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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 GPI and Canon settle long-running patent infringement lawsuit in the US**

The patent infringement dispute on toner cartridge product going for more than 6 years between General Plastic Industrial Co., Ltd. (GPI) and Canon Inc. (Canon) in the U.S. District Court for the Northern Division of Georgia has finally come to a close with both parties successfully reaching a settlement. GPI agreed to pay Canon USD5.5 million as settlement amount and the settlement would proceed in accordance with relevant accounting principles. To resolve this lawsuit, GPI will be prohibited from selling the allegedly infringing toner cartridge product in the areas where Canon's technology is patented. (August 2018)

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E180829Y2

02 Famous local buffet restaurant wins trademark lawsuit

Feasttogether Group Ltd. (hereinafter “Feasttogether”) established the famous all-you-can-eat restaurant, eatogether (饗食天堂 in Chinese) in Taiwan in 2006, owning and holding the Taiwanese registration of the trademark for the restaurant, a four-character mark, “饗食天堂” (hereinafter the “subject mark”) which has been recognized as a well-known mark by the Taiwan IPO since 2013. In May 2016, a doctor, Huang successfully registered the mark “齏食天堂 Baso Café”, against which registration Feasttogether had filed an opposition and administrative appeal on the ground that the mark “齏食天堂 Baso Café” (hereinafter the “accused mark”) is similar to the subject mark, but the opposition and administrative appeal were both dismissed. Thus, Feasttogether instituted administrative proceedings with the Taiwan IP Court.

For the administrative proceedings, the IP Court sustained the similarity between the subject mark and the accused mark on the following grounds. There is a high likelihood of consumers confusion between the subject and the accused marks in Chinese-speaking countries because the two marks both consist of four Chinese characters with only one different Chinese character, that is, “饗” of the subject mark and the “齏” of the accused mark, and the other three identical Chinese characters have formed high similarity in appearance between them. In addition to the foregoing similarity in appearance, their respective pronunciation is similar as well, and therefore, the two marks are easily to cause confusion among consumers. Moreover, the two marks are similar also in concept because each of them literally conveys their respective concept of operation of food industry. The accused mark is likely to cause consumers to mistakenly believe that the restaurant run under the accused mark is a healthy version of eatogether to sell alkaline food.

The IP Court also determined that the registrant of the accused mark did not hold the bona fide intent to register the accused mark because the subject mark had already been a well-known one highly recognizable in the same industry before the accused mark’s registration. Summing up the foregoing, the IP Court rendered a judgment in favor of Feasttogether and registration of the accused mark should be revoked accordingly. This case is appealable. (August 2018)

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E180814Y3

03 Louis Vuitton Malletier wins trademark infringement lawsuit to be awarded TWD9.08 million damages

Louis Vuitton Malletier filed a lawsuit with the IP Court to claim damages of TWD30 million against a locally well-known auction group, Bang Master Group (hereinafter “Bang Master”) by the reason that Bang Master took a free ride on Louis Vuitton Malletier’s business reputation by, without Louis Vuitton Malletier’s prior consent and authorization, using Louis Vuitton Malletier’s photographic works and LV mark in the books and teaching materials published by Bang Master and also posters; even the drawing of LV bags appeared on the doors of Bang Master’s stores. The IP Court sustained Bang Master’s infringement upon Louis Vuitton Malletier’s trademark right and copyright and thus awarded damages of TWD9,080,000 to Louis Vuitton Malletier. The awarded damages are payable by Bang Master and its responsible person, LI Zheng-Bang, etc..

According to Louis Vuitton Malletier, Bang Master, without the Louis Vuitton Malletier's prior consent and authorization, used Louis Vuitton Malletier's photographic works of its LV products and LV mark in Bang Master's books, promotional posters for the auction, teaching materials, advertising cards, and also its storefront door.

Bang Master's responsible person, LI Zheng-Bang defended himself by saying that it is impossible for him, as a responsible person, to personally take care of every single matter of his company nor instruct any employee to use the pictures of LV products. He also maintained that anyone can take pictures of the arrangement and decoration of LV stores and bags. In addition, the books he published are to help people on how to identify counterfeit LV products, which only brings benefits to LV products, not infringement. LI Zheng-Bang denied the unauthorized mark use alleged against him.

The IP Court determined that Bang Master infringed upon Louis Vuitton Malletier's copyright and trademark right and rendered a judgment against Bang Master. This case is appealable. (August 2018)

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E180810Y4

04 Taiwan FTC and Qualcomm settle antitrust lawsuit

The Taiwan Fair Trade Commission (TFTC) issued a press release to the effect that they reached a settlement with Qualcomm Incorporated (Qualcomm), the world's largest mobile phone chip supplier, in regard to the TFTC decision under Kung Chu Zi No. 106094 dated October 20, 2017 on the dispute over patent rights exercise (hereinafter "TFTC Decision").

According to the settlement terms, Qualcomm agrees to make behavioral commitments to domestic mobile phone manufacturers and chip suppliers and also to submit periodical progress reports to the TFTC. Also, Qualcomm promises to not contest the TWD2.73 billion it has paid and to implement a five-year industrial investment plan in Taiwan. More detailed information concerning this settlement is provided below.

1. According to the TFTC, Qualcomm agrees to comply with and carry out the behavioral commitments in regard to cellular standard essential patents licensing (hereinafter "Cellular SEPs") to Taiwanese mobile phone manufacturers and other commitments when it plans to license Cellular SEPs to Taiwanese chip suppliers, which is sufficient to eliminate the concerns about Qualcomm's anti-competitive practices by its SEP licensing as stated in the TFTC Decision.

