



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

APRIL 2021 (E257)

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 Amendment to the Patent Examination Guidelines for Computer Software-Related Inventions to take effect as of July 1, 2021**

Taiwan IPO announced that the amendment to the Patent Examination Guidelines for Computer Software-Related Inventions (in Volume II, Chapter 12 of the Patent Examination Guidelines) will come into force as of July 1, 2021. The applications for computer software-related inventions are on the rise as artificial intelligence and big data have boomed in recent years and that has driven the development of new types of applications and inventions in various fields. Thus, to adapt to such industrial changes and the demand for innovation protection, it is necessary to amend the current Patent Examination Guidelines for Computer Software-Related Inventions to build and forge a concrete and consistent examination standards.

The main points of the amendment are summarized as follows.

1. Principles for determining the definition of an invention (eligibility) are clearly specified.

The concept of having “further technical effects” and “simply using the computer” are removed from the current Patent Examination Guidelines for Computer Software-Related Inventions (hereinafter referred to the “Guidelines”). The amendment stipulates that the invention claimed should be the subject matter for examination on eligibility and also provides the steps and flowcharts for determination. Also, case examples are provided in each section to make the determination criteria clearer. (Section 3 of the amendment)

2. Regulations governing inventive step of computer software-related inventions are made consistent with those provided in the general provisions of the Guidelines.

To correspond to the current general provisions regarding the inventive step of the current Guidelines, the amendment introduces new sections with respect to “a person having ordinary skills in the art”, “ factors for denying an inventive step”, and “factors for affirming an inventive step,” and further includes “alternatively use of known technical field,” “the systemization of operation methods performed by humans”, “the softwarization of functions performed by prior hardware technology”, and other related types into “simple change” factors for denying an inventive step of the current Guidelines. (Section 4.2 of the amendment)

3. Regulations governing examination on artificial intelligence (AI) and AI-related case examples are introduced.

- (1) In response to the situation that artificial intelligence has been widely applied in various fields, it is highlighted in the amendment that examiners should pay attention to the question whether the methods claimed in the applications involving AI-related inventions to be applied in the medical field are the diagnostic and therapeutic methods for human beings and animals that are the unpatentable subject matters in law.

- (2) Based on the amended contents regarding patent eligibility and inventive step, AI-related descriptions and case examples are added (Section 4.2.2.1.1.1, Section 4.2.2.1.1.2, case examples 2-12, 2-13, and 3-5 in Section 5.2 of the amendment). Case examples are included as reference and illustration of the circumstances where the enablement requirement is not satisfied due to insufficient disclosure (Case example 1-1 and 1-2 in Section 5.1 of the amendment).

4. Other regulations for examination

- (1) For improving regulations more in line with practical applications and examination, the amendment stipulates that the features of “object/article claims” do not necessarily need to be structurally limited (Section 2.2.1.2 of the amendment).

- (2) The amendment incorporates the sections with respect to the circumstances where “claims are not clear or definite” and “claims are supported by the description” (Section 2.2.3 and Section 2.2.4 of the amendment).

- (3) The amendment sets forth the allocation of burden of proof with respect to the

claims involving functional limitations and means-plus-function language (paragraph (2) of the Notice on Examination in Section 2.3 of the amendment). (Released 2021.06.09)

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02 Taiwan IPO releases statistics of top 100 patent applicants and grants for 2020

Taiwan IPO released the statistics and rankings for the patent applications filed and patent grants in 2020 on March 10, 2021. Among the overall applications filed for all three kinds of patents, TSMC still headed the list by filing 1,096 applications in 2020, clinging to the top spot for five consecutive years. Qualcomm reclaimed its top honor with 720 applications filed in Taiwan to be the top foreign applicant. As to the number of patents granted for all three patent types, TSMC and Advanced New Technologies Co., Ltd. each took the lead on the list of patent grants to domestic and foreign applicants with 680 grants and 588 grants, respectively. There was a rise of 24% in the top 100 applications filed by domestic schools and colleges.

Statistics of patent applications and rankings of the top 100 applicants are summarized as follows.

1. TSMC sits comfortably at the 1st place for the fifth year in a row

Among the local applicants, TSMC has held on to the first spot with respect to the number of patent applications since 2016, and such remarkable success remained unchanged with more than 1,000 applications filed in 2020. Acer and AU Optronics followed TSMC by filing 523 applications and 466 applications, respectively. Moreover, Realtek Semiconductor and Compal Electronics each filed their highest number of applications, 420 cases and 209 cases, since 2001 to rank 4th and 9th, respectively. Inventec and Hon Hai saw their respective growth by 27% and 16% by filing 236 applications and 231 applications each, to come in 7th and 8th, respectively.

