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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 TSH Biopharm sued China Chemical & Pharmaceutical over patent infringement**

TSH Biopharm Co., Ltd. (“TSH Biopharm”) announced that on September 20, 2017 they initiated a civil action asserting patent infringement and Fair Trade Act violation against China Chemical & Pharmaceutical Co., Ltd. (“CCPC”), which is to avoid prejudice caused by CCPC’s unfair competition to their major product, the blood pressure control medicine, Amtrel tablets that involves sales of TWD2.5 hundred

million per year. CCPC responded to TSH Biopharm's accusation that neither the composition nor packaging design of their product involves the occurrence of patent infringement and Fair Trade Act violation as alleged by TSH Biopharm.

This patent infringement action has entered into judicial proceeding. As the parties to this civil action are TWSE or GTSM listed companies, this civil action has drawn much attention from the industry. (October 2017)

/CCS

E170929Y1

02 Elan Microelectronics and EETI settles patent infringement lawsuit

According to Elan Microelectronics Corp.'s ("Elan") announcement, Elan filed a patent infringement lawsuit with the Taiwan IP Court for seeking damages against eGalax_eMPIA Technology Inc. ("EETI") on June 23, 2015, claiming that EETI infringed upon Elan's Taiwanese invention patent No. I489176 titled "A screen control module of a mobile electronic device and its controller" by EETI's touch panel controller product. The two-year long lawsuit concluded with a successful settlement reached by and between Elan and EETI in writing at the Taiwan IP Court under a mutual consensus that both parties would continue their co-existence and co-prosperity status by focusing their respective product promotion and strengthening their respective global market layout. (September 2017)

/CCS

E171031Y2

03 "Guidelines for Procedural Examination on Trademark Dispute Cases" came into force on October 30, 2017

The "Guidelines for Procedural Examination on Trademark Dispute Cases" has been promulgated and come into effect since October 30, 2017.

To formulate and provide clear-cut guidelines for examining the procedural matters involved in trademark dispute cases, the Taiwan IPO enacted the "Guidelines for Procedural Examination on Trademark Dispute Cases" and made the Guidelines public on Taiwan IPO's official website on October 6, 2017, which will serve as a basis for examination on trademark dispute cases and also as reference of procedural requirements to the parties involved in trademark disputes.

The Guidelines sets forth the article contents mainly with respect to (1) indications of formality matters of a trademark dispute case, (2) indications of facts and reasons of a trademark dispute case, (3) request notice for amendment and deadline thereof, (4) request notice for defense statement and opinions, (5) reasons of request for examination suspension, (6) filing, *ex officio*, for invalidation or revocation, and (7) re-examination after revocation of original disposition. (October 2017)

/CCS

E171021Y2

04 ADDCN Technology Co., Ltd. lost administrative action for its mark "101名品會"

ADDCN Technology Co., Ltd. ("ADDCN") successfully registered its "101名品會" mark ("the subject mark") with Taiwan IPO but the registration was later opposed by

Taipei Financial Center Corporation (“FTC Corporation”). Taiwan IPO examined FTC Corporation’s opposition and held the subject mark in violation of subparagraph 11, paragraph 1 of Article 30 of the Taiwan Trademark Act and thus determined that registration of the subject mark should be revoked accordingly. ADDCN filed an administrative appeal against Taiwan IPO’s decision with the Ministry of Economic Affairs (“MOEA”) and the appeal was unsuccessful, for which ADDCN initiated an administrative lawsuit. Later, the Taiwan IP Court ruled against ADDCN and this case is appealable.

According to the IP Court judgment, FTC Corporation’s **TAIPEI101** mark, 台北 **101** mark, and **Taipei101.com** mark are well-known ones and highly distinctive. Contrary to the aforesaid three marks of FTC Corporation, ADDCN’s “101 名品會” mark as a whole has slim distinctiveness, even though it contains special design in transforming “0” of “101” into a bull’s eye. As the numbers “1”, “0”, and “1” of the combination of “101” in bold font are in equal size without any of them being emphasized, the number combination of “101” still stands out to cause the first impression on the consumers and the other three Chinese characters, “名品會” means the gathering of luxury and branded products.

Also as indicated in the IP Court judgment, the subject mark is similar to FTC Corporation’s **TAIPEI101** mark, 台北 **101** mark, and **Taipei101.com** mark in appearance, pronunciation, and concept, and thus it has high similarity with the three marks of FTC Corporation. Moreover, the subject mark’s designated products are identical or similar to those of FTC Corporation’s **TAIPEI101** mark, 台北 **101** mark, and **Taipei101.com** mark. In view of the foregoing, the IP Court ruled that the subject mark would easily cause confusion on consumers and therefore dismissed ADDCN’s action. (October 2017)

/CCS

E170930Y2

05 Taiwan Kaiser wins the trademark lawsuit filed by Hershey

The Hershey Company (“Hershey”) filed a suit against Taiwan Kaiser Foods Industrial Co., Ltd. (“Taiwan Kaiser”), alleging that Taiwan Kaiser infringed upon its **HERSHEY’s** mark and also its trademarked teardrop-shaped design by Taiwan Kaiser’s Kaiser’s chocolate products. The Taiwan IP Court decided on this case against Hershey by negating the alleged similarity between the **HERSHEY’s** mark and Taiwan Kaiser’s KAISER’S mark and KAISER mark. This case is appealable.

