



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 2021 (E261)**

*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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**E210805Y1**

**E210714Y1**

### **01 Amendments to partial chapters of Patent Examination Guidelines come in force as of July 14, 2021**

Taiwan IPO gave a public notice of the amendments of the Patent Examination Guidelines (hereinafter referred to as the "Guidelines"), including Chapter 1 to Chapter 6, Chapter 10, Chapter 11, Chapter 13, and Chapter 14 of Volume II: Substantive Examination of Invention Patents, Chapter 1 and Chapter 5 of Volume III: Substantive Examination for Design Patents, Chapter 3 of Volume IV: Substantive Examination for Formality Examination for Utility Model Patents, and Chapter 1 of Volume V: Invalidation Proceedings. The amendments are summarized as follows.

#### 1. Chapter 1 of Volume II: Description, Claims, Abstract, and Drawings

Section 2.6 is added to provide instructions on examination of the manner in which a claim should be disclosed, which provides that (1) an independent claim shall indicate the designation of the subject matter claimed; (2) a claim that contains such expressions as "*characterized in that*", "*wherein the improvement comprises*", or any other similar expressions is not necessarily presented in a two-part form; and (3) The corresponding reference sign in parentheses in a claim (for referring to a corresponding technical feature of a claim) does not make the claim unclear.

#### 2. Chapter 6 of Volume II: Amendment

(1) The circumstances, under which disclaimer amendment that uses a negative expression to exclude the technical content overlapping with prior art is allowed, are specified: (a) where the disclaimer amendment is to overcome the lack of novelty; (b) where the disclaimer amendment is to overcome the lack of fictitious novelty; (c) where the disclaimer amendment is to overcome the noncompliance with the first-to-file principle but disclaimer amendment is not applicable to the references cited with the same filing date; and (d) where the disclaimer amendment is to exclude "human beings" in claim(s), for the invention claimed contains "human beings" and thus involves interference with public order and good morals.

(2) With respect to alteration of the maximum and minimum values in claim(s), the amendments require that both of the following two conditions must be satisfied for alterations to be made: (i) The range of altered value has been disclosed in the description, claims, or drawings; and (ii) The range of altered value has been included in the range of value disclosed in the description, claims or drawings. There are also two cases of embodiments provided for clarification.

#### 3. Chapter 1 of Volume V: Invalidation of Patent Rights

(1) A new section 3.3.2 with respect to hearings is incorporated.

(2) In this Chapter, the principles for dealing with the intention of the court judgment, new grounds and new evidence in invalidation cases are amended where the invalidation cases need to be reexamined by Taiwan IPO after the original dispositions thereof are revoked due to the introduction of new grounds or new evidence during the administrative remedial proceedings.

4. Other amendments include (a) minor changes of sequence of sections, (b)

changes in the contents of embodiments, (c) changes of wordings for corresponding to the revisions, and (d) corrections for consistency and of clerical errors. (Released 2021.08.05)

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**E210727Y1**

**E210727Y2**

## **02 IPR statistics for the first half of 2021**

Throughout the first half of 2021, Taiwan IPO had received a total of 35,264 applications for three kinds of patents and a total of 46,379 trademark applications, which represents 4% and 7% rise respectively compared with the same period of 2020. The number of domestic patent applications soared mainly because there was a 21% increase of applications patent filed by large enterprises, among which TSMC stood out to account for 1,263 applications, outnumbering resident and non-resident applicants. Among non-resident applicants, Qualcomm took the lead by filing a total of 454 invention patent applications. Trademark applications, both domestic and foreign ones, hit the record high again by achieving 7% increase. In general, patent and trademark applications went up steadily for the first half of 2021.

### 1. Patent applications

#### (1) Over 10% growth in number of invention applications filed by resident applicants

There had been a total of 23,876 invention applications out of the total applications for three kinds of patents. The numbers of domestic and foreign applications both saw their increase compared with the same period of 2020, with a growth rate of 13% in the applications filed by resident applicants, higher than that of those filed by non-resident applicants. Also, the applications filed for utility model patents and design patents by non-resident applicants also rose by 22% and 5%, respectively.

#### (2) TSMC's record high number of invention patent applications

7,650 invention patent applications came from domestic enterprises, accounting for 79% of the domestic invention patent applications and seeing a rise compared with the same period of 2020. This is a growth that has been occurring to the first half year of the past five consecutive years, and the growth this year marks the highest upward rate over the past five years, which is mainly attributable to the 21% leap in the number of invention patent applications filed by large enterprises.

Compared with other resident applicants, TSMC contributed a total of 1,263 invention applications, which not only reaches above 1,000 cases but also sets a new record for one single applicant. With such a historical record, TSMC plays a pivotal role in Taiwan's R&D innovation. In the meantime, TSMC's record signifies a 237% growth rate and its active and zealous attitude. For design patent applications, Coplus Inc. took the lead with 59 filing.

