



# ICLG

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# Taiwan



J. K. Lin



H. G. Chen

## TIPLO Attorneys-at-Law

### 1 Patent Enforcement

#### 1.1 Before what tribunals can a patent be enforced against an infringer? Is there a choice between tribunals and what would influence a claimant's choice?

The Intellectual Property (IP) Court, established on July 1, 2008, is a specialist court intended exclusively for IP-related cases all over Taiwan and has jurisdiction over all patent infringement actions in Taiwan. Generally, there is no choice between tribunals unless the parties to a patent infringement action otherwise agree to the jurisdiction of a court other than the IP Court. Besides, the judges of the IP Court have more expertise and knowledge specifically regarding intellectual property than those of other district courts, and thus, as a matter of fact, there is no reason for a claimant to choose other tribunals.

#### 1.2 What has to be done to commence proceedings, what court fees have to be paid and how long does it generally take for proceedings to reach trial from commencement?

For initiating a civil lawsuit, the plaintiff (claimant) should submit a civil complaint along with: (1) a patent certificate and specification; (2) suspected infringing item(s) and document/proof of purchase of the suspected infringing item(s) (such as receipt and/or invoice); and (3) an infringement analysis.

Court fees must be paid in an amount equivalent to 1% of the value of the claim. It generally takes around three to four months for proceedings to reach trial (the first hearing) from commencement.

#### 1.3 Can a party be compelled to disclose relevant documents or materials to its adversary either before or after commencing proceedings, and if so, how?

A party can be compelled to disclose relevant documents or materials before commencing proceedings, provided that the other party files a motion for evidence perpetuation with the court and the court grants that motion. The movant party must make a preliminary showing that the suspected infringing item(s) is infringing, and also that the evidence to be preserved is in danger of extinguishing or being destroyed, or preservation is necessary for its *status quo*.

After commencing the proceedings, 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 to which such party has made reference in the course of the proceedings; (ii) documents of which the other party may require delivery or inspection 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.

#### 1.4 What are the steps each party must take pre-trial? Is any technical evidence produced, and if so, how?

Before the trial stage begins, the court would request the defendant to submit an answer in response to the claims set forth in the plaintiff's complaint (for example, non-infringement analysis should be produced for defending against the claim of patent infringement, and/or prior arts information and comparison for challenging the validity of the patent in dispute), and further request the plaintiff to present a written statement for disputed issues based on the defendant's answer, so as to compile and list the disputed and undisputed issues of the patent infringement action. A copy of each party's written statements will be served on the adversary, and the court will generally allow appropriate time (usually four weeks) for the adversary to prepare their response. Where invalidity is at 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, which, however, is not a mandatory pre-trial procedure; either party may file a motion seeking such assessment at any time during the court's trial proceedings.

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

#### **1.7 Are judgments made available to the public? If not as a matter of course, can third parties request copies of the judgment?**

All court judgments relating to intellectual property are available on the search system provided by the Taiwan Judicial Yuan.

#### **1.8 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.

#### **1.9 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.
- (ii) The claimant need not have any interest, except when the purported ground of revocation is that (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 demonstrated that he has immediate legal interest in seeking such a declaration. For example, a party who shows that 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.

#### **1.10 If declarations are available, 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 1.9 (iii) above.
- (ii) In general, declaratory proceedings can only be initiated in respect of a disputed "legal relation" or "existence or non-existence 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".

#### **1.11 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 product (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.

#### **1.12 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 products 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.

#### **1.13 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".

#### **1.14 Can a defence of patent invalidity be raised, and if so, how? Are there restrictions on such a defence e.g. where there is a pending opposition?**

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.

### 1.15 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.

### 1.16 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.

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

In addition to the non-infringement or invalidity defence, 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 1.23 below).

### 1.18 Are (i) preliminary, and (ii) final injunctions available, and if so, on what basis in each case? Is there a requirement for a bond?

