software)?*

There are currently no particular standards or guidelines to assess copyright infringement for any specific type of works.

### 3.9 *Can a copyright be enforced against a trade mark, a domain name, a trade name, a pseudonym or other distinctive signs?*

Copyright can be enforced against a trade mark, a domain name, a trade name, a pseudonym or other distinctive signs. If a trade mark is affirmed by a court judgment to be infringe copyright, the copyright holder can file a request with the TIPO to invalidate the trade mark registration.

### 3.10 *On what grounds can a copyright be invalidated?*

A copyright may be invalidated if the work: is not an independent creation; lacks the minimal degree of creativity; is not fixed through a certain form of expression;

does not fall within literary, scientific, artistic, or other intellectual domain; or falls within the statutory non-copyrighable subject matter.

*3.11 To what extent can enforcement of a copyright expose the copyright holder to liability for an antitrust violation?*

A copyright holder may be held liable for violation of the Fair Trade Act if they issue a warning letter to third parties (in particular the alleged infringer's trading counterparts) or make a public statement alleging copyright infringement without complying with the relevant guidelines prescribed by the Fair Trade Commission, competition law or the competent authority. In general, the copyright holder must clearly identify the precise scope and content of copyright, as well as the concrete facts of the alleged infringement. Further, the warning letter or statement must not contain any false or misleading allegations sufficient to harm any competitor's business reputation or hinder fair competition.

*3.12 Are there any grounds on which an otherwise valid copyright can be deemed unenforceable, owing to misconduct by the copyright holder, or for some other reason? Is there a time limit for bringing an infringement action?*

Generally speaking, no misconduct by the copyright holder can be asserted to challenge the enforceability of a copyright. There is no time limit for bringing an action to seek injunctive relief (i.e. demand for removal of the infringement). For a copyright holder to claim monetary damages, however, the action must be filed within two years after learning of the infringement and the identity of the infringer, or within ten years after the occurrence of infringement, whichever expires earlier (Article 89-1 of the Copyright Act).

*3.13 Can a copyright holder bring a lawsuit claiming both copyright infringement and unfair competition for the same set of facts?*

Yes, a copyright holder may do so where copyright infringement and unfair competition are both involved in the same set of facts.

#### **4. PARTIES TO LITIGATION**

*4.1 Who can sue for copyright infringement (copyright holder, exclusive licensee, non-exclusive licensee, distributor)? Does a licensee need to be registered to be eligible to sue?*

A copyright holder can sue for copyright infringement (Articles 84, 85 and 88 of the Copyright Act). An exclusive licensee may sue infringers in its own name within the scope of the licence, in which case the copyright holder will be barred from exercising the right to sue (Article 37). Non-exclusive licensees and distributors do not have standing to sue. An exclusive licensee does not need to be registered to be eligible to sue since there is no registration requirement for copyright to be enforced; however, an exclusive licensee will often have to produce evidence of its legal capacity to sue (e.g. the licence agreement).

*4.2 Under what conditions, if any, can an alleged infringer bring a lawsuit to obtain a declaratory judgment on non-infringement?*

Under the Code of Civil Procedure a party can bring a lawsuit to obtain a declaratory judgment when they hold a legal stake in the outcome of a potential or actual dispute of which the uncertainty can be resolved by judgment. Generally speaking, an alleged infringer has a legal stake in the dispute and can therefore bring a lawsuit to obtain a declaratory judgment on non-infringement, provided that the copyright holder has not yet filed an infringement action.

*4.3 Who can be sued for copyright infringement? Can the company directors be sued personally? Under what conditions, if any, can someone be sued for inducing or contributing to copyright infringement by someone else?*

Those who can be sued for copyright infringement include natural persons, juristic persons (e.g. companies), and employees or representatives of a juristic person (Articles 28 and 188 of the Civil Code; Article 101 of the Copyright Act). The representatives of a juristic person (including directors of a company) can be sued personally for copyright infringement if they infringe copyright in the course of performing corporate duties or functions. A person who induces or assists another person to act in violation of the Copyright Act must also bear the civil and criminal consequences.

*4.4 Is it possible to add or subtract parties during litigation?*

Yes. Where the claims against the defendants are based on the same transactions and occurrences, a plaintiff may add defendant(s) during litigation (Article 255 of the Code of Civil Procedure). A plaintiff may withdraw the action against one or more of the defendants before the judgment entered becomes final with binding effect, provided that if the defendant(s) have answered on the merits of the case, the plaintiff will need their consent to subtract them.

