



經濟部智慧財產局

INTELLECTUAL PROPERTY OFFICE

MINISTRY OF ECONOMIC AFFAIRS

January to March 2019

# Quarterly Report on Intellectual Property Rights Protection in Taiwan

*TIPO and the European Economic and Trade Office (EETO) jointly held the 2019 Taiwan-EU Geographic Indications Seminar on March 20. A GI product-tasting session was held to help the attendants learn about the quality and characteristics of GI products. TIPO and EETO hope to increase both sides' understanding of GI protection laws and practices, while deepening the public's learning about GI and certification marks, thereby facilitating promotion of Taiwan's high-quality farm produce.*

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## Special Report

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### The 2019 EU-Taiwan Seminar on Geographical Indications was a success

TIPO and the European Economic and Trade Office (EETO) jointly held the 2019 Taiwan-EU Geographic Indications Seminar on March 20. Ms. Natalie Nathon, international Relations Officer, Desk Office for Korea, Directorate-General for Agriculture and Rural Development, European Commission; Mr. Benedetto Francesco Ballatore, examiner and policy-maker of the Ministry of Agricultural, Food and Forestry Policies, Italy; Ms. Virginie Dessimiroff, National Inter-professional Office of Cognac; Mr. Li Kuo-chi, Section Chief of the Department of Science and Technology, Council of Agriculture, Executive Yuan; Mr. Liu Chi-fan, Yuchi Township Magistrate of Nantou County; and Mr. Hsia Ho, TIPO trademark examiner, were invited to be the speakers for this event. At the end of the seminar, a GI product-tasting session was held, to help the attendants learn about the quality and characteristics of GI products. The seminar drew more than 150 industry, government and academia representatives from Taiwan and Europe, and the attendants all exchanged ideas zealously.

To protect the products that are of strong regional features, the global community has developed geographical indications. Both the EU's GI and Taiwan's geographical certification marks and geographical collective trademarks are set to protect products which possess unique agricultural features and which are made through special production skills. TIPO and EETO hoped to increase both sides' understanding of GI protection laws and practices, while deepening the public's learning about GI and certification marks, thereby facilitating promotion of Taiwan's high-quality farm produce.

## Legislative Amendments

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### 1. TIPO amended the Examination Guidelines on Unity of Invention which entered into force on January 1, 2019

In response to the revision of examination practices for unity of invention, TIPO amended the Examination Guidelines on Unity of Invention which entered into force on January 1, 2019. By doing so, TIPO hopes to assist applicants in understanding more about the examination for unity of invention.

The key revisions of the amendment include the steps in determining unity of invention and clearly stipulated that, in principle, at least ONE independent claim (usually independent claim 1) as well as claims dependent on the independent claim shall be searched and examined if an application doesn't meet the unity of invention requirement.

For more information, please visit (Chinese):

<https://www.tipo.gov.tw/ct.asp?xItem=689777&ctNode=7127&mp=1>

### 2. TIPO amended the Examination Guidelines on Biology-related Invention Patent Applications which entered into force on January 1, 2019

To align with the status of development of Taiwan's biotech industry, TIPO amended the Examination Guidelines on Biology-related Invention Patent Applications which entered into force on January 1, 2019. It is aimed at assisting applicants in making determination of inventive step of invention patent applications much clearer and more easily. This amendment focuses on rearranging the structure of certain chapters, revising specific types and discourse of inventive step, as well as adding sample cases.

For more information, please visit (Chinese): <https://www.tipo.gov.tw/ct.asp?xItem=688737&ctNode=7127&mp=1>

### 3. Changes made to the designated names of goods and services for trademark registration, as well as cross index references

The 11th edition of the Nice Classification of Goods and Services added 485 items and deleted 119 items as well as amended 40 groups, subgroups or notes in total. These changes entered into force on January 1, 2019. The database of the classification and designated names of goods and services established in TIPO's electronic filing system would be updated simultaneously.

Thus, starting from January 1, 2019, those who apply to register trademarks through TIPO's electronic filing system should download the latest version. If the designated names of the goods and services listed in an application form do not conform to those in the electronic filing system, the NT\$300 application fee deduction will not be applied.

