Taiwan INTELLECTUAL PROPERTY

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This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in Taiwan.

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1. What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).

(a) The types of inventions protected in Taiwan include: invention patent, trade secret, plants variety and seedling, and integrated circuits configuration.

(b) The types of brands protected in Taiwan include: trademarks, certification mark, collective mark, collective trademark, geographical certification mark, and geographical collective mark.

(c) The types of creations protected in Taiwan include: copyright, design, plants variety and seedling, and integrated circuits configuration.

2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?

The patent term of invention patent, utility model, and design are respectively 20, 10, and 15 year commencing from the filing date of application. Patent term extension is not available except that the patent involving a pharmaceutical or agrichemical can be extend for at most 5 years based on the regulatory approval of FDA.

Trademark can be protected for a period of 10 years from the date of registration, which can be renewed for another 10 years.

Copyright can be protected for the lifetime of the author and continues for fifty years after his/her death.

The term of a plant variety right for a tree or a perennial vine plant shall be 25 years from the date of approval. As for all other plant species, the term shall be 20 years.

The duration of a circuit layout shall be 10 years commencing from the filing date of the circuit layout registration application; or the date of the first commercial exploitation, whichever is earlier.

3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?

The first owner of each of the intellectual property rights is the person who invents, creates, or designs the articles or pieces. However, if the articles or pieces are invented, created, or designed by an employee in the course of employment, the intellectual property rights shall be enjoyed by the employer unless there is an agreement providing otherwise.

4. Which of the intellectual property rights described above are registered rights?

Except copyright, the intellectual property rights
including patent, trademark, integrated circuit configuration, and plant variety are register rights; in other words, the applicant should file an application to Intellectual Property Office to seek the protection of the aforementioned registered rights. However, the author of a work shall enjoy copyright upon completion of the work.

5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?

The inventor, creator, designer, or author of an intellectual property has the right to register the intellectual property right. However, where the intellectual property is invented, created, designed, or completed by an employee in the course of performing his/her duties under employment, the employer shall enjoy the right to register the intellectual property right.

The registration of intellectual property right shall be requested by submitting a request form along with other necessary document, e.g. patent specification or trademark icons, disclosing the information of applicant and the substance of right.

6. How long does the registration procedure usually take?

For invention patent, the registration procedure approximately takes 13-14 months for the IPO to issue the first Office Action. However, the time for granting a patent would depends on the nature of invention. As for utility model and design, the registration procedure approximately takes 2-3 months and 7-8 months respectively for the IPO to render a decision.

The registration procedure of trademark application approximately takes 6-7 months to render a decision.

7. Do third parties have the right to take part in or comment on the registration process?

Where an application of patent is under examination before granting a patent, any third party considering that the claimed inventions shall not be granted may submit a third party observation to IPO, which should be accompanied by reasons and evidence thereof. However, the examiner has the right of discretion to adopt the reasons of the third party observation and the third party observation would not be transmitted to the applicant. Where the third party observation is adopted as the ground of rejection, the examiner should provide the opportunity for the applicant to submit his/her comment in respect with the observation.

8. What (if any) steps can the applicant take if registration is refused?

For any intellectual property right for which registration is required, if the registration is refused, the applicant may file an administrative appeal with Ministry of Economic Affairs, and further an administrative litigation with the Intellectual Property Court (IP Court), ending at the Supreme Administrative Court, to seek the reversal of the refusal.

Where a patent application is rejected under the examination, the applicant may apply for re-examination within two months, which shall be assigned to a patent examiner who did not participate in the examination of the patent application to conduct reexamination. The applicant shall have the right to file an administrative appeal only if the application is rejected under re-examination.