## **5. ENFORCEMENT OPTIONS**

*5.1 What options are open to a copyright holder when seeking to enforce its rights in your country?*

The copyright holder has the following options, which can be taken either separately or concurrently:

(1) Litigation. Some Copyright Act violations are criminal offences subject to public prosecution. Under these circumstances the copyright holder may file a criminal complaint against the suspected infringer with the police or the district prosecutor's office, or initiate private prosecution in the applicable district court. Alternatively, if civil action is preferred, the copyright holder can file an infringement action with the Intellectual Property Court and seek monetary and injunctive relief.

- Non-litigation. Where unfair trade practice is also involved, the copyright holder may lodge a complaint for unfair competition with the Fair Trade Commission.

*5.2 Are criminal proceedings available? If so, what are the sanctions?*

Yes, criminal proceedings are available. The sanctions are:

- imprisonment (for up to five years); or
- detention (for up to 60 days); and/or
- punitive fines;
- confiscation of infringing articles owned by the infringer including those used for the purpose of or gained from the infringement. Infringing optical discs, if any, may be confiscated, whoever the owner is; and
- If the convicted infringer has no financial means to pay the punitive fines, the court can order them to perform community services instead. (Articles 91 to 104 of the Act)

*5.3 Are border measures available?*

Yes, border measures are available. The copyright holder may, after depositing a security bond in a certain amount, request the customs authorities to suspend the release (known as an 'attachment') of import or export goods suspected of copyright infringement. Where the copyright holder later obtains a final civil judgment finding the attached goods to be infringing, the customs authorities will impound and destroy the goods at the cost of the owner of the goods (Article 90-1 of the Copyright Act; Implementation Regulations for Suspension of Release of Goods Infringing on Copyright or Plate Rights by Customs Authorities).

*5.4 Is it compulsory to send a cease and desist letter to an alleged infringer before commencing copyright infringement proceedings? What are the consequences, if any, for making unjustified threats of copyright infringement?*

No, sending a warning letter is not a prerequisite for commencing copyright infringement proceedings against an alleged infringer. A copyright holder making unjustified threats of copyright infringement to the public or to third parties other than the alleged infringer, however, may be held in violation of the Fair Trade Act with the consequence that: (i) they may be ordered by the Fair Trade Commission (the FTC) to rectify their practice and pay administrative fines; (ii) they may be liable for damages thus incurred by the alleged infringer; and (iii) they may face criminal charges if the copyright holder fails to rectify its act of unfair competition in compliance with an FTC order.

*5.5 To what extent are courts willing to grant cross-border or extra-territorial injunctions?*

Injunctions granted by the court typically enjoin the infringer from continuing with certain infringing acts, without specifying the territorial confine. Theoretically, such injunctions are binding on the infringer both at home and abroad. In the event that the infringer acts in violation of the injunction, the court may impose a fine of TWD 30,000 to 300,000 (EUR 600 to 6,000) and issue a warrant for the apprehension of the infringer and put them in custody.

*5.6 To what extent do courts recognise the blocking effect of 'torpedo' actions abroad?*

Taiwan courts generally do not recognise the blocking effect of 'torpedo' actions abroad. No court in Taiwan would stay proceedings or decline jurisdiction to hear an infringement action by reason of the fact that a lawsuit seeking declaration of non-infringement had been initiated in a foreign court.



5.7 *To what extent are alternative dispute resolution (ADR) methods (such as arbitration or mediation) available to resolve copyright disputes? How widespread are ADR methods and in which sectors?*

**Mediation:** Copyright disputes, both civil and criminal in nature, may be referred to the mediation board of the TIPO or the local mediation board for resolution. A successful mediation will be submitted to the competent court for affirmation. Once affirmed by the court, the conclusion of the mediation will be binding on the parties as a final civil judgment. That is, the copyright holder will be barred from taking any further action against the infringer on the same alleged infringement (Articles 82 to 83 of the Copyright Act). Though relatively rare in general, mediation can be effective in copyright disputes where the amount at stake is not very high.

**Arbitration:** With a valid arbitration agreement, the parties can refer their dispute to arbitration for resolution. An arbitral award is binding on the parties and has the same force as a final court judgment in terms of enforcement. Arbitration only applies in civil disputes and is more commonly used in cases involving multi-national parties or cross-border activities.

