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The International Comparative Legal Guide to:

Trade Marks 2012

A practical cross-border insight into trade mark work

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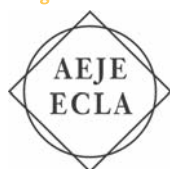
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General Chapter:

- | | | |
|---|---|---|
| 1 | The Significance of Actual Trademark Use and “Use in Commerce” Under U.S. Trademark Law – Kristen M. Walsh & Jeffrey L. Costellia, Nixon Peabody LLP | — |
|---|---|---|

Country Question and Answer Chapters:

2	Albania	Boga & Associates: Renata Leka & Ened Topi	—
3	Belgium	Baker & McKenzie: Pierre Sculier & Elisabeth Dehareng	—
4	Brazil	Kasznar Leonardos Attorneys: Filipe da Cunha Leonardos & Claudio Roberto Barbosa	—
5	Canada	Bereskin & Parr LLP: Daniel R. Bereskin, Q.C. & Wynnie Chan	—
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9	European Union	Bristows: Paul Walsh & Dominic Murphy	—
10	France	Dewey & LeBoeuf LLP: Gaëtan Cordier	—
11	Germany	Hengeler Mueller: Dr. Wolfgang Kellenter & Dr. Andrea Schlaffge	—
12	Greece	Law Offices of Patrinos & Kilimiris: Maria Kilimiris & Manolis Metaxakis	—
13	Hungary	Danubia Patent & Law Office: Michael Lantos	—
14	India	Subramaniam, Nataraj & Associates, Patent & Trademarks Attorneys: Hari Subramaniam	—
15	Italy	Avvocati Associati Franzosi Dal Negro Setti: Vincenzo Jandoli	—
16	Japan	Anderson Mori & Tomotsune: Yasufumi Shiroyama & Ai Nagaoka	—
17	Kosovo	Boga & Associates: Renata Leka & Ened Topi	—
18	Luxembourg	Loyens & Loeff, avocats à la Cour: Veronique Hoffeld	—
19	Macedonia	Pepeljugoski Law Office: Professor Dr. Valentin Pepeljugoski & Ana Pepeljugoska	—
20	Malaysia	Tay & Partners: Su Siew Ling & Joanne Kong	—
21	Mexico	Arochi, Marroquín & Lindner: María Teresa Eljure	—
22	Nigeria	Banwo & Ighodalo: Femi Olubanwo & Chinasa Uwanna	—
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24	Poland	Patpol Sp. z o.o.: Anna Zakrocka & Bartłomiej Kochlewski	—
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27	Slovenia	Jadek & Pensa Law Office: Eva Gostiša	—
28	South Africa	DM Kisch Inc: Nola Bond & Julia Stephens	—
29	Spain	ELZABURU: Fernando Ilardia & Luis Baz	—
30	Switzerland	ThomannFischer: Daniel Plüss	—
31	Taiwan	TIPLo Attorneys-at-Law: J. K. Lin & H. G. Chen	—
32	United Kingdom	Bristows: Paul Walsh & Dominic Murphy	—
33	USA	Nixon Peabody LLP: Kristen Mollnow Walsh & Gina M. McCreadie	—
34	Vietnam	Pham & Associates: Pham Vu Khanh Toan	—

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Taiwan

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TIPLA Attorneys-at-Law (also Taiwan International Patent & Law Office)

1 Relevant Authorities and Legislation

1.1 What is the relevant Taiwan trade mark authority?

The relevant trade mark authority is the Taiwan Intellectual Property Office (TIPO).

1.2 What is the relevant Taiwan trade mark legislation?

The Taiwan Trademark Act was first enacted & promulgated on May 6, 1930. The current Trademark Act was amended & promulgated on May 28, 2003, and became effective on November 28, 2003. The latest amendment to the Trademark Act was made on June 29, 2011, and is expected to become effective in June 2012.

2 Application for a Trade Mark

2.1 What can be registered as a trade mark?

A trademark may be composed of a word, figure, symbol, colour, sound, three-dimensional shape or a combination thereof.

2.2 What cannot be registered as a trade mark?

Smell cannot be registered as a trade mark.

2.3 What information is needed to register a trade mark?

The following information is needed:

- A Power of Attorney.
- Specification of goods/services sought for registration.
- Filing date of the corresponding priority application (if priority is claimed).
- A certified copy of the corresponding priority application (if priority is claimed).
- Five (5) prints (not less than 5cm & not exceeding 8cm in length and width) of the mark. In the case of a coloured trade mark, two (2) additional black and white prints thereof shall be provided.