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). Generally, a preliminary injunction will be enforced after and only after the claimant has provided a security bond as ordered. Also, the court will grant the motion upon the respondent's (defendant's) providing the court-assessed countersecurity, by which the respondent (defendant) will be exempt from the preliminary injunction.
- (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. A final injunction should be enforced after and only after a judgment has been rendered and become final with binding effect, and the patentee will not have to furnish a security bond.

### 1.19 On what basis are damages or an account of profits assessed?

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

- (i) 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;
- (ii) the profit earned by the infringer as a result of patent infringement; and
- (iii) the equivalent amount of royalty that may be collected from exploiting the invention patent under licensing.

Also, under Paragraph 2 of Article 97 of the Patent Act, where the infringement is found to be intentionally committed, the court may, upon request and on the basis of the severity of the infringement, award the damages greater than the loss suffered but not exceeding three times the proven loss.

### 1.20 How are orders of the court enforced (whether they be for an injunction, an award of damages or for any other relief)?

- (i) Court judgments that order the infringer to cease infringement (enjoining the infringer from making and selling infringing products) should take effect after these judgments have become final. Where the infringer continues making/selling infringing products, the court enforcing the judgment will impose on the said infringer a penalty for his/her default in an amount of TWD30,000~TWD300,000. Further, if the said infringer still fails to fulfil what is ordered in the judgment, the said court will further impose an additional penalty for default or take the said infringer into custody. When necessary, the said court, upon the creditor's motion, may eliminate the consequences of the infringer's infringing act at the creditor's costs and expenses. In addition, if the infringer defaults again after completion of the execution against his/her failure in performing the order as mentioned above, the said court may repeat the execution upon the creditor's motion.
- (ii) As for the court judgments that grant an award of damages against the infringer, the creditor may file a motion with the court for seeking compulsory execution of the infringer's property for satisfaction of the creditor's claim against the infringer.

### 1.21 What other form of relief can be obtained for patent infringement? Would the tribunal consider granting cross-border relief?

Upon the plaintiff's request, the court may order the destruction of infringing goods, raw materials and equipment used for infringing activities or other necessary disposals. Cross-border relief is not available because the Taiwan Patent Act does not contain any provisions regarding cross-border relief, and patent right is subject to the territoriality principle.

### 1.22 How common is settlement of infringement proceedings prior to trial?

According to our experience, settlement of infringement proceedings prior to trial is not common. Settlement may be reached when the judge renders his/her opinions regarding the claim construction or an interim judgment. However, according to Taiwan Judicial Yuan's statistics, the rate of settlement in civil cases in the first instance of the IP Court is only 11.8% (approximately).

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

The claim to seek damages for patent infringement is time-barred after a two-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.

### 1.24 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, the losing party (if the party has lost the case in whole or in part) may appeal against the judgment unfavourable to it. 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.

### 1.25 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 1% 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 to GBP 15,000); where invalidity is raised (which is the typical case), the fees range from TWD 1 million to TWD 1.5 million (GBP 20,000 to GBP 30,000). Attorney fees for the first and second instance are to be borne by each party themselves; they are not recoverable from the losing party.

### 1.26 For jurisdictions within the European Union: What steps are being taken in your jurisdiction towards ratifying the Agreement on a Unified Patent Court, implementing the Unitary Patent Regulation (EU Regulation No. 1257/2012) and preparing for the unitary patent package? For jurisdictions outside of the European Union: Are there any mutual recognition of judgments arrangements relating to patents, whether formal or informal, that apply in your jurisdiction?

Taiwan has not concluded with any other country any agreement on mutual recognition of judgment in relation to patent rights. Even

so, any foreign national/entity may request from a Taiwan court the recognition of a final foreign judgment to seek compulsory execution in Taiwan. However, a Taiwan court will not recognise a foreign judgment in the following circumstances: (1) a foreign court lacks the jurisdiction in accordance with the laws of Taiwan; (2) a default judgment is rendered against the losing defendant, except in the case where the notice or summons of the initiation of action have been legally served in a reasonable time in the foreign country or have been served through judicial assistance provided under Taiwan's laws; (3) the content of the foreign judgment or the proceeding of the relevant patent lawsuit is contrary to the public order or good morals of Taiwan; and (4) no mutual recognition is conducted by and between Taiwan and the relevant foreign country. The mutual recognition refers to judgment recognition, instead of recognition of state. Generally, the Taiwan Court recognises a foreign judgment rendered by a foreign court, unless the said foreign court does not expressly refuse to recognise a Taiwan judgment.