9. What are the current application and renewal fees for each of these intellectual property rights?

The fee for invention patent application and request for substantive examination is approximately 270 GBP (10,500 NTD). The annuity fee for a patent is approximately 65 GBP (2,500 NTD) for the first 3 years. However, the annuity fee shall increase by years. The annuity fee for an invention patent is approximately 410 GBP (16,000 NTD) since the tenth year. The fee for design patent application is approximately 80 GBP (3,000 NTD). The annuity fee for a design patent is approximately 20 GBP (800 NTD) for the first 3 years. The annuity fee of design patent shall also increase by years.

The fee for a trademark application is approximately 80 GBP (3,000 NTD). However, the fee shall increase with
the number of items designated in the same trademark class. The fee for registration and extension of a trademark is approximately 65 GBP (2,500 NTD) and 105 GBP (4,000 NTD).

The application fee and registration fee for plant variety right is approximately 80 GBP (3,000 NTD). The annuity fee for a plant variety right is approximately 15 GBP (600 NTD) for the first 3 years. The annuity fee shall increase by years.

The application fee and registration fee for integrated circuit configuration right is approximately 200 GBP (8,000 NTD). The maintenance of integrated circuit configuration right does not require annuity fee.

10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?

After a patent is issued, annual fee must be paid within the time limit to maintain the patent valid. Where the patent expires due to the failure of due payment of annuity, a six-month period for reinstatement is permissible, provided a surcharge will be imposed.

A request for renewal of the trademark right shall be submitted, and the renewal fee paid, within six months before the expiry of the period of the trademark right. Where the trademark expires due to the failure of due payment of renewal fee, the request may be submitted and the fee paid in double within a period of six months after the expiry of the period of the trademark right.

After a plant variety right is granted, the applicant must pay the annual fee to maintain the plant variety right. If such annual fee fails to be paid within the time period for payment, a remedial payment of the annual fee may be made within six months from the expiry date of the term; provided that the annual fee shall be paid at a rate of twice of what is otherwise required for timely payment of the annual fee.

11. What are the requirements to assign ownership of each of the intellectual property rights described above?

The assignment of the ownership of intellectual property right only requires the agreement of assignor and assignee. The recrodation of intellectual property right assignment with the IPO is not necessary for assignment.

12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?

As the recordation is not necessary for the validity of assignment, the assignment of an intellectual property right does not require the recordation of assignment.

However, the owner of an intellectual property right (e.g. patent or trademark) shall have no locus standi against any third party unless the assignment is recorded with the IPO. When requesting for recordation of assignment, a request form shall be submitted by either the assignor or the assignee accompanied by deed of assignment or documents of proof with respect to the assignment.

13. What are the requirements to licence a third party to use each of the intellectual property rights described above?

The licensing of an intellectual property right only requires the agreement of patentee and licensee. The recrodation of intellectual property right licensing with the IPO is not necessary for licensing.

14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?

As the recordation is not necessary for the validity of licensing, the licensing of an intellectual property right does not require the recordation of licensing.

However, the owner of an intellectual property right (e.g. patent or trademark) shall have no locus standi against any third party unless the licensing is recorded with the IPO. When requesting for recordation of licensing, a request form shall be submitted by either the patentee or the licensee accompanied by deed of licensing or documents of proof with respect to the licensing.

15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and if so, how do those rights differ?

The exclusive licensee of an intellectual property right shall be bestowed the right to exclude the patentee and third parties from using the patent. An exclusive licensee may sub-license a third party to use the licensed patent.
within the licensed scope. An exclusive licensee may also, within the licensed scope, bring any juridical action, including demanding a person who infringes to stop or prevent such infringement, claiming for damages suffered from infringement, and request for destruction of the infringing articles or the materials or implements used in the infringing act. However, if it is otherwise provided for in an agreement regarding the right of exclusive licensee, such agreement shall prevail.

On the contrary, a non-exclusive licensee shall not be allowed to sub-license a third party to use the licensed patent without the consent of the patentee or the exclusive licensee. An exclusive licensee is also not allowed to bring any juridical action against infringement.

16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?

