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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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E170407Y1

01 Extended grace period provisions of Taiwan Patent Act come into force since May 1, 2017

The amended provisions of Taiwan Patent Act promulgated on January 18, 2017 came into force on May 1, 2017 upon the Executive Yuan's approval. Amendments to the grace period provisions are summarized below.

1. The grace period for future invention and utility model patent applications is extended from 6 months to 12 months.
2. More lenient requirements on how the disclosure is made are provided; that is, invention applications will be eligible for the grace period as long as the disclosure thereof is made out of or not out of the applicant's intention.
3. It is no longer mandatory to claim grace period simultaneously on the date of filing.

The amended grace period provisions will be applicable to the applications filed on or after May 1, 2017. (April 2017)

/CCS

E170322Y2

02 Local cosmetics company to pay damages for unauthorized use of registered trademark

Cryolite Inc. (Chinese: 勇兆國際有限公司; hereinafter "Cryolite") has obtained authorization from Switzerland-based Cryolab S.A. ("Cryolab") as a general agent in Taiwan for Cryolab's beauty care and cosmetic products under the **CRYOS** mark since 1995 and also has successfully registered the two-Chinese characters mark "冰晶" with Taiwan IPO (hereinafter the "冰晶 mark"). Cryolite, however, found in 2015 that First Cosmetics Manufacture Co., Ltd. (hereinafter "First Cosmetics Manufacture") used the 冰晶 mark without due authorization and thus brought a suit against First Cosmetics Manufacture.

Based on the fact that the 冰晶 mark has acquired high distinctiveness as a well-known trademark in the beauty and cosmetics industry of Taiwan and with its legal rights in and to the 冰晶 mark, Cryolite claimed that there is a likelihood of consumers confusion caused by First Cosmetics Manufacture's use of the 冰晶 mark on the Internet and paying to buy the two trademarked Chinese characters, "冰晶" as keywords at Yahoo and thus to cause its web page to be the most visited site.

First Cosmetics Manufacture denied the trademark infringement alleged against it by arguing that its products are clearly labeled "de" without carrying the Chinese characters "冰晶" as a mark.

The IP Court decided on this dispute in favor of Cryolite to sustain First Cosmetics Manufacture's offenses of trademark infringement and taking a free ride on Cryolite's goodwill on the ground that the 冰晶 mark has its distinctiveness. Thus, First Cosmetics Manufacture and its responsible person should pay TWD17,732,386 in damages to Cryolite. (March 2017)

/CCS

E170316Y2

E170315Y2

03 Alibaba wins trademark case against O'Pay over mark similarity

Alibaba Group (hereinafter "Alibaba") filed invalidation with Taiwan IPO against O'Pay Electronic Payment Co., Ltd.'s (hereinafter "O'Pay") **ALL PAY ALL** 付寶 and device mark (hereinafter the "mark in dispute") on the ground that the mark in dispute is similar to Alibaba's 支付宝 **Alipay.com** & device and **ALI PAY** mark (hereinafter "Alibaba's marks") but the invalidation was not sustained. Alibaba thus filed an administrative appeal with the Ministry of Economic Affairs (MOEA), and MOEA vacated Taiwan IPO's disposition and sustained the similarity between the mark in dispute and Alibaba's marks and recognized the trademark fame of Alibaba's marks. O'Pay took its turn to institute an administrative lawsuit on this matter and the Taiwan IP Court dismissed the lawsuit on the same ground given by the MOEA.

According to the IP Court judgment, the mark in dispute consists of two parts of "ALL PAY" and "ALL 付寶 & device" from the top down with "ALL PAY" and "ALL 付寶" appearing to be the main part at the sight of the mark, and the two main parts are similar to Alibaba's 支付宝 Alipay.com & device and ALI PAY mark. Besides, the IP Court held that the combination of two Chinese characters, "付寶" does not form an inherent vocabulary nor carry the meaning of "payment" in Chinese language, and therefore, it has its inherent distinctiveness for being used in electronic commercial platform, online shopping, and online shopping search services. O'Pay's argument is inadmissible that the combination of two Chinese characters "付寶" carries the meaning of payment and it is a general term with little distinctiveness for use on third-party payment platform.