## 6. PROCEDURE IN CIVIL COURTS

6.1 *What is the format of copyright infringement proceedings?*

A copyright infringement action is typically a civil lawsuit that is initiated by the plaintiff filing a letter of complaint and paying a court fee. The letter of complaint must duly indicate the plaintiff's legal capacity to bring the action, the subject matter, cause of action and demands for adjudication. In cases where criminal proceedings have been commenced, the copyright holder can bring an incidental civil action for an award of damages during the criminal proceedings. No court fee is required for filing incidental civil actions.

6.2 *Are disputed issues decided by a judge or a jury?*

The jury trial system is not available in Taiwan. Disputed issues are decided by a judge or by a panel of judges.

6.3 *To what extent are documents, affidavits, witnesses and/or (court-appointed or private) experts used? Is it possible to cross-examine witnesses?*

Documents and affidavits are commonly used in litigation to prove a fact in dispute. If the opposing party challenges the authenticity of a document or affidavit, the party introducing the evidence must produce the original copy to the court. Witnesses are generally used when a party intends to establish facts that the proposed witness has personal experience of. Cross-examination of a witness is not generally adopted for civil proceedings, but the parties may request the judge to ask, or with the judge's permission, directly put questions to the witness. Where necessary, a party may request the court to appoint an expert to provide expert opinion or give expert testimony. This is commonly seen where the disputed issue involves technical complexities (e.g. patent infringement or substantial similarity for computer programs).

*6.4 To what extent is survey evidence used (e.g. to prove substantial similarity)? What is its relevance in proceedings (e.g. party allegation, evidence)? Who decides which consumers are questioned in the survey (e.g. the court, court expert)? What level of cost should one expect to incur to carry out a survey? Are these costs recoverable from the losing party?*

A survey is not a specific means of evidence, but the parties are free to submit their own survey results and the court generally considers these as evidence in the form of documents or affidavits. Surveys are often used to prove allegations that may relate to general consumer perception, e.g. confusion in a trade mark dispute or substantial similarity of pictorial or literary works in a copyright case. Since surveys are usually conducted by private institutions hired by the parties, it is the institution that decides which consumers are to be questioned. The level of cost may vary depending on the institution and the scale of the survey. These costs are not recoverable from the losing party as they are not recognised as an item of litigation expense.

*6.5 Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?*

Generally speaking, evidence obtained for criminal proceedings is admissible in civil proceedings. However, evidence obtained for civil proceedings is not necessarily admissible in criminal proceedings as the latter requires a stricter test of admissibility. For example, witness testimony obtained for civil proceedings may be considered as inadmissible hearsay in criminal proceedings.

*6.6 To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted? If it is not permitted, what other, if any, mechanisms are available for obtaining evidence from an adverse party or from third parties?*

Pre-trial discovery is not permitted in Taiwan. A claimant can obtain evidence from an adverse party or from third parties through a mechanism known as 'perpetuation of evidence' before filing an action. An applicant who seeks perpetuation of evidence must make a showing that the evidence to be preserved is in danger of extinguishing, being destroyed or being concealed. During litigation, the plaintiff can also request for production of documents from the adverse party or third parties. The adverse party's failure to produce a requested document in a copyright action may lead to a penalty of up to TWD 30,000 (about EUR 600) or a court ruling to compel production of such requested document (Article 10 of the Intellectual Property Cases Adjudication Act).

*6.7 What level of proof is required for establishing infringement or invalidity?*

Generally speaking, the level of proof required for establishing a disputed fact in a civil action is the preponderance of evidence. The same standard of proof applies in a copyright action for establishing infringement or invalidity, since the Copyright Act or any other related statute does not call for a different level of proof.

*6.8 How long do copyright infringement proceedings typically last? Is it possible to expedite this process?*

In general, each instance of copyright infringement proceedings takes approximately eight months on average. For cases in which the amount claimed is not more than TWD1.5 million (about EUR 30,000), namely, cases that cannot be appealed to the Supreme Court, the proceedings typically take about one and a half years to conclude with a final binding judgment. Cases in which the amount claimed exceeds TWD1.5 million take an average of two years. One possible way to expedite the process is for the parties to reach mutual consent to skip the second instance by appealing the district level judgment directly to the Supreme Court.

