



經濟部智慧財產局

INTELLECTUAL PROPERTY OFFICE
MINISTRY OF ECONOMIC AFFAIRS

January - March 2015

Quarterly Report on Taiwan's Intellectual Property Rights Protection

Following the approval by the Executive Yuan, the latest IPR Action Plan (2015-2017) took effect on January 1, 2015. Over the years, this Action Plan has been implemented to maintain a sound environment for IPR protection, attract R&D investment by domestic and foreign technology, cultural and creative industries.

With seven major works, this Action Plan aims to establish a comprehensive regime for IPR policies and regulations, carry out counterfeiting and piracy investigation, strengthen awareness education, and facilitate international and cross-strait exchanges and cooperation. Government agencies in Taiwan have dedicated to its implementation IPR protection work will continue.

Special Report

AmCham Representatives Visit TIPO

A team of over ten AmCham Taipei representatives comprising the organization's Intellectual Property and Licensing committee chairs Vincent Shih and Peter J. Dernbach visited TIPO on January 28, 2015, to exchange feedback on IPR issues addressed in the 2014 AmCham white paper. These issues include Copyright Collective Management Organization Act, effective regulations for deterring online infringement, as well as amendment to the Copyright Act.

TIPO attends the 40th APEC/IPEG meeting

A delegation led by TIPO's Secretary General Hong, Shu-min attended the 40th APEC/IPEG meeting held in Clark, the Philippines from January 31 to February 1, 2015. At the meeting, the delegates reported on "patent trends and litigation analysis in the ICT industries" and exchanged views with other members.

The 1st IPR protection interagency coordination meeting of 2015

On February 26, the Ministry of Economic Affairs (MOEA) convened the "1st IPR protection interagency coordination meeting of 2015." At the meeting, TIPO and the Industrial Development Bureau respectively reported on "fair use in distant learning" and the "Taiwan Intellectual Property Management System (TIPS)." The attending agencies also exchanged views on the results of the 2014 "IPR Action Plan."

Following the addition of criminal liability in the amendment to the Trade Secrets Act of 2013, there have been a number of major crimes involving former employees usurping or leaking trade secrets of former employers. These crimes have not only caused ginormous economic losses to relevant corporations but also impacted fair marketing competition. Addressing the issues over trade secret misappropriation, TIPO has exchanged views with officials from the Ministry of Justice and National Police Administration of the Ministry of the Interior on how to strengthen trade secret enforcement, and has proposed tangible measures including a standard procedure for more comprehensive investigation and adjudication, strengthening training for enforcement officers, and facilitating interaction between public and private sectors, as well as cooperation across borders.

The 1st Taiwan-EU Economic and Trade Consultation IPR Working Group DVC of 2015

The 1st TW-EU Economic and Trade Consultation IPR Working Group DVC of 2015 took place on March 26 where attending representatives exchanged dialogues on the recent amendments to patent, trademark and copyright laws, the agenda of EU-Taiwan 2015 Seminar on Protection of Internet Copyright, mutual recognition of DUS reports of Phalaenopsis and Doritaenopsis, the EU's 1st January 2014 implementation of Regulation No. 608/2013 Section 2 Article 26 (which stipulates simple procedure of destroying trademark-infringing items in smaller amounts without having to refer them to courts as criminal proceedings), as well as on-campus illegal photocopying.

The amended Nice Classification (NCL (10-2015))

In line with WIPO's yearly revision to the Nice Classification, TIPO has recently updated its latest compilation of the revised definitions of classification, and names of goods/services of the latest NCL (10-2015), effective starting January 1, 2015. Also updated is the comparison table of Taiwan and Japan's respective groupings for similar goods/services under the latest NCL (10-2015), available on TIPO website starting January 20.

Legislative Amendments

IPR Action Plan (2015-2017) takes Effect on January 1, 2015 following approval by the Executive Yuan

Following the close of IPR Action Plan (2012-2014) and approval by the Executive Yuan, the latest IPR Action Plan (2015-2017) took effect on January 1, 2015. Over the years, this Action Plan has been implemented to maintain a sound environment for IPR protection, attract R&D investment by domestic and foreign technology, cultural and creative industries.

With seven major works, this Action Plan aims to establish a comprehensive regime for IPR policies and regulations, carry out counterfeiting and piracy investigation, strengthen awareness education, and facilitate international and cross-strait exchanges and cooperation. Government agencies in Taiwan have dedicated to its implementation IPR protection work will continue.

