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Taiwan



J. K. Lin



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1 Patent Enforcement

1.1 How and before what tribunals can a patent be enforced against an infringer?

The Intellectual Property (IP) Court has jurisdiction over all patent infringement actions in Taiwan. Established on 1 July 2008 in New Taipei City, the IP Court is a specialist court intended exclusively for IP-related cases all over Taiwan. Before 1 July 2008, patent infringement cases were brought in district-level courts where the defendant was resident or located, or where infringing activities took place. Infringement proceedings are now commenced in the IP Court by filing a complaint with details of the parties, the cause of action and the relief sought.

1.2 What are the pre-trial procedural stages and how long does it generally take for proceedings to reach trial from commencement?

The pre-trial (preparatory) procedural stages include: (i) preliminary review of the complaint to ensure procedural formalities are met and if not, requirement that they be remedied where possible; (ii) first exchange of briefs (i.e. service of the complaint on the defendant and service of the defendant's answer, which may contain procedural and substantive defences); (iii) designation of a Technical Examination Officer by the court where appropriate – the court typically finds a Technical Examination Officer necessary unless the patent-in-suit relates to an easily understandable technology; (iv) second exchange of briefs (i.e. exchange of written statements setting out disputed issues and admissions); and (v) preparatory hearing to confirm the disputed issues, determine the scope and order for evidence to be presented and fix the trial schedule. In general, the pre-trial procedural stages will take about 4 to 6 months.

1.3 Can a defence of patent invalidity be raised and if so how?

Yes, this is raised typically as part of the defendant's answer or other preparatory briefs, along with copies of documents supporting the grounds of invalidity. Absent exceptional circumstances, invalidity should be raised only during pre-trial (preparatory) stages.

1.4 How is the case on each side set out pre-trial? Is any technical evidence produced and if so how?

Before the trial stage begins, the parties must submit written

statements and supporting documents which relate to: (i) facts and arguments based on the disputed issues; (ii) factual evidence to be presented and/or investigated; (iii) if applicable, grounds of invalidity and the prior art references relied upon; (iv) experts' reports; and (v) where the parties intend to call an expert witness at trial, background information of the witness. A copy of each party's written statements will be served on the adversary and the court will generally allow appropriate time (usually 2 to 4 weeks) for the adversary to prepare their response. Where invalidity is in issue, the court may exercise discretion to order the Taiwan Intellectual Property Office (Taiwan Patent Office, TIPO) to intervene in the action to provide their technical opinion, although in practice the court rarely does this. With regard to the issue of infringement, it is also possible for the parties to request that the court designate an experienced organisation or specialist to conduct an assessment of whether the claims are infringed as contended.

1.5 How are arguments and evidence presented at the trial? Can a party change its pleaded arguments before and/or at trial?

Pursuant to Article 255 of the Taiwan Code of Civil Procedure, after the service of the complaint, the Plaintiff may not amend his/her claim or raise additional claims, except in cases where: (i) the defendant agrees; (ii) the amendment or addition of the claim is based on the same transaction or occurrence; (iii) only the demand for judgment for the relief sought is expanded or reduced; (iv) a change of circumstances makes it necessary to replace the original claim with another claim; (v) the claim shall be adjudicated jointly when those who are not parties are joined as parties; (vi) the existence or non-existence of a certain legal relation, based upon which relation the case shall be decided, becomes disputed in the course of the proceeding and an additional claim for a declaratory judgment confirming such legal relation against the defendant is raised; and (vii) it would neither severely obstruct the defendant's defence nor delay litigation. Where the Defendant proceeds orally on the merits without objecting to the amendment or addition of claims, he/she shall be deemed to have agreed to such amendment or addition.

It should also be noted that supplementing or rectifying factual or legal statements without changing the claim shall not be deemed an amendment or addition of claims (§256 of the Taiwan Code of Civil Procedure).

1.6 How long does the trial generally last and how long is it before a judgment is made available?

The trial typically consists of more than one day and may span up

to 4 months. A written judgment is generally handed down by the judge 2 weeks after the trial is closed, a copy of which will be served to the parties about 10 days later.