*6.9 What options, if any, are available to a defendant seeking to delay the proceedings? Under what conditions, if any, can proceedings be stayed? How can a plaintiff counter delaying tactics of a defendant?*

In cases where the plaintiff is a foreign national who has no domicile, residence or business office in Taiwan, the defendant can move for the court to order the plaintiff to deposit a security bond for the likely litigation costs. The defendant may refuse to present arguments on the merits until the plaintiff has made the deposit. This can be seen as a way of delaying the proceedings. Another option is to ask the court for more time to come up with an answer or defence. If the infringement involves a criminal offence, the civil court may rule to stay the proceedings until the criminal proceedings are concluded (Article 183 of the Code of Civil Procedure). To counter delaying tactics of the defendant, the plaintiff can provide the security bond for litigation expenses as soon as the court so orders, or argue to the court that the defendant's request for more time for an answer or defence is an unjustified attempt to delay litigation and therefore should be dismissed (Article 196 of the Code of Civil Procedure).

## **7. FINAL REMEDIES**

*7.1 What remedies are available against a copyright infringer (final injunction, delivery up or destruction of infringing goods, publication of the decision, recall-order, monetary remedies, etc.)?*

The economic right holder may seek: preliminary and permanent injunction; damages; destruction of infringing goods and articles used to make the infringing goods; and publication of the judgment in whole or in part (Articles 84, 88, 88-1 and 89 of the Copyright Act).

The moral right holder may, other than the remedies mentioned above, demand monetary compensation for non-pecuniary loss; indication of their name on the infringing goods; and correction of contents or other actions to duly restore their reputation (Article 85 of the Copyright Act). However, compensation for non-pecuniary loss is not available to those moral right holders who are juristic persons.

*7.2 To the extent it is possible to obtain a final injunction against future infringement, is it effective against the infringer's suppliers or customers?*

Basically, a permanent injunction is only effective against the infringer. It is not binding upon parties other than the infringer itself (e.g. its suppliers or customers)

even though it may have incidental consequences such as restraining suppliers or customers from dealing with the infringer.

*7.3 What monetary remedies are available against a copyright infringer (reasonable royalty, lost profits, account of profits, or some other basis)? Are punitive damages available? If so, under what conditions? Are liability and quantum of monetary remedies assessed at the same time by the court or is the quantum assessed at a separate, later stage from liability?*

A copyright holder may choose to claim for actual damages or lost profits; the infringer's profits; or request the court to assess a reasonable amount.

For actual damages or lost profits, the claimable amount is generally the difference in the amount of the copyright holder's expected profit before the infringement and the actual profit after it (Article 216 of the Civil Code).

To claim infringer's profits, the amount will be the total profits earned by the infringer. However, if the infringer cannot prove the amount of cost or deductible expenses, the award will be the total revenue of the infringer.

If the claimable amount cannot be determined, the copyright holder may request the court to assess a reasonable amount within the permissible range, between TWD 10,000 and TWD 1 million (EUR 200-20,000), and up to TWD 5 million (EUR 100,000) in the event of wilful and egregious infringement (Article 88 of the Copyright Act).

The Copyright Act provides no punitive damages. Basically, damages are awarded to recover the loss incurred by a copyright holder. The court will typically determine the liability first and then assess the quantum based on the finding of liability at a later stage during litigation.

## **8. PRELIMINARY RELIEF**

*8.1 Is preliminary relief available? If so, what preliminary measures are available (e.g. preliminary injunction) and under what conditions? Is urgency a condition for the court to grant preliminary relief? If so, how is it determined?*

Yes, a copyright holder may petition for a preliminary injunction to prevent material harm, to avoid imminent danger or other similar circumstances. The court considers the likelihood of success on the merits of the case; whether there will be irreparable harm to the petitioner; the balance of interests of both parties; and the impact on public interest when determining whether to grant a preliminary injunction (Article 37 of the Intellectual Property Case Adjudication Rules). Urgency is usually one of the essential factors that the court takes into account in granting preliminary relief. The petitioner typically must provide concrete evidence to make at least a preliminary showing that urgency exists.

*8.2 Is ex parte relief available, where defendant is given no notice at all? If so, under what conditions?*

No, generally *ex parte* relief is not available. The court typically accords the parties an opportunity to be heard before an injunction is granted or denied.

However, in extremely exceptional circumstances where the petitioner is able to produce evidence to substantiate its assertion that the opposing party should be restricted from being notified or heard, the court may grant *ex parte* preliminary relief (Article 22 of the Intellectual Property Case Adjudication Act).

*8.3 Are protective writs known in your country and what effects do they have on the preliminary injunction proceedings?*

Protective writs are absent in Taiwan's legal mechanism, and therefore, they have no effect whatsoever on preliminary injunction proceedings.