## Latest News

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### 1. TIPO completes analytical reports on IPR regimes in Southeast Asian and South Asian countries

To assist businesses in learning more about the IPR regimes and practices in the major countries listed in the New Southbound Policy, TIPO recently collected information on the IPR regimes, practices, registration, and related procedures in question of six countries – the Philippines, Malaysia, Indonesia, India, Vietnam and Thailand, to serve as references for the public. TIPO has also written two analytical reports, "Trademark Systems and Developments in Southeast Asian Countries" and "Patent Systems and Developments in Southeast Asian Countries," for companies to take further references when setting their southbound IP strategies.

The aforementioned information and reports have been released on the "IPR Protection in Southeast Asian and South Asian Countries" of the TIPO website. All members of the public are cordially invited to browse the documents.

For more information, please visit (Chinese):

<https://www.tipo.gov.tw/lp.asp?ctNode=7867&CtUnit=3894&BaseDSD=7&mp=1>

## **2. TIPO delegates attended the 48th meeting of the Asia-Pacific Economic Cooperation (APEC) Intellectual Property Rights Experts Group (IPEG 48)**

TIPO's delegates attended the 48th meeting of the Asia-Pacific Economic Cooperation (APEC) Intellectual Property Rights Experts Group (IPEG 48) in Santiago, Chile on Feb. 27 and 28, 2019. During the meeting, TIPO's delegates briefed the "Dispatched One-Stop Patent Services and Bilateral Exchange of Technological Development" and shared the result of an APEC-funding project entitled "Guidelines on the Best Licensing Practices of Collective Management Organizations (CMOs) to MSMEs." They also presented the new proposal of "Alternative dispute resolution (ADR) for SMEs" and asked other APEC economies to support.

On Feb. 26, the delegates attended two seminars entitled "Project Chargeback Workshop" hosted by Canada and "Patent Grace Period Harmonization" hosted by the US in the same city. Through these two seminars, the delegates exchanged views with other economies about the ways to combat counterfeit and pirated goods online, as well as international grace period regimes.

## **3. Public consultation meeting on streamlining the administrative hierarchy of remedies and the adversary system for patents and trademarks**

In accordance with global laws harmonization, Taiwan has continued to review whether the current IPR protection system is comprehensive enough. Taking references from Japan, USA, South Korea, and China's experiences, TIPO proposes to make the administrative hierarchy of remedies more succinct.

At this initial stage, TIPO plans to set up a special examination unit to handle patent and trademark disputable cases. As to the parties involved in the disputes, if disagreeing with resolutions, they may file a lawsuit against the procedural counterpart at the Intellectual Property Court. TIPO hopes to increase litigation efficiency by allowing the real parties in interest to argue at the court.

On February 25, TIPO convened a public consulting meeting to discuss relevant topics. The persons in attendance included representatives of the Judicial Yuan, Intellectual Property Court, and MOEA, as well as experts, scholars, patent attorneys, patent agents, and industry professionals. The attendants mostly saw relevant policies positively. They also contributed thoughts on practical details such as how the procedures might be implemented.

## **4. TIPO releases patent and trademark statistics and Top 100 patent applicants in 2018**

In 2018, TIPO received 47,429 applications for invention patents, which represented an annual increase of 3% and a second-year consecutive growth; 8,082 applications for design patents, which are just about the same from last year; and 17,910 for utility models, making a drop of 8%.

By citizenship of applicants, Taiwanese nationals filed 39,278 applications, marking a 4% year-on-year decrease; while foreigners filed 34,143 ones, a 4% increase compared to the previous year.

As to Taiwanese nationals, there were 18,365 applications for invention patents, marking a 1% increase. Also, there were 4,252 applications and 16,661 applications for design patents and utility patents, representing a 1% and a 9% decrease respectively. Japan topped the list with 14,169 applications, followed by the US (7,345) and mainland China (3,506).

Among the top 100 patent corporate applications, the Taiwan Semiconductor Manufacturing Co. topped the list for three years. The number of its applications has been growing since 2015, breaking a record-high in 2018. AU Optronics Corp. secured the second place with 586 applications. As to foreign companies, Qualcomm championed with 1,011 applications. This is not only a 67% year-on-year increase for the company but also marks the most significant growth among the top 10 patent corporate applicants. Alibaba Group Holding Limited withdrew to the second place with 599 applications.