#### (3) National Yang Ming Chiao Tung University as the top applicant among universities

Contrary to local enterprises, the number of invention patent applications filed by domestic universities or colleges dropped slightly in the first half of 2021, with National Yang Ming Chiao Tung University outshining other universities and colleges to claim the top honor by filing 59 invention patent applications, while Kun Shan University

headed the ranking of private universities with 26 applications. Besides, public universities saw a 4% climb in the number of invention patent applications compared with the same period of 2020, accounting for an upward percentage to 64%.

(4) Slight rise in number of invention patent applications filed by domestic research institutes

Overall invention patent applications filed by research institutes of Taiwan slightly moved up by 4% with ITRI filing a total of 101 invention patent applications to outnumber other institutes.

(5) CTBC Bank outshining other banks, insurance companies, and securities and future companies in patent applications

The domestic banks, insurance companies, and securities and futures companies had contributed 72 invention patent applications and 267 utility model patent applications in the first half of 2021, and CTBC Bank outnumbered all other banks, insurance companies, and securities and futures companies by filing 19 invention patent applications and 66 utility model patent applications.

(6) Qualcomm and Harry Winston topping the list of non-resident applicants for invention and design patents

Among the non-resident applicants, Japan was the top filing country with a total of 6,044 invention patent applications and 512 design patent applications filed thereby, while China filed the most utility model patent applications in 358 cases. Among the non-resident applicants, Qualcomm surpassed other applicants by filing 454 invention patent applications but Coupang Corp. presented the highest growth rate of 442%. Moreover, most of the design patent applications were contributed by Harry Winston with 97 cases.

## 2. Trademark applications

(1) Domestic trademark applications reaching a record high

Taiwan IPO had received a total of 46,379 trademark applications (for 59,814 classes), which marks a 7% increase compared with the same period of 2020. The numbers of domestic trademark applications and foreign trademark applications both went up, and the domestic trademark applications totaled 35,048 cases to set an all-time high.

(2) Resident applicants filing most of their applications in Class 35 and non-residents, in Class 9

In terms of classes of application, resident applicants filed their most applications for Class 35 (advertising, business management, retailing and wholesaling services, etc.) in 6,919 cases, which marks a 16% growth. Among non-resident applicants, China outnumbered other countries by filing 2,333 applications in Taiwan. And most of foreign applications were filed for Class 9 (computer and technology products, etc.) in 2,115 cases.

The numbers of both domestic and foreign applications leapt. Among resident applicants, Taiwan FamilyMart won the crown by filing 145 applications, followed by Uni-President of the food industry with 139 applications. Among the non-resident applicants, the top and the second spots were taken by Bunny Girl (with 135 applications) and Ulao Group Limited (with 90 applications), respectively, which were

not applicants in the same period of 2020.

(3) Agricultural food material being the top industry sector for trademark filing

With respect to the trademark applications by industry, there had been a total of 10,621 applications filed in the industry sector of “agricultural food materials”, which was much higher than other industries and greatly surpassed the numbers of trademark filings by non-resident applicants in each industry. Non-resident applicants had filed the most applications in “Health” industry with 3,654 applications. (Released 2021.07.27)

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## **E210721Y2**

### **03 French company sues TIPO for trademark confusion in Taiwan**

Somfy Activites SA (hereinafter referred to as “Somfy company”) has registered the **SOMFY** mark and **sOmfy** mark (hereinafter referred to as “Somfy’s marks”) for designated use on electrical appliances since 2016. However, in 2017, Somfy company found that another electrical appliances manufacturer also registered a “simFY” mark (hereinafter referred to as the “mark in dispute”), and thus, Somfy company filed an opposition to the registration of the mark in dispute to avoid trademark confusion. However, in January 2019, Taiwan IPO did not sustain Somfy company’s opposition, against which Somfy company instituted an administrative action with the Taiwan IP Court to seek Taiwan IPO’s cancellation of the registration of the mark in dispute. In the first instance proceedings, the Taiwan IP Court negated the existence of confusion between Somfy’s marks and the mark in dispute on the ground that they are designated for use on different products and services. The case moved on to the Supreme Administrative Court, which held that the Taiwan IP Court’s decision was simply as a result of “inference” and remanded this case back to the Taiwan IP Court for retrial for lack of reasoning.

In the first instance proceedings, based on the publication of trademark registration, the Taiwan IP Court did not establish the existence of confusion between Somfy’s marks and the mark in dispute and ruled against Somfy company by a reasoning that the mark in dispute is mainly used for the services of online shopping and electrical appliances retailing and wholesaling and people who purchase the products under the mark in dispute are mostly general consumers, while Somfy’s marks are mainly used on the intelligent control equipment for electrical appliances, instead of electrical appliances themselves and most buyers thereof are professionals or suppliers.