1.7 Are there specialist judges or hearing officers and if so do they have a technical background?

The judges in the IP Court are all specialist judges with expertise in trying IP cases; some of the judges have a technical background. The Technical Examination Officers, who act as technical assistants to the judges, are mostly senior examiners of the TIPO and all of them have technical backgrounds, as well as experience in patent examination and assessment.

1.8 What interest must a party have to bring (i) infringement (ii) revocation and (iii) declaratory proceedings?

- (i) The plaintiff must be the owner of the patent, or an exclusive licensee with proper licensing registration at the TIPO.
- (ii) The claimant need not have any interest, except when the purported ground of revocation is (a) the patent application was not properly filed by all joint owners, or (b) the patent was issued to someone not legally entitled to file for the patent, only an “interested party” (e.g. a party who claims to be the legitimate applicant) can bring revocation proceedings.
- (iii) An action for a declaratory judgment confirming a legal relation may only be initiated by a party who has made a showing that he has immediate legal interest in seeking such a declaration. For example, a party who shows he is aggrieved by allegations of patent infringement or threats of infringement proceedings may bring an action for a declaration that the defendant’s claim for infringement does not exist.

1.9 Can a party be compelled to provide disclosure of relevant documents or materials to its adversary and if so how?

Yes. A party in a civil action may move the court to order the opposing party to produce documentary evidence in the opposing party’s possession. The motion must specify the relationship between such documentary evidence and the disputed fact to be proved, as well as the legal ground for the opposing party’s duty to produce such documents or materials. Under the Code of Civil Procedure, a party has the duty to disclose: (i) documents that such party has made reference to in the course of the proceedings; (ii) documents which the other party may require the delivery or inspection of pursuant to applicable laws; (iii) documents which were made for the interest of the other party; (iv) commercial accounting books; and (v) documents which were made in respect of matters relating to the action (the party may refuse to produce such documents on the ground of privacy or trade secrets). Where a party to a patent infringement action fails to produce relevant documents in accordance with a court order without justifiable reasons, the court may, at its discretion: (i) take the opposing party’s allegation with regard to such documents to be true; (ii) impose a fine of up to TWD 30,000 (GBP 600); and/or (iii) force production of such documents by an order of enforcement.

1.10 Can a party be liable for infringement as a secondary (as opposed to primary) infringer? Can a party infringe by supplying part of but not all of the infringing product or process?

The Taiwan Patent Act does not expressly provide for liabilities of

a secondary infringer. Therefore no legal basis is available for claiming secondary infringement under the Patent Act. However, patent owners have attempted to rely on Article 185 of the Civil Code (joint liabilities for “instigators and accomplices” of a tort) to seek relief against secondary infringers, with success to a certain extent. For example, a person who supplies the essential parts of an infringing article (but not all of it) to the primary infringer with knowledge that they are to be used for the infringement, or a person who induces or instructs the primary infringer to engage in the act of infringement may be held jointly liable for infringement.

1.11 Can a party be liable for infringement of a process patent by importing the product when the process is carried on outside the jurisdiction?

Under Article 58(2) of the Patent Act, unless otherwise provided for in the Act, the patentee of a patented process shall have the exclusive right to preclude others from using such process and using, selling or importing for the above purposes the articles made through direct use of the said process without his/her prior consent. Accordingly, a party can be liable for infringement of a process patent by importing the product, even though the process is carried on outside the jurisdiction.

1.12 Does the scope of protection of a patent claim extend to non-literal equivalents?

Yes. In practice, the Taiwan Court applies the “doctrine of equivalents” (the function/way/result rule) to extend protection to non-literal equivalents, provided that the accused product or process must contain corresponding elements identical or equivalent to each claimed element of the patent under the “all-elements rule”.