2.4 What is the general procedure for trade mark registration?

The trade mark registration procedure and estimated time are provided below:

- The applicant files the application.
- It takes about nine (9) months to receive an official decision.
- The registration fees must be paid within two (2) months counting from the next day after the approval decision has been received and the trademark shall be registered and published after payment of the registration fees.
- It takes about two (2) months to receive the registration certificate after the publication date of registration.

2.5 How can a trade mark be adequately graphically represented?

The colour of a trade mark design does not have to be claimed using an internationally recognised colour code.

2.6 How are goods and services described?

The goods and services are classified according to the Nice Classification system. Most of the class headings will be considered as too broad/ indefinite in meaning to be acceptable for registration purpose, it is necessary to specify the goods or services. It is not permissible to claim "all goods in class....".

2.7 What territories (including dependants, colonies, etc.) are or can be covered by a Taiwan trade mark?

A trade mark registered in Taiwan can only be protected in Taiwan.

2.8 Who can own a Taiwan trade mark?

Any legal or natural person can own a Taiwan trade mark.

2.9 Can a trade mark acquire distinctive character through use?

A trade mark can acquire distinctive characters through use. Generally speaking, it needs at least three (3) years of use and advertising in Taiwan to acquire distinctive character.

2.10 How long on average does registration take?

It takes at least one (1) year from filing until the registration of a trade mark if there is no objection.

2.11 What is the average cost of obtaining a Taiwan trade mark?

Effective as from February 1, 2011, the Official Fees for filing a trade mark application in Taiwan have been amended. In addition to attorney fees, the official fees (NT\$) for one (1) application in one (1) class are quoted as below:

Filing

Goods:

- NT\$3,000.00 if the designated goods are there are under 20 items; and
- NT\$200.00 for each additional good if there are over 20 items.

Services:

- NT\$3,000.00; and
- NT\$500.00 for each additional service if there are over 5 items in class 35 regarding retail services of special goods.

Registration Report

- NT\$2,500.00 (Payment in Full).
- NT\$1,000.00 (First Installment).
- NT\$1,500.00 (Second Installment).

2.12 Is there more than one route to obtaining a registration in Taiwan?

Except for filing applications in Taiwan, there is no other route to obtaining a registration in Taiwan.

2.13 Is a Power of Attorney needed?

A Power of Attorney (simply signed by an authorised person) is needed.

2.14 How is priority claimed?

The following document and information are needed to claim priority:

- filing date of the corresponding priority application: must be stated at the time of filing the Taiwanese application; and
- certified copy of the corresponding priority application: must be submitted within three (3) months after the Taiwanese application is filed; an extension of the time to file the certified copy is not allowed.

2.15 Does Taiwan recognise Collective or Certification marks?

Taiwan recognises Collective and Certification marks.

Any person who wishes to exclusively use a mark to certify the characteristics, quality, precision, place of origin or other matters of another person's goods or services shall apply for certification mark registration. Only a juristic person, an organisation or a government agency, which is capable of certifying another person's goods or services, shall be eligible to apply for certification mark registration.

Any business association, social organisation, or any other group that exists as a juristic person and wishes to exclusively use a mark to identify the goods or services provided by its members, and therefore distinguishing these goods or services from those provided by others, may apply for collective trademark registration.

3 Absolute Grounds for Refusal

3.1 What are the absolute grounds for refusal of registration?

The principal absolute grounds for refusal of registration are given as below:

- A trade mark that is non-distinctive.
- A trade mark that represents the shape, quality, function(s) or other descriptions of the goods or services.
- A generic sign or term used in relation to the designated goods or services.
- A trade mark that is a three-dimensional shape of the goods or packaging thereof and is indispensable for performing the intended function(s).
- A trade mark that is likely to mislead the public with respect to the nature, quality, or place of origin of the designated goods or services.
- A trade mark that is identical or similar to another person's well-known trade mark or mark and hence is likely to confuse the relevant public or likely to dilute the distinctiveness or reputation of the said well-known trade mark or mark.
- A trade mark that is identical or similar to a registered trade mark or a proposed trade mark of a preceding application that is designated for use on identical or similar goods or services thereof and hence likely to cause confusion to relevant consumers.
- A trade mark that is identical or similar to a trade mark that has been used prior by another person on the identical or similar goods or services, and the applicant thereof is aware of the existence of the said trade mark through contractual, geographical, or business connections, or any other relationship with the said person.
- A trade mark that is identical or similar to a geographical indication of wines and spirits of a country or region that mutually protects trade marks with the Republic of China, and is designated for use on wines and spirits.

3.2 What are the ways to overcome an absolute grounds objection?

An absolute grounds refusal can be overcome through argument, acquired distinctiveness through use, and/or obtaining a letter of consent.

