



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-South Korea priority document exchange program extends applicability to design patent applications as of July 1, 2023**

Taiwan IPO announced that following the launch of the electronic exchange of priority documents for invention patents and utility model patents in 2016, Taiwan IPO and Korean Intellectual Property Office extended the applicability of the priority document exchange program to design patent applications as of July 1, 2023, so as to fulfill the purpose of the Memorandum of Understanding on the Priority Document Exchange program executed by the two offices in 2021.

With applicability of the PDX program to design patent applications, the time and cost of applicants from both countries will be significantly reduced accordingly. (Released 2023.06.30)

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02 Adopted as of 1 July 2023, changes made to the Taiwan Patent Examination Guidelines, including changes made to Part II Substantive Examination for Invention Patents Claimed (Chapter 1, Chapters 3 ~5, Chapters 10, 11 and 14) and Part V Conducting of Invalidation Proceedings.

The changes are proposed and made in line with the revision of the Enforcement Rules of the Patent Act and the Regulations Governing the Determination of Patent Term Extension as well as the implementation of the WIPO ST-26-compliant XML sequence listing to timely answer the calls for consistency and optimized quality of patent examination in practice.

In addition to text modification, additional principles and points for attention in conducting examination are introduced to enhance the practicality of the Examination Guidelines.

Key takeaways of the changes made:

1. Part II, Chapter 1 Written Description, Scope of Claim, Abstract and Drawing

Section 1.4 regarding the points for attention: A subparagraph numbered (5) is added to expound the principle to determine whether or not the prior art cited in the written description should be taken.

2. Part II, Chapter 3 Patentability Requirements

Section 5.7 about the continuation of patent rights: Subparagraph numbered (4) is revised to explain that, where the applicant has filed a patent application for invention and a patent application for utility model on the same creation on the same date and has requested for division based on the declaration made for the original patent application for invention, a written notice shall be issued to the applicant for the applicant to select either the original patent application for invention or the divisional application before the approval decision of either of them is rendered to be the subsisting application, which selection made shall be irrevocable.

3. Part II, Chapter 5 Priority Claim

Section 2.7 about the points for attention in conducting examination: By reference to Part I, Chapter 7 on procedural examination, it is newly provided that after claiming domestic priority of the later application and before the examination decision is rendered, if the time period lapsed counting from the filing date of the earlier application is yet to attain 15 months, the applicant still may request for division of the part of the patent application not covered by the domestic priority claimed. In such case, no domestic priority may be claimed for the divisional application.

4. Part II, Chapter 10 Division and Conversion

Section 1.2.1 about formality requirements: Further explanation is added in line with the 1 May 2023 revision of paragraph three, Article 28 of the Enforcement Rules of the Patent Act.

Section 1.3 about the effects of a request for division: Explanation is given in line with the revision of Section 5.7, Chapter 3 regarding continuation of patent rights that the applicant shall be notified in writing to select the patent application to subsist before the approval decision on the original patent application or the divisional application is rendered.

5. Part II, Chapter 11 Patent Term Extension ["PTE"]

5.1 "Where a regulatory approval shall be obtained in accordance with other laws and regulations...." as provided in Article 53 of the Patent Act refers to not only inventions involving a pharmaceutical for which a drug permit must be obtained pursuant to Article 39 of the Pharmaceutical Affairs Act but also inventions involving a pharmaceutical for which a drug permit must be obtained under Article 14 of the Rare Disease and Orphan Drug Act. Therefore, change is made to clearly provide the legal basis for the aforesaid applicability.

5.2 In line with the proposed revision of Article 4 of the Regulations Governing the Determination of Patent Term Extension announced on 6 February 2023, the Taiwan IPO will be able to determine the PTE being sought for based on the relevant approval document issued by the Taiwan FDA as produced by the applicant proving legal compliance of the duration of the clinical trial conducted at home and abroad for the purpose of seeking the drug permit. That is, the Taiwan IPO no longer needs to refer the relevant materials presented by the applicant to the Taiwan FDA for verification.

6. Part II, Chapter 14 Invention involving a biological material or utilization of a biological material

Required content of the sequence listing is revised in accordance with the overall implementation as of 1 August 2022 of the WIPO ST.26 sequence listing standards.

7. Part V, Chapter 1 Invalidation of Patent As Issued

Section 2.4.1.2 about the principle of examining the statement of invalidation received addressed the examining of statements making reference to a claim cited in the form of quotation, but not explaining the reasons alleged for which the quoted part of the claim cited should be invalidated. Explanation is therefore added with examples given to explicate the scope of the examination and the operability and operation of the doctrine of non bis in idem.

