



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**

**AUGUST 2020 (E249)**

*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](http://www.tiplo.com.tw)*

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## **E200714Y1**

### **01 Everlight Electronics wins patent validity lawsuit against Seoul Semiconductor**

Everlight Electronics Co., Ltd. (hereinafter referred to as “Everlight”) and Epileds Technologies, Inc. (hereinafter referred to as “Epileds”) establish the patent litigation strategy alliance, and on March 14, 2018, filed a patent lawsuit with the German Federal Patent Court to challenge the validity of all claims of the European patent EP1697983 (German patent DE60341314.5) (hereinafter referred to the “patent in dispute”) held by Seoul Semiconductor Co., Ltd..

Everlight stated that the patent in dispute is relating to the surface roughness technology of vertical chip. On July 2, 2020, the German Federal Patent Court rendered a judgment that all claims of the patent in dispute should be invalid. (Released 2020.07.14)

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## **E200710Y3**

### **02 Man sentenced and ruled to pay TWD13 million for intercepting TV Station's signals**

A man, surnamed Wang, had been working with a criminal gang based in China since 2015 and setting up control rooms in Taiwan in order to intercept about thirteen television stations' signals, including Formosa TV, and further to transmit the signals, without due authorization, to illegal set-top box providers through the said gang's cloud server for profiting purpose. New Taipei District Court sustained the commission of Wang's offense of violating the Copyright Act and sentenced him to one year in prison and also ruled that Wang shall pay TWD1 million to each of the 13 victim-TV stations, and thus, the total amount of damages payable by Wang is TWD13 million. This case is appealable.

The judgment addresses that in 2015 Wang got acquainted with a Chinese man who introduced himself as HO Kang-Ning from the said gang, and then Wang began to provide the services of setting up control rooms, intercepting signals, transcoding, and transmitting the signals to the said gang's cloud server and also to the relevant illegal set-top box providers for set-top boxes consumers' viewing. Wang had received monthly remuneration from TWD30,000 to TWD70,000 from the said gang for providing the aforesaid services.

Formosa TV and other victim-TV stations reported this matter to the police in 2017 after finding that Unblock Tech's set-top box product (product name: U-Box 3 S900 ProBT; 安博盒子第 3 代藍芽智慧電視盒), which claimed to be able to receive the thirteen TV stations' channels without due authorization, was commercially available on market. Hence, the police initiated a raid action in 2018 and seized computer mainframes, decoders, routers, signal amplifiers, set-top boxes.

With Wang frankly admitting the offense charged against him and in view of the fact that this case involves millions of incomes received in the crime, the said gang's immense proceeds of crime, and also the large number of infringed works, the court ruled that Wang should receive a sentence of one year in prison and pay TWD1 million to each victim-TV station for maliciously intercepting signals without due authorization for profit gaining purpose. (Released 2020.07.10)

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**E200803Y6**

**03 Commercial Case Adjudication Act and Intellectual Property and Commercial Court Organization Act to go into effect as of July 1, 2021**

As reported in the Judicial Yuan's press release, the Judicial Yuan is authorized to decide and prescribe the enforcement date of the Commercial Case Adjudication Act and the Intellectual Property and Commercial Court Organization Act promulgated on January 15, 2020 according to Article 81 of the Commercial Case Adjudication Act and Article 45 of the Intellectual Property and Commercial Court Organization Act, respectively. The newly enacted legislation of the two acts involves such aspects as specialty court establishment, mandatory representation by attorneys, use of e-facility, mandatory preliminary mediation for commercial disputes, litigant's inquiry system, expert witness, and confidentiality preservation order, etc., which are so different from the established civil procedures that the new legislation will take considerable time to accomplish the integration and coordination of relevant resources and systems. However, for answering the public's eagerness for early implementation of the new legislation, the Commercial Case Adjudication Act and the Intellectual Property and Commercial Court Organization Act will be enforced as of July 1, 2021. (Released 2020.08.03)

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**E200708Y8**

**E200708Z8**

**04 Taiwan, Czech taxation agreement to come into operation as of January 1, 2021**

The Ministry of Finance issued a press release to the effect that the agreement executed on December 12, 2017 by and between Taiwan and Czech Republic on the avoidance of double taxation and prevention of fiscal evasion with respect to income taxes (hereinafter referred to as the "Taiwan-Czech ADTA") has come into effect since May 12, 2020, and both Taiwan and Czech Republic have mutually notified the other of the scheduled date for implementation of the Taiwan-Czech ADTA on January 1, 2021. The Taiwan-Czech ADTA is the thirty-third comprehensive bilateral accord in effect with respect to taxation on income (It is also the 16<sup>th</sup> of such pact Taiwan has signed with a European country and the 13<sup>th</sup> one with the European Union members, respectively). The Taiwan-Czech ADTA will bring down the barriers of cross-border trade and investment and will also create a fairer and friendlier taxation system for the economic and trade dealings, industrial cooperation, and technical exchanges between the two sides.

The Taiwan-Czech ADTA comprises a total of 29 articles, under which appropriate tax exemption and reduction measures are forged and provided for the income derived by the residents (including nationals and enterprises) of a territory (Taiwan, for example) from the source territory (the Czech Republic, for example), so as to eliminate double taxation. This accord also provides a dispute resolution mechanism for preventing and removing problems arising from cross-border taxation.

The Ministry of Finance noted that the Czech Republic, as a member of the European Union, is geographically well situated in the center of Europe and has a complete and sound infrastructure. As revealed by the Ministry of Economic Affairs' statistics effective by the end of May 2020, the Czech Republic is Taiwan's 7<sup>th</sup> largest investment destination in Europe (following the Netherlands, the UK, Luxembourg, Germany, Italy, and Austria). With many factories invested and established therein

by Taiwanese leading information technology companies, the Czech Republic serves as an important base for Taiwanese companies to invest in the European market. The implementation of the Taiwan-Czech ADTA will alleviate the tax burden of Taiwanese companies in the Czech Republic. Under the accord, on condition that relevant provisions thereof are met, the Taiwanese companies which receive dividends from Czech companies will be eligible for a tax rate reduction from 35% to 10%, and likewise, there will be a tax rate reduction from 35% to 5% for Taiwanese companies' rental income from Czech company for renting industrial or scientific equipment to the Czech company. Moreover, for any Taiwanese companies that receive income for providing technical services to any Czech companies, the tax rate on such service income will be reduced from 35% to 0% if and only if the Taiwanese companies do not establish a fixed place of business in Czech and have sent personnel or employees to Czech for providing such service for a period of no longer than nine months in any twelve-month period. The Taiwan-Czech ADTA is applied equally and reciprocally to the residents of both sides. In this regard, any Czech companies engaged in the business operations similar to the aforesaid ones will enjoy the same tax rate reduction in Taiwan. As a result, the Taiwan-Czech ADTA would prompt Czech companies to choose Taiwan as their base for launching into the Asian markets, which will enhance both sides' cooperation for investment and trade relations. (Released 2020.07.08)

/CCS



台灣國際專利法律事務所

TAIPEI MAIN OFFICE  
7<sup>th</sup> 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](mailto:tiplo@tiplo.com.tw)  
Website: [www.tiplo.com.tw](http://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