

Patent Litigation in Taiwan: overview

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A Q&A guide to patent litigation in Taiwan.

The Q&A gives a high level overview of patent disputes, including how patent infringement is assessed; the conditions for a declaratory judgment; invalidation proceedings; preliminary relief and enforcement options.

This Q&A is part of the global guide to Patent Litigation.

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Sources of law

1. What are the principal sources of law and regulation relating to patents and patent litigation?

The principal sources of law and regulation relating to patents include the:

- Patent Act.
- Enforcement Rules of the Patent Act.
- Regulations Governing the Deposit of Biological Material Involved in a Patent Application.
- Regulations Ratifying Extension of Patent Term.
- Fair Trade Act.
- Civil Code.

The Taiwan Patent Act was amended on 31 May 2014 (with effect from 11 June 2013) and on 22 January 2014 (in force on 24 March 2014). The main points of the amendments on 11 June 2013 are:

- If an applicant files a patent application for invention and one for utility model on the same creation on the same date (that is, dual filing), the applicant shall make respective declarations in respect of the dual filing. If the applicant fails to do so, the invention application will not be granted (*Article 32, Patent Act*).

- Punitive damages are now available under the Patent Act (*paragraph 2, Article 94, Patent Act*).
- When exercising a utility model patent, the patentee must not issue a notice as an alert without presenting a utility model patent technical report (*Article 116, Patent Act*).

The main amendment on 24 March 2014 was the introduction of provisions relating to border protection to enhance patent protection. A patent owner can file a request to customs for the detention of suspected infringing goods at the border (*see Question 17, Border measures*).

The principal sources of law and regulation relating to patent litigation include the:

- Intellectual Property Court Organisation Act.
- Intellectual Property Case Adjudication Act.
- Implementation Rules of Intellectual Property Case Adjudication Act.
- Intellectual Property Case Adjudication Rules.
- Code of Civil Procedure.

Court decisions and patent-related explanation letters issued by the Taiwan Intellectual Property Office also operate as referential sources.

As a member of the World Trade Organisation (WTO), Taiwan's Patent Act (as amended) was enacted under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS). Taiwan is not a party to other applicable international treaties such as the:

- WIPO Paris Convention for the Protection of Industrial Property 1883 (Paris Convention).
- WIPO Patent Law Treaty 2000.
- Patent Cooperation Treaty 1970 (PCT).
- Act Revising the European Patent Convention 2000 (Munich EPC Act).
- Open Forum on the draft Substantive Patent Law Treaty (SPLT).
- WIPO Hague Agreement Concerning the International Deposit of Industrial Designs 1925.
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure 1977.

However, the Patent Act is generally consistent with these international treaties.

In the event of a conflict, specific legislation (such as the Patent Act) will take precedence over general legislation (such as the Civil Code). The order of priority for the relevant sources is:

- Statutes (specific legislation over general legislation, as above) and treaties. 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.
- Court decisions.
- General legal principles.

Court system

2. In which courts/government bodies are patents enforced?

Patents are enforced in the Intellectual Property Court (IP Court) established on 1 July 2008. It is a specialist court dealing exclusively with matters relating to intellectual property rights, including patents. Judges in the IP Court are all specialist judges with expertise in hearing IP cases and some of them have a technical background. The technical examination officers, who act as technical assistants to the judges, are mostly senior examiners of the patent office (such as the Taiwan Intellectual Property Office (TIPO)) with technical backgrounds as well as experience in patent examination and assessment.

The Ministry of Economic Affairs (MOEA) is the competent administrative authority for patents under the Patent Act. The MOEA appointed the TIPO as the specialised agency in charge of patent examination, registration and other administrative matters. The TIPO has no jurisdiction in patent litigation.

3. Do the courts/government bodies deal with infringement and invalidity simultaneously or must invalidity actions be brought in separate proceedings?