8. Part V, Chapter 2 Invalidation of Patent As Approved of PTE

8.1 This change is made in line with the revision of Chapter 11 about the examination of requests for PTE to provide that Article 53 of the Patent Act applies as well to inventions claimed involving a drug for which a drug permit must be obtained pursuant to Article 14 of the Rare Disease and Orphan Drug Act.

8.2 Text is modified in line with the revision of paragraph numbered 6. Scope of Claim Granted for Extension of Patent Term of Chapter 11 about the examination of requests for PTE to clearly define the scope of claim of a pharmaceutical patent or agricultural chemical patent granted for PTE.

9. Other revisions

Relevant text is modified in accordance with the revision of the Enforcement Rules of the Patent Act and the Regulations Governing the Determination of Patent Term Extension with typographical errors cleared. (Released 2023.06.27)

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03 TIPO's green trademark analysis report manifests Uni-President's predominance in green trademark filings

TIPO has accomplished an analysis report on green trademarks applications in the past ten years. The analysis report compiles and examines the trend of green

trademark applications filed for major product groups in Taiwan, which may help the industry have a clear picture of the trend of green trademark applications in Taiwan for fulfillment and promotion of net zero and carbon reduction. The report points out the high ranking of Uni-President Enterprises Corp., Apple Inc., Alibaba Group Holding Limited (a company based in the Cayman Islands) for green trademark applications.

Trademarks are both the representation of the source of goods and services and also the indicator of the trends of the market and economy. In the global campaign to take urgent steps to save the earth from the rising temperature and bring back a green planet, trademarks, as one type of intellectual properties, are no less important than technology in the race to net zero emissions, and thus, achievement and fulfillment of carbon emission reduction become appealing and pressing for many large companies.

For compiling and accomplishing the analysis report, TIPO refers to EUIPO's study of green trademarks in the EU by filtering trademarks based on the Nice Classification applied for trademark registration applications and further categorizing the green products into nine major groups (including "energy production", "transportation", "energy conservation", "reuse/recycle", "pollution control", "waste management", "agriculture", "environmental awareness", and "climate change") and also subdividing them into 35 categories. TIPO's report also presents the proportions of green trademark filings in each product group, which provides businesses with a basis for developing their green trademark portfolios, responding to climate change, and adopting strategies for net zero carbon emissions.

According to TIPO's analysis report, green trademarks filings accounted for an approximate share of 15% in overall trademark filings in Taiwan in the past decade, and there had been a consistent growth from the average proportion from around 12.41% (for 2013-2015), 14.72% (for 2016-2019) to 15.87% (for 2020-2022), which reflects businesses are taking green trademark portfolios more seriously. Also, the analysis report examines the distribution of green trademark filings among the 9 main product groups and finds that the dominant product groups are "energy conservation", "pollution control", and "energy production", which together makes up more than 80% of green trademark applications and makes it evident that the industry's trademark portfolios focus on the three areas.

In addition, the analysis of green trademark filings by the nationality of applicants reveals that green filings in Taiwan are mostly from Taiwan, China, Japan, and the U.S. (in descending order). China is predominantly active in the green filings for the product groups of "transportation", "energy conservation", "pollution control", and "waste management". Japan ranks in the top three spots for all major product groups, except for "energy conservation" and "climate change", while the U.S. has higher percentage of green filings for "energy production", "energy conservation", "reuse/recycle", "environmental awareness", and "climate change".

A breakdown of the green trademark applications by looking at the top three applicants across the 9 major product groups indicates that Uni-President, Apple Inc., and Alibaba Group holding Limited from the Cayman Islands are frequently take a spot in the rankings as the most active green trademark applicants in Taiwan. It is noticeable that Uni-President and Apple Inc. each ranks no. 1 or no. 2 in the ranking of applications filed for "energy production", "energy conservation", and "waste management". Uni-President, in particular, gets an entry in the top 10 list of all major product groups, except "transportation" and "agriculture", which demonstrates Uni-President's determination to grow with Taiwan and give an impetus to net zero emissions.