The infringement of trademark right, copyright, and trade secret is subject to criminal sanction, including imprisonment and fine. The sanction can be initiated upon or without complaint, depending on the stipulation.

17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.

The disputes in respect with intellectual property right, e.g. infringement or ownership of right, shall be subject to civil litigation, including but not limited to patent right, trademark right, and copyright. The plaintiff of a civil litigation shall file any civil proceedings associated with the litigation, including but not limited to injunction, protective order, and compulsory enforcement actions.

For the disputes in respect with the administrative proceedings of intellectual property right, e.g. validity or compulsory licensing, the party of dispute shall file an administrative appeal, and further file an administrative litigation with the IP Court.

Moreover, anyone shall file an invalidation action against the intellectual property right with IPO with the evidence of invalidity, unless otherwise provided in regulations that the party shall be an interested party. In such condition, the invalidation shall be examined by IPO.

18. What is the length and cost of such procedures?

Most of the intellectual property right invalidation or litigation would finish in less than one year. The invalidation procedure and other administrative proceedings only require the official fee of each proceeding. As for the infringement civil litigation, the litigation expense shall depend on the claimed damage in accordance with the Code of Civil Procedure.

19. Where court action is available, please provide details of which court(s) have jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.

The civil litigation and criminal litigation both involve three (3) instance, the appeal of which shall end in the supreme court, whereas the administrative litigation involves two (2) instance, the appeal of which shall end in the supreme court. The IP court shall have jurisdiction for the second instance of criminal litigation, the first and second instance of civil litigation, and the first instance of administrative litigation.

The litigation shall be brought by the person involving in the dispute of intellectual property right. However, the person who infringes may be prosecuted by the prosecutor in the case provided that the infringement is subject to a crime which is charged without complaint.

The procedure of litigation shall include but not limited to firstly formulating and simplifying the issues, the investigation of evidence, and the oral argument of each party. In making a judgment, the court shall, taking into consideration the entire import of the oral argument and the result of evidence-investigation, determine the facts by free evaluation. The time for IP court to complete the procedure of litigation may be approximately less than one year.

20. What customs procedures are available to stop the import and/or export of infringing goods?

The owner of intellectual property, such as patent right, trademark right, or copyright, shall request Customs to detain the imported/exported articles that are suspected of infringing the intellectual property right.

The request of detention shall be made in written form,
accompanied by the preliminary showing of the facts of infringement and a security amounting to the duty-paid price of the articles of infringement, as assessed by Customs, or equivalent assurance. Upon the notification of detention, by providing a security amounting to two times the security or equivalent assurance, the owner of the detained articles shall request Customs to revoke the detention.

In case that the customs has not been notified by the requester of detention, within twelve (12) days following the date of detention (which may be extended by Customs for 12 days if necessary), that a litigation claiming that the detained articles infringe the intellectual property right has been initiated, the Customs shall revoke the detention ex officio.

If the infringement of detained articles is established upon a final and binding judgment of court, the owner of the detained articles shall be liable for relevant costs including demurrage, warehousing, loading, and unloading. On the contrary, if the infringement is not established, the requester of detention shall be liable to compensate the owner of the detained articles for the loss incurred from such detention or from providing the security.

21. Are any non-court enforcement options or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any circumstances? If so, please provide details.

The intellectual property right dispute shall be concluded by a contract of non-court settlement in compliance with the provision in Civil Code, whereby the parties by making mutual concessions terminate the dispute or prevent the occurrence of a future dispute.

22. What options are available to settle intellectual property disputes?

Besides the decision regarding civil litigation rendered by the court, the parties of intellectual property dispute can resolve the dispute by seeking settlement at any time by the initiation of the court or both parties. A final settlement shall have the same effect as a final judgment finally and bindingly. In cases that a settlement is established, the parties shall respectively bear the expenses of the settlement and the litigation expenses, except as otherwise may be agreed upon.

23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?

The establishment of infringement varies according to the subject of intellectual property.