3.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

A decision can be appealed in its entirety.

3.4 What is the route of appeal?

- In disagreement with the TIPO's decision, an initial appeal may be filed with the Ministry of Economic Affairs (MOEA) within 30 days counting from the next day after the TIPO's decision has been received.
- In disagreement with the MOEA's decision, an administrative suit may be instituted with the Intellectual Property Court (IPC) within two (2) months counting from the next day after the MOEA's decision has been received.
- In disagreement with the IPC's judgment, an ultimate appeal may be instituted with the Supreme Administrative Court within 20 days counting from the next day after the IPC's judgment has been received.

4 Relative Grounds for Refusal

4.1 What are the relative grounds for refusal of registration?

The principal relative grounds for refusal of registration are given as below:

- A trade mark that is non-distinctive.
- A trade mark that represents the shape, quality, function(s) or other descriptions of the goods or services.
- A generic sign or term used in relation to the designated goods or services.
- A trade mark that is a three-dimensional shape of the goods or packaging thereof and is indispensable for performing the intended function(s).
- A trade mark that is likely to mislead the public with respect to the nature, quality, or place of origin of the designated goods or services.
- A trade mark that is identical or similar to another person's well-known trade mark or mark and hence is likely to confuse the relevant public or likely to dilute the distinctiveness or reputation of the said well-known trade mark or mark.
- A trade mark that is identical or similar to a registered trade mark or a proposed trade mark of a preceding application that is designated for use on identical or similar goods or services thereof and hence likely to cause confusion to relevant consumers.
- A trade mark that is identical or similar to a trade mark that has been used prior by another person on the identical or similar goods or services, and the applicant thereof is aware of the existence of the said trade mark through contractual, geographical, or business connections, or any other relationship with the said person.
- A trade mark that is identical or similar to a geographical indication of wines and spirits of a country or region that mutually protects trade marks with the Republic of China, and is designated for use on wines and spirits.
- Where a registered trade mark was self-altered or supplemented with additional notes whereby the trade mark has caused likelihood of confusion to relevant consumers by being identical or similar to a registered trade mark of another person of which is used on the same or similar goods or services.
- Where, without justifiable reasons, a trade mark has not yet been put into use or has been suspended from use continuously for three years after registration.
- Where a registered trade mark has become a common sign, name or shape of the goods or services as designated for the said trade mark.

4.2 Are there ways to overcome a relative grounds objection?

A relative grounds objection can be overcome by argument, agreement, limiting the specification, applying a limitation on the mark of some kind, with a letter of consent, and/or invalidating the earlier mark.

4.3 What is the right of appeal from a decision of refusal of registration from the Intellectual Property Office?

A decision can be appealed in its entirety.

4.4 What is the route of appeal?

- In disagreement with the TIPO's decision, an initial appeal may be filed with the MOEA within 30 days counting from the next day after the TIPO's decision has been received.
- In disagreement with the MOEA's decision, an administrative suit may be instituted with the IPC within two (2) months counting from the next day after the MOEA's decision has been received.
- In disagreement with the IPC's judgment, an ultimate appeal may be instituted with the Supreme Administrative Court within 20 days counting from the next day after the IPC's judgment has been received.

5 Opposition

5.1 On what grounds can a trade mark be opposed?

The principal grounds for opposition are given as below:

- A trade mark that is non-distinctive.
- A trade mark that represents the shape, quality, function(s) or other descriptions of the goods or services.
- A generic sign or term used in relation to the designated goods or services.
- A trade mark that is a three-dimensional shape of the goods or packaging thereof and is indispensable for performing the intended function(s).
- A trade mark that is likely to mislead the public with respect to the nature, quality, or place of origin of the designated goods or services.
- A trade mark that is identical or similar to another person's well-known trade mark or mark and hence is likely to confuse the relevant public or likely to dilute the distinctiveness or reputation of the said well-known trade mark or mark.
- A trade mark that is identical or similar to a registered trade mark or a proposed trade mark of a preceding application that is designated for use on identical or similar goods or services thereof and hence likely to cause confusion to relevant consumers.
- A trade mark that is identical or similar to a trade mark that has been used prior by another person on the identical or similar goods or services, and the applicant thereof is aware of the existence of the said trade mark through contractual, geographical, or business connections, or any other relationship with the said person.
- A trade mark that is identical or similar to a geographical indication of wines and spirits of a country or region that mutually protects trade marks with the Republic of China, and is designated for use on wines and spirits.

5.2 Who can oppose the registration of a Taiwan trade mark?

Anyone can oppose the registration of a Taiwan trade mark.