Hershey proved the high distinctiveness of their trademarked teardrop shape by indicating that 70% of the pictures displayed in the first page of Google’s search results, if searched by the keyword, *teardrop chocolate*, are those of Hershey’s Kisses chocolate product. Moreover, Hershey pointed out that Taiwan Kaiser caused consumers confusion by printing the device of a teardrop-shaped chocolate on its product packaging as a symbol, making the letter *K* of *KAISER’S* similar to letter *H*, and also by intentionally adding ‘s of *KAISER’S* as its suffix.

Taiwan Kaiser made their arguments that they have trademarked the KAISER’S mark and KAISER mark since 1977, and that the letter *K* of the two marks is in printed form distinguishable and different from letter *H*, and also that the English pronunciation and letter arrangement of the two marks are both different from Hershey’s **HERSHEY’s** mark. Moreover, Taiwan Kaiser added that the ‘s is not a significant basis for consumers to identify different trademarks and the teardrop shape is commonly used for chocolate products, and also that Hershey has not obtained the

3-dimensional trademark registration for the **HERSHEY's** mark both in Taiwan and the US. Based on the foregoing assertions, Taiwan Kaiser refuted the alleged trademark infringement allegation.

The IP Court overruled the alleged similarity between the **HERSHEY's** mark and Taiwan Kaiser's KAISER'S mark and KAISER mark on the grounds that 's is a non-distinctive and common possessive expression in English and that the **HERSHEY's** mark and Taiwan Kaiser's KAISER'S mark and KAISER mark are different in letter combination, pronunciation, concept, and color scheme. Moreover, the alleged consumers confusion was also negated by the IP Court by the reasoning that consumers are familiar with the KAISER'S mark and KAISER mark to a certain extent after Taiwan Kaiser's KAISER'S products have been marketed and sold for several decades and the registrations of KAISER'S mark and KAISER mark are both earlier than that of the **HERSHEY'S** mark. Based on the foregoing, the IP Court dismissed Hershey's complaint accordingly. (September 2017)

/CCS

E171027Y3

06 Copyright Act draft amendment heads to Legislative Yuan for deliberation

The Executive Yuan reviewed and approved of the draft amendment to Taiwan Copyright Act on October 26, 2017. To cope with the surging development of digital technology and the internet, Taiwan IPO has set to an overhaul of the Taiwan Copyright Act since 2010 to compile, formulate, and finalize the amendment after going through discussions, meetings, and five rounds of deliberation meetings at the Executive Yuan through these years. The proposed amendment comprises a total of 145 articles, featuring 93 amendments and 17 new articles.

Highlights of the amendment are summarized as follows.

1. Consolidation and clear-cut definitions of economic rights, such as, public broadcast, public transmission, public recitation, and public performance for adaptation to digital convergence;
2. Copyright ownership in case of works made for hire;
3. Provisions governing moral rights amended to enhance work distribution and exploitation;
4. Relevant regulations with respect to distribution right and rental right being amended more specifically for clarification and for market harmonization;
5. Adjustment of protection for performers and sound recording;
6. Amendments of restrictions on economic rights;
7. New provisions concerning compulsory licensing and registration of pledge right over copyrighted works in case of the copyright owners thereof not being identified;
8. Amendments of regulations of statutory damages;
9. Amendments of current border control measures;
10. Amendment and removal of out-of-date criminal regulations.

This amendment introduces the most drastic adjustments and changes to the Copyright Act for the past twenty years, seeking to construct a good and sound copyright legal regime, enhance copyright holder protection, deter IP infringement, reconcile social benefits and rightful use of copyrighted materials by people without concerns about infringement, step up development of Taiwan's cultural industry and creation upgrading, and ultimately to reinforce the country's overall competitiveness. (October 2017)

E171010Y3**07 Eight infringers receive jail sentences for reproducing Ju Ming's bronze sculptures**

With the appearance of counterfeit bronze sculptures of the *Taichi* series works created by the well-known Taiwanese sculptor, Ju Ming, investigation was initiated and revealed that the infringers are the coordinate suppliers and constructors who have worked with Ju Ming for a long period of time. The prosecutor indicted these infringers for their violation of Taiwan Copyright Act and the Taiwan Shilin District Court also rendered a judgment on this case.

According to the facts findings indicated in the Shilin District Court judgment, YE Rong-Jia ("Ye") had been collecting and holding Ju Ming's famous works titled "Single Whip" and "Preparation" and others. Subsequently, out of his financial difficulty, Ye made a plan to sell these works by auction. However, for owning Ju Ming's genuine works, Ye worked with SHI Jing-Wen (responsible person of artistic works company; "Shi") and TONG Wen-Yi ("Tong") and GAO Jian-Zhong ("Gao") to illegally reproduce these works and forged guaranty letter, before the auction.

The judge sustained the eight defendants' offenses of violating the Taiwan Copyright Act by reproducing and distributing counterfeit products and also the offense of forging private documents, thus sentencing Shi, Ye, Tong, and Gao to imprisonment for 3 years, 2 years, 22 months, and 18 months, respectively. Ye and Gao were granted a deferred prosecution for 5 years and 4 years, respectively. The other defendants also received jail sentence from 6 months to 18 months.

Additionally, Ju Ming also initiated an incidental civil action against these defendants. In this civil case, after assessing the prices of the counterfeit works transactions and also deducting the value of the 11 genuine pieces returned and the TWD10 million check paid by Ye during the trial proceeding, the judge determined that Ye, Shi, Tong should pay to Ju Ming TWD1.209 hundred million in damages for infringing upon Ju Ming's copyright and should also run a notice in local newspapers. (October 2017)

/CCS



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