



Please rest assured that Taiwan IPO and our firm have been maintaining normal operation as the coronavirus pandemic spreads throughout the world.

When faced with the severe global health crisis triggered by the pandemic, please take good care of your health and stay healthy.

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-Korea permanent PPH MOTTAINAI program takes effect as of July 1, 2020**

The PPH MOTTAINAI program between Taiwan and Korea came to an end on June 30, 2020, and in view of this program's excellent performance, the PPH MOTTAINAI program has become permanently effective since July 1, 2020 with the mutual consent from both Taiwan and Korea to continue providing stable and convenient services to the applicants of both sides.

Taiwan and Korea have been sustaining a close economic and trade relationship.

Korea has been among the top four filing countries of invention patent applications filed in Taiwan for many years; for example, Taiwan IPO had received a total of 1,656 applications for invention patent from Korean applicants in 2019, and likewise, Taiwanese applicants had also filed 1,102 invention patent applications in Korea. To expedite patent examination and granting, TIPO and KIPO have launched the PPH pilot program for five years since July 1, 2015.

The request form and procedure of the permanent PPH MOTTAINAI program are now available at TIPO's website and KIPO's website. (Released 2020.06.30)

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02 Taiwan IPO publishes analysis of trademark applications and the trend in the past decade

With reference to the World Intellectual Property Indicators 2019 annually published by the WIPO IP Statistics Data Center, Taiwan IPO compiles and organizes more than 770,000 trademark applications filed throughout the past decade by the method of grouping trademark applications' designated goods or services classified by the Nice Classification into ten industry sectors and also by data cleaning and data conversion to complete and present the "Analysis of the Trend in Trademark Applications from 2010 to 2019 by Industry Sector".

In analysis of Taiwan nationals' trademark applications by a breakdown of industry sector, the top three industry sectors are the agriculture sector (which accounts for 26.3% of all applications), the business services sector (which accounts for 16.4% of all applications), and the health sector (which takes up 15.5% of all applications). The agriculture sector corresponds to Class 29 to Class 33 and Class 43 in the Nice Classification, including such goods and services as food, beverage, and catering and accommodation that are most relevant to people's daily lives and consumption. The fact that agriculture sector makes up more than one-fourth of all nationals' applications makes it clear that the catering and accommodation industry and food industry play the important and decisive role in Taiwan. Moreover, the second largest industry sector in Taiwan nationals' trademark applications is business services sector which covers commercial services of wholesaling, retailing, advertising, marketing, and import/export agency of Class 35 in the Nice Classification and also financial services of Class 36 in the Nice Classification. Class 35 also tops all of the sectors in Taiwan nationals' applications, which reveals that such commercial activities as retailing service are booming in Taiwan, while the development of financial services has also been intensifying in recent years. Furthermore, the third largest industry sector is health industry sector which corresponds to Class 3 and Class 5 in Nice Classification to covers such goods as cosmetics, cleaning products, and pharmaceuticals and medical products. It reflects that Taiwan nationals take health and beauty care so seriously that trademark applications for these products are on the rise.

As to the trademark applications filed by non-resident applicants, the top three industry sectors are the research and technology sector (which accounts for 19.1% of all applications filed by non-resident applicants), and the health sector (which makes up 17.7% of non-resident applications), and the agriculture sector (which takes up 12.4% of non-resident applications). The research and technology sector covers 3C equipments, communications transmission, scientific and technological R&D as well as legal services under Class 9, 38, 42, and 45 in Nice Classification. In addition, Japan, the U.S., and China are the top three filing countries of non-resident applications filed in Taiwan in the past decade with more than half of all applications

filed by non-resident applicants coming therefrom, which demonstrates that these countries not only compete in technological R&D field but also actively seek trademark protection as a support to their patented technologies by taking advantage of the territoriality principle of trademark protection. In this regard, Taiwan, as the hub of such high-tech industries as electronics, information, and telecommunications, is an integral and significant part of global branding strategies. Furthermore, the health sector and the agriculture sector are the second and the third highest industry sectors, respectively, of the non-residents' trademark applications. The two sectors also occupy their respective position at the third and the first for Taiwan nationals' applications. Such high ranking of the two sectors reveals the high domestic demand for the products and services of the two sectors and thus drives foreign applicants to invest in the two sectors in Taiwan as well. (Released 2020.06.29)