The civil division of the Intellectual Property Court (IP Court) hears civil actions relating to patent infringement. If the defendant of an infringement action challenges the validity of the disputed patent as a defence, the civil division will deal with the infringement and validity issues simultaneously. However, any person who intends to invalidate the disputed patent in all aspects must file revocation proceedings (invalidation action) with the Taiwan Intellectual Property Office (TIPO). Decisions of the TIPO in an invalidation action can be appealed to the Ministry of Economic Affairs, and subsequently to the IP Court by way of filing an administrative lawsuit.

4. Who can represent parties before the court and/or government body?

Qualified attorneys-at-law and patent attorneys can represent parties before the Intellectual Property Court, handling patent litigation and validity issues. Qualified patent agents and patent attorneys can represent parties before the Taiwan Intellectual Property Office in invalidation actions (see *Question 3*).

5. What is the language of the proceedings? Is there a choice of language?

Proceedings are typically conducted in Mandarin Chinese. If necessary, a party, witness, expert witness or interested party can request the assistance of an interpreter to translate the proceedings into a foreign language. The written statements must be presented in Mandarin Chinese but the parties can also include passages in a foreign language, if appropriate.

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

All Taiwanese courts are bound by precedents set by the Supreme Court of Taiwan. With the exception of the Supreme Court, the Taiwanese courts can exercise their discretionary power to consider, but are not bound by, the opinions of other national courts or foreign courts in similar cases. Courts are less willing to consider opinions of foreign courts in patent disputes as it is generally believed that patent issues are subject to the principle of territorialism. Therefore, foreign opinions have comparatively low referential value in patent cases.

Substantive law

7. How is patent infringement assessed?

Patent infringement analysis involves the following two separate enquiries:

- Interpretation and determination of the scope of the asserted claim(s) (that is, claim construction).
- A comparison between the asserted claims as properly interpreted and the allegedly infringing device or process.

The comparison stage involves the following further steps:

- Analysis of the technical features of the asserted claims.
- Analysis of the technical features of the accused device or process.
- Determining if any asserted claim literally follows the accused device or process based on the "all-elements rule".
- If all the elements of an asserted claim literally follow the accused device or process, an analysis will be conducted to determine if the accused device or process contains elements equivalent to each claim element under the function-way-result test (that is, whether there is infringement under the doctrine of equivalents) and:

- if the accused device or process does not fall within the scope of the asserted claims, the doctrine of equivalents will not be applicable (that is, a finding of non-infringement);
- if the doctrine of equivalents is applicable and the defendant raises "prosecution history estoppel" or "prior art limitation" as a defence, an analysis will be conducted to determine whether the defence applies.

The doctrine of equivalents is applied as the next step after a finding of no literal infringement. Taiwanese courts frequently find infringement under the doctrine of equivalents.

8. What defences are available to an alleged infringer?

An alleged infringer can raise the following defences:

- Challenging the validity of the asserted claim(s). This is determined by the Intellectual Property Court based on the invalidation grounds and evidence presented by the infringer.
- Claiming non-infringement by arguing the accused product or process does not fall within the scope of the asserted claims.
- Claiming that no damages should be awarded due to the patent holder's non-compliance with patent marking requirements.
- Claiming that no damages should be awarded because the infringer lacks the subjective intention or negligence for infringing.
- Claiming that the patent holder is barred from enforcing the patent right by operation of the doctrine of exhaustion.
- Objecting to the calculation of the amount of damages.
- Claiming that the patent holder's claim is time-barred.

9. On what grounds can a patent be invalidated?

A patent can be invalidated if:

- It lacks industrial applicability, novelty or inventive steps.
- It lacks sufficient disclosure in the written description (lack of enablement) or the scope of the claims is not supported by the description and drawings.
- The patent holder is not a party entitled to file the application.
- The patent application is not filed by all joint owners of the invention or process.
- The home country of the patentee does not accept patent applications filed by nationals of Taiwan on a reciprocal basis.
- The subject matter is not capable of being patented, such as:
 - animals;
 - plants;
 - essentially biological processes for production of animals or plants (except for micro-organism-producing processes);
 - diagnostic, therapeutic or surgical operation methods for treatment of humans or animals; and
 - inventions that are contrary to public order, morality or public health.