In the second instance proceedings, the Supreme Administrative Court held that the existence and non-existence of the likelihood of confusion should be judged by considering the factors including the “level of distinctiveness of trademarks”, “whether the two trademarks are similar and the extent of their similarity, if any”, “whether the goods or services are similar and the extent of their similarity, if any”, “status of diversified operation of a prior right holder”, “circumstances of actual confusion”, “the extent to which relevant consumers are familiar with the trademarks concerned”, “whether the application to register a trademark at issue is filed in good faith”, and “other factors that cause confusion”. Based on the holding that the IP Court’s reasoning with respect to the irrelevance between online shopping and retailing of electrical appliances and intelligent control equipment for electrical appliances and the difference of consumers was simply inference made without examining relevant matters or actual circumstances, the Supreme Administrative Court found Somfy company’s appeal with merits and the IP Court’s contravention of the laws by lack of reasoning, and hence, vacated the IP Court judgment and remanded this case for

**E210706Y3****04 Court gives final sentence to former president of Oh!Cool Co., Ltd. for providing hyperlinks to pirated films**

The former president and former chief technology officer of Oh!Cool Co., Ltd. (hereinafter referred to as "Oh!Cool"), who are surnamed Liu and Weng, respectively, had jointly developed the APPs (hereinafter referred to as the "infringing Apps") that are able to intercept and get access to, through computer programs, the links from a third party's websites to enable the infringing Apps' users to link to external source to watch films. From July to August 2016, there was another person who, without the prior consent from KKTV Co., Ltd. (hereinafter referred to as "KKTV") holding the exclusive right of public transmission for two specific Korean dramas, publicly transmitted the two Korean dramas to Youtube or Dailymotion, and the infringing APPs added the links to the two dramas into the VOD playlist (video on demand playlist), and thus, enabled unspecific users of the infringing APPs in Taiwan to watch the two dramas. Against such an act, KKTV sued Oh!Cool, Liu and Weng for Copyright Act violation, and the prosecutor indicted the defendants therefor.

The Taiwan Taipei District Court found the defendants not guilty in the first instance proceedings on the ground that Liu and Weng was engaged in the act of providing hyperlinks to unspecific users in 2016 when the act was not officially created and established as equivalence to Copyright Act violation until May 2019 when the Taiwan Copyright Act was amended to include the act of providing hyperlinks as copyright infringement.

The case further moved to the second instance proceedings at the Taiwan IP Court, which held that the act of providing hyperlinks does not constitute public transmission, and that the offense Liu and Weng committed was that of assisting another person in infringing KKTV's economic rights in and to the said two Korean dramas which were uploaded by that person without KKTV's prior consent. Moreover, the IP Court ruled that according to the amended Copyright Act (amended in 2019), the act of providing hyperlinks is directly "established as infringement" as clearly stated in the provisions, which does not mean that the act of providing hyperlinks before the amendment "does not constitute commission of an offense". Based on the foregoing reasoning, the IP Court sentenced Liu and Weng to detention for two months and forty days, respectively, which may be commutable to a fine payment. On the other hand, Oh!Cool was ordered to pay a penalty in an amount of TWD100,000, for its representative and employees at that time committed the offense of infringing another's economic rights during the course of performing business duties. Oh!Cool, Liu, and Weng appealed this case to the Supreme Court, but the appeal was dismissed. This case was concluded accordingly. (Released 2021.07.06)

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***Taiwan High-Tech News*****E210723Y5****01 AUO Display<sup>+</sup> to Work with DB to Build Futuristic Concept Cars**

AUO announced on 23 July 2021 the joint venture between its subsidiary AUO Display<sup>+</sup> and Deutsche Bahn AG (DB) to build futuristic concept cars under the DB

IdeasTrainsCity project, cars to be used in the innovative city transport system proposed for the future that will meet various personal needs of the passengers. AUO Display<sup>+</sup> is a company specialized in the fabrication of commercial and industrial displays.

According to AUO, the futuristic concept cars to build for the IdeasTrain City project (IDEENZUG CITY) which is the smart city transport system created by DB will adopt the 28.6" TARTAN stretched displays fabricated by AUO Display<sup>+</sup>. The spatial limitations-minimizing measurement and adaptability to installation of the proposed displays AUO Display<sup>+</sup> is to provide will rewrite the experience of passengers taking city transport. This cross-national cooperation project exemplifies AUO Group's Dual Axis Transformation strategy to advance the development of high-end, high value added differentiation-based display technology. (Released 2021.07.23)

## E210712Y5

### 02 TSMC Enters LiDAR Market Targeting Niche Applications

While expanding the scale of fabrication based on its mature and advance process, TSMC is stepping into the market of niche applications among which light detection and ranging (LiDAR), the new technology increasingly applied to smartphones and autonomous vehicles, just to name a few. Entering this sector in its capacity as a foundry, TSMC has joined hands with Artilux Inc. an emerging local IC designer. TSMC uses its 65nm process technology with GeSi materials to fabricate the LiDAR solution making it the world's first 3D ToF sensor solution using GeSi materials. The LiDAR solution fabricated by TSMC with design by Artilux will be adopted on smartphones as early as in the second half of this year. (Released 2021.07.12)



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