(1) Renegotiation of the license terms in good faith

Qualcomm commits to reinstate negotiation in good faith over the terms of the patent license agreement to be signed by and between a licensed Taiwanese mobile phone manufacturer and Qualcomm if the licensed Taiwanese manufacturer finds any coercive or unreasonable terms in that agreement, and the licensed Taiwanese manufacturer and Qualcomm may negotiate to have their dispute involving the renegotiated terms resolved through other neutral procedures, such as court proceedings or arbitration.

(2) No termination of chip supply during negotiation

Qualcomm agrees that it will not terminate or threaten to terminate supply of cellular modem chips to the licensed Taiwanese manufacturer during the process of renegotiation or dispute resolution if the licensed manufacturer continues performing its obligations under the supply and licensing agreement and acts in good faith in renegotiations.

(3) No discriminatory treatment with respect to licensing of cellular SEPs

Qualcomm commits to equally treat Taiwanese mobile phone manufacturers and non-Taiwanese mobile phone manufacturers in a non-discriminatory manner in regard to its Cellular SEPs licensing program.

(4) Treatment of Taiwanese chip suppliers

Qualcomm agrees to offer an agreement upon a Taiwanese chip supplier's request, which agreement shall provide that Qualcomm shall not initiate any action against the Taiwanese chip supplier with respect to any Cellular SEP claim without first offering to the supplier a license to such claim on fair, reasonable, and non-discriminatory terms and conditions.

(5) No more agreements on terms of rebates for exclusive dealings

Qualcomm commits that in its chip supply agreements signed with chip customers, there will be no such provisions as providing that the customer should agree to use Qualcomm's cellular modem chips exclusively in exchange for royalty rebates and that such chip customer's purchase of a specific ratio of its total chip purchases from Qualcomm conditions contractual license discount or royalty rebate.

(6) Periodical reports to the TFTC on the implementation status

Qualcomm also commits that, every 6 months for a period of 5 years, it will report to the TFTC with respect to the implementation status on its behavioral commitments. Also, Qualcomm will report to the TFTC concerning the completed amendments or new agreements with Taiwanese mobile phone manufacturers or Taiwanese chip suppliers within 30 days after execution of those agreements.

The TFTC indicates that in the TFTC Decision, Qualcomm is required to commence negotiation with competing chip companies and mobile phone manufacturers in good faith and cease conducts that involve antitrust concerns after the Decision is issued. The TFTC believes that the behavioral commitments proposed by Qualcomm in this settlement are sufficient to achieve the TFTC Decision's regulatory purpose of maintaining free and fair competition.

2. According to the TFTC, the record high fine of TWD23.4 billion imposed by the TFTC's antitrust ruling dropped to TWD2.7 billion in exchange for Qualcomm's 5-year industrial investments plan in Taiwan, which investments include 5G collaborations, new market expansion, start-up and university collaborations, and establishment of a Taiwanese center for operations and manufacturing engineering. In addition, Qualcomm will work closely with the TFTC, the MOEA, the MOST, and other agencies of Taiwan to put into effect the aforesaid commercial initiatives and investments plan. The TFTC foresees that Qualcomm's investments will benefit and enhance the overall economic interests and public welfare in the aspects of the semiconductor, cellular communication, and 5G technology development of Taiwan.

After comprehensive consideration, the TFTC has resolved and passed this antitrust case by its Commissioners' Meeting on August 8, 2018 and reached the first-ever litigation settlement for public welfare with Qualcomm at the IP Court on August 9, 2018. Accordingly, the TFTC Decision is replaced with the settlement. The TFTC expects that this case would not only effectively build a fair competition environment for the cellular communication industry but also bring positive influence on the semiconductor, cellular communication and 5G technology in Taiwan. (August 2018)

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E180804Y5

05 Taiwan National Tsing Hua University develops hydrogen generation with non-toxic semiconducting polymer dots

The team of Taiwan National Tsing Hua University's Department of Chemical Engineering (hereinafter "NTHU team"), led by the assistant professor, CHOU Ho-Hsiu, has developed a hydrogen generation technique that uses visible light and non-toxic "semiconducting polymer dots" (Pdots) to turn hydrogen into an energy source. The team has been planning to patent this technique in Taiwan and the US and also published their findings in the journal *ACS Catalysis* in July.

Hydrogen generation techniques in the past used transition metals as cocatalysts to enhance efficiency but also produced toxic elements in the process. Now, semiconducting polymer dots can increase efficiency without releasing toxic elements, team member CHANG Chih-Li explained.

The team designs cycloplatinated polymer dots, introducing metal cocatalysts into polymer dots that are of low toxicity to overcome the problem that use of cocatalysts would increase toxicity and toxic cocatalysts cannot be recycled. Also, polymer dots can be recycled and reused to become part of circular economy and they can also be applied in the production of hydrogen through electrolysis of water or by using inorganic compounds, CHOU Ho-Hsiu added. Countries around the world, including the US, Japan, Germany, and China, have been planning and developing domestic research on the use of hydrogen to gradually replace gas and oil with hydrogen so as to push all industries forward; hydrogen generation has been elevated to the level of national resource strategy. Now with NTHU team's findings, Taiwan will have a standing to vie with other countries in the future global competition for hydrogen energy. (August 2018)

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