10. Can a court only partially invalidate a patent or transform it into a utility model?

The court can partially invalidate a patent in infringement proceedings and the Taiwan Intellectual Property Office can partially invalidate the patent in revocation proceedings (*see Question 3*).

No court is legally authorised to transform a patent into a utility model.

11. Is it possible to amend patent claims during proceedings?

A patent holder can amend patent claims during infringement and revocation proceedings by filing an application for amendments to the Taiwan Intellectual Property Office (TIPO). If approved, the amendment will have a retrospective effect to the original filing date of the patent.

If the TIPO approves the amendment before the trial concludes in an infringement action, the court will determine invalidity and infringement issues based on the amended patent claims. Post-grant amendments can only be made to:

- Delete claim(s).
- Narrow down the scope of claim(s).
- Correct errors or translation errors.
- Clarify ambiguous statement(s).

In addition, the amendments must not:

- Exceed the scope of disclosure made in the specification or drawings originally filed.
- Substantially expand or alter the scope of claims.

12. Are there any grounds on which an otherwise valid patent can be deemed unenforceable?

While anti-trust law can impose penalties (fines and even criminal charges) on patent holders who abuse their patent rights with anti-competitive consequences, this will not generally lead to a valid patent being deemed unenforceable.

In addition, there is no time limit for bringing an action to seek injunctive relief to demand the removal of the infringement. However, to claim monetary damages for infringement, the action must be filed within the earlier of (*Article 96, Patent Act*):

- Two years of learning of the infringement and the identity of the infringer.
- Ten years of the infringement.

Parties to litigation

13. Who can sue for patent infringement?

Patent holder

A patent holder can sue for patent infringement.

Exclusive licensee

An exclusive licensee can sue infringers in its own name within the scope of the licence. Registration of the licence with the Taiwan Intellectual Property Office is not required.

Non-exclusive licensee

Non-exclusive licensees cannot sue for patent infringement.

Distributor

Distributors who do not have an exclusive patent licence from the patent holder cannot sue for patent infringement.

Other

Not applicable.

14. Under what conditions, if any, can an alleged infringer bring proceedings to obtain a declaratory judgment on non-infringement?

A party (such as an alleged infringer) can bring proceedings to obtain a declaratory judgment on non-infringement if they hold a legal stake in the outcome of a potential or actual dispute, which can be resolved by judgment (*Code of Civil Procedure*).

However, the patent holder must not yet have filed an infringement action.

15. Who can be sued for patent infringement?

The following can be sued for patent infringement:

- Natural persons.
- Juristic persons (such as companies), and employees of a juristic person (*Articles 28 and 188, Civil Code*).
- The representatives of a juristic person (including directors of a company), if they infringe the patent in the course of performing corporate duties or functions.
- Those who induce or assist another person to infringe a patent, who can be sued for joint liability (*Article 185, Civil Code*).

16. Is it possible to add or remove parties during litigation?

If claims against multiple defendants are based on the same transactions and events, the claimant can add one of more defendants during litigation (*Article 255, Code of Civil Procedure*).

A claimant can withdraw an action against one or more of the defendants before the judgment becomes final and with binding effect. However, if the defendant(s) have already submitted a defence to the original claim, the claimant will need their consent to remove them.

Enforcement options

17. What options are open to a patent holder when seeking to enforce its rights in your jurisdiction?

Civil proceedings

The most common option is for the patent holder to file an infringement action with the Intellectual Property Court seeking monetary and injunctive relief.

Criminal proceedings

Criminal sanctions for patent infringement have been removed. Therefore, criminal proceedings for patent infringement are no longer available.

Border measures

Border measures for patent infringement are available after a preliminary or final injunction regarding the import or export of infringing goods. The patent holder can provide information on the infringing products to the customs authorities such as the:

- Expected time of the importation.
- Location of the importation.
- Name of the carrier.
- Flight or voyage number.

The customs authorities will prevent the importation of the infringing products accordingly.