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E200602Y2

03 Local private educational institutes ordered to pay TWD1 million damages to National Taiwan University for trademark infringement

Taiwan's most prestigious university, National Taiwan University (hereinafter referred to as "Taiwan University") filed a trademark infringement lawsuit against two private educational institutes in Kaohsiung, Li-Kung Educational Group (hereinafter referred to as "Li-Kung") and Taida Digital Technology Education Co., Ltd. (translation of Chinese company name: 台大數位科技教育股份有限公司; hereinafter referred to as "Taida Education Company"). Without Taiwan University's authorization and consent, the two educational institutes used Taiwan University's registered Chinese character mark, "台大" and the transliterated English version, "TAIDA" mark (hereinafter collectively referred to as "Taiwan University's marks"), and also the other Chinese character combinations containing the two Chinese characters, "台大", such as, "台大數位學院" (literally meaning *Taida Digital Institute*) and "台大數位科技學院" (literally meaning *Taida Digital Technology Institute*) for their educational services provided in the institute or through e-learning platform. The Taiwan IP Court heard this case and ruled in the first instance proceedings that Li-Kung and Taida Education Company should jointly and severally pay Taiwan University TWD1 million in damages.

The IP Court sustained Li-Kung's and Taida Education Company's trademark infringement upon Taiwan University's marks based on the following reasoning and holding: The materials provided and sold by Li-Kung and Taida Education Company, such as, their online courses, handouts, and tests questions and answers are oriented to all kinds of tests and examinations, which goes against Taiwan University's purpose of education and academic research as an institute of higher education as widely recognized by consumers. Moreover, Li-Kung's and Taida Education Company's use of Taiwan University's well-known trademarks, "台大" mark and "TAIDA" mark for marketing their short-term supplementary educational courses will cause consumers to associate the quality and image represented by Taiwan University's marks with negative or depreciating concept and further to form a likelihood of diluting the distinctiveness and business reputation of Taiwan University's marks. (Released 2020.06.02)

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E200613Y4

04 Taiwan's UMC faces TWD100 million fine in trade secret theft case brought by Micron

U.S.-based memory chipmaker, Micron Technology Inc. (hereinafter "Micron") filed a lawsuit against the Taiwan-based contract chipmaker, United Microelectronics Corporation (hereinafter "UMC") in Taiwan in 2017, accusing UMC of conspiring with the Chinese state-owned Fujian Jinhua Integrated Circuit Co., Ltd. (hereinafter "Jinhua") to steal trade secrets of the DRAM process technology from Micron. Taiwan Taichung District Court has heard this case and found defendants guilty of violating Trade Secrets Act, passing the following sentences on UMC and its three former employees: Rong was sentenced to imprisonment for six years and six months and in addition thereto, a fine of TWD6 million, while Ho should receive his jail sentence of five years and six months with a fine of TWD5 million and Wang was given a jail term of four years and six months with a fine of TWD4 million; also, UMC was imposed with a fine of TWD100 million.

Micron said that it is grateful to the Taiwan Taichung District Court for rendering a guilty judgment on UMC and the three employees for their major crimes of violating the Trade Secrets Act and also to the Taiwanese court and the law enforcement authorities for their fair and pertinent handling of the criminal trade secret misappropriation case.