The analysis of the top 100 applicants filing for patents for all three types demonstrates that enterprises form a driving force for the R&D and innovation of Taiwan, as 78% of the invention patent applications filed by the top 100 applicants came from enterprises, while the number of applications for utility model patents and design patents also rose by 19% and 29%, respectively.

2. Eight local banks broke into the top 100 applicants ranking

There were eight local banks named among the top 100 applicants in 2020 with a total of 736 applications, which represents a yearly growth by 18% and the growth has continued for three consecutive years. Among the local banks making the top 100 applicants, Land Bank of Taiwan filed the most applications with 133 cases, while Hua Nan Bank was the top applicant that filed 43 applications for invention patents. There were a total of 224 applications filed for invention patents by the named eight banks, marking an 8% increase.

3. National Cheng Kung University was named the top applicant in college rankings for invention patent applications.

Twenty-seven schools and colleges joined the ranking of the top 100 applicants. Taipei City University of Science and Technology topped the college ranking for the first time by filing 181 applications, among which 174 applications were filed for utility

models. This brings the university to the place among the top 10 of all domestic applicants. Meanwhile, National Cheng Kung University's 109 applications for invention patents comprised most of the invention patent applications filed by schools and colleges, followed by National Tsing Hua University with 102 filings, National Chiao Tung University with 86 filings, and National Taiwan University with 82 filings. These schools all saw their respective growth in a range from 10% to 64%.

4. ITRI stays firmly at the 1st place among other research institutions

There were five research institutions recognized as the top 100 domestic applicants for patents of any types. The Industrial Technology Research Institute, which finished 5th in the overall rankings, outshined any other research institutions by filing 352 applications and was followed by the Metal Industries Research & Development Centre that filed 97 applications in 2020.

5. Qualcomm regained the top spot as the top foreign applicant

By filing 720 applications, Qualcomm earned the crown back as one of the top ten foreign applicants to see its growth by 24%. Three of the top 10 foreign applicants were semiconductor equipment manufacturers, which are Applied Materials ranking 2nd with 652 applications, Tokyo Electron ranking 4th with 460 applications, and Disco coming in 6th with 291 applications. Disco's applications in 2020 hit its own record high for the past ten years. Besides, KIOXIA Taiwan Corporation from the memory industry rose to the 5th with a total of 338 applications. In addition, Ford Global Technologies made its debut on the top 10 ranking with 243 applications.

Statistics shows that 87% of the top 100 patent applications filed by foreign applicants were for inventions. The numbers of applications for invention patents and design patents moved down, while those for utility models went up by 11%. (Released 2021.03.10)

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03 Old-established braised food shop, LauTianLu wins trademark battle against local competitor

LauTianLu, the best-known and old-established braised food shop located in Ximending of Taipei City, filed a lawsuit with the Taiwan IP Court against Luda Food Co. (Chinese: 祿大食品有限公司, hereinafter referred to as "Luda") and its responsible person, ZHOU Ying-Ming (who is the eldest daughter-in-law of the responsible person of Shanghai Lau Tian Lu Food Co.; Shanghai Lau Tian Lu Food Co. is hereinafter referred to as "Shanghai Lau Tian Lu") in 2018 for infringing upon LauTianLu's registered Chinese trademarks, including "老天祿", "台北老天祿", and "台灣老天祿" (hereinafter referred to as the "LauTianLu marks") by using the five Chinese characters, "上海老天祿" as a trademark on local major Internet platforms and signboards of brick-and-mortar stores and also by using such advertising slogans in Chinese language as "上海老天祿第二代自創品牌" (meaning the own brand built by the 2nd generation of Shanghai Lau Tian Lu) and "上海老天祿第二代的店" (meaning the 2nd generation store of Shanghai Lau Tian Lu) to advertise and sell Shanghai Lau Tian Lu's meat products and braised foods, etc..

The responsible person of LauTianLu, Mr. Xie maintained that the LiaoTianLu marks and other registered marks owned by LauTianLu are designated for use on meat products and braised foods of Class 27 and Class 29, while Shanghai Lau Tian

Lu registered its marks for products of bread and confectionery products classified under Class 23, 30, 32, and 35. That is, Shanghai Lau Tian Lu holds no trademarks for meat products and braised foods and it has never authorized Luda to use its registered marks. Based on the foregoing, LauTianLu asserted Luda's trademark infringement by using the marks identical or similar to the LauTianLu marks.