*8.4 Is plaintiff entitled to ask for an order that defendant's premises are searched and a description of the infringing goods (and the accounting data relating thereto) is made in order to establish proof of infringement (saisie-contrefaçon)? If not, what other mechanisms, if any, are available for seizing and preserving evidence for trial?*

In criminal proceedings, a copyright holder may petition the court for a search warrant to search a suspected infringer's residence and to seize infringing articles. On the other hand, a copyright holder may not do the same in civil proceedings. A copyright holder should instead file a petition for perpetuation of evidence before or pending a civil action where the evidence is hardly accessible, and should also provide a preliminary showing that evidence might be destroyed or its use in court may be difficult. Granting a petition for evidence perpetuation is not common - the court in Taiwan usually holds up strict standards in such cases.

*8.5 Can the defendant put the validity of a copyright at issue in preliminary injunction proceedings?*

A defendant may challenge the validity of a copyright at issue in preliminary injunction proceedings. Where a copyright in question is highly likely to be held invalid by the court based on evidence produced by the defendant, the court is likely to deny the copyright holder's petition for an injunction for lack of likelihood of success on the merits of the case (Article 22 of the Intellectual Property Case Adjudication Act; Article 37 of the Intellectual Property Case Adjudication Rules).

*8.6 What is the format of preliminary injunction proceedings?*

A petitioner should submit a petition and pay a statutory court fee. The court will typically summon both parties to give their opinions and then decide whether to grant a preliminary injunction by order (on the contrary, the court will grant a permanent injunction by rendering a judgment in a main action).

*8.7 If a preliminary injunction is granted and the main infringement action is finally lost, can defendant claim damages for the unjustified preliminary injunction? If so, how are the damages calculated? Must plaintiff provide some form of bond/guarantee to compensate defendant in the event that the preliminary injunction is later held to have been wrongly imposed?*

In general, if a preliminary injunction order is held to be improper *ab initio*, a defendant may claim damages against a plaintiff for the unjustified preliminary injunction, provided that the defendant produces evidence to prove actual damages and lost profits. Ordinarily, the court may order the petitioner to post a bond for issuing a preliminary injunction in order to secure any damages that the

defendant may suffer in the future. The defendant has a priority right over the bond, but its claimable damages are not limited by the amount of the bond.

*8.8 To what extent are documents, affidavits, witnesses, survey evidence, and/or (court-appointed or private) experts used in preliminary injunction proceedings?*

In preliminary injunction proceedings, a petitioner may present all kinds of evidence to be submitted immediately to substantiate their allegation. Most of the evidence will be in written form, including documents, affidavits, survey evidence, and written infringement opinions issued by experts. Witnesses' and experts' testimony are rarely used because they need to be summoned for further interrogation in hearings.

*8.9 What level of proof is required for establishing infringement or invalidity in preliminary injunction proceedings?*

In preliminary injunction proceedings, the petitioner needs to provide a preliminary showing to prove the alleged infringement (Article 22(2) of the Intellectual Property Case Adjudication Act), but the level of proof is not as high as the 'preponderance of evidence' required in a main action. For a defendant to establish invalidity, it must meet the level of proof that there is a 'high probability of invalidity' for the copyright in suit. If the defendant succeeds, the court will deny the petition on the ground of lack of likelihood of success on the merits (Article 37 of the Intellectual Property Case Adjudication Rules).

*8.10 How long do preliminary injunction proceedings typically last?*

Preliminary injunction proceedings typically last for a period of two to three months.

*8.11 Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction?*

Yes. The court may, upon motion or on its own initiative, revoke an injunction order where a main action is not filed 30 days after the injunction order is served on the petitioner (Article 22(5) of the Intellectual Property Case Adjudication Act).

## **9. APPEAL PROCEDURE**

*9.1 What avenues of appeal are available for a defeated party in main proceedings or preliminary injunction proceedings? Under what conditions?*

The defeated party can appeal the case from the district level to the appellate court level (second instance) in main proceedings. There is no special condition for filing such appeal. However, to take the case from the appellate level to the Supreme Court (third instance), the appeal can be filed only on the grounds of 'legal error' and the value of interest in such appeal must be more than TWD 1.5 million (EUR 30,000). In addition, the defeated party is required to appoint an attorney-at-law for the third-instance appeal. In preliminary injunction proceedings, the defeated party can generally appeal the case to the second instance level,

but appeal to the Supreme Court requires grounds of 'manifest error in the application of laws' as well as mandatory representation by counsel.