1.13 In what circumstances does the “repair” of a patented article amount to infringement?

The Patent Act of Taiwan does not contain black letter law over indirect or contributory patent infringement. Nonetheless, legal basis for indirect or contributory infringement can still be established with the supplement of the Taiwan Civil Code and legal precedents. Article 185 of the Civil Code provides that “if several persons have caused an injury to the right of another person by a wrongful act committed jointly, they are jointly and severally liable for the damage”. Accordingly, one may be likely held responsible for indirect or contributory patent infringement under the concept of joint tortfeasors. Nonetheless, a wilful intent or negligence on the part of the wrongdoer is a required element to establish a tortious act. Also, the issues of patent exhaustion doctrine, fair-use, as well as a distinction of repair and reconstruction of a patented item after its normal span of life are required to be considered case-by-case.

1.14 Other than lack of novelty and inventive step, what are the grounds for invalidity of a patent?

The principal grounds are:

- (i) lack of industrial applicability;
- (ii) insufficiency of disclosure in the written description (lack of enablement);
- (iii) the scope of claims is not supported by the description and drawings;
- (iv) pre-grant amendments which exceeded the scope of specification, claims or drawings originally filed;

- (v) where the patent application right was jointly owned, the application was not filed by all joint owners;
- (vi) the patent was granted to someone not entitled to file for the patent; and
- (vii) the home country of the patentee does not accept patent applications filed by Taiwan nationals.

1.15 Are infringement proceedings stayed pending resolution of validity in another court or the Patent Office?

No. Article 16 of Taiwan's Intellectual Property Case Adjudication Act requires that the IP Court may not suspend or stay the proceedings pending resolution of validity in the TIPO or the Administrative Court.

1.16 What other grounds of defence can be raised in addition to non-infringement or invalidity?

In addition to non-infringement or invalidity, the infringer may raise the following defences: (i) no damages should be awarded due to the patent owner's non-compliance with patent marking requirements; (ii) no damages should be awarded because the defendant lacks the subjective intention or negligence on which an award of damages must be based; (iii) the patent was exhausted; (iv) the plaintiff was an exclusive licensee who did not register the licence with the TIPO; and (v) the plaintiff's claim was time-barred (see question 1.20 below).

1.17 Are (i) preliminary and (ii) final injunctions available and if so on what basis in each case?

Both preliminary and final injunctions are available.

- (i) A preliminary injunction (known as an "injunction maintaining the temporary *status quo*") is granted if the claimant can show that an injunction is necessary to prevent material harm or imminent danger or other similar circumstances exist. The factors generally considered by the court to determine whether a preliminary injunction is warranted include: (a) the likelihood of success on the merits of the case (both invalidity and infringement would be considered); (b) whether the claimant would suffer irreparable harm absent an injunction; (c) the balance of interests between both parties; and (d) the impact on the public interest (particularly in pharmaceutical cases).
- (ii) Final injunctions are typically granted if the claimant is successful at trial in establishing that (a) the patent is infringed and not invalid, and (b) the defendant is currently engaging in infringing activities or is likely to engage in infringing activities in the future.

1.18 On what basis are damages or an account of profits estimated?

Under Article 97 of the Patent Act, the plaintiff has three options to choose from as the basis for assessing the quantum of damages:

1. the method provided in Article 216 of the Civil Code; the patentee may claim damages based on the amount of the balance derived by subtracting the profit earned through exploiting the patent after infringement from the profit normally expected through exploiting the same patent, if no method of proof can be produced to prove the damage suffered;
2. the profit earned by the infringer as a result of patent infringement; and
3. the equivalent amount of royalty that may be collected from exploiting the invention patent under licensing.

1.19 What other form of relief can be obtained for patent infringement?

Upon the plaintiff's request, the court may order (i) the destruction of infringing goods, raw materials and equipments used for infringing activities or other necessary disposals, and/or (ii) publication of a final and non-appealable judgment at the expense of the infringer.

1.20 Are declarations available and if so can they address (i) non-infringement and/or (ii) claim coverage over a technical standard or hypothetical activity?