Looking at the structure of the top 100 patent applicants, corporates provide the main momentum in R&D. The numbers of applications for invention patents, utility patents, and design patents have all increased, at 2%, 7%, and 53% annually. As to academia, their numbers of applications for invention and design patents have also grown, at 5% and 26% annually, although that of utility patents decreased by 2%. For research institutions, the application numbers for invention patents decreased by 5%.

In terms of trademarks, TIPO received 84,816 applications, marking a 1% year-on-year increase – the highest in 18 years. Taiwanese nationals filed 59,840 applications, just 2% less than the previous year. Foreign nationals filed 24,976 applications, 11% more than the previous year. The three main countries of application are: mainland China (5,770 applications, 19% more than the previous year) which steadily remains at the top, Japan (4,728 applications, 21% more than the previous year), and the US (4,187 applications, 14% more than the previous year).

In addition, TIPO has acquired significant results in accelerated examination. On average, it took 9 months for an applicant to receive an Office Action (OA) and 14 months to receive examination results of an invention patent case in 2018. As to trademarks, the time periods were respectively 5 months and 7 months. Both the numbers of invention patent and trademark applications pendency were lowered to roughly 46,000. This shows that TIPO has effectively assisted applicants and companies in fine-tuning their patent portfolio layouts.

## 5. Feel free to utilize our “Fin-tech Patent and Relevant Core Technology Patent Development Trends” report

Last year (2018) in March, TIPO announced a research report entitled Fin-tech Patent and Relevant Core Technology Patent Development Trends. The research results show that the patent applications filed by local financial institutions only account for 7% of the total fin-tech patent applications in Taiwan. This shows that financial institutions’ fin-tech patent application portfolios are just rising, as compared with those of high-tech companies.

In hopes of providing references on R&D and patent portfolios for Taiwan’s financial institutions, the study analyzes patent applications filed by financial institutions in Taiwan and compares them with the world’s fin-tech trends.

It is not easy to write a fin-tech patent as it involves both information technology and non-technological business activities. The feasibility of fin-tech patents has therefore been much discussed around the world when it comes to patent practices. This study further analyzes TIPO’s approvals and disapprovals rendered to Taiwan’s financial institutions, so as to delve into the cores of problems and present them to financial institution personnel. This might help to improve patent quality and reduce application time.

For more information (in Chinese), please lick the following link:

<https://www.tipo.gov.tw/dl.asp?filename=932916354771.pdf>

## 6. MOE sets up an email for reporting TANet-related IP infringement offenses

The Ministry of Education has set up an email address (abuse@moe.edu.tw) for reporting TANet-related IP infringement offenses. The Taiwan Book Publishers Association, a rights-holder group in Taiwan, reported 4 times through the email in February and March, to ask the MOE to thwart access attempts through TANet to link to foreign infringing websites containing pirated textbooks. The MOE has responded and banned such access.

## Law Enforcement Results and Statistics

### The National Police Agency (NPA)

#### 1. Law enforcement results

From January to March 2019, a total of 450 copyright infringement cases involving 509 suspects worth NT\$ 949 million; a total of 461 trademark infringement cases involving 553 suspects worth NT\$ 447 million; and 1 trade secret violation case involving 5 suspects worth NT\$ 30 million, were recorded. In total, there were 912 IPR infringement cases involving 1,067 suspects, with the amount of money lost as a result reaching about NT\$ 1.43 billion. The abovementioned cases were later transferred to district prosecutors’ offices for further investigation.

#### 2. Major Cases

The Criminal Investigation Brigade (CIBr) discovered that a criminal group has been using Windows and Microsoft Office trademarks at Ruten, an online auction platform in Taiwan. Without authorization, it has been selling all kinds of reproduced Microsoft software in disk forms, along with counterfeit authentication marks, to consumers. On an initial estimation, the infringement incurred an NT\$ 25 million loss.

