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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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01 2016 Taiwan IPO statistics of top 100 patent applicants

Taiwan IPO published the list of top 100 patent applicants for 2016. Among the domestic corporate applicants, TSMC (Taiwan Semiconductor Manufacturing Company Limited) has been implemented more active and constructive patent mapping since it broke into the list of top 10 patent applicants in 2013, and thus surpassed Hon Hai Precision Industry Co., Ltd. to top the ranking with 873 patent applications, followed by ITRI (Industrial Technology Research Institute) that contributed 468 applications in 2016. Always sticking to the No. 1 position, Hon Hai Precision Industry Co., Ltd., however, fell to No. 3 by filing a total of 400 patent applications. As for foreign corporate applicants, Intel led in the list to file most patent applications (905 applications) in 2016. US-based Qualcomm had filed 616 patent applications in Taiwan in 2016 to jump from No. 13 in 2015 to No. 2 in 2016, followed by Japan-based Semiconductor Energy Laboratory at No. 3 with 470 applications.

Observations on the overall invention applications filed by major corporate applicants of all industries are provided below.

1. In semiconductor industry, TSMC used utmost efforts to rise and catch up with Intel by filing a total of 873 applications, close to Intel's 905 applications, which represents a prominent increase by 74% for TSMC. Such progress also occurred to Samsung by 30% with 252 applications.
2. In the panel industry, LG Display saw its growth of 88% with 98 applications, while Samsung contributed its 88 applications. AUO (AU Optronics Corp.) accounted for 268 applications, and Innolux Corporation, 56 applications.
3. Recession took place in the mobile device industry. Apple Inc. filed only 99 applications, and HTC filed 81 applications.
4. The industry of financial technology had performance nearly the same with that of 2015 with Alibaba Group filing 111 application and Chunghwa Telecom, 160 applications.
5. In the robot industry, 14 applications were contributed by Nidec Sankyo Corporation and 33 applications, by HIWIN Technologies Corp. (February 2017)

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02 IP Court sustains distinctiveness of Chinese character mark "推推指"

Marilyn International Co., Ltd. ("Marilyn") filed an invalidation with the Taiwan IPO against the registration of Venus' Secret Company Limited's ("Venus") three-Chinese character mark 推推指 (the "mark in dispute") on the ground that the mark in dispute is a descriptive mark, not suggestive mark and it is not distinctive, and therefore, the Taiwan IPO should invalidate its registration. The Taiwan IPO examined Marilyn's invalidation request and decided to overrule the request. Thus, Marilyn filed an administrative appeal with the Ministry of Economic Affairs but the appeal was dismissed. Marilyn thus instituted administrative proceedings with the IP Court on the same ground, claiming that the mark in dispute is similar to another three Chinese

characters combination, “推推脂” in pronunciation and appearance. Also, the two Chinese characters, “推脂” (meaning cellulite massage in Chinese language) has been commonly used in beauty industry. In view of the foregoing, Venus’s use of the mark in dispute as a trademark will affect the fair trade competition on market.

According to the IP Court judgment, consisting of three Chinese characters, “推”, “推”, and “指”, the mark in dispute is not an inherent vocabulary and one cannot consult a dictionary for its meaning. Moreover, as Chinese language is ideographic, every Chinese character has its own meaning and may carry multiple meanings, and thus combination of Chinese characters will produce different meanings due to subjective understanding, if the Chinese characters combination does not form an inherent vocabulary. In case of the two Chinese characters, “推脂” (meaning cellulite massage in Chinese language) indeed carries the meaning of “moving fat”, while the other two Chinese characters combination, “推指” may be differently interpreted as “moving fingers”. In addition, the mark in dispute, 推推指 may be interpreted as “recommending” and “moving fingers” or the first two Chinese characters may be regarded as the reduplication of the character, “推” so as to strengthen the meaning of “moving fingers”, which are different from the two Chinese characters combinations of “推指” and “推脂”.

Also as reasoned the IP Court judgment, it is the two Chinese characters combination, “推脂”, instead of “推指” or “推推指” that appears in most of the evidence produced by Marilyn, and such evidence cannot prove that the three Chinese characters combination “推推指” has been commonly used in the beauty industry nor the mark in dispute is a representation of the quality, function, or other description of shapewear. Besides, relevant service providers will not be deemed as violators of Trademark Act and as infringers by using the three-Chinese characters combination “推推指” to describe products, instead of as a mark. Therefore, the IP Court determined that the mark in dispute will not affect fair competition and thus overruled Marilyn’s institution of proceedings. (February 2017)

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03 China remains on top of the ranking of trademark applications filed in Taiwan for 2016

On February 7, 2017, the Taiwan IPO released the 2016 statistics of trademark applications filed for registration in Taiwan. For the whole year of 2016, the Taiwan IPO had received a total of 79,300 trademark applications for registration, among which 57,548 applications were filed by Taiwan nationals and 21,752, by foreign nationals, both seeing slight growth from 2015.