- (i) Declarations are available to address non-infringement, provided that the party seeking the declaratory relief has the interest indicated in question 1.8 (iii) above.
- (ii) In general, declaratory proceedings can only be initiated in respect of a disputed "legal relation" or "existence or nonexistence of facts from which a legal relation arises". The court is unlikely to entertain declaratory proceedings to address claim coverage over a technical standard or hypothetical activity as the declaration sought here is not considered to be a "legal relation" or "fact from which a legal relation arises".

1.21 After what period is a claim for patent infringement time-barred?

The claim to seek damages for patent infringement is time-barred after a 2-year period from when the patent owner becomes aware of the infringement and the infringer, or a 10-year period from the time the infringement takes place, whichever expires earlier.

1.22 Is there a right of appeal from a first instance judgment and if so is it a right to contest all aspects of the judgment?

Yes, either party has a right to appeal a first instance judgment. While it is generally considered a liberal right to contest all aspects of the judgment, the Court of Appeal will not allow a party to present a new contention or defence, unless it can be shown that the new contention or defence is based on facts that occur after the first instance judgment is handed down or could not have been presented in the first instance due to reasons not imputable to that party.

1.23 What are the typical costs of proceedings to first instance judgment on (i) infringement and (ii) validity; how much of such costs are recoverable from the losing party?

Costs are incurred mostly from court fees and attorney fees. A court fee is the money that the plaintiff must pay to the court when bringing an action. Court fees are part of 'litigation expenses', which can ultimately be recovered from the losing party. The amount of the court fee is approximately one per cent of the value of claim which is to be assessed at the discretion of the court. The level of attorney fees varies depending on how complicated the case is and whether invalidity is raised. The average attorney fees through to a first instance decision for an infringement action where invalidity is not in issue are in the range from TWD 500,000 to TWD 750,000 (GBP 10,000 – GBP 15,000); where invalidity is raised (which is the typical case), the fees range from TWD1 million to TWD 1.5 million (GBP 20,000 – GBP 30,000). Attorney fees for the first instance are to be borne by each party themselves; they are not recoverable from the losing party.

2 Patent Amendment

2.1 Can a patent be amended *ex parte* after grant and if so how?

Yes, by filing an application for amendment to the TIPO (answers to questions 2.1 through to 2.3 discuss only post-grant amendment). Upon approval, the amendment will be published by the TIPO in the Patent Gazette. The amendment will have retroactive effect backdated to the filing date of the patent.

2.2 Can a patent be amended in *inter partes* revocation proceedings?

Yes. *Inter partes* revocation proceedings are filed to the TIPO, in which the patent owner may propose an amendment or the TIPO may, at its discretion, instruct the patent owner to make the appropriate amendment. The TIPO must notify the party seeking revocation of the proposed amendment.

2.3 Are there any constraints upon the amendments that may be made?

In terms of post-grant amendments, the amendments can only be made in accordance with one of the following:

- (i) to delete claims;
- (ii) to narrow down the scope of claims;
- (iii) to correct erroneous descriptions or erroneous translation; and
- (iv) to clarify ambiguous descriptions.

Furthermore, the amendments must not “exceed the scope of disclosure made in the **Chinese** specification, claims or drawings originally filed” or “substantially expand or alter the scope of claims” in any event except for the correction on erroneous translation.

As to the correction of erroneous translation, it cannot exceed the scope of disclosure of the **foreign-language** specification originally submitted.

3 Licensing

3.1 Are there any laws which limit the terms upon which parties may agree a patent licence?

Yes, restrictive terms of a patent licence which result in anticompetitive effects are prohibited under the Fair Trade Act and the Fair Trade Commission Guidelines on Technology Licensing Arrangements. The following are some of the examples listed under Article 6 of the said Guidelines as potential violations of the Fair Trade Act to the extent they lessen competition or impede fair competition in the relevant market: (i) restrictive arrangements with respect to marketing methods, scope of use or trading counterparts, in order to achieve the goal of market segmentation; (ii) requirements that the licensee purchase, accept, or use other patents not needed by the licensee; (iii) requirements that the licensee exclusively grant back any improvements to the licensed patent; (iv) price-fixing; (v) restrictions on the licensee’s ability to challenge the validity of the licensed patent; and (vi) limitations on output.

