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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

Topics in this issue

E180517Y1

01 Highlights of Taiwan Patent Act amendment published by TIPO

After incorporating and integrating comments from all sectors around this country, Taiwan IPO drafted and proposed an amendment to part of the articles of Taiwan Patent Act to correspond to the relaxation of national economic laws and regulations and also to operate in coordination with relevant international regulation adjustments and further to complete examination practices of Taiwan.

Highlights of the proposed amendment are summarized below.

1. A grace period of 2 months for claiming priority is proposed in the amendment to be applicable to patent applications whose applicants unintentionally fail to claim priority in Taiwan within 12 months from the filing date(s) of their first application(s).

2. It is proposed in the amendment that a divisional application can be filed within a time period of three (3) months (extended from 1 month) from receipt of the notice of allowance no matter whether the application is granted during the preliminary examination or reexamination stage, and that the foregoing stipulation applies also to utility model and design patent applications.

3. Under this amendment, additional 2 months are allowed to reinstate the request for substantive examination of invention patent applications after lapse of the statutory 3-year time limit of request for substantive examination, provided that the applicant's failure in meeting the time limit is not an intentional one.

4. The amendment adds legal types of use of the file wrapper in connection with a laid-open or approved patent application, which are reproduction, public transmission, and translation of the file wrapper.

5. The amendment introduces provisions that if a patentee assigns the patent right in and to his/her patent after having granted a license and recorded the license with the Taiwan IPO, the assignee of the patent shall succeed to the license agreement.

6. It is proposed in the amendment that supplementary grounds or evidence shall be submitted within a statutory time limit and delayed submissions will not be examined. Also, limitations and exceptions are provided in the amendment for patentees that may request for amendment of claims during invalidation proceedings.

7. Request for post-grant amendment of a utility model patent may be filed when and only when (a) there is a pending invalidation action filed against the utility model patent, (b) a request for accessing a technical evaluation report on the utility model patent has been filed but has not been granted, and (c) a patent infringement lawsuit regarding the utility model patent is pending at court. Also, request for post-grant amendment of a utility model patent shall be subject to substantive examination.

8. The patent term of design patents is extended from 12 years to 15 years.

9. Under current Patent Act, patent files such as application documents, description, claim(s), abstract, drawing(s) shall be kept permanently while it is proposed in this amendment that the only the patent files with preservation value shall be kept permanently and the others shall be preserved for a period of no more than thirty (30) years under appropriate categories.

10. The amendment incorporates and revises other provisions to complete the legal

regime for patents.

11. The amendment also provides transitional provisions. (May 2018)

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E180530Y2

02 Taiwan IP Court finds four Chinese characters "席琳迪昂" not registrable as a trademark in a trademark dispute

A local enterprise engaged in eyeglasses business in Kaohsiung, Long Strong Development Co., Ltd. (Chinese: 創寶發展有限公司; hereinafter "Long Strong") has successfully registered the French-Canadian pop diva, Deline Dion's name, "Deline Dion" as a trademark in Taiwan, which registration cannot be cancelled because Long Strong has acquired and maintained this registration for more than five years. During year 2015, Long Strong filed another application for registering the four Chinese characters as a whole "席琳迪昂" (which is one of the Chinese transliterations of "Celine Dion") as a trademark, against which application Celine Dion filed an opposition as an intervener. Taiwan IPO examined and sustained the opposition accordingly. Long Strong, however, disagreed with Taiwan IPO's decision on the opposition and thus filed an administrative appeal which turned out unsuccessful at the Ministry of Economic Affairs, and further instituted administrative proceedings with the Taiwan IP Court. Taiwan IP Court determined that use of the four Chinese characters "席琳迪昂" as a trademark is extremely likely to cause consumers to mistakenly believe that the products under the proposed "席琳迪昂" mark is relating to Celine Dion, and therefore, made a decision against Long Strong.

Long Strong argued that as opposed to another combination of four Chinese characters, "席琳迪翁", the four Chinese characters in dispute, "席琳迪昂" is rarely used as a Chinese transliteration of Celine Dion's name and thus the similarity between "席琳迪翁" and "席琳迪昂" is exaggerated. Moreover, Long Strong maintained that there are a lot of Americans named "Celine Dion" and Long Strong has also authorized use of "Celine Dion" to the intervener, and also that the intervener should not file an opposition against the proposed trademark application for registering "席琳迪昂" as a trademark by the reason that "席琳迪昂" is one of the Chinese transliterations of Celine Dion.

