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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 Semiconductor-related inventions comprise the most invention patent applications in Taiwan in 2019**

In November 2019, the Department of Statistics issued a press release pointing out that the number of invention patent applications filed in Taiwan has been climbing up for three consecutive years, and non-residents' applications accounted for around 60% of all invention applications filed in 2019, while the other 40% applications were filed by resident applicants. Japan topped the list of non-resident applicants by filing 28% of total invention applications from January through September 2019, followed by the US at No. 2 that made up about 13% of all invention applications and China at No. 3. It is noticeable that percentage of the invention patent applications filed by the US applicants saw a declining tendency, while that of the applications filed by Chinese applicants has been going up year by year.

Most of the invention patent applications were filed for the fields of semiconductor and computing technology, and those applications filed for the two fields comprised 11.1% and 9.8% of the total applications filed in 2018 in more than 4,000 cases to

surpass those filed for the field of electrical machinery, apparatus, and energy that made up 6.5% of the total invention applications to take up the 3rd place. Semiconductor, computing technology, and electrical machinery, apparatus, and energy are the fields in which Taiwanese manufacturers have been taking superior positions. By nationality of the applicants, residents' applications were filed mainly for the top three fields in the following sequence, computing technology, semiconductor, and electrical machinery, apparatus, and energy. For the applications filed by non-residents, most of Japanese and South Korea applications were filed for semiconductor, while the US applications, for digital communication and semiconductor, and those sourced from China were filed mostly for computing technology.

Moreover, the invention patent applications filed with the WIPO (World Intellectual Property Organization) can also reveal the status of every country's patent deployment and the direction of research development. In 2018, the top three technology fields in which the invention patent applications were filed are digital communication, computing technology, and electrical machinery, apparatus, and energy, while the field of semiconductor, ranking first in Taiwan, came in at 10th in the applications filed in WIPO, which reveals that worldwide applicants have different patent deployment and strategy in Taiwan and in WIPO. In addition, by nationality of applicants, U.S.-based inventors filed the greatest number of patent applications in 2018 to account for 22.2% of the total, surpassing applicants from China (21.1%), and Japan (19.6). Most of the US applications were filed for computing technology, medical technology, and digital communication. The top three technology fields of Chinese applications were digital communication, computing technology, and electrical machinery, apparatus, and energy, while the top three fields of Japanese applications were electrical machinery, apparatus, and energy, transportation, and computing technology. The foregoing indicates that the US, China, and Japan have been more active in the patent deployment in computing technology, and China and South Korea focused on digital communication instead. (November 2019)

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02 A local six-star physical checkup clinic lost a trademark dispute lawsuit to Taiwan Adventist Hospital

Xin-Yi 101 Health Management Center (Chinese: 信義 101 健康管理診所; hereinafter "Xin-Yi 101"), which is renamed from Taiwan Adventist 101 Clinic, namely "臺安 101 診所" in Chinese and has advertised itself as providing physical checkup service with six-star medical equipment, confronted Taiwan Adventist Hospital (Chinese: 臺安醫院; hereinafter "Taiwan Adventist") in court for trademark infringement dispute. The Taiwan IP Court sustained the occurrence of consumer confusion and ruled against Xin-Yi 101. This case is appealable.

Taiwan Adventist has been using its two Chinese character mark, "臺安" for more than thirty-three years ever since 1954 when Taiwan Sanatorium and Hospital was established and further renamed and reestablished as Taiwan Adventist Hospital in 1986. The two Chinese character mark, "臺安" has been duly registered in Taiwan since 2003 (hereinafter referred to as the 臺安 mark). Xin-Yi 101, however, not only used the 臺安 mark as part of its original Chinese name, "臺安 101 診所" and in its official website but also used in its business card a logo similar to that of Taiwan Adventist. Moreover, Xin-Yi 101 falsely claimed itself as a branch of Taiwan Adventist and made in its quotation sheet the designation, "基督復臨安息日會醫療財

團法人臺安 101 診所” that contained the full Chinese name of Taiwan Adventist and also the 臺安 mark. The foregoing acts of Xin-Yi 101 apparently has impaired general consumers’ rights and also Taiwan Adventist’s reputation.