In addition to preliminary injunctions or final injunctions, a patent owner who has a suspicion of infringement can file a request in writing with the customs for the detention of suspected infringing imported goods. The patent owner must present the facts of infringement and provide a cash deposit or security equivalent to the duty-paid price of the potentially infringing goods, as assessed by the customs. However, the owner of the detained goods can also provide a counter security in an amount equivalent to two times the amount provided by the patent owner to have the granted request repealed. In addition, if the patent owner fails to commence an action within 12 days of receipt of the customs' notice and notify customs accordingly, the customs will repeal the detention.

If the court determines and establishes the infringement by a final judgment, the owner of the detained goods will bear the costs arising from the demurrage, warehousing, loading, and unloading of the detained goods. However, the patent owner will be liable for the damages caused by the detention request to the owner of detained goods if the court finds against infringement.

Other

Not applicable.

18. Is it compulsory to send a cease and desist letter to an alleged infringer before commencing patent proceedings?

It is not compulsory to send a cease and desist letter to an alleged infringer before commencing patent proceedings.

A patent holder, who makes unjustified threats of patent infringement to the public or to third parties (other than the alleged infringer), can be held in violation of the Fair Trade Act, with the following consequences:

- An order by the Fair Trade Commission (FTC) to rectify its practice and pay administrative fines.
- Liabilities for damages incurred by the alleged infringer.
- Criminal charges if the patent order fails to comply with the FTC order.

19. To what extent are courts willing to grant cross-border or extra-territorial injunctions (preliminary or permanent)?

Taiwanese courts do not grant cross-border or extra-territorial injunctions. An injunction has cross-border or extra-territorial effect only to the extent that courts will prevent the infringer from importing the infringing goods into Taiwan.

20. To what extent do courts recognise the blocking effect of "torpedo" actions abroad?

Taiwanese courts generally do not recognise the blocking effect of "torpedo" actions abroad.

21. To what extent are arbitration, and alternative dispute resolution (ADR) methods (such as mediation), available to resolve patent disputes?

Arbitration

Arbitration is available to resolve patent disputes. However, parties rarely resort to arbitration because the Intellectual Property Court (IP Court) is generally perceived to be the entity that has more expertise and experience in dealing with patent disputes. Arbitration can be used to assess invalidity claims, if the defendant raises this as a defence. However, the patent office will not be bound by an arbitral award finding a patent invalid.

ADR

Mediation is available to resolve patent disputes. However, parties rarely resort to mediation because the IP Court is generally perceived to be the entity that has more expertise and experience in dealing with patent disputes.

Competition and anti-trust

22. Can a patent holder bring proceedings claiming both patent infringement and unfair competition for the same set of facts?

A patent holder can bring proceedings claiming both patent infringement and unfair competition for the same set of facts.

23. To what extent can enforcement of a patent expose the patent holder to liability for an anti-trust violation?

A patent holder can be held liable for the violation of the Fair Trade Act if they issue a warning letter to third parties (in particular the alleged infringer's trading counterparts) (see [Question 18](#)) or make a public statement alleging patent infringement without complying with the relevant guidelines prescribed by the Fair Trade Commission.

In general, the patent holder must clearly identify the precise scope and content of the asserted patent claim(s) and the concrete facts of the alleged infringement in the warning letter or statement. In addition, the warning letter or statement must not contain any false or misleading allegations sufficient to harm a competitor's business reputation or hinder fair competition.

Procedure in civil courts

24. What is the format of patent infringement proceedings?

Patent infringement proceedings are civil proceedings initiated by the claimant filing a complaint at court and paying a court fee. The court hands down its decision by giving a judgment. There is no jury system in Taiwan. Disputed issues are decided by a judge or by a panel of judges.

25. What are the rules and practice concerning evidence in patent infringement proceedings in your jurisdiction?

Documents

Documents are commonly used to prove a fact in dispute if documents are authentic in form.

Witness evidence

Witnesses are generally called to establish facts that the witness has personal experience or knowledge of. Cross-examination of witnesses is not a formal process in civil proceedings. However, the opposing party can request the judge to ask, or with the judge's permission, ask the witness questions directly.

Expert evidence

Party-appointed/private experts can be used in patent proceedings. The evidential value of their opinions and/or testimony depends on their credibility and substantive reasoning.