Luda defended itself by arguing that it used the said advertising slogans to represent the identity of its operator as the 2nd generation of the founder of Shanghai Lau Tian Lu, who inherited the technology from Shanghai Lau Tian Lu, and that "Shanghai Lau Tian Lu" was used not as a trademark nor can it be interpreted as being used as a trademark. Besides, Mr. Xie had not registered the LauTianLu marks until 1983, but the responsible person of Shanghai Lau Tian Lu had already started his business under the designation of "Shanghai Lau Tian Lu" for selling confectionery and braised foods before 1983 for more than thirty years, which substantiates the fact that Luda's use of the five Chinese characters, "上海老天祿" (Shanghai Lau Tian Lu) constituted bona fide prior use. Moreover, Luda was supported and guided by Shanghai Lau Tian Lu's responsible person to continuously use the five Chinese characters, "上海老天祿" (Shanghai Lau Tian Lu) to sell its products.

In June 2019, the IP Court decided this trademark infringement case against Luda by ruling that Luda's use of the five Chinese characters, "上海老天祿" (Shanghai Lau Tian Lu) and the said slogans constituted trademark use, not bona fide prior use, and such use would cause consumers confusion that the products sold by Luda came from LauTianLu, or Luda and LauTianLu had franchisor-franchisee relationship. The IP Court also determined that Luda should not use any mark or description identical or similar to the LauTianLu marks on meat products and braised foods products, and should also destroy relevant signboards, advertising standees, and packaging boxes. Further in May 2020, the case went to the second instance proceedings the IP Court affirmed the first-instance judgment, and hence, Luda appealed this case to the Supreme Court. In March 2021, the Supreme Court dismissed Luda's appeal. This case is concluded in LauTianLu's favor accordingly. (Released 2021.03.23)

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04 Analysis of trademark applications filed in Taiwan for 2020

The trademark applications filed in Taiwan for the past five years have been persistently increasing to surpass 110,000 classes for the first time in 2019 and to almost reach 120,000 classes (119,096 classes) in 2020. From 2016 through 2019, the percentage of the applications for different classes filed by foreign applicants fluctuated slightly between 34.8% and 37%. The comparison between the domestic applications and foreign ones shows that the number of foreign applications substantially dropped by 3.91% in 2020, and such a negative growth was reversed by a 10.69% rise for domestic applications, which ultimately causes an overall growth of 6.78% for 2020. Also, as revealed by the WIPO 2020, Chinese applicants had filed a massive number of trademark applications for 7,830,000 classes in 2019; that is, China was the top trademark applicant around the world to have filed applications in a number 11.6 times the number of the US applications, thus outperforming the US at No. 2. However, most of the trademark applications filed in China were filed by Chinese applicants, while foreign applicants took up only 3.2% of overall applications, which shows a lower percentage of foreign applications than that in other countries.

The analysis by industry categories demonstrates that the top three industries for which Taiwan IPO has received trademark applications for the past five years are

“agricultural foodstuff”, “health and medical affairs”, and “business and finance”. Moreover, the top three industry categories for domestic applications and for foreign applications are “agricultural foodstuff”, “business and finance”, “health and medical affairs”, and “technical research”, “health and medical affairs”, and “agricultural foodstuff”, respectively. Taiwan and South Korea shared a similar percentage structure of the industry categories of trademark applications in 2019.

Furthermore, the analysis by nationality of applicants manifests that the top three filing countries for the past five years are Japan, the US, and China, which have filed more than half of all foreign trademark applications in Taiwan. The top three industries for which Japanese trademark applications were filed are “health and medical affairs”, “technology research”, and “fashion apparel & accessories”. The trademark applications from the US applicants were primarily filed for the three main categories of “technology research”, “health and medical affairs”, and “recreation and education”, while the Chinese applications were mostly filed for “technology research”, “health and medical affairs”, and “agricultural foodstuff”. It is noticeable that the top industry category for the developed countries, such as, the European countries, France, the US, and Japan is “technology research”, and “recreation and education” ranks high among those categories, which demonstrates that developed countries have been maintaining their solid foundation of technology, while placing emphasis on soft power reflected in the cultural and spiritual levels at the same time. Besides, compared with other countries, Japan headed other countries in the category of “technology research” with a prominent percentage of 25% to display technology and innovation as its country-building foundation. (Released 2021.02.25)

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05 Phoenix Silicon International Corp. sues Integrated Service Technology Inc. over trade secrets infringement

On March 9, 2021, Phoenix Silicon International Corporation (hereinafter referred to as “Phoenix Silicon”) made a statement with respect to its initiation of an incidental civil action at the Taiwan Hsinchu District Court against Integrated Service Technology Inc. (hereinafter referred to as “Integrated Service”) and its employees surnamed Li and Liu to seek damages of around TWD5.64 billion caused by Integrated Service’s, Li’s, and Liu’s unauthorized reproduction and use of and also infringement upon Phoenix Silicon’s trade secrets. (Released 2021.03.18)

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