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TIPLO News

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This news mail distributed in Japanese and English from time to time provides updates on the development of law in Taiwan with focus on intellectual property rights law. For more information about the status of intellectual property right protection and practice in Taiwan, please visit our website www.tiplo.com.tw

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E161230Y1

01 Patent Act to be amended to extend grace period for patent applications

Part of the draft amendment to the Taiwan Patent Act passed the third reading at the Legislative Yuan on December 30, 2016, which relaxes the conditions and terms with respect to grace period. To ensure the patentee's rights, the amendment extends the grace period from 6 months to 12 months for invention and utility model patent applications and sets out more lenient requirements for disclosure; that is, the applicability of grace period for invention, utility model, and design patent applications is enlarged to cover the circumstances where the invention, utility model, or design is disclosed out of or against the applicant's will. Another procedural requirement is also removed that it is no longer mandatory to claim grace period on the date of filing.

The above mentioned relaxation will cause the patentability to not be affected by the disclosure made prior to the date of filing of the patent application, which will at last facilitate innovation and technology exchanges. The Executive Yuan will schedule a date of enforcement of the amended provisions. (December 2016)

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E161208Y1

02 Patent analysis on Taiwan's green energy industry from 2005 through 2015

The Taiwan IPO conducted patent analysis on Taiwan's seven major green energy industries (including solar photovoltaics, LED lighting, biofuels, energy information and communication technology, clean energy (terrestrial heat and wind force), fuel cell, and lithium-ion battery electric vehicles) based on the number of green energy related patent applications filed, distribution in IPC (international patent classification) and also by taking into consideration the possible domestic policies or external factors that will cause influence on the number of patent applications.

According to the analysis, there had been a total of 33,505 published applications filed for green energy-related patents from 2005 through 2015, including 15,434 applications filed by Taiwanese nationals (46%) and 18,071 (54%) by foreign nationals. The total number of applications filed by foreign nationals is slightly ahead of those filed by Taiwanese nationals, while Taiwanese nationals take the lead in the number of applications filed for the patents with respect to "energy information and communication technology", "lithium-ion battery electric vehicles", and "clean energy (terrestrial heat, wind force)". That is, Taiwanese nationals had filed 3,483 applications for patents regarding "energy information and communication technology" (accounting for 22.6% of the total number of Taiwanese nationals-filed applications), 2,293 applications for patents regarding "lithium-ion battery electric vehicles" (14.9%), and 251 applications for patents regarding "clean energy (terrestrial heat, wind force)" (1.7%). (December 2016)

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E161222Y2

03 Qing Dynasty Royal Herbalist Biotechnology Co., Ltd. defeated in trademark lawsuit

Taiwan Yue's Tong Ren Tong Limited (Chinese: 樂氏同仁堂; hereinafter "Yue's T.R.T."), known for imperial medication, has been tangling with Qing Dynasty Royal

Herbalist Biotechnology Co., Ltd. (Chinese: 京都同仁堂生物科技股份有限公司; hereinafter “Qing Dynasty Royal Herbalist”) about trademark licensing dispute in recent years, for which the representative of Yue’s T.R.T.’s 14th generation filed a complaint with the IP Court to claim damages against Qing Dynasty Royal Herbalist. The IP Court decided in favor of Qing Dynasty Royal Herbalist in the first instance proceedings but reversed the decision in the second instance proceedings by ruling that Qing Dynasty Royal Herbalist shall pay TWD1.26 million in damages and be enjoined from using the Chinese characters trademark “樂氏同仁” and “樂家老舖” and also shall remove the said two marks used on its web pages, print materials, publications, advertising materials, and products.

Like many other supplier licensees of the “樂氏同仁” and “樂家老舖” marks, Qing Dynasty Royal Herbalist had been a licensee of the two marks until 2011 when its cooperation relationship with Yue’s T.R.T. changed. Yue’s T.R.T. accused Qing Dynasty Royal Herbalist of failing to follow the relevant covenants and conditions by using the “樂氏同仁” and “樂家老舖” marks on its product “Hibiscus Youthful Radiant Cream” (Chinese product name: 山芙蓉青春喚顏霜) and other sixteen products without first providing the product approval submission form and paying royalty. For Qing Dynasty Royal Herbalist’s breach, Yue’s T.R.T. issued a legal attest letter on December 14, 2011 and sent an email on December 22, 2011 to Qing Dynasty Royal Herbalist to declare termination of trademark license granted to Qing Dynasty Royal Herbalist, but Qing Dynasty Royal Herbalist ignored Yue’s T.R.T.’s notices and thus caused its trademark infringement.

Based on the fact regarding Yue’s T.R.T.’s termination of the licensing relationship with Qing Dynasty Royal Herbalist on December 14, 2011, the IP Court rendered a judgment ordering Qing Dynasty Royal Herbalist to pay TWD1.26 million to Yue’s T.R.T. after considering Qing Dynasty Royal Herbalist’s successive change of its product packaging and trademark used on its products and also the records of its royalty payments in the past years. The case is appealable. (December 2016)

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E161215Y4

04 Local company to pay damages to LV for trademark imitation

For the matter that Louis Vuitton Malletier Corporation (hereinafter “LV Corp.”) pressed charges against the Taiwan-based company, 2R International Co., Ltd. (Chinese: 二阿國際股份有限公司; hereinafter “2R International”) to claim damages over the latter’s imitation of LV Corp.’s “Epi” design mark, the Taiwan Supreme Court affirmed Taiwan IP Court’s decision that 2R International and the responsible person thereof should severally and jointly pay TWD537,200 to LV Corp. in damages and also run a notice of apology in local newspapers. This decision thus has become final with binding effects.