For the ultimate achievement of net zero emissions, businesses have to present new products to the market and also to reform existing ones to make them more sustainable, for which both brand owners and consumers have been taking environmental factors more and more seriously. Green trademarks enhance the visibility of products and display a business's sustainable values. TIPO recommends that businesses fulfill their green trademarks portfolios as soon as possible to take advantage of the predominance of green trademarks and capture business opportunities. (Released 2023.06.05)

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04 IMD World Competitiveness Yearbook: Taiwan finishes sixth out of 64 economies

Switzerland-based International Institute for Management Development (IMD) released the 2023 IMD World Competitiveness Yearbook showing that Taiwan comes in sixth among the 64 economies assessed in the latest world competitiveness rankings, achieving its highest ranking in the World Competitiveness Yearbook since 2012. Taiwan's ranking in overall performance has been improved for five straight years, and hence, makes Taiwan the most competitive for three consecutive years among the economies with a population of 20 million or more.

Of the four main categories used to grade an economy's overall competitiveness, Taiwan advances two spots in the rankings of the main categories of "government efficiency" and "business efficiency" to the 6th and 4th, respectively, and also moves up one place to the 12th in the category of "infrastructure". The country does not display its competitiveness in the category of "economic performance", declining nine places to the 20th.

In the rankings compiled by the 20 medium-categories, Taiwan places among the top five worldwide for "business management" and "scientific construction", and also ranks among the top three in the rankings of a number of subcategories; for example, Taiwan tops the rankings of the subcategories of "4G & 5G market, % of mobile market" and "R&D personnel per thousand people".

Summary of Taiwan's showing in the four main categories:

1. Economic Performance: Drop in the ranking from no. 11 in 2022 to no. 20 in 2023

Taiwan's ranks slip in the medium-categories of "domestic economy" and "international trade" due to the stagnant global economy, the drop in market demand, the inventory adjustments in the manufacturing industry, and the country's relatively high baseline of economic growth rate seen in 2022. On the contrary, Taiwan places 3rd in the subcategories of "complexity index", 5th in "economic resilience", and 9th in "gross fixed capital formation to GDP ratio", the high rankings that are attributable to Taiwan government's policies for enhancing economic resilience and elevating domestic investment. Also with respect to the issue of inflation, Taiwan advances seven spots to the 10th in the subcategory of "prices", and such improvement comes after Taiwan government's efforts to stabilize the prices of commodities and the prices of oil and electricity.

2. Government Efficiency: Rise in the ranking from no. 8 in 2022 to no. 6 in 2023

Taiwan makes progress in the medium category of "public finance" to no. 6, which reflects Taiwan government's sustained efforts to lower government debts and bolster

financial soundness. As opposed to the slight retreat in the rankings of “institutional framework”, “business legislation”, and “societal framework”, Taiwan’s performance in the subcategories of “consumption tax rate”, “real personal taxes”, and “cost of capital” ranks highly at no. 4.

3. Business Efficiency: Improvement in the ranking from no. 6 in 2022 to no. 4 in 2023

Taiwan’s progresses in the medium categories of “business efficiency” is reflected in its improved positions in the rankings of “productivity & efficiency” (at no. 7), “finance” (at no. 6), “management practices” (at no. 3), and “attitudes & values” (at no. 7). The country beats other global peers to grab the top spot in the rankings of sub-categories of “managers’ entrepreneurship”, “credibility of managers in society”, “companies are very good at responding quickly to opportunities and threats”, “use of big data and analytics to support decisions-making”, “corporate boards supervise the management of companies effectively”, and “customer satisfaction”. Also, Taiwan presents its excellent performance by ranking 4th in the sub-categories of “banking sector assets”, “use of digital tools and technologies”, etc.. However, Taiwan is comparatively weak in the sub-category of “labor market”, falling from no. 8 to no. 25. In addition, Taiwan’s outstanding workforce that keeps up and sustains the country’s development is recognized in the ranking of “worker motivation” to claim the 4th position.

4. Infrastructure: Progress from no. 13 in 2022 to no. 12 in 2023

Taiwan remains stable at no. 37 in the main category of “infrastructure”, and its advancement in the rankings of “technological infrastructure”, “scientific infrastructure”, and “health & environment” manifests that Taiwan’s scientific research ability, technological strength, and innovative achievements have been fully affirmed. Moreover, Taiwan surpasses other countries in the sub-categories of “4G & 5G market, % of mobile market” and “R&D personnel per 1000 people”, and also remains strong to be among the best of the rankings of “total expenditure on R&D”, “business expenditure on R&D (%)”, “medium- and high-tech value added”, and “sustainable development”. (Released 2023.06.20)

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