



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

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### **E240425X3**

- 01 Cram school teachers and owners investigated for selling illegally reproduced materials worth TWD1 billion**

On April 25, 2024, the Intellectual Property Rights Investigation Corps of the Criminal Investigation Bureau announced a copyright infringement case, in which four individuals, including the responsible persons and employees of the cram schools located in Taichung and Changhua, are suspected of illegally reproducing the teaching materials, exam papers, and exam questions owned by well-known publishers, such as, Kang Hsuan Educational Publish Corp., and further using these reproduced materials and also selling them to other cram schools and even on e-commerce platforms, such as, Shopee, with a total of 6,000 transactions completed and involving illegal profits amounting to TWD2 million. This case will be referred to the relevant district prosecutors offices on charge of Copyright Act violation.

The police initiated raid actions on the two cram schools in Changhua County and Taichung City and the four individuals' residences in a period from March 13, 2024 through March 29, 2024, seizing around 6,000 illegally reproduced exam papers, over 200 infringing CD-ROM disks of teaching materials, and 1 batch of CD-ROM copying machines. The Intellectual Property Rights Investigation Corps requested the infringed publishers to examine these seized items and the loss involved in this case

was assessed to be in an astonishing amount of TWD1 billion. Moreover, these infringing materials also included the exam papers exclusively used by school teachers as reference for preparing exam papers, which has seriously affected students' rights and fairness of examination at school. Furthermore, as the seized items are in vast quantity including physical materials and electronic files on CDs and part of them are still required to be examined, this case will be referred to the Changhua District Prosecutors Office and Taichung District Prosecutors Office for investigation for Copyright Act violation after all seized items have been fully processed. (Released 2024.04.25)

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**02 ITRI of Taiwan receives its eighth recognition as a Top 100 Global Innovator for excellence in patents**

According to the annual report released by Clarivate, there are a total of 11 Taiwan-based organizations or institutions being named a Top 100 Global Innovator 2024, and among the 11 recognized winners, ITRI (Industrial Technology Research Institute) has won the honor for the eighth time, making it the research organization with the highest number of awards both in Taiwan and in the Asia-Pacific region.

In addition to ITRI, the other named Taiwan-based winners include Hon Hai Precision Industry Co., Ltd., MediaTek Inc., AUO Corporation, Delta Electronics, Realtek Semiconductor Corp., TSMC, Wistron Corporation, Nanya Technology, Winbond, and also a newcomer in the Top 100 Global Innovator, Coretronic Corporation. With the support of the Ministry of Economic Affairs, ITRI has been persistently elevating its cross-disciplinary R&D capabilities and spurring Taiwan's industrial innovation and bringing its influence into full play.

In addition, Taiwan maintains its third position globally in the number of award-winning institutions, which highlights Taiwan's sufficient innovative capabilities. The 11 award-winning institutions have focused on research and development and their patent portfolios cover the technologies of AI, digitalization and carbon reduction trends. The Ministry of Economic Affairs will continue promoting the digitalization and net-zero transformation of Taiwan's industries, expanding the application and R&D of green technologies and AI, strengthening talents cultivation and innovation environment, so as to enhance the global competitiveness of Taiwan's industries. (Released 2024.04.16)

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**E240429Y2**

**03 Taisun Enterprise Co., Ltd. wins trademark infringement lawsuit against a local infringer**

The time-honored and renowned 48-year-old local store in Kaohsiung, "Xu Tai Shan Shantou Hotpot" has been sued by Taisun Enterprise Co., Ltd. ("Taisun") for trademark infringement. The Intellectual Property and Commercial Court (hereinafter "IP&C Court") heard this case and decided in the first instance proceedings that the defendant, XU Zhih-Liang, (namely, Taishan Eatery, the second generation responsible person of Xu Tai Shan Shantou Hotpot) should change business name and pay TWD960,000 in damages to Taisun. The defendant, XU Zhih-Liang pointed out that he had extended goodwill to Taisun more than two years ago by changing product names, and that he will file an appeal against the first-instance court decision.