The IP Court pointed out in the judgment that the mark in dispute is likely to cause consumers confusion because it is used in the products/services identical and similar to those of Alibaba's marks and Alibaba's marks are well-known trademarks. In view of the foregoing, the IP Court determined against O'Pay that MOEA's decision is not erroneous. (March 2017)

Attorneys-at-Law /CCS

E170331Y3

E170330Y3

04 E-Lead Electronic Co., Ltd. to appeal copyright infringement case filed by Cub Elecparts Inc.

E-Lead Electronic Co., Ltd. (hereinafter "E-Lead") made an announcement on March 30, 2017 to the effect that the Taiwan IP Court has rendered a first-instance judgment on the copyright infringement lawsuit filed by Cub Elecparts Inc. (hereinafter "Cub") against E-Lead on October 20, 2015 over E-Lead's alleged infringement upon Cub's copyright in and to its machine codes by E-Lead's TPMS (tire pressure monitoring system) and programmer products, and the IP Court awarded monetary damages in an amount of TWD166,000,000 payable by E-Lead to Cub and E-Lead shall also run a notice of apology in local newspapers.

E-Lead also clarified that the products in dispute were simply provided to foreign customers for testing and they involved a declared value of around hundreds of thousands only (TWD). For avoiding further disputes, E-Lead, however, had also voluntarily recalled part of these products. The disproportionate amount of damages

caused E-Lead to appeal this case to the higher court upon its receipt of the written judgment. (March 2017)

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E170310Y5

E170303Y5

05 Taiwan earns recognition at Nano Tech 2017 for sub-nano positioning technology

Taiwan has again earned international recognition for precision technology with a breakthrough of nanotechnology. Department of Mechanical Engineering of National Taiwan University and Institute of Physics of the Academia Sinica have gained recognition at the Nano Tech 2017, the world's largest nanotechnology fair, after their 7-year cooperation in developing sub-nano positioning technology and also in commercialization with the support given by the MOST Germination Program (Ministry of Science and Technology). Following Germany, US, and Japan, Taiwan becomes the fourth country that possesses the core technology and successfully implements commercialization thereof.

The sub-nano positioning technology serves as the basis of nanotechnology and also the key to ultra-precision positioning, representing a commercial value of USD8.5 billion approximately in 2018 (TWD26 billion).

Sub-nano positioning technology has been applied to nano X-ray microscope, atomic force *microscope*, electron microscope and also to most of the experiment equipment used in the Institute of Physics, Academia Sinica. Besides, Taiwan's technology has also been used by the universities and research institutes in Germany, US, Denmark, and Japan. (March 2017)

/CCS

E170323Y6

E170322Y6

06 AIT and TECRO ink MOU on IPR Enforcement

On February 22, 2017, the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the US (TECRO) inked a "Memorandum of Understanding on IPR Enforcement" to strengthen AIT-TECRO cooperation with respect to investigation on violations of IPR laws and acts of trade fraud and also share of practices, techniques, and information in law enforcement. By signing this MOU, Taiwan and the US will implement transnational and cross-disciplinary collaboration as a significant milestone for Taiwan-US IPR cooperation for reinforcing Taiwan-US cooperation.

With the development of new technologies and the Internet, IP crimes have not only become widespread around the world but also constantly occurred in their new forms, which has posed a daunting challenge to the legal framework of IPR enforcement. The MOU will join hands to promote exchanges of law enforcement practices, information, training, and professional knowledge of combating counterfeit imported/exported products and pirated copyrighted works. In the future, the prosecutorial, the police, and the customs administration authorities, including the Department of Prosecutorial Affairs under the Ministry of Justice, the Investigation Bureau under the Ministry of Justice, the National Police Agency under the Ministry of the Interior, and the Customs Administration under the Ministry of Finance will have

more intensive cooperation with the US in regard to investigation on cross-border crimes and new patterns of crimes and share technologies and practices, so as to ultimately defeat IP crimes and construct law enforcement capability.

Taiwan has been giving weight to IPR protection. It is foreseeable that this MOU will enhance and fulfill Taiwan-US cooperation in law enforcement and further create an IPR-friendly environment favorable to industrial innovation and creative culture development. (March 2017)

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