



經濟部智慧財產局

INTELLECTUAL PROPERTY OFFICE

MINISTRY OF ECONOMIC AFFAIRS

April - June 2011

Quarterly Report on Taiwan's Intellectual Property Rights Protection

In the first 12 months since the signing of the Cross-Strait Agreement on Intellectual Property Right Protection and Cooperation, Taiwan and Mainland China have successfully developed a positive working model for partnership in IPR matters while strengthening the protection for Taiwanese businesses operating on the Mainland. Looking ahead, Taiwan pledges to intensify efforts to protect the trademarks of Mainland companies in Taiwan by becoming more active in prosecuting cases of trademark squatting and counterfeiting on the behalf of companies across the Taiwan Strait.

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AUGUST 2011

Special Report

U.S. Legislative Assistants, EU Parliament delegations visit TIPO

An 11-person delegation of U.S. congressional staffers led by Mr. Michael Dunlap and a five-person delegation from the Alliance of Liberals and Democrats for Europe (ALDE) led by Member of the European Parliament (MEP) Ms. Kristiina Ojuland paid visits to TIPO on April 25 and April 27, 2011, respectively. During the meetings, the two groups exchanged opinions with TIPO officials on a variety of IPR-related issues of mutual interest.

DG Wang interviewed by Managing Intellectual Property magazine

A writer from the Hong Kong regional office of Managing Intellectual Property (MIP), an international magazine that reports on IP affairs from around the globe, was in Taipei on April 28 to conduct an interview with TIPO Director General Wang, Mei-hua. The two sides discussed the policies, laws, and public awareness strategies of the Taiwan government toward intellectual property, as well as plans currently underway to address TIPO patent backlogs. DG Wang provided detailed answers to all questions while also emphasizing TIPO's recent accomplishments in promoting IP protection.

2011 Cross-Strait Trademark Forum held in Taipei

The third annual 2011 Cross-Strait Trademark Forum was held on May 10 in Taipei. Attending the event were more than 10 businesses, associations and government agencies representing Taiwan and Mainland China and holding a special interest in the protection of IPR across the Taiwan Strait. Presentations were given on three main topics: improper use of trademark, intentional trademark squatting and protection of well-known trademarks. During the forum, TIPO Director General Wang expressed her appreciation to IPR agencies in Mainland China for their efforts in protecting the trademarks of Taiwanese companies doing business on the Mainland.

EPO regional head Dr. Pedro Osona visits TIPO

Dr. Pedro Osona, the European Patent Office (EPO) head of development for China and Korea, was at TIPO on May 11, 2011 to attend the TIPO-EPO Bilateral Cooperation Project Symposium. Among the topics discussed during his visit were TIPO access to the EPO online patent database EPOQUE-net, reciprocal document exchange, and participation by TIPO patent examiners in European Patent Academy (EPA) training courses.

MOEA Vice Minister attends APEC Trade Ministers Conference in Montana, U.S.A.

MOEA Vice Minister Lin, Sheng-chung headed a Taiwanese delegation to attend a series of three APEC ministerial meetings held in Big Sky, Montana, U.S.A. from May 19 to 21. The delegation participated in the Ministers Responsible for Trade Meeting, the Small and Medium Enterprises (SMEs) Ministerial Meeting, and the Joint Meeting of Ministers Responsible for Trade and SMEs. According to the Ministers Responsible for Trade Meeting's Statement of the Chair, APEC trade ministers will, before the upcoming APEC Economic Leaders' Meeting in November 2011, instruct officials in their respective governments to "develop practical guidelines that assist customs authorities in APEC economies in combating infringement of intellectual property rights through the identification of effective practices for IPR enforcement at the border." Meanwhile, in the Joint Ministerial Statement of the APEC Joint Meeting of Ministers Responsible for Trade and SMEs, the ministers declared their intent to assist trade among SMEs in the Asia-Pacific region by addressing major barriers that included insufficient protection of IPR.

EU-Taiwan IPR Working Group holds first DVC of 2011

The EU-Taiwan IPR Working Group – a permanent sub-unit of economic and trade consultations between Taiwan and the EU – held its first digital video conference of 2011 on June 24. The EU side heard from Taiwan about recent legislative amendment progress and was updated on developments regarding geographical indications and trademark protection of agrochemicals. The two sides also discussed new avenues for IP-related cooperation in the future, such as the upcoming EU-Taiwan 2011 Seminar on Current and Future Development on Protection of Internet Copyright, tentatively scheduled for October 2011 in Taipei.