5.3 What is the procedure for opposition?

- The opposer files its opposition.
- The TIPO notifies the trade mark registrant to submit a defence within a certain time limit (normally 30 days).
- The trade mark registrant submits a defence.
- The TIPO notifies the opposer to submit supplementary opposition reasons within a certain time limit (normally 30 days).

- The TIPO issues a decision.
- The opposition is finalised if no appeal is filed.

6 Registration

6.1 What happens when a trade mark is granted registration?

The registration fees must be paid within two (2) months counting from the next day after the approval decision has been received. The trade mark will be registered and published after payment of the registration fees, and a registration certificate will then be issued.

6.2 From which date following application do an applicant's trade mark rights commence?

Trade mark rights in Taiwan commence from the date of registration.

6.3 What is the term of a trade mark?

The term of a trade mark is ten (10) years.

6.4 How is a trade mark renewed?

Renewal will be granted upon filing of a renewal application and payment of the official fees.

In addition to attorney fees, the official fees for one (1) application for the renewal of one (1) registration are NT\$4,000.00.

The renewal application shall be made within six (6) months before or after the expiration of its period. However, twice the official fees shall be paid if the renewal application is filed within six (6) months after the expiration of the period.

7 Registrable Transactions

7.1 Can an individual register the assignment of a trade mark?

According to the Trademark Law, assignment of a trade mark right shall be recorded with the TIPO; an unrecorded assignment shall have no *locus standi* against third parties.

For the recordal of assignment, the following documents are needed:

- a Power of Attorney of the Assignee: to be simply signed by an authorised person; and
- a Deed of Assignment signed by the parties (a copy of the assignment is acceptable).

7.2 Are there different types of assignment?

A partial assignment is possible for certain goods or services and a trade mark can be assigned with or without the goodwill.

7.3 Can an individual register the licensing of a trade mark?

According to the Trademark Law, a trademark owner may licence others to use his registered trademark on the whole or a part of the goods or services designated for use. The licence shall be recorded

with the TIPO; an unrecorded licence shall have no *locus standi* against third parties.

A licence agreement is no longer required for filing a licence application if the application is filed by the registrant.

A copy of the licence agreement signed by the parties is acceptable if the licence application is filed by the licensee.

7.4 Are there different types of licence?

Although the Trademark Act does not discriminate between exclusive licence and non-exclusive licence, the parties may freely do so in the licence agreement.

7.5 Can a trade mark licensee sue for infringement?

If the licence is recorded, the licensee will have rights to sue for infringement.

7.6 Are quality control clauses necessary in a licence?

Quality control clauses are not necessary in a licence.

7.7 Can an individual register a security interest under a trade mark?

According to the Trademark Law, a creation, change, or extinguishment of a security interest made by a trade mark right holder shall be recorded by the TIPO. An unrecorded security interest shall have no *locus standi* against any third party.

A description of the security interest signed by the parties is acceptable.

7.8 Are there different types of security interest?

There are no different types of security interest.

8 Revocation

8.1 What are the grounds for revocation of a trade mark?

The principal grounds for revocation are given as below:

- Where a registered trade mark was self-altered or supplemented with additional notes whereby the trade mark has caused likelihood of confusion to relevant consumers by being identical or similar to a registered trade mark of another person of which is used on the same or similar goods or services.
- Where, without justifiable reasons, a trade mark has not yet been put into use or has been suspended from use continuously for three years after registration.
- Where a registered trade mark has become a common sign, name or shape of the goods or services as designated for the said trade mark.

8.2 What is the procedure for revocation of a trade mark?

- The petitioner files revocation petition.
- The TIPO notifies the trade mark registrant to submit a defence within certain time limit (normally 30 days).
- The trade mark registrant submits a defence.

- The TIPO notifies a petitioner to submit supplementary revocation reasons within a certain time limit (normally 30 days).
- The TIPO issues decision.
- The revocation is finalised if no appeal is filed.

8.3 Who can commence revocation proceedings?

Anyone can commence revocation proceedings.

8.4 What grounds of defence can be raised to a revocation action?

The use of a trade mark connotes the utilisation for marketing purposes of a trade mark on goods, services or relevant articles thereof, or the utilisation through the means of two-dimensional graphic, audio and visual digitisation, electronic media, or other mediums to sufficiently make relevant consumers recognise it as a trade mark. Fact proving the use of a trade mark presented by the trade mark right holder shall comply with the general practice of trade.

Use in a form not as registered can be considered genuine use if its identity remains the same according to the general social concept.