In response to the court decision, UMC stated that it will appeal the guilty judgment and the heavy penalty and also pointed out many disputable issues and flaws in the investigation process and hearing procedure in violation of the Code of Criminal Procedure. UMC also stressed that it did not violate the Trade Secrets Act because the DRAM process technology involved in the lawsuit was developed by UMC's 300 engineers for more than two years based on UMC's own technology, and UMC has also kept relevant R&D records as evidence. (Released 2020.06.13)

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E200707Y8

05 Taiwan's integrated circuit products exports reaches USD10 billion in June 2020

Ministry of Finance of Taiwan released the statistics of imports and exports for the period from January through June 2020, which reveals that Taiwan fared best among the Four Asian Tigers to be the only country among the four that experienced growth during that period. Taiwan outshined the other countries by its brilliant performance in exports of technological products, including electronic components products and information, communication and audiovisual products, the growth that canceled out the impact caused by the traditional industries and further curbed the heavy slump in export. Electronic components products and information, communication *and* audiovisual products are the two leading categories of exported commodities that reached their respective record high in export scale of the same period and saw their respective upward change rate at 20.2% and 10.3%. Also, the export amounts of the two categories of products made up 52.1% of the total amounts of exports, which also hits their record high in the same period.

It is noteworthy that the exports of electronic components products for June 2020 amounted to USD11.18 billion (its monthly record high), forming a 23.9% surge from last June and also a two-digit growth for seven consecutive months (excluding the time period of Lunar New Year). Among electronic components products, integrated circuit products post the strongest growth with exports of USD10.25 to

demonstrate a 27.4% growth compared with the same month of 2019. Likewise, the same robust demand appeared for information, communication and audiovisual products, which was fueled by the stay-at-home economy, growing 13.8% to USD4.02 billion compared with the same month of 2019. (Released 2020.07.07)

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E200616Y8

06 Asia-Pacific headquarters of Bosch eBike Systems opens in Taichung, Taiwan

Taking into account and targeting the predominance of the manufacturing industry chains of Taiwan's bicycle sector, Robert Bosch GmbH (hereinafter "Bosch") establishes its eBike Systems Asia Pacific headquarters in Taichung, Taiwan, which was officially inaugurated on June 16, 2020.

According to the vice president and general manager of Bosch eBike Systems Asia Pacific, Taiwan has been taking a leading position in the industry, and Taichung, in particular, has its own important and complete bicycle industry clusters. Also, a vast number of ebikes are manufactured and assembled in Taiwan. In consideration of the foregoing facts, Bosch thinks it important to be where their customers and partners are, and it is also vital for Bosch to have a base in Taiwan to expand its presence in the ebikes market in Asia.

The Director-General of the Department of Investment Services, the Ministry of Economic Affairs indicated that the China-U.S. trade war has forced a lot of companies around the world to adjust their strategies and arrangements. Taiwan, with its rich talent pool, robust industrial strength, and a strong commitment to intellectual property protection, is an ideal partner to companies worldwide for restructuring industrial supply chains. Bosch has been putting in investments in Taiwan for years by introducing advanced technologies and services into Taiwan, which signals a strong vote of confidence in Taiwan's industrial strength and capabilities and investment environment from foreign investors. It can be expected that a new chapter of Taiwan's bicycle sector is about to begin with the connection and combination between the working of Bosch eBike Systems' Asia Pacific headquarters opening in Taiwan and the manufacturing superiority of Taiwan's supply chains of bicycle components and accessories, frame manufacturers, and assemblers. (Released 2020.06.16)

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台灣國際專利法律事務所

TAIPEI MAIN OFFICE
7th Floor We Sheng Building,
No.125, Nanking East Rd. Sec.2,
P.O.BOX 39-243, Taipei 10409, Taiwan
Tel: 886-2-2507-2811 • Fax: 886-2-2508-3711
E-mail: tiplo@tiplo.com.tw
Website: www.tiplo.com.tw

TOKYO LIAISON OFFICE
No.506 Lions Mansion ,
13-11, Shinjuku 2-Chome,
Shinjuku-ku, Tokyo 160-0022, Japan
Tel: 81-3-3354-3033 • Fax: 81-3-3354-3010