Court-appointed experts (Technical Examination Officers) are used in essentially every patent case. Technical Examination Officers can ask questions to the parties or witnesses to clarify technical issues, and state their opinions to the judge (often in a written report).

It is possible to cross-examine party-appointed/private experts at trial, but not Technical Examination Officers.

26. Is evidence obtained in criminal proceedings admissible in civil proceedings and vice versa?

Criminal proceedings are not possible in patent infringement cases. However, generally speaking, evidence obtained in criminal proceedings is admissible in civil proceedings. Evidence obtained in civil proceedings is admissible in criminal proceedings but subject to a stricter admissibility test.

27. Is evidence obtained in civil proceedings admissible in other civil proceedings?

Evidence obtained in civil proceedings is generally admissible in other civil proceedings, except where the evidence relates to trade secrets of the parties and can only be used with permission from the court.

28. To what extent is pre-trial disclosure permitted and what other mechanisms are available for obtaining evidence from an adverse party or third parties?

Pre-trial discovery

Pre-trial discovery is not available in Taiwan. However, a party can seek to obtain evidence from an adverse party or from third parties through a mechanism known as "perpetuation of evidence", before filing an action. The applicant must show that the evidence to be preserved is in danger of being extinguished or destroyed.

Other mechanisms

During litigation, the claimant can also request the production of documents from the adverse party or third parties. If the adverse party or third party fails to produce the requested document, he could face either:

- A penalty of up to TWD30,000.
- A court ruling to compel production of the requested document (*Article 10, Intellectual Property Cases Adjudication Act*).

29. What level of proof is required for establishing infringement or invalidity?

There is no statutory provision in Taiwan Civil Procedure Law with respect to the standard of the proof. However, the level of proof required for establishing any disputed fact or allegation in a civil action is usually the "preponderance of evidence" (that is, when the court finds it more likely than not that the claimant's allegations are true, based on the value of the evidence presented). This standard of proof will apply in a patent action for establishing infringement.

However for invalidity claims, the Intellectual Property Court will require clear and convincing evidence.

30. How long do patent infringement proceedings typically last?

Patent infringement proceedings in the court of first instance usually take approximately 10 months to 14 months on average.

In the court of second instance, it usually takes about one and a half years (or 18 months) and two years in the court of third instance.

But only the claims with a value exceeding TWD1.5 million may be appealed to the court of third instance.

Fast-track procedures

There is no fast-track procedure for claims at first instance.

The procedure can be expedited if both parties agree to skip the second instance, by appealing a district level judgment directly to the Supreme Court.

Timetable

The judge will determine the schedule of the proceedings and the parties cannot agree on a binding timetable.

Delay

The defendant can delay proceedings in a number of ways, for example:

- If the claimant is a foreign national who has no domicile, residence or business office in Taiwan, the defendant can ask the court to order the claimant to deposit a security bond for the likely litigation costs. The defendant can refuse to present arguments on the merits until the claimant has made a deposit.
- The defendant can ask the court for more time to file an answer or defence.

To counter delaying tactics of the defendant, the claimant can provide the security bond for litigation expenses as soon as the court so orders, or argue before 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, Code of Civil Procedure*).

Preliminary relief

31. Is preliminary relief available, and if so what measures are available and under what conditions?

Search and preservation orders

A claimant can apply for the "perpetuation of evidence" before or pending an action if either:

- The evidence is in danger of being destroyed.
- The evidence may be difficult to use in court.
- The claimant has a legal interest in ascertaining the status quo of the evidence.

An order for the "perpetuation of evidence" will usually require samples of the defendant's infringing goods and their accounts to be preserved at the court. The court applies these conditions strictly so these orders are rare in practice.

Injunctions

The court will order preliminary injunctions if they are necessary to prevent material harm or avoid imminent danger. In making its decision, the court will consider (*Article 37, Intellectual Property Case Adjudication Rules*):

- All of the circumstances of the case, in particular the likelihood of success on the merits of the case.
- Whether there will be irreparable harm to the petitioner.
- The balance of interests between both parties.
- The impact on public interest.

In addition, the petitioner must provide concrete evidence to show at least prima facie that urgency exists.

