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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 Sharp sues OPPO for patent infringement in Taiwan

Sharp Corporation (hereinafter “Sharp”) filed a lawsuit with Taiwan IP Court for patent infringement against the Taiwan agent of Guangdong OPPO Mobile Telecommunications Corp., Ltd. (hereinafter “OPPO”) on April 1, 2020, claiming that OPPO infringes one of its LTE patents by the smartphone OPPO sold in Taiwan and demanding that OPPO’s agent in Taiwan be enjoined from selling the infringing products.

Sharp emphasized that they have successfully obtained more than 6,000 wireless communications standard patents across more than 50 countries (regions), deploying a complete and perfect patent portfolio that serves as a major resource of expanding

Sharp's global business and patent licensing. Therefore, to protect their brand value and rights and also to safeguard their intellectual property rights from infringement, Sharp will take strict measures against any infringing acts. (April 2020)

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E200409X3

02 Taiwan CIB busts biggest and most-visited piracy website

The Telecommunications Investigation Corps under the Criminal Investigation Bureau issued a press release reporting that they have taken down the top video piracy website in Taiwan, 8maple.ru (Chinese website name: 楓林網). Two operators of the website have utilized offshore web hosting servers to upload and provide to users popular Taiwanese, Japanese, Korean, Thai, Chinese, European and American dramas, movies, and TV programs free of charge, and also made illegal advertising revenue from the click-through rate for advertisements placed on the website, for which the two operators are suspected of committing the offenses of illegal reproduction, public broadcasting, and public transmission as defined by the Copyright Act of Taiwan.

For the ultimate purpose of stemming online infringement, the Telecommunications Investigation Corps and the US' Alliance for Creativity and Entertainment and the Motion Picture Association initiate international cooperation for the first time, share intelligence, conduct investigation to gather evidence and further bring lawsuit across different jurisdictions. According to the result of investigation, the value involved in this infringement occurrence is estimated to be nearly TWD1 billion. This case has been handed over to the Taiyuan District Prosecutors Office for further investigation.

The two operators, surnamed Chen and Chuang, respectively, are identified after several months of surveillance and illicit financial flows tracking. The police have frozen and seized Chen's and Chuang's illicit money and real estate properties worth more than TWD60 million. (April 2020)

/CCS

E200428Y1

03 Taiwan-Japan permanent PPH MOTTAINAI program takes effect as of May 1, 2020

Taiwan IPO issued a press release to the effect that the PPH MOTTAINAI program between Taiwan and Japan came to an end on April 30, 2020, and in view of this program's excellent performance, the PPH MOTTAINAI program has become permanently effective since May 1, 2020 with the mutual consent from both Taiwan and Japan to continue providing stable and convenient services to the applicants of both sides.

Taiwan and Japan have been sustaining a close economic and trade relationship. Japan has always been the filing country that files the most invention patent applications in Taiwan; for example, Taiwan IPO had received a total of 13,198 applications for invention patent from Japanese applicants in 2019, and likewise, Taiwanese applicants had also filed 1,548 invention patent applications in Japan. To expedite patent examination and granting, TIPO and JPO launched the PPH pilot program on May 1, 2012 and further modified and upgraded it to the PPH MOTTAINAI program in 2014 and also extended the effective term of this program for three more years in 2017.

The request form and procedure of the permanent PPH MOTTAINAI program are now available at [Taiwan IPO's website](#) and [JPO's website](#). (April 2020)

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E200404Y2

04 Man ordered to pay damages for selling counterfeit Pokémon products online

Nintendo Co., Ltd. (hereinafter “Nintendo”) creates and develops the augmented reality (AR) mobile game, **Pokémon Go** and thus creates tremendous business opportunities. Targeting such immense business opportunity, a Taiwanese individual, surnamed Zhou, sold fake Pokémon bracelets online until the fake products were sighted in the police Internet patrol in 2018. Nintendo purchased one fake bracelet from Zhou as evidence and filed a complaint for seeking damages. This case was then brought to the IP Court, which ruled in a judgment that Zhou shall pay TWD330,000 to Nintendo as damages and the judgment has become final.

