

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 Copyright infringement case against Largan Precision escalates as MVTec seeks more than TWD800 million in damages

The legal battle between Taiwanese optics manufacturer, Largan Precision Co., Ltd. (hereinafter “Largan”) and German software company, MVTec over Largan’s alleged illegal use of MVTec’s image processing software, HALCON has remained unsettled and further extended to Germany. In a statement issued on June 8, 2026, MVTec indicated that they had filed a civil lawsuit for damages with the Munich Regional Court I in Germany, seeking damages in an amount of €22 million (equivalent to more than TWD800 million). MVTec also stated that the complaint had been served to Largan in April 2026.

In this civil case, Largan was accused of cracking and making extensive unauthorized copies of the HALCON software for its own use after purchase of the software with MVTec. The Taiwan Taichung District Prosecutors Office conducted an investigation on this case, determining that Largan’s conduct constituted violation of the Copyright Act and thus indicted Largan and relevant employees in April 2024. After the indictment, MVTec demanded Largan to produce proof of authorization. However, rather than providing complete evidence, Largan applied to the IPC Court for a provisional injunction maintaining the status quo, seeking to prevent MVTec, prior to the entry of a judgment, from interfering with its use of the software and from requesting it to provide proof of authorization.

The IPC Court rejected Largan’s applications in April and September 2025, respectively. In its ruling, the IPC Court found that at the time of installing the HALCON software, users are presented with the full license agreement and must click “Agree” before proceeding with the installation. Given that Largan had installed and used the software, its subsequent claim that it was not bound by the agreement was indeed questionable. The IPC Court also noted that Largan had initially purchased only nine sets of the developer version of the software (licensed by Nodelocked), but it was accused of installing the software on a large number of devices. Under the circumstance that Largan and relevant employees had already been indicted, MVTec, as the copyright holder, certainly has the right to request Largan to produce proof of its legal use of the software.

According to MVTec, it has been more than two years since the indictment, yet the Taichung District Prosecutors Office handling this case has not proceeded to a substantive examination of the case after holding only one preparatory hearing on May 31, 2024. Besides, MVTec has repeatedly instructed its attorney to file a motion with the court for accessing to the case files so as to ascertain the details of the alleged infringement, but it has never received any clear ruling on the motions or any explanation therefor. In order to protect its own rights and interest, MVTec formally filed a civil lawsuit in Germany to seek damages with the complaint duly served to Largan in April 2026 with the assistance of Taiwan’s diplomatic authorities. (Released 2026.06.08)

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02 Points to know about seeking deferment of examination of invention/design patent applications in Taiwan

A PRACTICAL DIGEST

According to the revision of the Operation Guidelines for Requesting Deferment of Substantive Examination of Invention/Design Patent Applications effective as of 1 January 2026, the time period to request deferment of substantive examination is extended from three (3) years to five (5) years for invention patent applications and from one (1) to two (2) years for design patent applications, both counting from the filing date of the application. In practical operation,

1. For invention patent applications

Deferment of substantive examination of an invention patent application may be sought for but once only where substantive examination of the application has been requested and the application is in the phase of

- 1) First examination and the Notice of First Office Action is not yet served; or
- 2) Re-examination and the Notice of First Office Action is not yet served.

The preceding paragraph does not apply to any invention patent application

- 1) a request for the substantive examination of which has been filed by a third party;
- 2) a request for prioritized examination, accelerated examination or PPH of which has been filed; or
- 3) more than five years have elapsed from the filing date of the application.

2. For design patent applications

Deferment of examination of a design patent application may be sought for but once only where the application is in the phase of

- 1) First examination and the Notice of First Office Action is not yet served;
- 2) Re-examination and the Notice of First Office Action is not yet served.

The preceding paragraph does not apply to any design patent application

- 1) a request for accelerated examination of which has been filed; or
- 2) two (2) years have elapsed from the filing date of the application.

3. Procedure

The request for deferment of substantive examination shall be submitted in writing with these particulars clearly stated in the request form:

- 1) The patent application number.
- 2) Name or designation of the applicant.
- 3) Name of the attorney, where applicable.
- 4) Requested date of resumption of examination.

The requested date of resumption of examination provided in subparagraph 4) above must be within five (5) years from the filing date of the invention patent application and two (2) years from the filing date of the design patent application.

4. Withdrawal and change of requested date of resumption of examination

The applicant may withdraw the submitted request for deferment of substantive examination. However, once the request is withdrawn, no second request for deferment of substantive examination of the same patent application will be allowed.

The requested date of resumption of examination may be changed on the applicant's request, provided that the date proposed for the change must be in accordance with paragraph two of Point 4.

