

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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E220419X1

01 Ability Opto-Electronics Technology Co. sued Powertip Image Corp. for patent infringement

On April 18, 2022, Ability Opto-Electronics Technology Co., Ltd. (hereinafter referred to as “Ability Opto-Electronics”) initiated patent infringement action against Powertip Image Corp. (hereinafter referred to as “Powertip”), alleging that Powertip infringed upon its invention patents by using triplet and quartet optical lens in the slim laptop made and sold by Powertip.

Ability Opto-Electronics indicated that Powertip infringed upon its No. I572888, No. I561850, No. I546561, and No. I580996 invention patents for optical image capturing system by using triplet and quartet optical lens in the slim laptop made and sold by Powertip. Ability Opto-Electronics sued both Powertip and president thereof.

Ability Opto-Electronics initiated the patent infringement action to seek cease of infringement, destruction of infringing products, and also TWD100 million in damages (which is the minimum amount tentatively sought for damages and may be expanded after the case moves on to the damages issue). Also, Ability Opto-Electronics has retained an attorney to represent it in this action so as to protect its intellectual property rights and the shareholders’ rights and interests. (Released 2022.04.19)

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E220425Y2

02 Third draft amendments to Patent Act and Trademark Act submitted to Executive Yuan for deliberation

For promoting the amendments with respect to “adversarial system and consolidated remedy procedure”, the Taiwan IPO commenced a period of public comments for the second draft amendments to partial provisions of both the Patent Act and Trademark Act in June 2021 with part of the feedback and comments given being consolidated into the draft amendment. Also due to the Judicial Yuan’s proposed amendment to the Intellectual Property Case Adjudication Act, further adjustments have been made and consolidated in the third draft amendments to the two Acts to be submitted to the Executive Yuan for deliberation on April 19, 2022.

The third draft amendments to the Patent Act and the Trademark Act each include 76 articles and 54 articles, respectively. The major differences between the second draft amendment and the third draft amendment are summarized as follows.

1. Supportive measures of remedies for civil disputes over ownership of right to apply for patent and patent right

(1) The suspension period introduced in the 3rd draft amendment is to establish a provisional remedy proceeding that ensures the actual patent owner can resolve patent right disputes through civil remedies. The suspension period is set for three months in consideration of current court practices, and the patent authority will resume the pending procedures upon expiration of the three-month period. Under the amendment, for the dispute arising from the ownership of right to apply for patent and patent right, although a party to the dispute may show evidence to prove a provisional injunction or an injunction maintaining a temporary status quo being granted by the court so as to request for suspension of Taiwan IPO’s examination, review, and other relevant procedures that would affect or change the ownership of the patent application or patent concerned, the parties to the dispute should still try to obtain a ruling granted by the court as soon as possible with a view to ensuring its

rights and interests.

(2) Also in order to ensure that the nominal patent owner will not abandon in bad faith the patent right in dispute before resolution of the dispute, the third draft amendment adds provisions that the patentee shall not abandon the patent right in dispute before a final and binding judgment is rendered by the court, a mediation settlement is reached or arbitration proceedings is concluded.

2. Mandatory legal representation in patent and trademark review and dispute litigation

In view of the expertise required in patent and trademark litigation and for the sake of efficiency enhancement of litigation and also by reference of the amendment to the Intellectual Property Case Adjudication Act that requires representation by attorneys-at-law in IP-related civil cases, the third draft amendment sets forth that legal representation by attorneys-at-law is required for patent or trademark review litigation and dispute litigation; that is, the parties to the litigation and the interveners are legally required to retain attorneys-at-law or patent attorney to represent them in litigation. Also, as provided in the Intellectual property Case Adjudication Act, the relevant provisions governing IP-related civil matters shall apply *mutatis mutandis* to the matters regarding the effect of litigation aid, litigation act and remunerations.

3. Regulations for introduction of new evidence in patent or trademark dispute cases

In order to take into consideration of the particularity of patent or trademark dispute cases and to enhance remedy efficacy at the same time, it has been agreed after coordination with the Judicial Yuan that submission of new evidence in dispute lawsuit shall be governed by the Intellectual Property Case Adjudication Act. (Released 2022.04.25)

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E220415Y3

03 Taiwan's Legislature greenlights amendments to Copyright Act, Trademark Act, Patent Act for a bid to join CPTPP

The Legislative Yuan of Taiwan passed the third reading of the amendments to partial provisions of the Copyright Act and Trademark Act and also the amendment to Article 60-1 of the Patent Act on April 15, 2022 to keep Taiwan's IPR-related laws in line with the standards set out in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) trade pact for the ultimate purpose of Taiwan's accession to the CPTPP.

1. Highlights of the amendment to Copyright Act:

(1) Acts of digital piracy, illegal distribution, and illegal public transmission that cause severe infringement will be considered the offense actionable (indictable) without complaint, and "infringement upon works provided with consideration", "reproduction in original form (100% reproduction)", and "infringement causing right holder's damages of at least TWD1 million" are listed as the three conditions for determining and establishing the occurrence of serious infringement.

(2) In view of the facts that optical discs no longer serve as a major form of infringement, the general penalties applicable to the offenses of illegal reproduction and distribution shall govern under the amendment, and hence, the current

aggravated penalties for the indictable offenses of reproduction and distribution of pirated optical discs and the corresponding provisions stipulating confiscation by the court or by administrative agency under the current Copyright Act are repealed accordingly.

