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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 Executive Yuan approves draft amendment to partial provisions of the Taiwan Patent Act

In response to the relaxation of domestic economic laws and rules and the international regulation adjustments and also for completing and integrating patent examination practices, the Executive Yuan approved the draft amendment to partial provisions of the Taiwan Patent Act on December 27, 2018. The amendment will further be submitted to the Legislative Yuan for review and deliberation.

This amendment comprises 17 provisions with respect to relaxation of the time limit and applicable scope for filing a divisional application, acceleration of invalidation proceedings examination, time limit for post-grant amendments of utility model patent, extension of duration term of design patents, time period of patent files preservation, other provisions to complete the legal regime for patents, and transitional provisions. Among those amended provisions, the extended patent term of a design patent from 12 to 15 years will enhance industrial development in Taiwan. (December 2018)

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E181228Y2

02 Pacific Sogo Department Stores wins trademark infringement lawsuit

Pacific Department Store Co., Ltd. (Chinese: 豐洋興業股份有限公司; hereinafter "Pacific Department Store") (incorporated by Pacific Construction Co., Ltd.) sued the chairperson and president of Pacific SOGO Department Stores Co., Ltd. (hereinafter "Pacific SOGO Department") over illegally use of the "太平洋 SOGO" device mark. This trademark dispute arose as a result of The Far Eastern Group's ownership acquisition of Pacific SOGO Department (jointly incorporated by Pacific Construction Co., Ltd. and Sogo Co., Ltd. in Japan, now renamed as "Far Eastern Sogo" without changing the original company name). The prosecutor brought an indictment in this case and Taipei District Court found Pacific SOGO's chairperson and president not guilty in December 2018.

According to the prosecutor's indictment, Pacific Department Store had filed invalidation with Taiwan IPO against the registration of the "太平洋 SOGO" device mark held and owned by Japan-based Sogo Co., Ltd. and this invalidation requested turned out successful when Taiwan IPO cancelled the registration of the "太平洋 SOGO" device mark for the designated services of "department stores, supermarkets, and shopping malls" on October 9, 2014 by reason that the "太平洋 SOGO" device mark was similar to the "太平洋 PACIFIC" mark. The invalidation decision was also affirmed and sustained by the Ministry of Economic Affairs by an administrative decision on July 13, 2015. In this regard, Pacific SOGO Department's chairperson and president, with the knowledge that the registration of "太平洋 SOGO" device mark for certain designated services had been cancelled, still had knowingly continued using the "太平洋 SOGO" device mark on signboards, advertising materials, receipts, shopping bags, company website, etc. since July 2015, for which the prosecutor determined that Pacific SOGO Department's chairperson and president were suspected of violating the Taiwan Trademark Act.

This trademark dispute was further brought to the Taipei District Court. The Court decided that use of the "太平洋 SOGO" device mark by Pacific SOGO Department's

chairperson and president constituted bona fide prior use and the chairperson and president did not have the intent for unfair competition that would cause confusion on consumers on the ground that Pacific SOGO Department has already used the “太平洋 SOGO” device mark on signboards as its business representation for thirty years early since 1987 and its use of the “太平洋 SOGO” device mark is 10 years earlier than the application date for the “太平洋 PACIFIC” mark, and also that the “太平洋 SOGO” device mark is more famous than the “太平洋 PACIFIC” mark.

Besides, after the cancellation of the registration of the “太平洋SOGO” device mark for certain designated services, Sogo Co., Ltd. had also sought remedies through administrative proceedings which were concluded in March 2017. Pacific SOGO Department also decided to rebrand by replacing the three Chinese characters “太平洋” (*pacific*) with “遠東” (*far eastern*) in all external representations and also to rename itself as “遠東SOGO” overall in September 2017. According to the above reasoning, Taipei District Court ruled that Pacific SOGO Department’s chairperson and president do not hold the intent for trademark infringement and thus found them not guilty. (December 2018)

/CCS

E181220Y2

03 Airbnb host pays TWD1.79 million in damages to Eslite Corporation for using the two Chinese characters “誠品” in Airbnb advertisement

An Airbnb host surnamed Jian (hereinafter “Jian”) posted advertisements on Airbnb lodging website for renting out his properties for temporary accommodation rental. The advertisements contained such descriptions as “ModernHome 誠品生活寓所 Eslite Life Residence”, “ModernHome 東區誠品寓所 DongQu Eslite Residence”, and “ModernHome 誠品書店寓所 Eslite Bookstore Abode”. In July 2017, the advertising contents drew Eslite Corporation’s attention and caused a lawsuit filed by Eslite Corporation asserting trademark infringement against Jian with the Taiwan IP Court. Recently, the IP Court rendered a judgment to the effect that the Airbnb host, Jian infringed upon Eslite Corporation’s trademark right and should pay to Eslite Corporation TWD1.79 million and more in damages.