## 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. (*NB*: The answers to questions 2.1 through to 2.3 discuss only post-grant amendments.) 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/invalidity 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 dismiss 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 of 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 that 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 the 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 Article 50 of the 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 the said invention patent based on the first regulatory approval. The 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 approved patent term shall not exceed the length of time during which the patent cannot be exploited because of the absence of the regulatory approval concerned from the central government authorities in charge of the business. If

the time needed to obtain the said regulatory approval exceeds five years, the granted patent term extension shall be five 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 Patent Act 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. between joint inventors, employer and employee or non-related parties) can be brought before the TIPO during revocation proceedings, but as the TIPO tends to advise the parties to seek resolution of the dispute through a civil action where the rules of evidence-taking can better facilitate examination and determination of contested facts, the claimant currently often seeks civil action directly to resolve the ownership issues by requesting the court to order that the patent at issue be transferred to the claimant.

#### 5.6 Is there a "grace period" in your jurisdiction, and if so, how long is it?

Yes, there is a "grace period" in Taiwan; it is six months from the date of the occurrence of the events (Paragraph 3 of Article 22 of the 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?

In addition to preliminary injunction, a patent owner may act upon the newly-added provisions of Articles 97-1 to 97-4 (this took effect on March 24, 2014) to file a request in writing with the customs for detention of suspected infringing goods when he/she has a suspicion of infringement, provided that the patent owner shall present the facts of infringement and provide a cash deposit or security equivalent to the duty-paid price of the potentially infringing goods as assessed by the customs. However, the owner of the detained goods may also provide a countersecurity in an amount equivalent to two times the amount provided by the patent owner to have the granted request repealed. In addition, should the patent owner fail to commence an action within 12 days upon receipt of the customs' notice and notify the customs of his/her initiation of the action, the customs will repeal the detention. Further, where the court determines and establishes the infringement by a final judgment, the owner of the detained goods shall bear the cost arising from demurrage, warehousing, loading, and unloading the detained goods. On the contrary, the patent owner shall be liable for the damages caused by the detention request to the owner of detained goods if the court clears the alleged infringement by a final judgment.

## 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?

- (i) The TIPO slightly amended the Examination Guidelines twice in 2016. Some of the highlights of the amendments are summarised below:
  - (1) For patent applications filed with foreign-language documents, the date of filing should be the date when

the foreign-language documents are submitted, and applicants may submit priority documents or a foreign patent gazette as foreign-language documents.