3.2 Can a patent be the subject of a compulsory licence and if so how are the terms settled and how common is this type of licence?

Yes, an invention patent (but not utility model and design patents) can be the subject of a compulsory licence. Under Article 87 of the Patent Act, the TIPO may grant a compulsory licence to an applicant on one of the following grounds: (i) in order to cope with national emergencies; (ii) to make non-profit use of a patent for enhancement of public welfare; (iii) if the applicant has failed to reach a licensing agreement with the patentee after making commercially reasonable offers to the patentee; or (iv) if a judgment or Fair Trade Commission decision confirmed that the patentee has engaged in anticompetitive conduct with respect to exercise of its patent rights. The grantee of a compulsory licence should pay to the patentee “appropriate compensation”, which is to be determined by the TIPO in the event that the parties fail to settle the amount. Compulsory licences are not so common in Taiwan; it is our understanding that only two compulsory licences have been granted by the TIPO to date.

4 Patent Term Extension

4.1 Can the term of a patent be extended and if so (i) on what grounds and (ii) for how long?

According to the amended Patent Act §53 (which came into force on January 1, 2013), for an invention patent directed to a pharmaceutical or agrichemical(s), or the manufacturing process thereof, of which the exploit needs to obtain a regulatory approval pursuant to other acts or regulations (e.g. marketing authorisation required under the Pharmaceutical Affairs Act), if the regulatory approval is obtained after the publication of the concerned invention patent, the patentee may apply for one and only one extension of the patent term of said invention patent based on the first regulatory approval. Said regulatory approval is only allowed to be used once for seeking patent term extension. Also, the term “pharmaceutical” set forth in the provision does not include any veterinary drug.

It should be noted that the extension of the patent term approved shall not exceed the length of time when the patent cannot be exploited because of absence of the regulatory approval concerned from the central government authorities in charge of the business. If the time needed to obtain said regulatory approval exceeds 5 years, the granted patent term extension shall be 5 years.

5 Patent Prosecution and Opposition

5.1 Are all types of subject matter patentable and if not what types are excluded?

Article 24 of the amended Patent Act (which came into force on January 1, 2013), stipulates that an invention patent shall not be granted in respect of any of the following: (1) animals, plants, and essential biological processes for the production of animals or plants, except processes for producing microorganisms; (2) diagnostic, therapeutic and surgical methods for the treatment of humans or animals; and (3) inventions contrary to public order or morality.

5.2 Is there a duty to the Patent Office to disclose prejudicial prior disclosures or documents? If so, what are the consequences of failure to comply with the duty?

No. Although the Enforcement Rules of the Patent Act provide that applicants “may submit prior art materials related to the claimed invention”, they do not have a duty to disclose prejudicial prior disclosures or documents.

5.3 May the grant of a patent by the Patent Office be opposed by a third party and if so when can this be done?

No. A challenge of the grant of a patent by a third party can only be achieved through revocation proceedings brought at the TIPO.

5.4 Is there a right of appeal from a decision of the Patent Office and if so to whom?

Yes, decisions of the TIPO can be appealed to the Appeal Board of the Ministry of Economic Affairs on the grounds that the decision is illegal and/or inappropriate; decisions of the Appeal Board can be further appealed to the IP Court on the grounds that the decision is illegal.

5.5 How are disputes over entitlement to priority and ownership of the invention resolved?

Issues as to entitlement to priority are generally determined by the TIPO during prosecution of the patent application. The applicant may appeal the TIPO’s decision to the Appeal Board of the Ministry of Economic Affairs. Disputes over ownership (e.g. as between joint inventors, employer and employee or non-related parties) are often brought before the TIPO during revocation proceedings, but the TIPO tends to advise the parties to seek resolution of the dispute through a civil action where the rules of evidence investigation can better facilitate examination and determination of contested facts.