#### 3. International exchanges

(1) 16 representatives of the Japan-Taiwan Exchange Association, and Canon Marketing Taiwan Co., Ltd visited the Criminal Investigation Brigade (CIBr) on March 5 to hold training on distinguishing authentic and counterfeit goods with CIBr’s investigation personnel. This was carried out to enhance police officers’ capabilities in cracking down on fake products.

### Statistics for IP Infringement Cases by the National Police Agency, NPA

Unit: case/person (Jan.-Mar. 2019)

Year	Total		Trademarks		Copyright		
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of CDs Confiscated
2019 Jan.-Mar.	911	1,062	461	553	450	509	33
2018 Jan.-Mar.	1,026	1,159	467	531	559	628	9,849
Percentage Change: 2019/2018 Jan.-Mar.	-11.21	-8.37	-1.28	4.14	-19.50	-18.95	-99.66

Source: National Police Agency (NPA), Ministry of the Interior

## Joint Optical Disk Enforcement Taskforce (JODE)

From January to March 2019, the Joint Optical Disk Enforcement Taskforce (JODE) of the Ministry of Economic Affairs has conducted a total of 60 inspections on OD factories, printing plate factories, and related facilities, 7 inspections fewer in comparison with the same period last year (67 times). The JODE also consulted law-abiding OD factories to establish an internal control and audit system and has carried out, during this period, 8 relevant documented audits in this regard. No major violation was found as a result.

### JODE's Inspection Results

(Jan.-Mar. 2019)

		2018	2018	2019
Number of Inspections		278	Jan.-Mar.	Jan.-Mar.
Audit/Consultation			30	8
Number of Cases Found Violating the Optical Disk Act		0	0	0
Number of Plants Closed	Manufacturing Plants	1	1	0
	Packaging Plants	0	0	0
Number of Cases Prosecuted		0	0	0
Number of Suspects Prosecuted		0	0	0
Number of Administrative Dispositions		0	0	0
Number of Machines Seized		0	0	0
Number of Illegal ODs (Pieces)		0	0	0

Source: The Joint Optical Disk Enforcement Taskforce (JODE), Ministry of Economic Affairs

## The Customs Administration

### 1. Law Enforcement Results

(1) The Customs Administration of the Ministry of Finance has been carrying out its duties regarding border protection in accordance with the Regulations Governing Customs Measures in Protecting the Rights and Interests of Trademark, and the Operational Directions for Customs Authorities in Implementing Measures for Protecting the Rights and Interests of Patent and Copyright. Results of the customs Administration from January to March 2019 are listed as follows:

Jan.-Mar. 2019	Trademark Violations		Copyright Violations		False declaration of SID codes	False declaration of trademarks
	Exports	Imports	Exports	Imports		
No. of cases	0	42	0	1	0	32
No. of items	0	13,153	0	308	0	335,648

\* Here, "False Declaration of Trademarks" refers to failing to or untruthfully declared trademarks, as prescribed in paragraph 3, Article 17 of Foreign Trade Act.  
Source: Customs Administration, Ministry of Finance

(2) From January to March 2019, customs across Taiwan received a total of 22 requests for lodging advice on protecting trademark rights, 27 requests for extending the terms for advice on protecting trademark rights, and 76 requests for updating documents.

### 2. Major Cases

- (1) Taipei Custom: In January, a total of 3,960 counterfeit Pfizer tablets, 3,900 Adidas scarfs and 20 sneakers, and 400 CASIO and G-SHOCK watches imported via express delivery were uncovered.
- (2) Keelung Custom: In February, a total of 308 boxes of bricks suspected of infringing Lego's copyright imported via sea freight were uncovered.

### 3. International Exchanges

- (1) On January 17 and 18, delegates of the Customs Administration, Ministry of Finance attended the Conference and Product Identification Workshop on Customs Enforcement in Asia: Building Public-Private Partnerships in Bangkok, Thailand, and shared experiences on IPR protection investigations with other Asia-pacific custom authorities. The delegates also exchanged ideas with rights holders.
- (2) As part of its efforts to step up exchange of information on counterfeiting with global counterparts, the Customs Administration from January to March provided 12 pieces of information for customs authorities of other countries.