Publishes the amended "Procedures for settling cross-strait trademark disputes"

On March 12, 2015, TIPO published the amended "Procedures for settling cross-strait trademark disputes." Revised and renamed from the original "Guidelines for settling cross-strait trademark disputes," published on October 19, 2011, this new Procedures includes terms and numerical order of provisions updated in accordance with China's new Trademark Law. Regarding notification of cases requiring dispute settlement, the new Procedures now adds "Other circumstances requiring assistance" to include cases where Taiwan businesses encounter unfair treatment, and

mainland authorities adopting dispute settlement methods that go against China's laws and standards in trademark examination and legal proceedings. The "Procedures for settling cross-strait trademark disputes" can be accessed at: <http://www.tipo.gov.tw/ct.asp?xItem=544572&ctNode=7127&mp=1>

As of the end of February 2015, TIPO had received a total of 576 dispute settlement requests. Of the 449 cases being notified and forwarded to relevant agencies, a total of 364 disputes were successfully settled, accounting for an over 80% settlement rate. These include some famous local trademarks (e.g. Mode Marie, BBQueen, and CSBC) that were previously squatted in mainland China.

Regulations Governing the Protection of Traditional Intellectual Creations of Indigenous Peoples

On January 8, 2015, the Council of Indigenous Peoples published the "Regulations Governing the Protection of Traditional Intellectual Creations of Indigenous Peoples," which later took effect on March 1. Based on Article 4(2), Article 6(2), and Article 9(4) of the "Rules for Protecting Intellectual Creations of Indigenous Peoples," the Regulations contain 38 articles and are created to handle matters including request and registration for protecting intellectual creations, issuance, renewal, and revocation of certificates, as well as granting, revocation, extinguishment, and recognition of certification marks. Indigenous peoples now have legal basis to preserve, protect, manage, and develop their cultural heritage, as well as traditional knowledge and culture. In all, the Regulations would benefit indigenous peoples as they are now allowed to protect their culture and tradition by claiming exclusive rights to their works of intellectual creations.

Latest Developments

Publishes the latest collection of patent administration litigation cases (2013-2014)

The latest "Collection of patent administration litigation cases (2013-2014)" contains analyses of IP Court's administrative ruling of 11 patent cases and the MOEA's decisions on 16 patent appeals between August 2013 and June 2014. Starting this year, this collection is no longer available in print. E-versions of past collections (2010~) are available for download at the Patents section of the TIPO website.

Copyright affairs meeting

On March 4, 2015, TIPO's Director General Wang, Mei-hua led colleagues to the IP Court to attend the copyright affairs meeting and exchange dialogues with judges and prosecutors on the market for licensing involving karaoke machines and the operation of CMOs.

New ways to pressing charges and handling other legal matters as Judicial Yuan's online system nears launch

The Judicial Yuan has completed the establishment of the "IP Court Administrative Litigation Online System" that began development in June 2014 and will be launching this new service in June 2015. The system is designed to strengthen judicial efficiency and transparency, facilitate digitization of court proceedings, and enable litigation to go electronic. As part of the "Log-in single window for lawyers," this new system will allow the plaintiff to press charges and the defendant to raise a defense, as well as for both parties to supplement legal documents and submit electronic attachments and paperwork involving appeals and litigation. Using the electronic evidence during court proceedings, the plaintiff and the defendant can narrow in on their argument for/against the allegations in a more transparent manner. With the help of this state-of-the-art equipment, the court can more efficiently handle and give rulings to administration litigation cases involving IPR.

Enforcement and Latest Statistics

National Police Agency (NPA)

1. Enforcement News (January-March 2015)

From January to March 2015, a total of 589 copyright infringement cases were uncovered involving 715 suspects and 764 trademark infringement cases were uncovered involving 837 suspects. The market values of these uncovered infringing goods were estimated by rightholder to be around NT\$6,003,171,600.

2. Major Cases Involving Economic Crime (January-March 2015)

A total of 52,000 optical discs, 96 optical disc drives, and 4 desktop computers were seized. The market value of these goods was estimated at around NT\$300,000,000.