Xin-Yi 101 denied the trademark infringement alleged against it, stressing that the 臺安 mark as part of its original name, 臺安 101 診所, was used with the consent of the president of Taiwan Adventist also with royalty paid. The president of Taiwan Adventist also appeared together with the vice president and other superintendents to extend congratulations when Xin-Yi 101 opened, which formed their implied consent to Xin-Yi 101’s use of the 臺安 mark.

According to the IP Court’s reasoning provided in the judgment, Xin-Yi 101 pointed out the president of Taiwan Adventist to justify its use of the 臺安 mark, but the president fully negated it and indicated that he is simply a director of Taiwan Adventist and a director has no authority to give consent nor grant authorization for trademark use. Besides, Taiwan Adventist also issued a letter to Xin-Yi 101 to assert its rights in March 2019, and in this regard, Xin-Yi 101 would have no legitimate basis to assert its bona fide use. In addition, even though Xin-Yi 101 has been renamed to remove the two Chinese characters, 臺安, it probably would change it back again. Therefore, the IP Court determined and ruled that Xin-Yi 101 shall never use any Chinese words and trademarks identical or similar to the 臺安 mark to prevent Xin-Yi’s repeated use of the 臺安 mark in the future. (November 2019)

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E191105Y2

03 Local bike manufacturer, Aster Bikes, found liable for infringement by making a false claim of co-branding with Ferrari

In 2016, Aster Bikes Technology Co., Ltd. (Chinese: 亞仕大科技股份有限公司, hereinafter “Aster Bikes”) claimed to work with the worldwide famous brand, FERRARI, to launch a co-branded bicycle to be priced at TWD288,000, but now this alleged cooperation ended up with nothing at all. With respect to Aster Bikes’ unilateral claim, Ferrari S.P.A. (hereinafter “Ferrari”) filed a lawsuit against Aster Bikes with the Taiwan IP Court, and the IP Court ruled that Aster Bikes shall be enjoined from using Ferrari’s trademarks for manufacturing, selling, or promoting its products and that Aster Bikes and responsible person thereof shall be held jointly and severally accountable for damages of TWD1 million to Ferrari. This case is appealable.

Aster Bikes asserts on its company website that the quality of their road bikes and the profession of manufacturing them have been well recognized by the worldwide well-known brands, Lamborghini and FERRARI, and in this regard, Aster Bikes are duly authorized by Lamborghini and FERRARI to manufacture co-branded AF7 road bikes. Ferrari negated such co-branding cooperation asserted by Aster Bikes.

Confronting Aster Bikes’ false assertion, Ferrari filed a lawsuit against Aster Bikes and pointed out a fact that Aster Bikes indeed had once contacted Ferrari through a cooperative Hong Kong-based company, but Ferrari also gave to the Hong Kong company its disapproval of allowing any third party to be part of a trademark licensing project. That is to say, Ferrari has never agreed to Aster Bikes’ proposed trademark licensing plan nor started any cooperation with Aster Bikes. The fact is, however, that Aster Bikes still used Ferrari’s trademark and device to manufacture bikes and also declared that they are duly authorized by Ferrari for co-branding. Apparently, Aster Bikes’ foregoing act has constituted infringement.

Aster Bikes beat the infringement alleged against it by arguing that all of their bikes carry Ferrari's anti-counterfeit labels and they indeed have paid royalty to acquire the labels.

However, both the supplier of anti-counterfeit labels and the said Hong Kong company testified that the scope of licensing to Aster Bikes is limited only to parts; that is to say, Aster Bikes can only sell parts bearing Ferrari's anti-counterfeit labels, rather than parts assembly.

In view of the foregoing, even though Aster Bikes legally acquired Ferrari's authorization in using the anti-counterfeit labels, the IP Court still sustained Aster Bikes' infringement on the ground that Aster Bikes apparently caused consumers confusion by (1) using Ferrari's anti-counterfeit labels outside the authorized scope, and (2) falsely claiming the co-branding with Ferrari for sale without clarifying that only the frames of their bike products are related to Ferrari. (November 2019)

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