- (2) Taiwan and Japan have officially launched their cooperative programme for biological materials deposit. Under such programme, an applicant may have the biological materials of his/her patent applications deposited at the depository designated by Japan's Ministry of Economy, Trade and Industry, and will then have to submit the certification documents furnished by the said designated depository within the statutory time period as proof of the deposit for his/her Taiwanese patent applications.
  - (3) Where any material retrieved from the Internet is produced as evidence for patent invalidation, the TIPO should determine the admissibility of such material in terms of the following aspects and should also request submission of other supporting evidence, if necessary:
    - (a) Whether the material is available to the public: the material should be considered available to the public where it is retrieved from the website that does not limit access thereto, and any third party may access the website to retrieve any information therefrom with or without paying fees or application for an ID/password.
    - (b) Date of availability to the public: the material should carry a date when it is made available to the public. Alternatively, any other evidence or supporting document provided or issued from the website maintainers could prove the date when the material is available to the public. The timestamp is automatically created by the computer or the date/time annotations, such as date of publication for blog posts or edit history of Wikipedia, which are deemed as the date of availability to the public.
    - (c) Authenticity: the material retrieved from such credible websites as national/foreign governmental agencies, international institutions, academic organisations or the press should be considered as credible and authentic material.
- (ii) Extension of Grace Period and Revised Procedural Requirements:
- (1) Amendments to Article 22 of the Taiwan Patent Act were given the green light on January 18, 2017 (to be enforced from May 1, 2017). The amended provision of Article 22 extends the grace period from six months to 12 months for future invention patent applications and sets out more lenient requirements for disclosure, with the limitations removed on how the invention is disclosed by the applicant, so as to facilitate publication and circulation of technologies. That is to say, in principle, no invention patent shall be granted to any proposed invention which, before its patent application, has been made public in publications, has been publicly implemented, or has become known to the public, due to its lack of novelty. Notwithstanding the foregoing, under the amended provision, as long as the application is filed within 12 months after the occurrence of the applicant's disclosure and the disclosure is caused either out of or not out of the applicant's intention, the said fact of disclosure does not fall into the circumstances specified in the first paragraph of Article 22 or the scenarios where a proposed invention shall be held unpatentable.
  - (2) Disclosure out of the applicant's intention means that the disclosure is caused by the applicant's will or act and is not necessarily made by the applicant himself/herself. On the contrary, disclosure not out of the applicant's intention refers to the disclosure of the technology of a proposed invention being made against the applicant's

will (including the scenarios that the disclosure is made out of mistaken understanding or by negligence).

- (3) The provision of a grace period does not apply to the circumstance where the technology of a proposed invention is part of other patent application(s) that has (have) been filed by the same applicant in Taiwan or in other countries, and thus the said technology has been made public along with the said earlier application(s) having been disclosed and made public in public or patent gazettes.
- (4) Relaxation of procedural requirements: it is no longer mandatory to claim a grace period simultaneously on the date of filing. That is, the original procedural requirement that the fact and date of disclosure should be provided at the time of filing and the supporting documents of the disclosure should be provided within the time period designated by the patent authority, has been removed.

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

- (i) The TIPO is also researching and preparing a new Examination Guideline with respect to the requirement of inventive step. The new version will provide more clarifications on the following issues:
  - (1) Definition of the person having ordinary skill in the art of the subject invention.
  - (2) Definition of obviousness.
  - (3) Examination Guidelines for the inventive step requirement (the principles of overall examination, comparison, claim-by-claim examination, etc.).
  - (4) Steps for determining the inventive step requirement and other considerations.
- (ii) The TIPO will manage to improve the procedures of interview by focusing on the following issues:
  - (1) To amend *Operational Procedures for Patent Interviews* by adding a provision that “Request for an interview shall be made in writing and the matter(s) and explanation(s) for the interview should be listed therein”.
  - (2) To revise “Interview Request Form” and “Interview Communication” by adding the fields, “Version of Application Documents for Interview” and “Matter(s) and Explanation(s) for Interview”, which revisions are to facilitate the applicant’s and the examiner’s pre-interview preparation and mutual communication between them in accordance with the matter(s) for interview as indicated in the Form so as to enhance the efficiency of interview.
  - (3) To regulate the procedures of interview by formulating “Guidelines for Conducting an Interview” as internal training materials which shall incorporate the required steps and procedures for conducting an interview; for example, identity confirmation, matter(s) of interview confirmation, explanations on the proposed technology, exchange of opinions, and confirmation of records, in consideration of the applicant’s rights and interests.
  - (4) To revise the current interview record sheet by which the applicant and the examiner are guided to go through the required procedures and conduct the interview, and the applicant is allowed to bring an electronic device to type his/her opinions in the record sheet.

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

- (i) The TIPO amended the provisions governing “post-grant

amendment” in the Patent Examination Guidelines (to come into force from January 1, 2017) as summarised below:

- (1) Change in method of determining whether additional technical features constitute a “substantive change”:

Determination should be made based on whether a proposed invention with the claims of post-grant amendment can achieve the “inventive purpose” of the pre-grant claims, instead of on whether the claims of post-grant amendment are “genus/species or further defined technical features”. For example, according to the pre-amendment Guidelines, the addition of “additional” technical features was not allowed because it is not “genus/species or further defined technical features” in form. Now, under the amended Guidelines, the determination should be based on whether the additional technical features can achieve the inventive purpose of the pre-grant claims.