Other

Not applicable.

32. Can a protective writ be filed at the court at which an ex parte application may be filed against that defendant?

Protective writs are not available in Taiwan. Ex parte applications are also generally not available.

The court will usually give both 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 defendant should be restricted from being notified or heard), the court may grant ex parte preliminary relief (*Article 22, Intellectual Property Case Adjudication Act*).

33. What is the format/procedure of preliminary injunction proceedings?

General

Preliminary injunction proceedings are heard in the Intellectual Property Court and initiated by the submission of a petition and the payment of a statutory court fee by the patent holder. The court will grant or deny the petition by giving a "ruling" (as opposed to a judgment).

Level of proof

The petitioner must provide prima facie evidence to prove the alleged infringement (*Article 22(2), Intellectual Property Case Adjudication Act*). However, the level of proof is not as high as the "preponderance of evidence" as required in a main action (see *Question 29*).

Evidence

In preliminary injunction proceedings, a petitioner can present all kinds of evidence that can be readily examined by the court to substantiate their allegations. Most of the evidence will be in written form, such as documents, affidavits and infringement opinions issued by experts.

Witnesses' and experts' testimony will rarely be used as they will need to be summoned for further examination. However, court-appointed experts are widely used in preliminary injunction proceedings to assist the judge to determine the likelihood of success on the merits.

Patent validity

For a defendant to establish invalidity, it must prove that there is a "high probability of invalidity" (*Article 37, Intellectual Property Case Adjudication Rules*).

Length of proceedings

Preliminary injunction proceedings typically last for a period of three to eight months before the court issues a ruling to grant or deny the injunction.

34. If a preliminary injunction is granted and the main infringement action is finally lost, can the defendant claim damages for the unjustified preliminary injunction?

The defendant can claim damages if a preliminary injunction against it is wrongly granted (*Article 22(7), Intellectual Property Case Adjudication Act*). The damages are usually calculated based on the reasonable profit that the defendant could have expected to obtain if it had not been restrained by the preliminary injunction.

The court will usually order the claimant to post a bond when issuing a preliminary injunction to compensate 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 value of the bond.

Final remedies

35. What remedies are available against a patent infringer?

Permanent injunction

The court will usually grant a permanent injunction following a finding of ongoing patent infringement or threat of future infringement.

The grant of a permanent injunction can be broader in scope instead of just referring to the specific infringing item(s). The language that is commonly seen in a permanent injunction order is "any other products or articles that infringe the patent-in-suit". The effect of an injunction is only binding on the infringer. Therefore, it is not binding on third parties (such as the infringer's suppliers or customers).

Monetary remedies

The patent holder can choose to seek damages based on one of the following (*Article 97, Patent Act*):

- Actual damages and lost profits, usually the difference between the patent holder's expected profits from using the patent without the infringement and its actual profits after the infringement.
- The profit earned by the infringer as a result of patent infringement.
- The amount calculated on the basis of reasonable royalties that may be collected from exploiting the invention patent being licensed.

The court has the discretion to award punitive damages for wilful infringement of up to three times the amount of the above damages. The court will usually determine liability first and then assess the quantum at a later stage.

Delivery up or destruction of infringing goods

The patent holder can request the destruction or necessary disposal of the infringing articles, materials or implements used in the infringing act (*paragraph 3, Article 97, Patent Act*).

Publication of the decision

This is not available as a court order. However, the patentee can publish the decision at its own costs.

Recall order

The patent holder can request for other necessary disposal of the infringing articles, materials or implements used in the infringing act (*paragraph 3, Article 97, Patent Act*). This will include a recall order.

Declaration of infringement and validity

This is available.

Others

If the inventor's right to indicate his name is infringed, he can seek a judgment to indicate his name and restore his reputation.

Appeal procedure

36. What avenues of appeal are available for a defeated party and under what conditions?

The defeated party can appeal the case from the district level (first instance) to the appellate court level (second instance) in main proceedings. There are no special conditions for filing first appeals. 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 must be more than TWD1.5 million. In addition, the defeated party must appoint an attorney-at-law for the third-instance appeal.