The infringement of invention patent shall be established in accordance with the all elements rule. As for design patent, ordinary observer test is employed.

The infringement of trademark right shall be established if the likelihood of confusion is established. Specifically, the likelihood shall be established in case that the ordinary consumers confuse with the trademarks in a separate and non-simultaneous comparison.

The infringement of copyright shall be established where an article involving copyright is distribute, reproduced, publicly transmitted, etc.

The infringement of trade secret shall be established in the condition including but not limited to acquiring a trade secret by improper means, disclosing by improper means a legally acquired trade secret, and disclosing without due cause a trade secret to which the law imposes a duty to maintain secrecy.

Only if the owner of intellectual property either submit the evidence showing the difference between the profit earned after infringement and the profit normally expected in respect with the use of intellectual property, or submit the profit earned by the infringer from the article claimed as infringement that the damage shall be awarded.

24. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties’ expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?

a) The judges of IP court shall make the decision of judgment. However, the IP court shall have Technical Examination Officers. Pursuant to the Judge’s instruction,
Technical Examination Officers shall collect technical information as well as provide evaluation, advice and analysis on technologies. In accordance with the applicable laws, a Technical Examination Officer may participate in trial proceedings. Moreover, a expert may attend the trial as a witness upon the request of parties and the summon of court.

b) A motion for preservation of evidence shall be made to the court where the action is to be brought or the court where the action is pending. The court may inspect, examine or preserve documentary evidence when preservation of evidence is ordered. The court may order a Technical Examination Officer to execute duties on site when preservation of evidence is ordered. Where an opposing party has no grounds to refuse an order of preservation of evidence, the court may enforce such order by force, only to the extent necessary, and may request assistance from the police to execute such order if necessary. Where preservation of evidence shall disclose the trade secrets of a party, the court may, upon a motion, set limits on or prohibit the presence of the persons on the premises of the preservation of evidence, and may preserve the evidence separately, or set limits on or prohibit the review of the evidence.

25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in practice?

The court shall question the parties or direct them to make factual and legal statement, state evidence, or make other necessary representations; where the presented statements or representations are ambiguous or incomplete, the presiding judge shall direct the presenting party to clarify or supplement. The Technical Examination Officer shall also ask questions or explain to the parties pertaining to factual and legal issues based on the professional knowledge, in order to clarify the disputes in action, and ask questions directly to witnesses or expert witnesses.

26. What defences to infringement are available?

A defendant in the litigation of infringement shall either file an invalidation action in respect with the intellectual property right with IPO or argue in the litigation that the infringement is not established in order to defend against the claim of plaintiff.

27. Who can challenge each of the intellectual property rights described above?

The validity of intellectual property right, such as patent, trademark, and plant variety, can be challenge by anyone in principle either before or after the intellectual property right is granted by IPO, unless provided otherwise in the provisions.

Anyone can submit a third party observation to IPO, which should be accompanied by reasons and evidence thereof, before the intellectual property right is granted. However, the examiner has the right of discretion to adopt the reasons of the third party observation and the third party observation would not be transmitted to the applicant.

On the contrary, the challenge filed after granting would be diversified.

Any person may initiate an invalidation proceeding of patent by submitting an application providing a statement and reasons along with evidences to the IPO. However, where the invalidation is submitted based on the dispute regarding ownership, the invalidation can be only filed by an interested party.

The challenge of validity of trademark includes opposition, invalidation, and revocation. Any person may file an opposition to registration of a trademark with the IPO within three months after the date of registration on the grounds that such registration violates the regulation in Trademark Act. Only an interested party may file an invalidation with the IPO against a trademark registration on the grounds that such registration violates the regulation in Trademark Act. Moreover, any person may file an revocation with IPO against a trademark registration based on the reasons including but not limited to that the trademark is altered by the proprietor in different forms rendering a likelihood of confusion on relevant consumers, that the trademark has not yet been put to use or such use has been suspended for a continuous period of not less than three years without proper reasons for non-use, or that the trademark has become the generic mark or term, or common shape for the designated goods or services.