2. Highlights of the amendment to Trademark Act:

(1) Criminal penalties are added to be applied in cases involving offenses of importation of counterfeiting labels or packaging to which a registered trademark or collective trademark is applied without authorization, and criminal penalties will also apply to preparatory and contributory acts of infringement. Such an amendment will be able to boost trademark holders' sales and profits and also enhance trademark protection.

(2) According to the current Trademark Act, an infringer will be held civilly and criminally liable for infringement by counterfeiting labels when the infringer is found to commit infringement "knowingly", which forms the subjective condition and requirement for sustaining the occurrence of infringement. Under the amendment, such a subjective condition is removed, and the infringer's "intention" or "negligence" will be the subjective conditions for sustaining the infringer's general civil liability for trademark infringement, while the infringer's "intention" will be the subjective condition for sustaining the infringer's criminal penalties.

3. Highlights of the amendment to Patent Act:

(1) Under the patent linkage system that is required by the CPTPP, a dispute resolution mechanism is established for clear possible infringement dispute between the patent holders of new drugs and relevant generic drug makers before the filing of generic drug permit application. As the patent linkage system has been introduced to the Pharmaceutical Affairs Act and implemented since August 20, 2019, relevant amendments to the Patent Act are proposed to stipulate relevant legal grounds for patent holders to file an infringement lawsuit against generic drug makers.

(2) Also to include generic drug makers' rights under protection, the amendment stipulates that generic drug makers may initiate an action to seek a declaratory judgment confirming non-infringement if patent holders fail to file an infringement lawsuit within a designated time period, which is to ward off any future infringement lawsuit after the marketing of generic drugs. (Released 2022.04.15)

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E220422Y5

E220421Y5

04 Amendment to Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China promulgated

With an eye to preventing key technologies outflow to Chinese nationals and in contemplation of the development of emerging technologies, the Ministry of Economic Affairs promulgated the amendment to Article 5 and Article 10 of the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" (hereinafter referred to as the "Regulations") on April 21, 2022, to extend the scope of technical cooperation and to avoid Chinese investors' substantial control of key technology as a result of share transfer.

Key points of the amendment are summarized as follows.

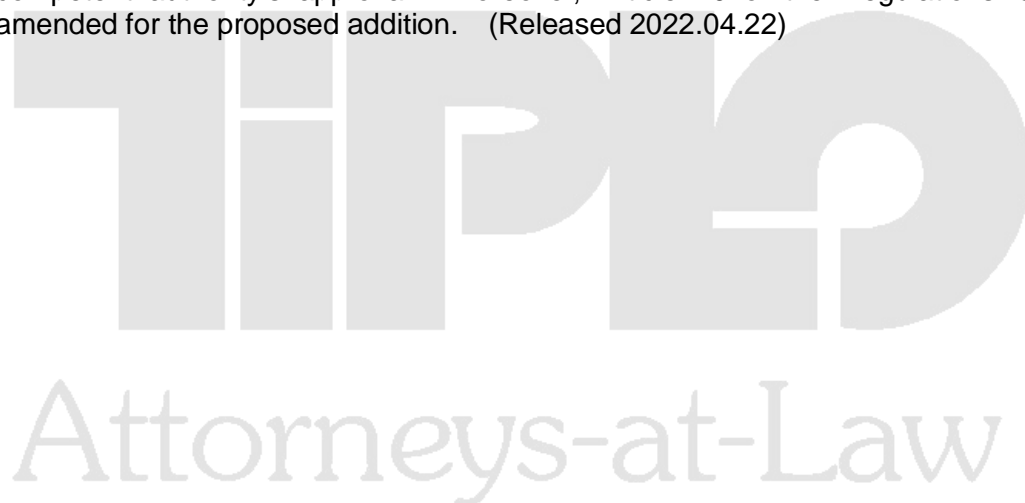
1. Transfer or licensing of trademark right is removed from the scope of technical

cooperation subject to the regulatory control of the Regulations because trademark right and copyright transfer or licensing is a common commercial practice nowadays and is different from the technical cooperation in nature specified in Article 5 of the Regulations. The proposed deletion will form a more clear-cut scope of technical cooperation subject to the Regulations.

2. In view of the booming development of emerging technology, such as, artificial intelligence or programming that should be covered in the scope of copyright regulation, under the amendment, the transfer or licensing of the copyright subsisting in any computer programs should be categorized into the scope of technical cooperation subject to the regulatory control of the Regulations, so as to prevent key technology outflow.

3. For the investments that have been examined by the key technology committee convened by the competent authority and have been approved by the Investment Committee of the Ministry of Economic Affairs, the transfer of shares of such investments, if any, may cause the technology involved in such investments to be used by the Chinese investor, and that will ultimately and simultaneously give rise to technology transfer. In view of the foregoing, addition of the 2nd paragraph of Article 5 is proposed in the amendment to include the aforesaid circumstance as one of types of technical cooperation to be administered by the Regulations and subject to the competent authority's approval. Moreover, Article 10 of the Regulations is also amended for the proposed addition. (Released 2022.04.22)

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