For preliminary injunction proceedings, the defeated party can usually appeal to the second instance level but the appeal will not stay relief. However, an appeal to the Supreme Court requires grounds of "manifest error in the application of laws" and mandatory representation by counsel.

In main proceedings, a judgment can only be enforced after it becomes final and binding and an appeal will stay the relief sought. The appeal from main proceedings will normally take approximately two years at both the second and third instance. In preliminary injunction proceedings, the appeal procedure will take approximately eight months at both the second and third instance.

Litigation costs

37. What level of cost should a party expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and appeal proceedings?

The costs of patent proceedings are largely court fees and attorneys' fees. The claimant or applicant must deposit a court fee with the court when initiating an action or preliminary injunction proceedings. Court fees are part of the "litigation expenses", which are 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 1% 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 the amount for filing the action.
- For preliminary injunction proceedings, the court fee is TWD1,000 each for filing the petition, appeal to the second instance and appeal to the third instance.

Attorneys' fees can vary depending on the complexity of the case. On average, attorneys' fees incurred through to a first instance decision can be expected to be approximately TWD1.5 million. Fees for appeal proceedings are approximately TWD750,000 for second instance and TWD200,000 for third instance. Attorneys' fees for preliminary injunction proceedings are expected to be TWD170,000 for filing the petition and approximately TWD80,000 each for appeal to the second and third instance.

As a general rule, both parties are responsible for paying their own attorneys' fees and costs. The only exception is the attorneys' 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.

Reform

38. What are the important developing and emerging trends in your country's patent law?

Some of the most prominent developments in patent law occurred in 2013 (*see Question 1*).

The Taiwan Intellectual Property Office (TIPO) produced the new Examination Guidelines for Requests for Amending Utility Model Patents on 13 July 2015. Below are some of the highlights of the new Examination Guidelines.

Utility model patent rights are uncertain and unstable due to the absence of substantive examination in the patent prosecution process. However, substantive examination on any amendment requested by the patentee of a utility model patent could lead to an extremely imbalanced situation. Therefore, any amendment requested by a patentee for his utility model patent will only go through a formality examination, so as not to affect public interests. The formality examination on the amendment of a utility model patent will not involve substantive requirements, but will only focus on:

- Whether the content of the requested amendment complies with the formal requirements in the prosecution process.
- Whether the requested amendment obviously extends beyond the scope of content disclosed in the claim(s) or drawing(s) as published (obvious extended content).

According to the Guidelines, the "examination on the obvious extended content" is simply a comparison with the amended content in its formality and the basis of comparison is limited to the scope of claim(s) or drawing(s) as published.

The comparison on formality assesses whether the requested amendment either:

- Increases any content(s) not disclosed in the scope of claim(s) or drawing(s) that has been published.
- Deletes part of the technical features of the scope of claim(s) or drawing(s) that has been published.

If so, the requested amendment should be held as "obvious extended content" without examining whether the requested amendment "substantially" broadens or changes the scope of claim(s) of the utility model patent in question.

In addition, the TIPO is also researching and preparing a new version of Guidelines for Patent Infringement Analysis. The new version will provide more clarifications on the:

- Interpretation of claim(s), for example, whether or not the description in patent specification should be taken as reference for claim construction.
- Applicability of the doctrine of equivalents (as-a-whole analysis or element-by-element analysis).
- Limitation(s) of this doctrine (such as, applications for prosecution history estoppels and the dedication rule).

Online resources

Laws and regulation databases of Taiwan (R.O.C.) (English language translation)

W <http://law.moj.gov.tw/Eng/>

Description. This website is maintained by the Ministry of Justice. It contains official and up-to-date information on laws and regulations. The translations are potentially out-of-date and for guidance only.

Laws and regulation in Taiwan Intellectual Property Office

W www.tipo.gov.tw/lp.asp?CtNode=6817&CtUnit=3316&BaseDSD=7&mp=2

Description. This website is maintained by the Intellectual Property Office. It contains official and up-to-date information on intellectual property laws and regulations. The translations are potentially out-of-date and for guidance only.

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