5. Resumption of examination

Upon the arrival of the requested date of resumption of examination, the application will be included in the applications filed in the current year and aligned for examination in order.

6. Taiwan IPO may decide not to entertain a request for deferment of examination

Where, in its discretion, the patent application may materially affect public interests or the interests of any third party, Taiwan IPO (i.e. the Patent Authority) may dismiss a request for deferment of substantive examination of that patent application. Further, if the request for substantive examination has been docketed, Taiwan IPO may terminate the deferment procedure.

7. Lay-open

The lay-open date of an invention patent application will not be affected by the request for deferment of substantive examination and early lay-open requests will be processed as usual. (Released 2025.12.17)

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03 TIPO expands accelerated patent examination mechanism to help startups secure patent protection faster

On June 16, 2026, TIPO announced the further expansion of the accelerated patent examination mechanism for startups, launching a series of supporting measures under the theme, "Enhancing the Competitiveness of Startup Industries, Accelerating Patent Portfolios, TIPO supports Startups", for the purpose of helping startup companies obtain patent protection promptly and reinforcing technological protection and also elevating fundraising capabilities.

According to TIPO, there has been a comprehensive support system well established for startup companies through such initiatives as the Small Business Innovation Research (SBIR) Program, the Positive Patent Examination Pilot Program for Startup Companies, and the Asia Silicon Valley Development Plan. As part of these efforts, TIPO has formed a series of measures to expedite patent examination helping startup companies quickly turn their technologies into valuable patented assets and further reduce infringement risks. TIPO has also developed the "Three Core Strategies for Startup Patent Portfolios".

1. Positive Patent Examination Pilot Program for Startup Companies

Since 2025, the scope of eligibility of this program has been expanded to include the companies that (a) have received national innovation awards within the previous two years, and (b) have received guidance from organizations commissioned by TIPO under the technology development program. Under this program, examiners proactively conduct interviews with applicants and provide recommendations for revisions. In 2025, the average disposal pendency was only 65.8 days, with an approval rate

exceeding 93%. According to TIPO's statistics, this program has provided substantial support to startup companies, with 97 companies benefited to receive assistance and guidance to date.

2. Accelerated Examination Program (AEP):

This program is available when the corresponding foreign application has been granted, when early examination is necessary for commercial exploitation, or when an invention relates to green technologies. Under this program, applicants may generally receive examination results in about two months. This program assists startup companies in seizing opportunities in international markets and the growing ESG economy.

3. Patent Prosecution Highway (PPH) and TW-Support Using the PPH Agreement (TW-SUPA):

TIPO has establish PPH collaboration with the patent offices in eight countries, including the U.S.A., Japan, and South Korea. Under this mechanism, startup companies are able to accelerate corresponding patent applications in major overseas markets after having obtained patents in Taiwan.

TIPO points out that the strong patent portfolios have translated into substantial fundraising capabilities. According to the latest statistics, startup companies leveraging the Positive Patent Examination Pilot Program have secured 39 investment cases, with total fundraising of USD298 million (approximately TWD9 billion), primarily through Seed Round and Series A Round, which demonstrates that “patent strength fuels fundraising success”.

In order to help startup companies develop patent portfolios, TIPO provides technical intelligence support through patent trend reports, compilations of cases, and the Standard-Essential Patent (SEP) Information Platform, covering key industries, such as, artificial intelligence (AI), net-zero technologies, semiconductors, and smart aging technologies. In addition, TIPO also introduces the “Accelerated Examination Program for Startups”, which offers integrated support ranging from prior-art searches and intellectual property consultation to investor matchmaking. The project is directly linked with the Positive Patent Examination Pilot Program, helping startup companies reduce filing risks while connecting with potential investors even before patent rights are granted.

TIPO stated that it will continue to serve as a catalyst for startup innovation, helping transform Taiwan's technologies into global competitive advantages more rapidly. Startup companies are encouraged to make full use of the available resources to accelerate their patent strategies and gain an early advantage in international markets. (Released 2026.06.16)

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04 MIRDC and Anduril ink MOU on Taiwan-U.S. cooperation on drone key technologies development

The Ministry of Economic Affairs held a ceremony on June 3, 2026 for the execution of MOU on Taiwan-U.S. drone cooperation. The MOU was signed by Metal

Industries Research & Development Centre (MIRDC) and the U.S.-based leading defense tech company, Anduril Industries. With the execution of the MOU, MIRDC and Anduril will start their partnership with key drone technologies to mainly develop AI-enabled autonomous systems, drone manufacturing, supply chain localization, and China-free supply chain development.

