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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 Taiwan IPO and JPO ink MOU on Patent Prosecution Highway

On October 30, 2019, Taiwan-Japan Relations Association and Japan-Taiwan Exchange Association signed an MOU on Patent Prosecution Highway (PPH), through which Taiwan IPO and the JPO will cooperate to provide more efficient and convenient patent examination services to applicants.

Ever since May 2012, Taiwan IPO and JPO has launched the PPH pilot program and modified the program to the PPH MOTTAINAI in 2014 and further extended the trial program for three years in 2017. More than the applications filed under the other PPH programs Taiwan IPO is currently working with, there have been 3,426 requests filed for the expedited examination under the PPH program with the JPO until September 2019. Under the PPH program with Japan, the average first OA pendency is 1.21 months, while the average disposal time is 3.77 months. Also in view of the excellent performance of the PPH program, Taiwan IPO and the JPO both agree to start a permanent program on May 1, 2020 upon expiration of the pilot program so as to continue providing applicants with stable and convenient PPH services. (October 2019)

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02 Taiwan IPO and JPO sign MOU on design patent priority document exchange

Taiwan-Japan Relations Association and Japan-Taiwan Exchange Association signed an MOU for electronic exchange of priority documents for design patent on October 30, 2019. This is an extension of the MOU inked in 2013 on PDX for invention and utility model patent applications (priority document exchange) between Taiwan and Japan, which has been widely used by both Taiwanese and Japanese applicants and now is extended in its scope of application to design patent applications as well, so as to save applicants' time in paperwork mailing, simplify cross-country application procedures, and also to make the priority documents exchange mechanism more complete and comprehensive. Once the mechanism has been fully and thoroughly developed and tested, the service is expected to be officially launched in April 2021. (October 2019)

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E191028Y2

03 Local retail outlet, Poya clears trademark infringement allegation in a trademark battle against Chanel

Poya International Co., Ltd. (hereinafter "Poya"), the famous local retail outlet of cosmetics and daily necessities, had been holding a raffle as an anniversary sale event from September 3, 2015 through October 6 of the same year and the winner of the raffle could bring home a CHANEL product. Chanel filed a complaint against Poya, alleging that Poya infringed its trademark right and violated the Taiwan Fair Trade Act by using, without Chanel's consent and due authorization, the "香奈兒" mark, **CHANEL** mark, the devices thereof, and pictures of Chanel products in Poya's advertising signboards, catalogues, corporate web pages, FB fan page, and thus impeded trading order and took a free ride on Chanel's business reputation. Against Poya's foregoing activities, Chanel sought damages in an amount of TWD3 million and requested that Poya should run an apology notice in local newspapers.

The Taiwan IP Court decided in favor of Poya and negated Chanel's allegations against Poya's acts of taking a free ride on Chanel's trademarks and business reputation on the ground that the pictures used in Poya's advertising signboards and catalogues are for emphasizing the features of the anniversary sale event and Poya's advertisements did not characterize its "promotional products" as the ones of "香奈兒" mark, **CHANEL** mark. That is, consumers are able to differentiate Poya's products from Poya's gifts for the anniversary sale event. Chanel appealed this case to the Supreme Court and the Supreme Court dismissed Chanel's appeal. Hence, IP Court's decision has become final. (October 2019)

/CCS

E191028Y2

04 Grand Cosmo Resort defeated in trademark lawsuit with its mark invalidated in the first instance proceeding

Grand Cosmo Resort (Ruisui-Hualien) (Chinese: 瑞穗春天國際觀光酒店; hereinafter "Grand Cosmo Resort") litigated its trademark, 瑞穗春天國際 **GRAND COSMOS SPA** and device (hereinafter the "mark in dispute"), whose registration was invalidated by Taiwan IPO on the ground that the mark is similar to the Chinese character mark "春天" (literally meaning "spring" in Chinese) owned by Spring City Resort (Chinese: 北投春天酒店). Dissatisfied with Taiwan IPO's invalidation decision, Grand Cosmo Resort initiated administrative proceedings with the IP Court and still lost the administrative proceedings in the first instance proceedings because the IP Court affirmed Taiwan IPO's decision by ruling that the mark in dispute would cause confusion on consumers. This case is appealable.

Grand Cosmo Resort asserted that the mark in dispute consists of the stylized device of rice spikes, six Chinese characters "瑞穗春天國際", and English word combination of "GRAND COSMOS SPA", a overall stylized combination of device and words that is different from Spring City Resort's two Chinese characters mark "春天". Also, Grand Cosmo Resort stressed the difference pointing out that the word part of the mark in dispute fully represents Grand Cosmo Resort being part of Cosmos Hotels & Resorts or affiliate company thereof, and thus, there would be no confusion caused on consumers. Grand Cosmo Resort also beat the alleged market overlap circumstance by pointing out the difference between Grand Cosmo Resort and Spring City Resort in target customers and mode of business operation; that is, Spring City Resort provides services of hot springs, accommodation, and private hot spring rooms in Japanese style, while Grand Cosmo Resort provides services of a combined style of southern Europe-style chateau resort.