According to the Supreme Court’s holding, LV Corp.’s “Epi” design mark has been recognized as a well-known mark since 2010 and commonly known to consumers due to its long-term use and promotion. Engaged in the business of designing and selling leather bags, 2R International indeed infringes upon LV Corp.’s trademark right on the grounds that the 8 handbags the police seized from 2R International’s store on March 3, 2014 all carried a wave-like surface pattern apparently and clearly identical to LV Corp.’s “Epi” design mark and that the seized 8 items are the imitation of LV Corp.’s classic bag types. Besides, 2R International also violates the Fair Trade Act

by using the “Epi” mark in similar or identical way without LV Corp.’s consent or authorization and thus to cause confusion. Based on the foregoing facts, the Supreme Court affirmed and sustained the IP Court’s decision that 2R International and its responsible person should severally and jointly pay to LV Corporation TWD537,200 in damages. (December 2016)

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E161204Y2

05 Local shop owner pays TWD5.2 damages to Gucci and LV

Five luxury brand proprietors, Guccio Gucci S.P.A., Louis Vuitton Malletier, Hermes International, Christian Dior Couture, and Bottega Veneta SA sued a local leather shop owner, surnamed Liu, in Keelung, Taiwan over Liu’s sale of counterfeit branded leather bags, leather belts, and wallets bearing those proprietors’ registered marks, such as, Gucci and LV at the prices ranging from TWD3,000 to TWD20,000, and claimed damages in huge amount. The Taiwan IP Court agreed with Keelung District Court’s holding that Liu violates the Taiwan Trademark Act and should be sentenced to three months in jail and in addition thereto pay damages in an amount of TWD5.2.

The fact is that Liu had been selling counterfeit leather bags, leather belts, and wallets in his leather goods shop from May 2014 through October 7, 2014 when he was busted by the police, by which act Liu seriously prejudiced the five proprietors’ rights. Therefore, these proprietors filed a lawsuit against Liu and also claimed damages against him in an amount of TWD32.20 million.

The Keelung District Court first sentenced Liu to 3-month imprisonment for his violation of Trademark Act and then Liu unsuccessfully appealed this case to the IP Court. According to the Trademark Act, Keelung District Court decided that Liu should pay damages in the amount of TWD1.2 million to Guccio Gucci S.P.A., TWD2.3 million to Louis Vuitton Malletier, TWD840 thousand to Bottega Veneta SA, TWD160 thousand to Christian Dior Couture, and also TWD700 thousand to Hermes International, respectively. Liu was dissatisfied with Keelung District Court’s decision and thus filed an appeal against the district court judgment to the IP Court.

According to the IP Court’s holding, the five proprietors had been demanding in the district court and appellate proceedings that the claimable damages should be calculated by the average retail unit price of the infringing products, instead of the aggregate amount of the unit prices of the seized infringing products, and the calculation selected by the proprietors was more favorable to Liu. Therefore, the IP Court determined that the damages should be calculated by taking the average amount of the aggregate amount of the unit prices of the seized infringing products to be multiplied by a multiplier between 20 to 250 and thus dismissed Liu’s appeal, and also set the claimable damages at TWD5.2 million. This case is still appealable. (December 2016)

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06 Association of Corporation Patent Executives and AsiaIPEX ink MOU

Association of Corporate Patent Executives and Asia IP Exchange (AsiaIPEX) signed the MOU on strategic cooperation on December 2, 2016 to introduce

Taiwanese patents to the world.

As the secretary general of the Association of Corporate Patent Executives indicated, Taiwan's technology industry has been confronting the trend of industrial upgrading and transformation. To cope with such a trend, Taiwanese enterprises should set about selling their unnecessary and outdated patents to others as the cost and expenses for maintaining their patents must arise proportionately with the number of patents they have been holding. The other method of converting patents into cash is licensing, which is now comparatively less operable by most Taiwanese enterprises in the technology industry.

Outdated patents, however, are not going begging. According to the secretary general, future technologies are always the final destination of a lot of enterprises, while outdated patents are the process. The fact is that outdated patents are inviting to many Chinese buyers who are able to assist in eliminating outdated and unnecessary patents. That is why the Association of Corporate Patent Executives chooses to be part of the Asia IP Exchange platform to facilitate patent trading.

Asia IP Exchange is an online intellectual properties trading platform and database and has been officially launched since the end of 2013 with an aim to facilitate international IP trade and connect IP players globally. AsiaIPEX has more than 30 partners around the world and features more than 27,000 tradable IP listings including patents, copyrights, and trademarks.

In addition to the Association of Corporate Patent Executives, in the ceremony for the MOU inking, Asia IPEX also signed cooperative agreements with British Columbia Institute of Technology and Okinawa Japan Institute of Invention and Innovation to enhance IP information exchanges between the industry and the academia. (December 2016)

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