35th Japan-Taiwan Economic and Trade Conference midterm review meeting held in Taipei

The 35th Japan-Taiwan Economic and Trade Conference held a midterm review meeting that was hosted by the Association of East Asian Relations (AEAR) in Taipei on June 30, 2011. The IPR Working Group revealed 19 proposals by the Japanese delegation and 11 by the Taiwanese side, with progress updates presented by both parties on past cooperation items. The following day, the head of the Japanese delegation, Mr. Hosa Takahashi, visited TIPO to share his views on TIPO's Accelerated Examination Program (AEP) and new online file-wrapper inspection service for published patent applications, which was launched on March 1, 2011. The visiting delegation also gave an introduction to the new PPH 'Mottainai' pilot program, a partnership between the Japan Patent Office and seven other major foreign patent offices on accelerated patent examinations that was scheduled to commence on July 15, 2011.

Legislative Amendments

Legislative Yuan passes draft amendment to Patent Act

On April 6, 2011, the Economics Committee of the Legislative Yuan completed First Reading of a draft amendment to the Patent Act. During the meeting, committee members expressed their concerns on design patent protection for artistic works, the extent of farmers' rights to save seed for their own use, and agricultural

technology policies once patent protection has been granted to plants. TIPO will remain in active consultation with the Council of Agriculture (COA) in the development of further supplementary measures.

Amendment to Trademark Act passed, promulgated by Presidential Office

An amendment to the Trademark Act passed Third Reading by the Legislative Yuan on May 31, 2011 and was promulgated on June 29, 2011. The amended legislation includes the following key components:

1. extending the subject matter of protection for registered trademarks;
2. clarifying the different forms of recognized trademark use;
3. abolishing provisions on paying registration fees in two installments;
4. allowing reinstatement of rights for registration fees not paid within prescribed time limits;
5. inserting provisions on the obligations to prove the use of prior registration of trademarks in invalidation or revocation actions;
6. amending provisions on remedies for well-known trademarks;
7. inserting provisions on liabilities for contributory trademark infringement;
8. providing that Customs offices may take samples and hand them over to right holders strictly for the purposes of analysis and to facilitate subsequent procedures;
9. enhancing protection of geographical certification marks and geographical collective trademarks.

Because the amendment to the Trademark Act comprehensively revises the legislation, a transitional period is required to draft and review supplementary measures in conjunction with the amendment. Enactment dates for these measures will be announced by the Executive Yuan upon completion of the review process.

Amendment to 'Regulations of Patent Fees' promulgated July 1, 2011

A partial amendment to Regulation of Patent Fees was enacted on July 1, 2011. The amended legislation includes the following components:

1. In order to reduce the financial burden of patent applicants under an economic disadvantage, the amended legislation grants a 46.32% reduction in design patent annuities and a 62.11% reduction in annuities for natural persons, schools, or SMEs who meet prescribed eligibility requirements.
2. Applications for substantive examination of invention patent that are eligible for accelerated examination due to the application being deemed essential for commercial exploitation will be charged a filing fee of NT\$4000 per application.