8.5 What is the route of appeal from a decision of revocation?

- In disagreement with the TIPO's decision, an initial appeal may be filed with the MOEA within 30 days counting from the next day after the TIPO's decision has been received.
- In disagreement with the MOEA's decision, an administrative suit may be instituted with the IPC within two (2) months counting from the next day after the MOEA's decision has been received.
- In disagreement with the IPC's judgment, an ultimate appeal may be instituted with the Supreme Administrative Court within 20 days counting from the next day after the IPC's judgment has been received.

9 Invalidity

9.1 What are the grounds for invalidity of a trade mark?

The principal grounds for invalidation are given as below:

- A trade mark that is non-distinctive.
- A trade mark that represents the shape, quality, function(s) or other descriptions of the goods or services.
- A generic sign or term used in relation to the designated goods or services.
- A trade mark that is a three-dimensional shape of the goods or packaging thereof and is indispensable for performing the intended function(s).
- A trade mark that is likely to mislead the public with respect to the nature, quality, or place of origin of the designated goods or services.
- A trade mark that is identical or similar to another person's well-known trade mark or mark and hence is likely to confuse the relevant public or likely to dilute the distinctiveness or reputation of the said well-known trade mark or mark.
- A trade mark that is identical or similar to a registered trade mark or a proposed trade mark of a preceding application that is designated for use on identical or similar goods or services thereof and hence likely to cause confusion to relevant consumers.

- A trade mark that is identical or similar to a trade mark that has been used prior by another person on the identical or similar goods or services, and the applicant thereof is aware of the existence of the said trade mark through contractual, geographical, or business connections, or any other relationship with the said person.
- A trade mark that is identical or similar to a geographical indication of wines and spirits of a country or region that mutually protects trade marks with the Republic of China, and is designated for use on wines and spirits.

9.2 What is the procedure for invalidation of a trade mark?

- The petitioner files invalidation petition.
- The TIPO notifies the trade mark registrant to submit a defence within a certain time limit (normally 30 days).
- The trade mark registrant submits a defence.
- The TIPO notifies the petitioner to submit supplementary invalidation reasons within a certain time limit (normally 30 days).
- The TIPO issues a decision.
- The invalidation is finalised if no appeal is filed.

9.3 Who can commence invalidation proceedings?

Only an interested party can commence invalidation proceedings.

9.4 What grounds of defence can be raised to an invalidation action?

The main grounds of defence may include:

- Non-similarity between two parties' trademarks.
- No likelihood of confusion in the case.
- The cited mark is not well-known in Taiwan in the case the invalidation action is based on the well-known status of the cited mark.
- The disputed mark is not filed in bad faith.
- The disputed mark is inherently distinctive or has acquired distinctiveness through use.

9.5 What is the route of appeal from a decision of invalidity?

- In disagreement with the TIPO's decision, an initial appeal may be filed with the MOEA within 30 days counting from the next day after the TIPO's decision has been received.
- In disagreement with the MOEA's decision, an administrative suit may be instituted with the IPC within two (2) months counting from the next day after the MOEA's decision has been received.
- In disagreement with the IPC's judgment, an ultimate appeal may be instituted with the Supreme Administrative Court within 20 days counting from the next day after the IPC's judgment has been received.

10 Trade Mark Enforcement

10.1 How and before what tribunals can a trade mark be enforced against an infringer?

The Taiwan Intellectual Property Court (the Taiwan IP Court) has jurisdiction over all IP related actions in Taiwan. In the occurrence of a trade mark infringement, a trade mark right holder may initiate

a civil action against a suspected trade mark infringer with the Taiwan IP Court to seek infringement removal and damages. Alternatively, the trade mark right holder may file a criminal complaint alleging trade mark infringement against the suspected infringer with the district prosecutors' office that has jurisdiction in the place where the suspected infringer has his/her domicile or where he/she commits the alleged trade mark infringement. After the prosecutor indicts the suspected infringer and the district court passes a judgment on the trade mark infringement case, the prosecutor, the complainant (by requesting the prosecutor), or the suspected infringer who is not satisfied with the judgment may appeal the case to the criminal tribunal of the IP Court in the second instance, and the trade mark right holder may initiate an incidental civil action during the trial proceedings after the prosecutor's indictment. Under the Intellectual Property Case Adjudication Act, the judge will hear and decide on the criminal action and the incidental civil action at the same time.

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

In Taiwan, instead of the pre-trial discovery regime adopted in the US and Europe, the preparatory proceedings should go first before the parties in a civil action with respect to trademark infringement present their arguments on substantive issues in the oral argument sessions after the civil action moves to the proceedings at the district court. During the preparatory proceedings, the judge would first examine if the required procedural formalities are met and the parties should submit their respective arguments or move for investigation on evidence. The judge would compile and list the disputed issues on the case.