Spring City Resort (the intervener of this case) indicated the likelihood of consumers confusion with respect to the source of Grand Cosmo Resort's services because the distinctive part of the mark in dispute is the two Chinese characters, "春天" and both Grand Cosmo Resort and Spring City Resort are hot spring hotels that provide relevant products and services. Spring City Resort also pointed out Grand Cosmo Resort's intention by explaining that Grand Cosmo Resort has also successfully registered two other trademarks, "瑞穗天成 GRAND COSMOS SPA RESORT RUISUI" and "瑞穗天成 DRAND COSMOS SPA RESORT RUISUI" but it uses only the mark in dispute for marketing purpose. Therefore, Spring City Resort requested for the court's dismissal of the proceedings commenced by Grand Cosmo Resort.

The IP Court affirmed Spring City Resort's assertion that the two Chinese characters “春天” are the most distinctive part of the mark in dispute among its other constituents, namely the stylized device of rice spikes, the Chinese characters “瑞穗”, “國際”, and the English words, “GRAND COSMOS SPA” because the other two Chinese characters “瑞穗” of the mark in dispute refers to a geographic name, Ruisui, while “國際” generally means transnational or international business, and the word “SPA” indicates the type of business. Moreover, the designated business scope of the mark in dispute includes the services of bathhouse, sauna, outdoor hot springs, massage, aromatherapy, which are mostly similar to the designated services of Spring City Resort's mark, and such similarity would indeed lead to consumers confusion. Also in view of the facts that Spring City Resort has been established since 1975 and has had its “春天” mark and “春天酒店” mark duly registered since 1988 and also that Spring City Resort had begun to use these marks for business operation before Grand Cosmo Resort filed the registration application for the mark in dispute, the IP Court decided against Grand Cosmo Resort in this trademark dispute. (October 2019)

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05 MOEA inked letters of intent with 13 foreign companies at 2019 Taiwan Business Alliance Conference

The Ministry of Economic Affairs of Taiwan (MOEA) held the 2019 Taiwan Business Alliance Conference on October 7, 2019. The 2019 Conference featured the theme of “Secure and Trustworthy” and focused on emerging business areas, such as 5G mobile telecommunications, Internet of Things (IoT), artificial intelligence (AI), big data, electric vehicles, and self-driving cars.

In the 2019 Conference, the “Economic Contribution Award for Foreign Companies in Taiwan” was presented to ten foreign companies that had been making extensive and major contributions to the economic and industrial growth and prosperity of Taiwan. In addition, a total of 13 foreign companies signed letters of intent to invest TWD32 billion over the next three years, which is expected to create around 1,345 job vacancies in Taiwan.

The 13 foreign companies that signed the letters of intent include three from the Netherlands, three from Japan, and the others from Germany, the UK, France, Switzerland, Spain, the US, and one of the target countries under The New Southbound Policy, Thailand, respectively. A breakdown of these 13 companies by category of industries shows that 4 of the 13 companies specialize in semiconductor materials and relevant equipment, 4 in renewable energy, 3 in IC design, and 2 in chemical materials. Also, these companies stress on connecting the key technologies and talents needed in Taiwan industry. With full capability of manufacturing process innovation and commercialization and also with complete industrial clusters, Taiwan also draws more investments in leading manufacturers of high-end materials and equipment.

For semiconductor equipment and materials, ASML, the world's leading giant supplier of photolithography systems for the semiconductor industry is to set up an EUV (extreme ultraviolet lithography) development center in Taiwan to bring in advanced machines, while its German peer, SÜSS establishes a coater and developer machine assembly plant in Taiwan for the first time. Moreover, the worldwide gas leader, Air Liquide Far Eastern Ltd. will put in more investment to the advanced technological materials center in Taiwan to cope with future development. With its development centering on advanced ultraviolet curing coating technology,

DSM-AGI Corporation will invest about TWD3 billion to Taiwan's Changhua Coastal Industrial Park in the following two years to bring in more patents and advanced technologies.

In the aspect of IC design, Dialog Semiconductor, one of the top ten IC designers, will invest TWD3 billion to expand the scale of its R&D center in Taiwan in the next three years to recruit more professionals of high-end R&D and work with the first-tier Taiwanese suppliers to develop advanced manufacturing process. Moreover, the worldwide leading semiconductor solutions supplier, STMicroelectronics will also expand its Taiwan R&D team.

Furthermore, in the aspect of energy transformation, the worldwide biggest sugar producer in Thailand, Mittr Phol Group, has established Formosa Sun Energy Corp. in partnership with Taiwan Solar Energy Corp., planning to put in investments in solar farms across Taiwan. Also, Japan's Sojitz Corporation is planning invest in the ground-mounted solar energy plants in Taiwan in 2020. The famous Japan-based JERA Co., Inc. is also mapping out a plan of investing around TWD10 billion in Taiwan's offshore wind power farms, solar farms, and liquefied natural gas businesses in the next three years. (October 2019)

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