Latest Developments

1. Under the direction of the Hong Kong Intellectual Property Department and TIPO, the Taiwan Foundation against Copyright Theft has reunited with the Hong Kong Intellectual Property Society to organize the fourth-annual Hong Kong – Taiwan 'My Video' Competition. A total of 234 original video entries were received from Hong Kong and Taiwan during this year's entry period, which lasted from March 20 to June 30, 2011. Among these, 112 were submitted in the senior high school and vocational school category, 85 in the college and university category, and 37 in the open category. On July 27, a selection meeting to hold the preliminary and second rounds of voting was held, with the winners scheduled to be chosen via digital videoconference on August 9, then results will be made on the official event website. An award ceremony to recognize the winners has also been scheduled for September 17 in Taipei.
2. Designing the Future' was the theme for this year's World IP Day, an annual event celebrated each year on April 26 by the World Intellectual Property Organization (WIPO). In conjunction with its international partner IP bodies, TIPO organized a schedule of 2011 World IP Day events held on April 23 in Taipei. Young spectators gathered to witness a series of exciting, creative dance performances that aimed to teach young spectators about the benefits of creative expression as well as proper concepts of IPR protection. Also part of this year's events was a temporary World IP Day website that included an online dance competition voting area and an IPR trivia contest that awarded prizes to winning participants.
3. Efforts to strengthen the protection of IPR in SMEs were made in the following methods:
 - a) As of June 30, 2011, a total of 58 requests for IPR-related service were received through the 0800-868-178 SME free service hotline. All callers received helpful assistance by technical support staff based on the particular needs of each case.
 - b) The MOEA Small and Medium Enterprise Administration (SMEA) conducted short-term diagnoses of the IP systems of 35 SMEs and assisted with the implementation of IP management systems at six businesses in order to effectively guide SMEs toward increasing their awareness of intellectual property and strengthening core competitiveness. On May 5, the SMEA signed a memorandum of understanding with Far East University that establishes a platform for private-academic patent licensing partnerships from which SMEs can potentially forgo licensing fees for technical patents.
4. On May 19, 2011, TIPO announced that patent applicants claiming priority rights from the U.S. who have been issued priority documents in certified compact disk format by the United States Patent and Trademark Office (USPTO) will, as of July 1, 2011, no longer be required to provide paper copies of all priority documents. Such applicants need only to submit the USPTO-issued CD, along with photocopies of basic priority document information in both original-language and Chinese-translated versions. Further information on the new measure can be found at the following link (Chinese language only):
http://www.tipo.gov.tw/ch/News_NewsContent.aspx?NewsID=5261

Enforcement and Latest Statistics

National Police Agency (NPA)

1. Enforcement news (January - March 2011):

The following statistics reveal NPA inspection results from the Spring (April to July) 2011 period:

- a) A total of 711 cases relating to IPR infringement were uncovered, with 829 suspects apprehended. This total included 279 copyright infringement cases involving 333 suspects and 432 trademark infringement cases involving 496 suspects.
- b) Internet infringement: 390 cases involving 395 suspects
- c) Night markets: 11 cases involving 11 suspects
- d) Storefronts: 105 cases involving 146 suspects
- e) Newspaper inserts: one case involving one suspect
- f) Factories: no cases reported
- g) Other infringement cases: 204 cases involving 297 suspects

2. Inspection news (April - June 2011):

The following major cases involving economic crime were reported by NPA agencies during the Spring 2011 quarter:

- a) On April 7, officers in Hsinchu City uncovered an operation involving the illegal copying of software programs licensed to Microsoft Corporation and downloading them onto desktop computers for sale. Seized at the scene were one computer, 26 computer hard drives, 28 burned ODs, and one USB flash drive. All evidence was subsequently forwarded to local district prosecutors for further investigation.
- b) On May 6, investigators in New Taipei City uncovered an operation involving the unauthorized public transmission of licensed music files in suspected violation of copyright law. A total of 102 song files were collected from the online location, which had received an estimated 681,470 total hits from Internet users. All evidence was later forwarded to the Banciao District Prosecutors Office for further investigation.
- c) On April 4, investigators in Kaohsiung City uncovered an activity involving the use of ODs containing pirated examination preparatory questions and unauthorized photocopies of paper test booklets for distribution to students. All evidence was later forwarded to the Kaohsiung District Prosecutors Office for further investigation.

Table 1: Statistics for IP Infringement Cases (April – June 2011)

Unit: case/person

Year	Total		Trademark		Copyright		
	Cases	Suspects	Cases	Suspects	Cases	Suspects	ODs Confiscated
2011 (Apr.– Jun.)	1,370	1,600	831	987	539	613	185,086
2010 (Apr. – Jun.)	1,338	1,535	739	874	599	661	132,485
Percentage Change: 2011 (Apr. - Jun.) /2010 (Apr. - Jun.)	2.39%	4.23%	12.45%	12.93%	-10.02%	-7.26%	39.70%

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

IPR Police

1. During the April to June 2011 period, the IPR Police uncovered a total of 526 IPR infringement cases involving 599 individuals. These cases were made up of 151 copyright infringement cases (involving 158 suspects) and 375 trademark infringement cases (involving 441 suspects) and were associated with the following types of infringement:

- h) Internet infringement: 313 cases involving 339 suspects
- i) Night markets: 42 cases involving 28 suspects
- j) Storefronts: 105 cases involving 146 suspects
- k) Newspaper inserts: one case involving one suspect
- l) Factories: no cases reported
- m) Other forms of infringement: 65 cases involving 85 suspects

2. The following major cases were reported by the IPRP during the Spring 2011 quarter:

- a) On October 16, investigators in Taipei City and New Taipei City uncovered an operation in which individuals were accused of displaying for the purpose of sale an assortment of pirated Sony Playstation 2, Nintendo Wii and Nintendo DS video game cartridges and other counterfeit game supplies in violation of copyright law. Investigators seized a total of 3,836 pirated game disks and other incriminating evidence such as computers, CD burners, printers and external hard drives, which was then forwarded to the Banciao District Prosecutors Office for further investigation.