Taiwan has possessed a comprehensive and well-developed industrial base spanning information and communication, precision machinery, metal processing, electronic components, and system integration. In recent years, the Industrial Development Administration under MOEA has been helping Taiwan's drone industry tap into the international market. To date, more than 10 domestic companies have secured trial production or mass production orders from Anduril for drone airframe structures, payload equipment, power systems.

Under the MOU, both sides will start their collaboration in developing key drone technologies, AI applications, manufacturing process optimization, supply chain integration, and localization of production, which is expected to help Taiwanese companies connect with demand in the international drone and autonomous systems markets. Also, MIRDC will also assist in promoting technological upgrades, quality certification, manufacturing optimization and industry matchmaking, thereby strengthening Taiwan's capacity for international collaboration and enhancing the global competitiveness of its drone industry and supply chain. (Released 2026.06.03)
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05 Taiwan skyrockets to a record fourth place in 2026 IME World Competitiveness Ranking

The Switzerland-based International Institute for Management Development published the 2026 IMD World Competitiveness Yearbook on June 18, 2026, which placed Taiwan fourth among the 70 economies assessed. Taiwan rose two places higher than in 2025, achieving its best-ever performance since 1997 when it was first included in the annual survey. In addition, Taiwan has remained on the top of the ranking for six straight years among the economies with a population of more than 20 million, which demonstrates Taiwan's remarkable economic resilience and international competitiveness in the heightened uncertainty of the global economic and trade environment.

This ranking grades worldwide economies based on four pillar factors including "economic performance", "government efficiency", "business efficiency" and "infrastructure", serving as the important international benchmark of an economy's overall economic strength, governance capability, business environment, and long-term development conditions. Among the four factors, Taiwan moved up five positions in "economic performance" compared with the ranking of 2025, which is the main reason for the rise of its overall ranking. In addition, Taiwan climbed two spots to sixth in "government efficiency" and stayed at the fourth spot in "business efficiency" and also the 10th position in "infrastructure". Taiwan was placed among the top three globally in 30 indicators, which reflects Taiwan's continued strengths in technology and R&D, industrial competitiveness, corporate governance, and talent quality.

1. Economic Performance: Improved from 10th to 5th places

There was a notable leap in Taiwan's rankings of several sub-factors, with "domestic economy" climbing from 4th to 2nd spot, "international trade" surging from 30th to 13th, and "employment" advancing from 37th to 18th. In individual indicators, Taiwan ranked 2nd globally in both "growth in exports of goods" and "real GDP growth per capita", while ranking 6th in "real growth in gross fixed capital formation". Also, Taiwan placed 4th worldwide in "economic resilience" and 2nd in "current account balance as a percentage of GDP".

2. Government Efficiency: Rising from 8th to 6th places

Taiwan ranked 7th, 8th, and 9th in "public finance", "tax policy", and "institutional framework", respectively, remaining among the top 10 globally. Its rankings in "business legislation" and "societal framework" also continued to improve. Among individual indicators, Taiwan topped the global ranking of "government is elected by free elections", while ranking among the top three in "capital markets (foreign and domestic) are easily accessible" and "cost of capital does not hinder business activity". Moreover, Taiwan also placed among the top ten in "total general government debt (% of GDP)," "Tax evasion is not a threat to the economy," and "tariffs on imports".

3. Business Efficiency: Finishing 4th, unchanged from last year

Taiwan's rankings in "management practices" and "productivity and efficiency" were 2nd and 4th, respectively, and its rankings in "finance" and "attitudes and values" remained among the top 10 globally. Among individual indicators, Taiwan's rankings in "Managers have an entrepreneurial spirit," "The public trusts business managers," "Businesses respond quickly to opportunities or threats," and "Society has a positive attitude toward globalization" were all 1st globally, while those in "Businesses are agile and flexible" and "Public trust in AI" were also among the top three globally.

4. Infrastructure: Coming in 10th, unchanged from last year

Taiwan's rankings in the sub-factors, "scientific infrastructure", "education", and "technological infrastructure" were 4th, 8th, and 10th, respectively, while its ranking in "health and environment" leaped to 18th from 25th. At the individual indicator level, Taiwan was placed among the top three globally in "total R&D expenditure as a percentage of GDP", "business expenditure on R&D as a percentage of GDP", "R&D personnel per thousand people", "high-tech exports as a percentage of manufactured exports", and "medium- and high-tech value added as a percentage of manufacturing value added". In terms of education and quality of life, Taiwan also ranked among the top five globally in "proportion of the population aged 25–34 with tertiary education", "health infrastructure meeting the needs of society", and the "proportion of students who are not low achievers in PISA science, mathematics, and reading". (Released 2026.06.18)

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