## The Taiwan High Prosecutors' Office (THPO)

### 1. Law Enforcement Results

In the first half of 2019, the District Prosecutors' Offices of the MOJ discovered 2 photocopying stores with 2 suspects, on and off campus, involved in illegal photocopy activities. 5 photocopied books, 597 photocopied teaching materials, and 30 photocopied course materials were seized, which were worth NT\$ 5.077 million.

## 2. Court Rulings

From January to March 2019, the District Prosecutors Offices in Taiwan have investigated and closed a total of 437 cases suspected of IPR infringement, involving 467 suspects. Among them, 135 suspects in 118 cases were indicted under ordinary procedures; 135 suspects in 127 cases had their cases heard in a summary judgment; 156 suspects in 151 cases were granted a deferred prosecution; and 41 suspects in 41 cases were not indicted on ex officio grounds. In total, 175 people were convicted guilty by the court during this period, resulting in a conviction rate of 90.21%.

In comparison with statistics from the same period of time last year (2018), the number of suspects indicted (including those applied to have their cases heard in a summary judgment) in 2018 stood at 242, while that in 2019 reached 270, resulting in an 11.57% year-on-year increase. With regard to the number of suspects convicted, the figure stood at 210 in 2018 and 175 in 2019, representing a 16.67% year-on-year decrease.

Status of adjudication of Taiwan District Courts on IPR infringement cases unit: person

Categories	Year	Results of Court Rulings													
		Total	Sentences								Exemption	Not Guilty	Not Prosecutable	Case Declined	Others
			Subtotal	Under 6 Months	6-12 Months	1-2 Year(s)	2-3 Years	Over 3 Years	Detention	Fines					
Total	Jan.-Mar. 2019	269	175	56	1	-	-	-	113	5	-	19	-	75	-
	Jan.-Mar. 2018	287	210	70	-	1	-	-	122	17	-	23	1	53	-
	YoY %	-6.27	-16.67	-20.00	-	-100	-	-	-7.38	-70.59	-	-17.39	-100	41.51	-

Source: Taiwan High Prosecutors' Office

## IPR Awareness Campaigns

### 1. National Policy Agency of the Ministry of the Interior conducts awareness campaigns on laws and regulations

In the first quarter of 2019, the Criminal Investigation Brigade (CIBr) visited a total of 45 companies. The CIBr provided information related to trade secret laws, assisted in examining confidentiality measures, and conducted 16 courses on trade secret laws. On March 19, CIBr also held seminars on the Trade Secret Act with the Central Taiwan Science Park Bureau.

### 2. MOFA advocates IPR protection

At the New Southbound Policy Portal, 11 Chinese articles and 5 English articles on intellectual property rights were published. At Taiwan Today, an electronic newspaper, a total of 11 articles on Taiwan's IPR policies were published, in languages such as English, French, Spanish, German, Japan, Vietnamese, Indonesian, and Thai.

### 3. Council of Indigenous Peoples advocates IPR protection

(1) The Council of Indigenous Peoples held the "Seminar on Traditional Intellectual Creations of Indigenous Peoples" at the Indigenous Peoples Cultural Development Center in January. Experts and scholars were invited to talk about the course of development of the Protection Act for the Traditional Intellectual Creations of Indigenous Peoples, the content of the Act, relevant licensing, and dispute resolutions. A total of 90 people attended the event.

(2) The 2019 Talent Cultivation Program for Traditional Intellectual Creations of Indigenous Peoples was released in March. Proposals from colleges and universities are welcome. Starting in September, relevant courses will be held.

### 4. MOEA advocates IPR protection

To advocate intellectual property protection (IPR), TIPO gathers up IPR experts and scholars to form the IPR Service Group, which gives promotional talks across Taiwan throughout a year. It is believed that such communicative events can help people to understand more about IPR. As long as there are 30 attendants or more, any school or institution can ask TIPO to give a two-hour lecture for them. For companies, a minimum of just 20 attendants are required. Those in need may select the date of lecture and the issues to be discussed, and all this is free of charge. Please register online in TIPO's system if the service is of interest.

To register, please click the following link: <https://www.tipo.gov.tw/ct.asp?xItem=695568&ctNode=7761&mp=1>