28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?

The intellectual property right may be challenged either before or after being granted.
Anyone shall submit a third party observation during the process of examination of the intellectual property right. A third party shall file an invalidation action with IPO after the intellectual property is granted and the invalidation shall be substantially examined by IPO.

It is also particularly stipulated that an invalidation action shall be filed even when a patent is expired by a interested party who possesses recoverable legal interests due to the revocation of a patent.

29. Briefly, what is the forum and the procedure for challenging each of these intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?

If a third party consider that the intellectual property right should not be granted due to the violation of provisions, e.g. lack of patentability or lack of trademark distinctiveness, the third party shall file a invalidation action with statements and reasons describing the fact of the violation of provisions with the evidence. Upon the receipt of the invalidation action by IPO, the IPO shall serve a copy of the document of the invalidation action to patentee and the patentee shall provide an argument in response to the invalidation. The patentee is also allowed to amend the claims during the invalidation procedure. The decision of invalidation action shall be rendered according to the reasons of invalidation and the argument of patentee. For patent invalidation procedure, the third party filing the invalidation action shall also submit a request for hearing to which the patentee and the third party should attend.

30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?

The limitations or exceptions for the claim of intellectual property right are provided in the Act of respective intellectual property.

The patent right shall not extend to research and trials necessary for obtaining registration and market approval of drugs under the Pharmaceutical Affairs Act. The patent right for the invention of medicines to be manufactured by mixing two or more medicines or for the invention of a process thereof shall not extend to the preparing of medicines in accordance with a prescription from a physician, or the medicines so prepared.

Fair use of a work involving copyright shall constitute limitation on economic rights in the work, and all circumstances shall be taken into account for determining the fair use, particularly the purposes and nature of the exploitation, the nature of the work, the amount of the portion in relation to the whole work, and effect of on the work’s market value shall be taken into consideration. Other stipulated fair use includes but is not limited to the reproduction for the purpose of preparing pedagogical texts, for the purpose of reporting current events, and for nonprofit use by an individual or a family.

A registered trademark shall not entitle the proprietor to claim the trademark right against the following conditions: (1) indicating a plain description in relation to his/her own goods or services, in accordance with honest practices in industrial or commercial matters and not using it as a trademark; (2) using where it is necessary for the goods or services to be functional; or (3) using bona fide, prior to the filing date of the registered trademark, provided that the use is only on the original goods or services.

The Taiwanese Patent Act and Trademark Act are complied with international exhaustion of right, whereas the Copyright Act follows domestic exhaustion of right.

31. What remedies (both interim and final) are available for infringement of each of the intellectual property rights described above?

All the damage from infringement of intellectual property right is subject to remedy via civil litigation in which the damage shall be claimed.

32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?

The expense of civil litigation of infringement shall depend on the claimed damage in accordance with the Code of Civil Procedure and thus shall increase with the amount of claimed damage. The losing party shall bear the litigation expenses. Therefore, the cost of plaintiff, i.e. owner of intellectual property, for the litigation shall be recovered upon the prevailing of judgment. A plaintiff may request for provisional attachment with regard to monetary claims of infringement for purposes of securing the satisfaction of a compulsory execution of the damage and the cost of litigation.
33. Has the COVID-19 pandemic caused any changes (temporary or permanent) to the protection or enforcement of intellectual property? For example, changes to deadlines, filing or evidence requirements or court processes.

Taiwan IPO announced on 31 January 2020 that where a patent or trademark application is subject to delay in a statutory or specified period in application or proceedings due to the pandemic of Coronavirus Disease 2019 (COVID-19), said applicant may file a request for reinstatement along with evidence. Taiwan IPO will, in principle, consider the specific circumstances of the case to make a determination leniently.

However, as there is no domestic lockdown in Taiwan, the work of Taiwan IPO shall proceed without any suspension.

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