- (2) More types of “post-grant amendment” are allowed:

A post-grant amendment will be allowed for the scenario of “clarification of ambiguous statement(s)” when a dependent claim containing a reference to another claim is amended as an independent claim.

- (ii) Patent Applications Filed in Taiwan

The TIPO published the list of top 100 patent applicants for 2016. Among the domestic corporate applicants, TSMC (Taiwan Semiconductor Manufacturing Company Limited) has implemented more active and constructive patent mapping since it broke into the list of top 10 patent applicants in 2013, and thus has surpassed Hon Hai Precision Industry Co., Ltd. to top the ranking with 873 patent applications, followed by ITRI (Industrial Technology Research Institute), which contributed 468 applications in 2016. Always sticking to the No. 1 position, Hon Hai Precision Industry Co., Ltd., however, fell to No. 3 by filing a total of 400 patent applications. As for foreign corporate applicants, Intel led in the list of companies that filed most patent applications (905 applications) in 2016. US-based Qualcomm had filed 616 patent applications in Taiwan in 2016, jumping from No. 13 in 2015 to No. 2 this year, followed by Semiconductor Energy Laboratory at No. 3 with 470 applications.

Observations on the overall invention applications filed by major corporate applicants of all industries are provided below:

- (1) In the semiconductor industry, TSMC made the utmost effort to rise and catch up with Intel by filing a total of 873 applications – close to Intel’s 905 applications – which represents a prominent increase by 74% for TSMC. Such progress was also achieved by Samsung, by 30%, with 252 applications.
- (2) In the panel industry, LG Display saw a growth of 88% with 98 applications, while Samsung contributed 88 applications. AUO (AU Optronics Corp.) accounted for 268 applications and Innolux Corporation, 56 applications.
- (3) Recession took place in the mobile device industry. Apple Inc. filed only 99 applications, and HTC filed 81 applications.
- (4) The industry of financial technology had nearly the same performance as in 2015, with Alibaba Group filing 111 application and Chunghwa Telecom, 160 applications.
- (5) In the robotics industry, 14 applications were contributed by Nidec Sankyo Corporation, and 33 applications by HIWIN Technologies Corp.

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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 tenure thus far as the director of the firm, J. K. has set out to further streamline the hierarchy of the staff and adopted effective formulae leading to significant quality improvement of TIPLo's patent, trade mark and legal services that accommodate clients' intensifying needs for IPR enforcement. J. K. also devotes his time to many public speaking events targeted at global corporations and international society, addressing issues of IP concerns, unfair competition and others, and follows in the footsteps of his late father in being dedicated to *pro bono* activities with NGOs such as the Judicial Reform Foundation, the Taiwan International Law Society and the Taiwan Human Rights Committee, among many others. He is currently on the Board of Directors of the Asian Patent Attorneys Association (APAA), and is president of the APAA's 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 30 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 an instinctive 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 this illustrious record has won him a reputation as one of the most invincible lawyers in Taiwan. He served as the president of the Taipei Bar Association for the term of May 2005 to November 2006. 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 of the Board of Directors of the Asian Patent Attorneys Association (APAA), Taiwan Group, the executive director of the Taiwan Patent Attorneys Association, and the director of the Legal Aid Foundation.



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TIPLo Attorneys-at-Law (also Taiwan International Patent & Law Office) was founded in 1965 by Mr. 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 which encompasses IP as well as the general legal services provided by a full-service law firm. TIPLo is currently staffed by over 290 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 the Patent, Trademark and Legal Departments. Our patent engineers and attorneys have an average career length to date of more than 10 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 industries alike, reinforcing TIPLo as one of the most effective law firms representing the interests of its clients.

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