5.6 Is there a “grace period” in Taiwan and if so how long is it?

Yes, there is a “grace period” in Taiwan and it is 6 months from the date of the occurrence of events (§ 22.3 of the amended Patent Act).

5.7 What is the term of a patent?

The term of a patent is as follows: for invention patents, 20 years from filing; for utility model patents, 10 years from filing; and for design patents, 12 years from filing.

6 Border Control Measures

6.1 Is there any mechanism for seizing or preventing the importation of infringing products and if so how quickly are such measures resolved?

Border control measures for patent-infringing goods only apply after a preliminary or final injunction enjoining the import or export of goods has been obtained from the court. The patent owner or exclusive licensee may provide information on the infringing products to the customs authorities such as the expected time and location of importation, name of the carrier and flight/voyage

number. The customs will prevent the importation of the infringing products accordingly. As border control measures in patent infringement cases have to be based on a preliminary or final injunction, they are not so frequently used in Taiwan.

7 Antitrust Law and Inequitable Conduct

7.1 Can antitrust law be deployed to prevent relief for patent infringement being granted?

While antitrust law may impose penalties (fines and/or even criminal charges) on patent owners who abuse their patent rights with anticompetitive consequences, the general view is that it cannot be deployed to render a patent invalid or unenforceable. There has never been a case where a defendant successfully relied on antitrust law to prevent relief for patent infringement being granted.

7.2 What limitations are put on patent licensing due to antitrust law?

See question 3.1 above.

8 Current Developments

8.1 What have been the significant developments in relation to patents in the last year?

The amendment to Patent Act was promulgated by Presidential Order on December 21, 2011 and came into force on January 1, 2013. The main points of the amendment are as follows:

- (1) The applicant for the patent may claim a grace period for disclosing his/her invention in any kind of printed publication by himself/herself within the 6 months prior to the filing date. Printed publications are not limited to academic publications.
- (2) Introducing the “reinstatement of rights” mechanism, whereby applicants or patent owners who lost their patent rights because they unintentionally failed to claim priority rights at the time of application or failed to pay patent annuities on time may apply for reinstatement of rights.
- (3) Providing the claim(s) and abstract are independent from the description.
- (4) Deleting the time limit for applicants wishing to amend applications; however, after TIPO has issued an office action, the applicants can only amend their applications within the time limit specified in the said action. Furthermore, after TIPO has issued an office action, as it deems necessary, it may issue a final office action. A patent applicant can only amend claims in any of the following manners within the time limit specified in the said final office action: (a) to delete claim(s); (b) to narrow the scope of claim(s); (c) to correct an erroneous description; and (d) to clarify an unclear description.
- (5) Allowing divisional applications to be filed within 30 days from the date on which an approval decision for the original patent application was issued.
- (6) Amending conditions that were excluded from the scope of patent right, including private acts that are for non-commercial purposes, acts that are necessary for obtaining drug regulatory approval in Taiwan and abroad, and adoption of the international exhaustion principle.
- (7) Removing the minimum 2-year threshold requirement for applying for an extension of a patent term of a

pharmaceutical or agrichemical related invention patent; clarifying that a patentee may apply for only one extension of the patent term of the said invention patent based on the first regulatory approval, and the said regulatory approval can be used for seeking patent extension only once.

- (8) Amending the requirements for applying for compulsory licences, the condition “failure to reach a licensing agreement with the patentee concerned under reasonable commercial terms and conditions within a considerable period of time” becomes a prerequisite to apply for a compulsory licence for public non-commercial use or exploiting a dependent patent involving an important technical advance of considerable economic significance. It also provides TIPO shall determine the amount of compensation together with granting compulsory licences.
- (9) A compulsory licence may be granted to produce pharmaceutical products for export to developing or less-developed countries to solve their public health issues.
- (10) Revising the patent invalidation system, including abolishing examination by *ex officio* action, allowing invalidation actions to be filed against part of claims, combining procedure for invalidation actions and corrections, as well as combining decisions for invalidation actions and corrections.
- (11) Clarifying the infringer’s intentional or negligent act as necessary for the patentee to claim the damages of patent infringement; revising the methods of calculating damages; and clarifying where no patent marking is made, evidence shall be produced when claiming damages to prove that the infringer has had knowledge or may have knowledge with respect to the fact that the said article is under patent protection.
- (12) Adding provisions that allow the same applicant to file an invention patent application and a utility model patent application for the same creation on the same date. After TIPO determines the invention patent is allowable, it will notify the applicant to select one patent within a specified time limit. Where the applicant selects the invention patent, the utility model patent shall be deemed non-existent *ab initio*.
- (13) Allowing partial designs, computer-generated icons and graphical user interfaces (icons & GUIs), and sets of articles into the scope of design patent protection; introducing the derivative designs system.