Taisun contended that it has been incorporated as a listed company since 1960 with the two Chinese characters, “泰山” (transliteration, “*taisun*”), as the main part of a series of its trademarks used on products including mineral water, eight-treasure congee, cooking oil, tea beverages, etc. (hereinafter the “Taisun” marks) for a long period time. Taisun has also expanded the scope of its business to cover publishing business and charity, and thus made the Taisun marks the well-known ones. However, in 2020, defendant XU Zhih-Liang, without prior consent from Taisun, applied for registering the five Chinese characters, “徐泰山火鍋” (meaning “*Xu Tai Shan hot pot*”) as a trademark to be used for such goods or services as broth, tea beverages, meal kit, hotpot store menu, and also sold barbecue sauce products under the product name, “Xu Tai Shan Secret Recipe Barbecue Sauce” through Yuan Shan Food Co., Ltd.. Taisun believed the existence of the likelihood of consumers confusion and the damage of Taisun’s business reputation on the grounds that its “Taisun” marks and XU Zhih-Liang’s “Xu Tai Shan” mark are identical in appearance and pronunciation and both of them are used for food products.

According to the IP&C Court’s judgment on this case, defendant XU Zhih-Liang should not use the words identical or similar to the Chinese characters of “taisun” as a specific part of its business name, and should apply with the Kaohsiung City Government for change of the business name that does not include the words identical or similar to the Chinese characters of “taisun”. Moreover, the IP&C Court also ordered that defendant XU Zhih-Liang and Yuan Shan Food Co., Ltd. should not use the words including or similar to the Chinese characters of “taisun” for its signboards, business cards, advertisements, web pages or any other marketing materials nor engage in any activity of using the words identical or similar to the Chinese characters of “taisun” for marketing purpose, and should pull down, destroy, and remove the existing signboards, business cards, web pages, advertisements, and any other marketing materials currently including the words identical or similar to the Chinese characters of “taisun”, and should also pay TWD960,000 in damages to Taisun. (Released 2024.04.29)

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#### **04 Amended Trademark Act comes into effect on May 1, 2024**

The amendment to partial provisions of the Trademark Act promulgated on May 24, 2023 has officially taken effect since May 1, 2024 according to the Executive Yuan’s announcement. This amendment introduces the accelerated examination mechanism of trademark applications, establishes trademark agent management system, and clarifies the scope of rights for a trademark with functional elements.

Highlights of this amendment are summarized as follows.

##### 1. Introduction of accelerated examination mechanism of trademark applications.

Under the accelerated examination mechanism introduced by the amended Trademark Act, trademark applicants may file an application for accelerated examination by stating in the application the facts and reasons for accelerated examination and paying an application fee of TWD6,000 per class, and the processing time before TIPO issues its first official notice is expected to be shortened to 2 months. The introduction of accelerated examination is to deal with the circumstances where there are necessity and urgency for an applicant to acquire trademark right, and these circumstances include an applicant’s need to acquire

trademark rights for attending a trade show or for trademark licensing and for dealing with his/her receipt of an infringement warning from a third party, etc..

## 2. Establishment of trademark agent management system

The amended Trademark Act establishes a new system to ensure trademark agents' qualifications and competence for performing trademark agency services and to avail trademark agents' registration management. Regarding the qualifications for engaging in trademark agency services as set forth in the amended Trademark Act, in addition to the professionals, such as, attorneys-at-law and accountants and the trademark agents who have passed relevant competency certification examinations, those practitioners who have (a) handled 10 cases involving trademark registration applications and the applications of other procedures in each year of a period of 3 years before enforcement of the amended Trademark Act and (b) applied for registration as trademark agents within 1 year beginning from the second day of the enforcement date of the same Act, may continue to engage in trademark agency services. This new stipulation is to ensure the rights of those trademark practitioners who have been engaged in trademark agency services and have had substantial practical experiences long before the enforcement of the amended Trademark Act.

TIPO has made public the application form for trademark agent registration since the end of April 2024 and has also received applications from May 1, 2024.

## 3. The functional elements of a trademark should be depicted in dotted lines.

The functional elements of a trademark, such as, the blades of electric fans and the circular appearance of tires, will not be registrable through use of them and do not constitute a part of the trademark; therefore, the functional elements should not be included in a trademark as a whole and should not be considered for determining the likelihood of trademark confusion. The amended Trademark Act provides that a proposed mark whose functional elements are not presented in dotted lines shall be unregistrable.

Moreover, for supporting the enforcement of the amended Trademark Act, relevant subordinate legislation, including "Regulations Governing Trademark Agent Registration and Management", "Enforcement Rules of Trademark Act", "Fee-Charging Standards of Trademark", and "Operational Procedures for Accelerated Examination Program for Trademark Applications" have also come into force as of May 1, 2024. (Released 2024.04.05)

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