In a criminal action in regard to a trade mark infringement, the court would issue a notice requesting the court appearance of the defendant and the prosecutor (or complainant) for preparatory proceedings and the judge would compile the important issues on the substantive issues and evidence presented by the parties, provide opinions with respect to the admissibility of evidence presented by the parties, and decide to deny/accept motion(s) for investigation on evidence.

Likewise, the preparatory proceedings for civil or criminal action would take around 3-5 months.

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

Yes, preliminary injunction and final injunction are available in Taiwan.

- (a) A preliminary injunction is granted if the claimant can show that an injunction is necessary to prevent material harm or imminent danger or other similar circumstances. The factors generally considered by the court to determine whether a preliminary injunction is warranted include (i) the likelihood of success on the merits of the case (both invalidity and infringement would be considered), (ii) if the claimant would suffer irreparable harm absent an injunction, (iii) the balance of interests between both parties, and (iv) the impact on the public interest.
- (b) Final injunctions are typically granted if the claimant is successful at trial in establishing that (i) the trade mark is infringed (trade mark similarity and likelihood of confusion), and/or (ii) the defendant is currently engaging in infringing activities or is likely to engage in infringing activities in the future.

10.4 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 (a) documents that such party has made reference to in the course of the proceedings, (b) documents which the other party may require the delivery or inspection of pursuant to applicable laws, (c) documents which were made for the interest of the other party, (d) commercial accounting books, and (e) 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).

10.5 Are submissions or evidence presented in writing or orally and is there any potential for cross-examination of witnesses?

In a criminal action for trade mark infringement, in principle, arguments or written statements made out of court by any person other than the defendant of an action cannot be taken as evidence, unless they are made by such a person being cross-examined in court.

In a civil action for a trade mark infringement, either party may introduce desired witness(es) or produce evidence in written form and also move the judge for conducting a necessary examination of the witness(es) or conduct such examination himself/herself after informing the judge.

Any person who testifies by providing arguments or written statements before the judge should be ordered to make an affidavit and any false statements given by such a person will be considered perjury as defined by the Taiwan Criminal Code.

10.6 Can infringement proceedings be stayed pending resolution of validity in another court or the Intellectual Property Office?

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

10.7 After what period is a claim for trade mark infringement time-barred?

The civil claim for a trademark infringement is time-barred after a two-year period from the time when the patent owner becomes aware of the infringement and the infringer, or a ten-year period from the time when the infringement takes place, whichever expires earlier.

10.8 Are there criminal liabilities for trade mark infringement?

Any person who commits any of the following acts without prior consent of the trademark or the collective trademark right holder thereof shall be charged with imprisonment for no more than three years, detention and, in addition thereto or in lieu thereof, a fine of no more than NT\$200,000:

- (i) One who uses a mark identical to a registered trademark or collective trademark on the same goods or services.
- (ii) One who uses a mark identical to a registered trademark or collective trademark on similar goods or services, and hence has caused likelihood of confusion or misleading to relevant consumers.
- (iii) One who uses a trademark that is similar to a registered trademark or collective trademark on the identical or similar goods or services, and hence has caused likelihood of confusion to relevant consumers.

In addition, any person, who knowingly sells, displays for sale, exports or imports the goods referred to in the foregoing, shall be charged with imprisonment of no more than one year, detention, and, in addition thereto or in lieu thereof, a fine of no more than NT\$50,000.

10.9 If so, who can pursue a criminal prosecution?

The trade mark owner and the exclusive licensee who registers the licence with the TIPO can bring a criminal action against the infringer(s).

10.10 What, if any, are the provisions for unauthorised threats of trade mark infringement?

Any trade mark right holder who inappropriately issues warning letters to any other persons alleging that his/her competitors have infringed his/her trade mark right should constitute improper use of trade mark right. Any violator of the Taiwan Fair Trade Act by the act of improperly using his/her trade mark right and thus impeding fair competition shall be punished by imprisonment for no more than 2 years, detention, or in lieu thereof or in addition thereto a fine of no more than NT\$50,000,000, where the violator is ordered by the central competent authority to cease or rectify his/her conduct within a prescribed time period and fails to do what is ordered within the said time period.

11 Defences to Infringement

11.1 What grounds of defence can be raised by way of non-infringement to a claim of trade mark infringement?

A suspected trade mark infringer may allege non-infringement by raising the following grounds as defence: (1) the allegedly infringing mark should be cancelled or revoked, (2) the allegedly infringing mark is not identical or similar to the allegedly infringed mark and is unlikely to cause confusion, (3) the allegedly infringing mark is not used as a trademark, or (4) the allegedly infringing mark is not used for marketing purpose.

