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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 Draft amendments to Taiwan IP laws passes their initial review at Taiwan Legislative Yuan

Taiwan Legislative Yuan completed the initial review of the draft amendments to partial provisions of the Taiwan Patent Act, Taiwan Trademark Act, and Taiwan Copyright Act on April 18, 2018 to stay current with the IP-related sections and provisions of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (CPTPP).

For fitness with the amended Taiwan Pharmaceutical Affairs Act that incorporates patent linkage system, the draft amendment to Taiwan Patent Act specifies the basis for new drug approval holders to initiate a patent infringement action and also the basis for generic drug approval applicants to file for a declaratory judgment seeking no infringement confirmation.

Under the draft amendment to Taiwan Trademark Act, an infringer's "knowingly" requirement in the pre-amendment provisions is removed and replaced by "intentional" state of mind for establishing and assessing criminal punishment. Civil liability for infringement is determined by subjective assessment of intention and negligence. Moreover, with relevant provisions amended, making of counterfeit labels and packages will be subject to criminal penalties as well.

Moreover, in view of the fact that piracy nowadays no longer takes place only in the form of unauthorized copying on optical disk but also on USB, portable external hard drives, online transmission, etc., the proposed changes of Taiwan Copyright Act adjust the scope of crimes indictable without a complaint by deleting the wording of "reproduction onto an optical disk" and adding a condition that piracy in whatever form will constitute a crime indictable without a complaint as long as it is not gratuitous, a dead copy and the right holder suffers damages more than TWD1 million dollars. (April 2018)

Attorneys-at-Law /CCS

E180411Y1

02 Amendments to Regulation for Ratifying Extension of Patent Term come into force as of April 1, 2018

The Ministry of Economic Affairs announced amendments to partial articles of the "Regulation for Ratifying Extension of Patent Term" to fulfill the purpose of patent term extension and to simplify the procedures for requesting patent term extension. These amended articles have come into force since April 1, 2018. Main points of these amendments are summarized as follows.

1. With respect to a patent term extension request filed and granted in any foreign country based on the time period of clinical trials or field tests conducted in that foreign country, the pre-amendment requirement for providing relevant documents to prove that the trial or test time has been claimed and granted in that foreign country is removed (amended Article 5 and Article 7);
2. The limitation will be repealed that only the longest among the time periods taken for multiple field tests may be claimed for patent term extension if these field tests were not conducted in sequence (amended Article 6).

3. Enforcement date of the amendments shall be designated. (amended Article 10)
(April 2018)

/CCS

E180423Y2

03 DC Comics wins trademark lawsuit for GOTHAM mark

A Taiwanese lawyer, Mr. Wang successfully registered the **Gotham** mark with Taiwan IPO for use in books and periodicals, magazines, education, and scripts at the end of 2014. Mr. Wang's successful registration of the **Gotham** mark drew DC Comics' attention and caused DC Comics to file an opposition with the Taiwan IPO on the ground that the **Gotham** mark is highly similar to DC Comics' **GOTHAM** and **GOTHAM CITY** mark. Taiwan IPO rendered a disposition to not sustain DC Comics' opposition, for which DC Comics filed an administrative appeal with the Ministry of Economic Affairs but the appeal was dismissed. In this regard, DC Comics instituted administrative proceedings with the Taiwan IP Court.

According to the Taiwan IP Court, the *Batman* series comic books published by DC Comics have been copyrighted in the US and "GOTHAM CITY" is a fictitious city in the comic books. However, the word "city" is a general noun without distinctiveness required for a trademark, while "gotham" is a word created for the comic books and thus possesses distinctiveness.

Moreover, the IP Court pointed out that DC Comics has authorized Warner Bros. Entertainment Inc. to release many *Batman* motion pictures and DVDs around the world, including Taiwan. Also, the **GOTHAM** mark, **GOTHAM CITY** mark and other marks including the word "GOTHAM" have been trademarked in the US and Japan for designated use in *Batman* series comic books, movies, and peripheral products, and thus these marks are well-known marks. Besides, Mr. Wang's **Gotham** mark is highly similar to DC Comics' **GOTHAM** and **GOTHAM CITY** mark, which similarity is likely to cause consumers confusion. Based on the foregoing reasoning, the Taiwan IP Court ruled in favor of DC Comics, and hence, Taiwan IPO's disposition for DC Comics' opposition to the registration of Mr. Wang's **Gotham** mark and the Ministry of Economic Affairs' appeal decision should be vacated. Taiwan IPO should render a new disposition. This case is appealable. (April 2018)

/CCS

E180420Y2

04 Online apparel seller pays TWD800,000 for infringement upon President Being's BEING mark

President Being Corp. (hereinafter "President Being") sued Yuansu Co., Ltd. (hereinafter "Yuansu") for infringing upon its **BEING** mark by selling online yoga clothes bearing its **BEING** mark and claim for damages. The Taiwan IP Court sustained Yuansu's trademark infringement and decided that Yuansu and its responsible person shall pay TWD800,000 as damages to President Being. This case is appealable.

In addition to the successful registration of its **BEING** mark in 2008 for use on clothes and swimwear products, President Being has also requested with Taiwan IPO for using its **BEING** mark or the combination of **BEING** mark and other English words on other categories of products. As such, President Being asserted that the **BEING**

mark has been very well-known and represents a brand name commonly known in the industry.

In April 2017, however, it came to President Being's knowledge that Yuansu used the **BEING** mark without President Being's authorization, for which President Being issued a legal attest letter to demand Yuansu's cease in using the **BEING** mark. As Yuansu ignored President Being's demand, in May 2017, President Being purchased two clothes sold by Yuansu as samples, whose tags and packaging carried the **BEING** mark. Holding the samples as evidence of Yuansu's infringement, President Being filed a complaint to claim damages against Yuansu in the amount of TWD3,348,000, which is equivalent to 1500 times of the unit retail price.

Yuansu refuted the alleged confusion between President Being's **BEING** mark and the mark Yuansu uses on yoga clothes, pointing out that President Being's **BEING** mark is a word mark with only the letters "E" and "G" specifically designed and all English letters arranged horizontally. As opposed to President Being's **BEING** mark, the mark Yuansu uses is a vertical combination of the word "BEING" and a stylized mudra device (a symbolic hand gesture). Yuansu argued that they have never used the word "BEING" alone on web page or on any product, and that they used the word "BEING" to represent the spirit of yoga, and also that the mark they use is different from President Being's **BEING** mark in appearance, arrangement, word font, and concept, even though the word "BEING" is present in both marks.

According to the IP Court judgment, the constituent word "BEING" in both marks serves as a main part to make differentiation between them because Yuansu's mudra device cannot be pronounced and the **BEING** mark as a whole appears as an English word even though its letter "E" is stylized to lack a stroke. As such, it is apparent that Yuansu uses the mark comprising the word "BEING" as trademark for marketing purpose. Based on the foregoing, the IP Court established Yuansu's infringement. Moreover, in consideration of the facts that President Being failed to produce evidence to prove that the number of Yuansu's infringing products exceed 1,500 pieces and also that the low availability of President Being's **BEING** products on market which are provided only to members, rather than to all consumers, the judge held that a multiplier 1,500 for calculating claimable damages is unreasonable and TWD800,000 would be a reasonable and appropriate amount of damages calculated by a multiplier of around 400-450. (April 2018)

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