Also, a patent search centre established by the Ministry of Economic Affairs (MOEA) began operations formally in early April 2012. The centre helps TIPO perform the prior art search work. It can be expected that the workload of the patent examiners will accordingly be reduced and the examination will be faster.

A trial period ran from April to December 2012, and 25 people having patent or industrial practice were recruited to perform the prior art search work. In the second and third years, the personnel will be increased to 54 and 58 people respectively, and the throughput is expected to increase from 1,500 cases to 5,600 and 8,000 cases accordingly.

The establishment of the centre is one of the measures proposed by TIPO to reduce the backlog of pending patent applications. It is estimated that the number of pending patent applications can be decreased to 78,000 cases through those measures by 2016, and the average pendency per case will be decreased to less than 24 months.

8.2 Are there any significant developments expected in the next year?

The current patent regime in Taiwan allows one application for both an invention patent and a utility model patent. Nonetheless, Article 32 of the Patent Act provides that where an invention patent application and a utility model patent application are filed based on

the same creation by the same applicant on the same date, but the utility model patent is issued later, the applicant will be requested to retain either the invention patent application or the utility model patent when the invention of the patent application is considered patentable but has not yet been granted a patent. If the invention patent application is designated, the invention patent application will be allowed and the utility model patent will be deemed non-existent *ab initio*. If the utility model patent is designated, the invention patent application will be rejected.

In order to balance patentees’ rights, new amendments to Articles 32 proposed by the legislature have been submitted for review. The new draft amendments provide that once the applicant chooses the invention patent to be granted to avoid double patenting, the utility model patent shall be deemed extinguished after the invention patent is granted and issued (instead of non-existent *ab initio* under current provision) so that the patent protection is continued.

Currently, under Article 97, a patentee cannot claim triple damages (i.e. punitive damages) for intentional infringement, and when a licence royalty is used as the basis to calculate the damages, the amount of damages is equivalent to the amount of royalty that may be collected from exploiting the invention patent under licensing. New draft amendments have also been proposed so that a patentee may claim for damages no more than triple the damages as suffered for intentional infringement, meaning the amount of damages to be claimed can be higher than the amount of the actual royalty.

**As of May 31, 2013, the above amendments were passed by the Taiwan Legislative Yuan along with two other amended provisions. The aforementioned amendments are expected to become effective after the formal Presidential Proclamation.

8.3 Are there any general practice or enforcement trends that have become apparent in Taiwan over the last year or so?

Under the current Patent Act, effective on January 1, 2013, there are some measures which will significantly influence those who will file a patent application in Taiwan.

1. Corrections to erroneous translations

Corrections to erroneous translations in the Chinese specification during prosecution and post grant cannot exceed the scope of disclosure of the foreign-language specification originally submitted (§ 44, § 67).

2. Timing of filing divisional application

Applicants may file a divisional application within either of the following time limits:

- (1) within 30 days of receipt of the Notice of Allowance for parent application rendered at the primary examination stage; and
- (2) before the Final Decision for parent application rendered at the re-examination stage (if the parent application is rejected at the primary examination stage and enters the re-examination stage) (§ 34).

3. Timing for submitting voluntary amendments

Applicants may submit voluntary amendments to the specification and/or claims before receiving the first Office Action from TIPO (§ 43).