*9.2 If an appeal is filed, is relief usually stayed pending the outcome of the appeal?*

In main proceedings, as a judgment in general can only be enforced after it becomes final and binding, an appeal will stay the relief sought. In preliminary injunction proceedings, normally an appeal does not stay relief. That is, the copyright holder can enforce their rights after obtaining an order for preliminary injunction and the enforceability will not be affected by an appeal from the respondent.

*9.3 How long do appeal proceedings typically last?*

The appeal from main proceedings will normally take approximately eight months at both the second and third instance. In preliminary injunction proceedings, the appeal procedure will take approximately six months at both second and third instance.

## **10. LITIGATION COSTS**

*10.1 What level of cost should one expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and/or appeal proceedings?*

Costs are incurred mostly from court fees and attorneys' fees. The plaintiff or applicant needs to deposit a certain amount of money, i.e. a court fee, with the court when initiating an action or preliminary injunction proceedings. Court fees are part of the 'litigation expenses,' which are to be borne ultimately by the defeated party. The amount of a court fee in main proceedings is calculated using the following methods: for filing an action, the fee is approximately one per cent of the value of claim; for filing an appeal with the appellate court and the Supreme Court, the fee is one and a half times that of the amount for filing the action. For preliminary injunction proceedings, the court fee is TWD1,000 (EUR 20) each for filing the petition, appeal to the second instance and appeal to the third instance. With regard to attorney fees, the level of fees may vary depending on how complicated the case is. On average, attorney fees incurred through to a first instance decision can be expected to be approximately TWD300,000 (EUR 6,000); fees for appeal proceedings are approximately TWD200,000 (EUR 4,000) for the second instance and TWD100,000 (EUR 2,000) for the third instance. Attorney fees for preliminary injunction proceedings are expected to be TWD150,000 (EUR 3,000) for filing the petition, and approximately TWD75,000 (EUR 1,500) each for appeal to the second and third instance.

*10.2 Can attorney fees and costs be recovered by the winning party?*

As a general rule, both parties are responsible for paying their own attorneys' fees and costs. The only exception is the attorney fees for the third-instance appeal, which are considered part of 'litigation expenses' and can be recovered by the winning party subject to a statutory maximum amount.

## 11. FORTHCOMING LEGISLATION

### 11.1 *What are the important developing and emerging trends in your country's copyright law?*

In recent years there have been increasingly rampant copyright infringing activities on the internet. Accordingly Taiwan amended its Copyright Act effective on 13 May 2009 to address these issues, particularly regarding the liability of internet service providers (ISPs). While providing safe harbours to ISPs, the newly amended Copyright Act encourages ISPs to remove infringing online material through the 'notice/take down' mechanism. In addition, Congress recently passed amendments to the Copyright Intermediary Organisation Act and renamed it the Copyright Collective Management Organisation Act effective on 10 February 2010 with a view to reinforcing administration over collective management groups.

### 11.2 *To the extent it relates to copyright enforcement, please outline any major copyright legislation in the pipeline.*

None.

## 12. USEFUL REFERENCES

### 12.1 *Please identify any useful works of reference relating to copyright law and copyright litigation in your country, including useful websites.*

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#### **Publications of the Taiwan Intellectual Property Office**

*Collections of Intellectual Property Related Laws and Regulations*

*Copyright Laws*

*Copyright Act and Its Bylaws*

*Case Studies on Copyright Laws*

*Copyright and Infringement Issues on Digital Content*

#### **Treatises**

*Copyright Laws (7th Edition)* by LUO Ming Tong; San Ming Books Store (2009)

*Introduction of the Copyright Act (5th Edition)* by XIAO Xiong Lin; Wu-Nan Book Inc. (2007)

*One by one interpretation of Copyright Act* by ZHANG Zhong Xin; Wu-Nan Book Inc. (2007)

#### **Useful websites**

Intellectual Property Court: [http://210.69.124.203/ipr\\_english](http://210.69.124.203/ipr_english)

Intellectual Property Office: <http://www.tipo.gov.tw/en/index.aspx>

Taiwan Foundation Against Copyright Theft (TFACT) : [www.tfact.org.tw](http://www.tfact.org.tw)

Business Software Alliance (BSA) : [www.bsa.org.tw](http://www.bsa.org.tw)

The Association of Recording Copyright Owners (ARCO): [www.arco.org.tw](http://www.arco.org.tw)

Recording Industry Foundation in Taiwan (RIT): [www.rit.org.tw](http://www.rit.org.tw)