The top five countries (regions) from which most foreign applicants come are China (4,281 applications), taking the first place ahead of the US (3,735 applications), Japan (3,669 applications), Hong Kong (1,541 applications), and Korea (1,447 applications). For Chinese applications, there was a 9% increase, 362 applications more than those filed in 2015. The increase both in growth rate and number of applications filed brings China to the top position again and also sets a record high in the past five years. In addition, four of the top five trademark filing countries (regions) are in Asia, which shows these Asian enterprises’ active expansion of trademark portfolios in Taiwan. (February 2017)

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04 Local well-known hotel found to commit infringement

Chanyee Hotelday Co., Ltd. (Chinese: 承億文旅股份有限公司; hereinafter “Chanyee Hotelday”) runs a well-known hotel, Hotel Day Plus Teascape (Chinese: 桃城茶樣子) in Chiayi and sells the tea-leaf sets and grass/tea bath bags under a three-Chinese characters product name, “茶樣子”. By so doing, the chairman of Chanyee Hotelday, DAI Jun-Lang (Chinese: 戴俊郎; “Dai”) was sued over Trademark Act violation by the trademark proprietor, LIN Huan-Yu (Chinese: 林桓渝; hereinafter the “proprietor Lin”), who has successfully registered the three-Chinese characters mark 茶樣子 with Taiwan IPO since 2005 for use on tea-leaf products and tea-leaf wholesaling and retailing services (hereinafter the “subject mark”). Chiayi District Court found Dai not guilty in the first instance proceedings, but the IP Court reversed the decision in the second instance proceedings by sustaining the alleged infringement by Chanyee Hotelday and thus sentenced Dai to 50-day detention which may be commuted to a fine payment of TWD50,000. The IP Court judgment has become final and this case is not appealable. In the civil aspects of this case, the IP Court pointed out in the judgment that Dai and Chanyee Hotelday should severally and jointly pay TWD189,800 to proprietor Lin in damages.

As to proprietor Lin’s claim for enjoining Chanyee Hotelday from using the subject mark in hotel or restaurant services, the IP Court determined that Chanyee Hotelday’s use the device of “桃城茶樣子” is earlier than proprietor Lin’s registration of the subject mark in the category of restaurant services, and therefore, Chanyee Hotelday’s use is a bona fide one, not for improper competition. That is to say, the IP Court found Dai not guilty in this aspect. (February 2017)

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05 Taiwan comes in at No. 11 in the rankings of Economic Freedom for 2017

The Heritage Foundation and The Wall Street Journal jointly published the 2017 Index of Economic Freedom on February 15, 2017. According to this annual report, Taiwan takes the 11th place to achieve its best ever ranking out of the 180 economies assessed.

The Economic Freedom Index measures and assesses a total of 180 economies. Rounding out this year’s top 10 countries are Hong Kong (No. 1), Singapore (No. 2), New Zealand (No. 3), Switzerland (No. 4), Australia (No. 5), Estonia (No. 6), Canada (No. 7), United Arab Emirates (No. 8), Ireland (No. 9), and Chile (No. 10).

The Index of Economic Freedom measures an economy based on 12 factors which consist of four broad categories each with three sub-indexes. The four broad categories are Rule of Law (sub-indexes of property rights, government integrity, and judicial effectiveness), Size of Government (sub-indexes of government spending, tax burden, and fiscal health), Regulatory Efficiency (sub-indexes of business freedom, labor freedom, and monetary freedom), and Open Markets (sub-indexes of trade

freedom, investment freedom, and financial freedom).

According to this report, Taiwan is categorized as “mostly free” with an overall score of 76.5 points out of 100, a gain of 1.8 points from the previous year. Among the 12 benchmarks used by the Index, Taiwan performed particularly well in business freedom (scoring 93.4), government spending (scoring 89.5), property rights (scoring 86.5), trade freedom (scoring 86.2), monetary freedom (scoring 85.2), and fiscal health (scoring 83.7). Moreover, Taiwan makes substantial improvement in the sub-index of property rights (attaining a score of 86.5), up 16.5 points from 2016. (February 2017)

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