4. Submission of final notice prior to rejection

When deemed necessary, examiners may issue a final notice prior to rejection, requiring applicants to conduct the following amendment to the claims within specific time limit:

- (1) to delete claims;
- (2) to narrow down the scope of claims;

- (3) to correct the erroneous descriptions; and
- (4) to clarify the ambiguous descriptions (§ 43).

On the other hand, a programme on “Collective Interviews for Relevant Invention Patent Applications” was set up by TIPO to step up acquisition of patent protection for R&D and innovative creations by the industry, academia and individual inventors and to facilitate formulation of well-established patent strategy and

portfolio. The programme, which was implemented on October 1, 2012, allows applicants to file for a collective examination for their invention patents, where examiners through group interviews can quickly grasp the technical aspects in each application, thereby speeding up patent examination, with enhanced effectiveness. Through its recent announcement, TIPO relieved certain restraints from filing under this programme while reserving its sole discretion to amend or terminate the programme.

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Mr. J. K. Lin became the director of TIPLO in 1997, after TIPLO's founder Mr. M. S. Lin passed away. In his earlier tenure as the director of the firm, J. K. has set out to further streamline the hierarchy of the staff and adopt an effective formula leading to significant quality improvement of TIPLO's patent, trademark and legal services that accommodates clients' intensifying need for IPR enforcement. J. K. also devotes his time to many occasions of public speaking targeted at global corporations and international societies addressing issues of IP concerns, unfair competition and others, and continues the footsteps of his late father in dedicating to *pro bono* NGOs' activities like that of the Judicial Reform Foundation, Taiwan International Law Society and Taiwan Human Right Committee, among many others. He is currently chair of the patent and copyrights committees to the Asian Patent Attorneys Association / APAA, and an executive director to the Board of the APAA, Taiwan Group.

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Mr. H. G. Chen is the Chief of the Legal Department of TIPLO. He has been practising law in Taiwan for more than 28 years. H. G. has extensive experience in the fields of intellectual property, litigation, unfair competition, dispute resolution and general corporate matters. In the late 1980s, he demonstrated primordial litigious flair by successfully representing the client in a leading trade dress case in Taiwan before the enactment of the Taiwan Fair Trade Act. He has represented various global corporate clients from Japan, the United States and Europe in patent and trademark litigation, licensing and negotiation in Taiwan and the illustrious record has won him the reputation as one of the most invincible lawyers in Taiwan. He served as the president of the Taipei Bar Association for the term of 2005.5-2006.11. He was the Director of Intellectual Property Committee of the Taipei Bar Association (1990-1993) and Taiwan Bar Association (1993-1995). He is now an executive member to the Board of Directors of the Asian Patent Attorneys Association (APAA), Taiwan Group.



Attorneys-at-Law

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TIPLO Attorneys-at-Law (also **Taiwan International Patent & Law Office**) was founded in 1965 by M. S. Lin and a group of professional legal and technical associates specialising in intellectual property rights. With over four decades of evolution, TIPLO is now one of the largest and most reliable intellectual property law firms in Taiwan with diversified expertise to encompass IP, as well as general legal services provided by a full service law firm. TIPLO is currently staffed by over 240 full-time members, many of whom are multilingual professionals fluent in English, Chinese, Japanese, Taiwanese and other languages. TIPLO mainly consists of three departments, namely Patent, Trademark and Legal Departments. Our patent engineers and attorneys have an average career length of more than ten years with expertise and experience covering a wide range of technical fields including electrical engineering, mechanical engineering, applied chemistry, biochemical engineering, biotechnology, pharmaceutical, semiconductor, computer technology and other emerging areas. TIPLO is a leading firm in patent and trademark prosecution, invalidation and opposition proceedings, and infringement assessment and validity appraisal. The proficiency of our Legal Department in IP enforcement, in particular infringement litigation and coordination of police raids, is also highly recognised by law enforcement institutes of all levels and the industry alike, reinforcing TIPLO as one of the most effective law firms representing the interest of its clients.

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