The IP Court decided this case against Long Strong on the ground that (1) the singer, Celine Dion had already been a celebrity commonly known to consumers in Taiwan before the filing of the proposed registration application of "席琳迪昂", (2) "席琳迪翁" and "席琳迪昂", the two Chinese transliterations of "Celine Dion" are similar in pronunciation, which similarity actually makes no difference to the consumers in Taiwan, and both "席琳迪翁" and "席琳迪昂" would cause people to associate them with Celine Dion, and (3) Long Strong shall not take its Taiwanese registration of the English mark "Celine Dion" as a support in this matter because Celine Dion is procedurally not allowed to file for invalidation of the "Celine Dion" mark due to lapse of the time limit for filing one against the "Celine Dion" mark registration which has been maintained for over five years. (May 2018)

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E180531Y3
E180531Y4

03 Local TPMS manufacturer wins Copyright Act violation case against former employees

Taiwan-based TPMS (tire pressure monitoring system) manufacturer, Orange Electronic Co., Ltd. ("Orange Electronic") issued a public notice to the effect that their former employees who had successively resigned their jobs at Orange Electronic during September 2008 had infringed upon Orange Electronic's IP rights by incorporating and running a company engaged in the same business and products with those of Orange Electronic, holding the electronic records owned by Orange Electronic, and plagiarizing the operation manual of Orange Electronic. On October 31, 2014, Taiwan Taichung District Prosecutors Office prosecuted these employees in accordance with the 1st paragraph of Article 251 of the Code of Criminal Procedure for disclosing commercial and industrial secrets, acquiring another's electronic records without due cause, and violating the Taiwan Copyright Act. On May 29, 2018, Taiwan Taichung District Court rendered a first-instance judgment in favor of Orange Electronic. (May 2018)

/CCS

E180523Y3

04 Local online game company pays TWD840,000 damages for copyright infringement

X-Legend Entertainment Co., Ltd. (傳奇網路遊戲股份有限公司; hereinafter "X-Legend") filed a lawsuit to seek TWD6 million damages against Loftstar Interactive Entertainment Inc. (星宇互動娛樂科技股份有限公司; hereinafter "Loftstar") on the ground that there were 60 pieces of art pictures and images appearing in the online game, "Fly High女神之歌" released by Loftstar (hereinafter the "online game in dispute") were suspected of infringement. The Taiwan IP Court ruled in favor of X-Legend that Loftstar and its responsible persons, Tu, Chen, Shen shall be severally and jointly liable for damages in an amount of TWD0.84 million. This case is appealable.

According to X-Legend, Loftstar committed infringement upon two online games developed by X-Legend, "Aura Kingdom" (幻想神域) and "Dragon Slayer" (狩龍戰記) by illegally reproducing in the online game in dispute Loftstar released in June 2015 the 60 pieces of images and pictures of the scenes, architectures, and natural landscapes of the two online games. In regard to X-Legend's infringement allegation, the personnel of PalmJoys Technology Co., Ltd. (中國成都掌娛天下科技有限公司; hereinafter "PalmJoys"), the developer of the online game in dispute, admitted their illegal use of these art pictures and images. In this regard, X-Legend sought damages of TWD6 million against Loftstar, which damages sought was calculated by an least cost of TWD100,000 per picture and image incurred on the developer.

Loftstar defended itself by arguing that the allegedly infringing 3D pictures and images of fountain, stone ladder, alter, archway, and rocks are the architectures and natural landscapes commonly appearing in online games and thus lack creativity. Also, Loftstar asserted that it holds no intent and has no negligence in committing the alleged copyright infringement because Loftstar had first blocked the allegedly infringing pictures or images by black clouds in the game and further notifying PalmJoy to remove these pictures or images upon receipt of the attorney letter issued

by X-Legend. Moreover, Loftstar denied its liability by pointing out that PalmJoy should be held liable whenever any IP right dispute arises as set forth in the agency agreement signed by and between Loftstar and PalmJoy.

According to the IP Court's holding, game review was indeed conducted on the online game in dispute before release and it was also indicated in the review report that a lot of modules appearing in the online game in dispute were highly similar to that of other online games and thus needed change. The IP Court determined that Loftstar does not hold the intent for infringement because Loftstar immediately provided relevant information to the developer and requested for the developer's change and improvement upon receipt of X-Legend's letter. However, Loftstar's failure in finding out the infringing content of the online game in dispute can simply explain its failure in performing thorough inspection obligation but cannot negate Loftstar's negligence for infringement. Based on the foregoing, the IP Court sustained Loftstar's infringement upon 42 pieces of X-Legend's copyrighted pictures, and, in consideration of the degree of complexity, creativity, and difficulty of the infringed art pieces, set an appropriate damages amount at TWD20,000 for each infringed piece. (May 2018)

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E180522Y9

05 Amendment to Article 83 of Taiwan Court Organization Act passes its third reading

On May 22, 2018, the draft amendment to Article 83 of the Taiwan Court Organization Act successfully underwent its third reading at the Legislative Yuan, which amendment provides that the courts subordinate to the High Court and their respective prosecutors offices shall make public bill of indictment after a first-instance judgment has been made accessible to the public.

The Judicial Yuan explained that this amendment enables the public to have a basis to, through transparency of information, examine the facts and evidence with respect to the offense and the law provisions violated as set forth in a bill of indictment, so as to monitor prosecutor's performance of statutory obligation and prosecutorial obligation to objectivity, however, provided that a bill of indictment shall be made public after and only after the relevant first-instance judgment has been rendered in consideration of presumption of innocence and a defendant's right to a fair trial. (May 2018)

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