11.2 What grounds of defence can be raised in addition to non-infringement?

In addition to non-infringement allegation, the suspected infringer may assert that: (a) he/she properly uses the mark in dispute and should be free from the capacity of the allegedly infringed trade mark right in the following circumstances: (i) one who, through means of *bona fide* and fair use, expresses the same one's name, title, or the name, shape, quality, function, place of origin, or other description with respect to the goods or services provided by the same one for non-trade mark purposes; (ii) where a three-dimensional shape of the goods or the packaging thereof is indispensable for performing its intended function(s); or (iii) where,

prior to the filing date of a registered trade mark, a person has been using *bona fide* an identical or similar trade mark designating on the identical or similar goods or services. However, the aforementioned is applicable only to those goods or services on which such trade mark has already been in use; the trade mark right holder of the said registered trade mark may request the said person to attach appropriate and distinguishing label(s); (b) no damages should be awarded because the suspected infringer lacks the subjective intention or negligence on which an award of damages must be based; or (c) the plaintiff's claim was time-barred (see the answer to question 10.7).

12 Relief

12.1 What remedies are available for trade mark infringement?

In Taiwan's IP protection regime, filing a criminal complaint asserting a trade mark infringement is one of the available remedies for a trade mark right holder. Seized counterfeit items will be destroyed after the judge confirms and sustains by a decision the occurrence of the alleged trademark infringement. A civil action serves as another remedy, by which a trade mark right holder may seek injunction, removal of infringement, compensation, destruction of seized counterfeits, and request a public notice of a written judgment on a trademark infringement action, etc.

12.2 Are costs recoverable from the losing party and if so what proportion of the actual expense can be recovered?

For initiating a civil action regarding a trade mark infringement, the plaintiff should first pay litigation expenses to the court, and the losing party should bear the litigation expenses upon conclusion of the case. In other words, the winning party may request the losing party to bear litigation expenses. Where the parties each win the case in part, the court may, in its discretion, order the parties to bear the litigation expenses in a certain proportion or a particular party alone to bear them, or order both parties to bear their litigation expenses that have been incurred to them respectively.

In addition, the parties each should bear their attorney's fee incurred to them respectively. The losing party should bear the attorney's fee incurred in the third instance proceedings when the amount of the attorney's fee is assessed and determined by the court.

13 Appeal

13.1 What is the right of appeal from a first instance judgment and is it only on a point of law?

In the criminal aspect of a trade mark infringement action, the complainant may seek an appeal as well by filing a motion with the prosecutors' office for the prosecutor to take an appeal if he/she finds the judgment unjustifiable. The second instance judgment will be, however, the final judgment with binding effects on the trademark infringement action. That is to say, neither the prosecutor nor the defendant will be allowed to bring the criminal case to a third instance trial.

In the civil action, either party may appeal the district court judgment to the High Court should they find the judgment unjustifiable. The matter may be brought to the Supreme Court, the court of third instance, if the value of claim meets the NT\$1.65 million threshold. An appeal taken to the Supreme Court must be based on points of law.

13.2 In what circumstances can new evidence be added at the appeal stage?

The parties in a trade mark infringement action may present arguments, materials and/or introduce (new) evidence in due course during the relevant proceedings or the court may deny those presented by reason of obstruction of proceedings. Furthermore, as the third instance court is to examine judicial and only judicial issues, neither party is to present new arguments or introduce evidence of any kind during the third instance proceedings.

14 Border Control Measures

14.1 What is the mechanism for seizing or preventing the importation of infringing goods or services and if so how quickly are such measures resolved?

A trade mark right holder may request the customs authority to suspend release of the imported or exported goods that are suspected of infringing his/her trademark right. Such a request shall be presented in writing, containing an explication on the facts of infringement, along with a bond in an amount equivalent to the price of the suspected imported or exported goods. Once the customs authority accepts the request and thus suspends release of the suspected imported or exported goods, it shall immediately notify in writing the said right holder who makes the request and the party whose goods are detained. The party whose goods are detained may request the customs authorities to revoke the suspension of release by furnishing a bond in an amount equivalent to two times the bond provided by the said right holder.

Suspension of release is simply a measure of temporary effects. The said right holder shall initiate an action within 12 days (which may be prolonged for another 12 days) beginning from the date on which the customs authority notifies him/her of its acceptance of the suspension request and the judgment awarded in such an action will decide the existence of a trade mark infringement. Where the said right holder fails to initiate an action within the above-mentioned prescribed time limit and informs the customs authority of his/her initiation of the action, the customs authority will revoke the suspension of release.