Joint Optical Disk Enforcement Taskforce (JODE)

From April to June 2011, JODE conducted 167 inspections (87 daytime and 80 nighttime) of OD factories, printing plate factories and related facilities. This total is lower than that of the same period last year (105 daytime

and 109 nighttime inspections during the Spring 2010 quarter). JODE also conducted 52 documented audits of the internal control and audit systems of outstanding OD factories after advising them on the establishment of such systems.

In collaboration with the IPR Police, JODE officials also took part in a total of 14 night market sweeps from April to June 2011.

Directorate General of Customs (DGOC)

1. Inspection results:

Table 2: DGOC Inspection Results (April – June 2011)

Jan.- Jun. 2010	Trademark Infringement		Copyright Infringement		No SID Codes on Export ODs	False Declaration of Export ODs	Violation of SID Code	False Declaration of Trademark
	Export	Import	Export	Import				
Cases	0	17	0	4	0	3	0	140
Amount	0	10,078	0	780	0	25,172	0	0

2. Major cases:

On March 31, 2011, inspectors with the Taipei Postal Office Station uncovered an import shipment of eight counterfeit iPhones illegally marked with the Apple brand, while a shipment of 1,950 imported counterfeit Viagra pills illegally labeled with the Pfizer brand was also found at the Taipei Postal Office Station on April 16; on March 31, Kaohsiung Customs Office inspectors uncovered an import shipment of 355 counterfeit polo shirts illegally marked with the Abercrombie and Fitch label; on May 31, the Taipei Customs Office seized an import shipment containing 46 pairs of counterfeit Crocs sandals. All relevant evidence was seized by customs officials in accordance with Taiwanese law.

3. International exchange:

- As part of active efforts to increase the flow of data between foreign customs offices on counterfeiting offenses, the DGOC provided international customs offices with information on four counterfeiting and piracy cases from April to June 2011.
- A delegation of representatives from the Motion Picture Association (MPA) and the Microsoft Taiwan Corporation visited the DGOC on April 29 to explore methods for improving anti-piracy strategies in Taiwan and to promote the importance of establishing strong partnerships between customs agencies and right holders in order to build an effective united front against the sale and distribution of counterfeited and pirated goods.
- Mr. Takashi Uchiyama, the new Economic Director of the (Japan) Interchange Association, Taipei Office visited the DGOC along with outgoing Economic Director Mr. Hiroaki Kawai on May 20. The two sides exchanged views on affairs relating to IPR protection at border crossings, with the Japanese guests also expressing their desire to continue to increase exchange and cooperation with Taiwan on customs-related issues.

Status of Court Rulings

(Taiwan High Court Prosecutors Office, HCO)

The HCO joined together with TIPO to co-organize a professional IPR training course for judicial officials on May 23-27. A total of 32 prosecutors and administrative prosecutors took part in the training.

From January to June 2011, investigators uncovered a total of 15 campus photocopying centers found to be engaged in illegal photocopying of school textbooks. In all, 16 individuals were charged of infringement of an estimated NT\$20.5 million in licensed products.

Also during this period, district courts in Taiwan closed a total of 1,907 IPR infringement cases. Of these, 470 suspects in 362 cases were indicted under ordinary procedures, 558 cases involving 585 defendants resulted in summary judgments, 844 indictments involving 887 defendants were deferred, and 143 cases involving 152 defendants were closed by ex officio action. During the same period in 2010, a total of 754 defendants were sentenced to prison terms at a conviction rate of 91.0%.