In view of the 377 pieces of counterfeit Pokémon products that have been sold by defendant Zhou, Nintendo claimed that it is reasonable to calculate the claimable damages by having the unit retail price of the counterfeit bracelet multiplied by a multiplier of 377 in consideration of the value of the infringed trademark involved in this case, the large number of the counterfeit products held and sold by Zhou, the clear facts and evidence of Zhou’s offense, and Zhou’s post-offense attitude of unrepentant insistence on no settlement of this case. The counterfeit Pokémon products infringe upon six registered trademarks and the claimable damages should be TWD1,244,100.

Defendant Zhou requested the judge to dismiss Nintendo’s complaint by alleging that he did not know the products he sold were counterfeit and that the pendants priced at TWD30 each as giveaways, in addition to the 200 pieces of Pokémon bracelets priced at TWD550 each, should not be included for damages calculation.

The IP Court held Zhou liable for the damages claimed and the awarded damages is TWD330,000, which is calculated by the unit retail price of the infringing products multiplied by a multiplier of 600 on account of the facts that a total of 300 pieces, out of the 307 pieces of counterfeit Pokémon products seized from Zhou, were sold at the price of TWD550 each during a six-month period, that Zhou has infringed upon 4 registered trademarks, that Zhou had resolutely denied the offense alleged against him, and also that Zhou failed to reach a settlement with Nintendo. (April 2020)

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E200404Y2

05 Local chain wholesale store Kuang Nan found not guilty for selling pirated UNO cards

After several years of sale of the worldwide famous card game, UNO, by Taiwan-based Kuang Nan Fashion Shop (hereinafter “Kuang Nan”) since 2012, the business director of Mattel Taiwan Corporation, the affiliate company of Mattel, Inc., which releases the UNO game cards (hereinafter referred to as “Mattel Taiwan” and “Mattel”, respectively), unexpectedly sighted pirated UNO game cards displayed for sale at a branch store of Kuang Nan in 2017, for which the business director filed a police report to assert violation of Taiwan Trademark Act and thus had the pirated products and purchase details seized. Kuang Nan’s purchasing manager, Chen claimed that he had no idea about the UNO products sold in the store being

counterfeit and that their supplier indeed signed an undertaking to prove the legality of these UNO products. This case was brought to the IP Court, which found Chen not guilty.

Mattel has registered its **UNO** mark with Taiwan IPO since June 1, 2009 with its trademark term expiring on May 31, 2019. As revealed by the purchase and sale details, Kuang Nan had purchased from Sun Up Stationery Co., Ltd. (hereinafter “Sun Up”) 78,405 packs of counterfeit UNO cards and 883 packs of counterfeit UNG cards at the unit prices of TWD24 and TWD72 per pack, respectively, and paid a total amount of TWD1,945,296 therefor, and then sold these cards at their nationwide branch stores at the prices of TWD40 and TWD90, respectively, throughout the period from September 2012 to November 2017, for which Chen was prosecuted for violating the Trademark Act of Taiwan.

According to the court’s investigation, Kuang Nan has been working with Sun Up for more than ten years. In their cooperation, Kuang Nan would always inquire about the legality of the said UNO cards before purchase and Sun Up confirmed the legality thereof and also presented an undertaking issued by its upstream supplier, Won-B Co., Ltd. to ensure the copyright of the said UNO cards. The foregoing makes Chen’s argument tenable that he did not know about the said UNO cards being counterfeit. Moreover, Chen’s ignorance of the said UNO cards being counterfeit is further sustained by the other fact that in addition to the purchase from Sun Up at the unit price of TWD24, Chen had also purchased UNO cards from another upstream supplier, Sheng Yang Stationery Gift Co., Ltd. (hereinafter “Sheng Yang”) at the price of TWD23 each pack during the period from year 2015 through year 2017. The slight unit price difference between TWD23 and TWD24 does not make it reasonable to establish a fact that Chen purchased the counterfeit UNO cards from Sun Up due to price difference.

According to the IP Court’s holding, the prosecutor shall bear the burden of proof to produce convincing and substantive evidence as to the facts of the crime charged against the defendant and the defendant bears no obligation to substantiate his/her innocence. Therefore, it is groundless to sustain Chen’s knowledge of the occurrence of trademark infringement and his continued sale of such infringing products under that knowledge. The IP Court affirms Chen’s innocence in accordance with presumption of innocence. (April 2020)

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