15 Other Related Rights

15.1 To what extent are unregistered trade mark rights enforceable in Taiwan?

Unregistered trade marks that are commonly known to relevant enterprises or consumers are eligible for right protection under the Taiwan Fair Trade Act in case they are used in the same or similar manner so as to cause confusion with the goods of another. Advertisements published in Taiwan and figures with respect to sales volume and market share, etc. for the past 2-3 years must be presented for seeking a Fair Trade Act protection.

15.2 To what extent does a company name offer protection from use by a third party?

No company may use a company name identical with that of another company. Where two companies' company names contain any word that may specify their different business categories, such company names shall not be considered identical with each other. A company name can be used exclusively by its owner once it has

been approved by and registered at the competent authority. Anyone can initiate a civil action with the court or file a complaint with the Fair Trade Commission against use of his/her company name by a third party in the same or similar manner without his/her prior consent to seek remedy and protection by asserting the third party's violation of the Fair Trade Act.

15.3 Are there any other rights that confer IP protection, for instance book title and film title rights?

Registered trade marks are eligible for protection under the Trademark Act. In addition, Fair Trade Act protection is also conferred on unregistered trade marks, containers, packaging, or appearance of goods or any other symbol that represent the goods of any person. An enterprise should be held in violation of the Taiwan Fair Trade Act for having any deceptive or obviously unfair conduct that is able to affect trading order by taking a free ride on any other person's goodwill, such as, the act of using the appearance of goods that is identical or similar to that of another recognised by relevant enterprises or consumers and thus causing confusion, or the act of plagiarising any other person's book title that is able to affect trading order.

16 Domain Names

16.1 Who can own a domain name?

Anyone can own a domain name after completing the due course of registration.

16.2 How is a domain name registered?

A registrant may apply with the Registrar, such as, the TWNIC, for registering a domain name he/she selects and paying the annuity.

16.3 What protection does a domain name afford *per se*?

No-one can repeat the registration of any registered domain names. Where any registrant's domain name is identical or similar to any other person's registered trade mark(s) and the registrant has no rights or legitimate interests in respect of the said domain name and has registered the said domain name in bad faith, such a person may act as a complainant to file a complaint with the dispute-resolution provider. The registration of the registrant's said domain name will be cancelled or transferred to the complainant after the dispute-resolution provider decides in favour of the complainant.

17 Current Developments

17.1 What have been the significant developments in relation to trade marks in the last year?

The amendment to the "Regulations of Trademark Official Fees" took effect from February 1, 2011. The amendment includes the following key points: (1) the new filing fee structure being based on the number of designated goods or designated services; (2) a fee reduction for electronic application for trade mark registration; and (3) new provisions regarding a fee refund for trade mark renewal registration.

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

The draft amendment to the Taiwan Trademark Act passed the third reading at the Legislative Yuan on May 31, 2011. The TIPO is still working on relevant measures. It is expected that the amended Trademark Act shall come into force in 2012. This amendment introduces some substantive revisions as summarised below.

- (i) expanding the scope of subject matters eligible for protection as registered trade marks;
- (ii) specifying various forms of trade mark use;
- (iii) inserting provisions on trade mark co-ownership;
- (iv) allowing reinstatement of rights in case of failure to pay registration fees within prescribed time limits;
- (v) amending requirements on damage claims and provisions on calculation of damages;
- (vi) strengthening protection of well-known trade marks; and
- (vii) reinforcing enforcement mechanisms on the border.

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

Criminal liabilities to be imposed on infringers in accordance with the Taiwan Trademark Act will produce more impeding and

intimidating effects. Therefore, in common practice, filing a criminal complaint asserting the infringer's trade mark infringement is usually the trade mark right holder's first step to take. Thereafter, the trade mark right holder will provide assistance in police raid action for having the suspected counterfeits seized. Further, the trade mark right holder may choose to bring an incidental civil action after the prosecutor indicts the infringer and the matter is brought to the district court for trial on the criminal aspects of the matter, for seeking infringement removal and damages. Under the Intellectual Property Case Adjudication Act, the judge will hear and decide on the criminal action and the incidental civil action at the same time.

Moreover, where the customs finds any imported/exported shipment that is likely to involve infringing goods, the customs would notify the trade mark right holder and importer/exporter and the trademark right holder should within a given time produce any evidence proving the existence of infringement, by which the customs will suspend release of such shipment in accordance with the laws and refer the matter to the district prosecutors office that has jurisdiction for investigation. According to the amended Trademark Act, the trade mark right holder may request the customs to provide the information with respect to the importer/exporter of such shipment and quantity of the suspected goods. Such information will facilitate the trade mark right holder to exercise his/her trade mark right.

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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 adopted 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 society 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 practicing 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.



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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.