Eslite Corporation explained that they filed a lawsuit against Jian because Jian took a free ride on the results of Eslite Corporation’s business efforts and goodwill and thus caused Eslite Corporation’s damages by knowingly using Eslite Corporation’s “誠品” mark and “誠品行旅eslite hotel” mark without Eslite Corporation’s prior consent and authorization for his services of “homestay, hotels, temporary accommodation rental” under the knowledge that the “誠品” mark and “誠品行旅eslite hotel” mark represent Eslite Corporation’s brand and are well-known trademarks owned by Eslite Corporation.

Jian made defensive arguments that the two Chinese characters he used “誠品” are simplified Chinese characters and thus are different from Eslite Corporation’s “誠品” mark and “誠品行旅 eslite hotel” mark. He also asserted that these advertising descriptions contained in his advertisements form descriptive fair use because his properties to be rented are located near Renai Roundabout and Eslite Bookstore, Dunnan branch and thus these descriptions that contain the Chinese characters “誠品” are simply to indicate the geographical location of his three properties.

The IP Court ruled that the two Chinese characters “誠品” and the English word, “Eslite” Jian used constitute similarity with Eslite Corporation’s “誠品” mark and “誠品行旅eslite hotel” mark and are identical with the two marks in pronunciation and concept, and also that Jian used the two Chinese characters “誠品” and the English word, “Eslite” in the service category of “homestay, hotel, temporary accommodation rental” which is identical to the designated service category of Eslite Corporation’s two marks. In view of the foregoing, the IP Court decided that the two Chinese characters “誠品” and the English word, “Eslite” Jian used have caused consumer confusion and thus Jian has infringed upon Eslite Corporation’s trademark right, for which Jian should pay to Eslite Corporation TWD1.79 million and more in damages. This case is appealable. (December 2018)

/CCS

E181227Y4

04 RT-Mart defeated in administrative proceedings for violation of Fair Trade Act

On February 23, 2018, RT-Mart, famous hypermarket chain in Taiwan, released a message indicating a price hike of toilet paper to the press through emails and Line groups. The Taiwan FTC (Fair Trade Commission, hereinafter the “Taiwan FTC”) ruled that RT-Mart violated Article 25 of the Taiwan Fair Trade Act by the act of false promotion through press release and thus should be imposed with an administrative fine of TWD3.5 million. RT-Mart opposed the fine by instituting administrative proceedings which was later dismissed by Taipei High Administrative Court. This administrative case is appealable.

Taipei High Administrative Court rendered a judgment to the effect that RT-Mart held an intent to mislead consumers through false promotion measures on the ground that RT-Mart issued a press release indicating a 30% increase in the prices of toilet paper products without confirming the exact margin of increase and the exact time of price adjustment, and also presented a sales promotion project for toilet paper products.

As reasoned by the Taipei High Administrative Court, RT-Mart’s press release indeed affected the trading order of the market for toilet paper products, and therefore, Taipei High Administrative Court affirmed Taiwan FTC’s disposition and the decision of administrative appeal by dismissing the administrative proceedings initiated by RT-Mart. (December 2018)

/CCS

E181206Y5

05 National Tsing Hua University develops nanoantenna to boost efficiency of generating clean hydrogen energy

The research team led by Prof. YEN Da-Jen of the Department of Materials Science and Engineering of Taiwan’s National Tsing Hua University breaks through the low-efficiency limitation of water splitting by using a plasmonic nano-antenna combined with bilayer molybdenum disulfide (MoS₂) to enhance the efficiency of hydrogen production by nearly 30 times. The fruitful research findings of the team were published in the top journal *Advanced Energy Materials* and featured on the cover thereof.

According to Prof. Yen, there are two key factors of elevating the efficiency of hydrogen evolution. One of the two key factors is that nanoantenna will produce a super strong plasmon with a quadrupole resonance after being optimized, and the other is that large surface-area of molybdenum disulfide makes the aforesaid method more commercially viable. The research findings will be applied for commercial production and further for green energy industry. (December 2018)

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