The adjudication of IPR cases by Taiwan District Courts from January to June 2011 is outlined below (Table 3):

Table 3: Status of Adjudication of Public Prosecutors' Offices of District Courts

Unit: person

Sentence	Year	Status of adjudication and number of convictions										Not Guilty	Others
		Total	Sentence										
			Subtotal	Under 6 Months	6-12 months	1-2 year(s)	2-3 years	Over 3 Years	Detention	Fines			
Total	2011 (Jan.-Jun.)	937	760	384	35	11	2	-	312	16	76	1	
	2010 (Jan.-Jun.)	1006	815	418	41	13	1	-	324	18	68	1	
	Change (%)	-6.86	-6.75	-8.13	-14.63	-15.38	100	-	-3.70	-11.11	11.76	0	

Source: Prosecutors' Office for the Taiwan High Court

IPR Awareness

1. Over 50 guests attended an informational meeting hosted by TIPO on geographical certification marks and geographical collective trademarks on April 20, 2011. Attending the meeting were representatives from the Council of Agriculture, Agriculture and Food Agency, Fisheries Agency and the National Treasury Agency, along with those who have applied for or who already hold geographical certification mark or geographical collective trademark protection for their goods and services. The purpose of the meeting was to teach business operators about proper usage of certification marks and trademarks in order to increase the economic potential of local trades and industries.
2. As part of the awareness campaign for the Small and Medium Enterprises Intellectual Property Financing Program, 16 informational meetings on IP financing were held from April to June 2011. The meetings were targeted at SME operators and bank officials and were composed of topics such as strengthening intangible assets, protecting patent filings, strategic patent structuring, and IP laws. A total audience of 546 attended the meetings.
3. An audience of 230 guests attended an SME intellectual property forum held on June 22 as part of implementation measures for the 2011 Innovative SME Intellectual Property Promotion Plan. The forum featured a panel of well-known experts from industry, government and academia who gathered to share their experiences on patent filing and patent management strategies with audience members and fellow panelists.
4. To meet the needs of government agencies, schools and business organizations in Taiwan, the following copyright awareness meetings were held during the Spring 2011 quarter:
 - a) In an attempt to increase public understanding of the February 2010 amendments to Taiwan's Copyright Act and Copyright Collective Management Organization Act and the major reforms to copyright licensing mechanisms they entail (such as the new provisions on joint royalty rates, single-contact licensing windows and temporary royalty payments), TIPO organized a series of three informational meetings across Taiwan, drawing a total of 170 audience members.
 - b) The first two of four scheduled regional meetings aimed at instructing teachers of all levels on proper copyright use in classrooms were held on May 17 and May 27. In all, 137 people attended the two meetings.
 - c) An audience of 138 people attended an informational meeting on proper use of computer software in government offices, schools, and state-owned businesses on May 31. The purpose of the meeting was to give employees in these work settings introductory knowledge about computer program works and software licensing modes, along with common techniques for identifying counterfeit software.
 - d) In an effort to educate business owners in cultural and creative industries about the copyright-related laws of Mainland China and about key components in the Cross-Strait Agreement on Intellectual Property Right Protection and Cooperation, TIPO held a series of three awareness meetings on June 9, June 21 and July 19, attracting 191 guests in total.
 - e) In order to give students a first-hand account of the importance of protecting original works, TIPO organized a presentation on June 14 featuring accomplished creative artists who shared their personal experiences and views relating to copyright protection. Approximately 400 teachers and students participated in the event.
5. The following awareness activities were conducted through the use of electronic and print media from April to June 2011:
 - a) Radio: A series of 30-second public service announcements on obtaining proper authorization before transmitting licensed audio and video works in business venues was broadcast on the Broadcasting Corporation of China (BCC) NewsRadio and "I Like" channels. A total of 63 announcements were aired during this period.
 - b) Airports: Anti-piracy and anti-counterfeiting advertisements were placed at electronic billboards inside Taiwan Taoyuan International Airport and Kaohsiung International Airport in order to warn travellers of the criminal risks of bringing pirated ODs or other IPR infringing goods into Taiwan.
 - c) Internet: A special website promoting the protection of original works on the Internet was set up along with online groups created for the social networking websites Facebook and Plurk. Included among the content was a series of online articles on copyright-related topics prepared by well-known Taiwanese bloggers. In addition, three online games were made available through Facebook-exclusive applications in order to teach Internet users about basic copyright laws through entertaining formats.
 - d) Videos: A series of 30-second videos to promote IPR protection and the value of creative works were produced and posted on high-traffic Internet website portals.