3. International Exchange

- (1) On January 7, 2015, a group of four comprising former and current directors of Taiwan International Screen Foundation (TISF), vice-president and regional operations officer for the Asia Pacific at MPAA, and managing director of Hong Kong International Screen Association paid a visit to the IPR Police Corps.
- (2) A group of four comprising BSA co-directors and regional manager visited the IPR Police Corps to learn about status of software piracy investigation and discussed possibility for joint investigation.
- (3) On March 4, 2015, five right holder groups including TIPA visited the Special Police Second Headquarter and met with HQ Chief to exchange views on the objectives of this year’s IPR infringement investigation work.
- (4) On March 4, 2015, AIT Economic Officer Kris Kvols visited the Special Police Second Headquarter and met with Chief Chung.
- (5) On March 10, 2015, Toichiro GOKAN, Director, Economic Section of Interchange Association Japan visited the Special Police Second Headquarter and met with Chief Chung.
- (6) Michael E. Mangelson, the US Department of Commerce and US Patent and Trademark Office as Intellectual Property Attaché in the US Consulate General Shanghai, accompanied by AIT Economic Officer Kris Kvols, visited the IPR Police Corps to exchange views on investigation of IPR infringement.
- (7) TISF director and legal affairs manager visited the IPR Police Corps on March 25, 2015 to exchange views on what effects the recent amendment to the Communication Security and Surveillance Act has on investigation and feasibility of conducting a cross-border joint investigation of infringing websites.

Statistics for IP Infringement Cases

Unit : case/person

Year	Total		Trademark		Copyright		
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of CDs Confiscated
2015 Jan. -Mar.	1,362	1,552	764	837	598	715	106,782
2014 Jan. -Mar.	912	1,094	478	571	434	523	2,875
Percentage Change: 2015/2014 Jan. -Mar.	49.34	41.86	59.83	46.58	37.79	36.71	37.14

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

Joint Optical Enforcement Taskforce (JODE)

From January to March 2015, JODE conducted 110 inspections of OD factories, printing plate factories and related facilities. This total is 53 times less than in Q1 2014. In addition, JODE conducted 16 documented audits of the internal control and audit systems of outstanding OD factories after advising them on the establishment of such systems.

JODE’s Inspection Results (January – March, 2015)

		2014		2014		2015
		Jan.-Dec.		Jan. -Mar.		Jan. -Mar.
Number of Inspections		660		163		110
		Day	Night	Day	Night	
		399	261	92	71	
Number of Cases Found Violating the Optical Disk Act		0		0		0
Number of Plants Closed	Manufacturing Plants	0		0		0
	Packaging Plants	0		0		0
Number of Cases Prosecuted		0		0		0
Number of Suspects Prosecuted		0		0		0
Number of Administrative Dispositions Administered According to the Optical Disk Act		0		0		0
Number of Machines Confiscated		0		0		0
Number of Illegal ODs (Pieces) Confiscated		0		0		0

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

Customs Administration, MOF

1. Inspection Results:

- (1) In compliance with the Regulations Governing Customs Measures in Protecting the Rights and Interests of Trademark, Operational Directions for Customs Authorities in Implementing Measures for Protecting the Rights and Interests of Patent and Copyright, and other border measures, the Customs Administration from January to March 2015 yielded the following results:

Category	Trademark Violations		Copyright Violations		Export ODS Without Source ID Code	False Declaration of Source ID Code	False Declaration of Trademark
	Exports	Imports	Exports	Imports			
Cases	0	70	0	3	0	7	47
Number	0	12,299	0	380	0	486,175	-

- (2) From January to March 2015, customs across Taiwan received a total of 21 report and notification cases for trademark infringement, as well as 77 requests for extending trademark terms.

2. Major Inspections

Taipei Customs’ January 8 discovery of 102 counterfeit “Disney” handbags imported through express delivery; Keelung Customs’ January 12 discovery of 200 pairs of counterfeit “Sony” headphones imported through ocean freight; Taipei Customs’ January 16 discovery of 516 pieces of counterfeit “Lilo & Stitch” and “Spongebob” phone charms imported through express delivery; Taipei Customs’ January 16 discovery of 600 pieces of counterfeit “Paul Frank” phone charms imported through express delivery; Taipei Customs’ January 20 discovery of 400 pairs of counterfeit “Xiaomi” headphones imported through express delivery; Taipei Customs’ January 23 discovery of 267 pieces of counterfeit “Zara” women’s tops imported through express delivery, Keelung Customs’ February 3 discovery of 1,400 counterfeit “Tory Burch” coin purses, and Keelung Customs’ March 19 discovery of 100 pairs of counterfeit “Beats” headphones imported through ocean freight. All the seized goods have been detained according to Taiwan law.

3. International Exchange

- (1) As part of active efforts to increase the flow of information between foreign customs offices on counterfeiting, the Customs Administration from January to March 2015 provided information on 23 counterfeiting and piracy cases to customs offices of other nations.
- (2) **Strengthening exchanges and collaboration between right holders and right holder groups**
- The Customs Administration of the Ministry of Finance held a series of workshops on March 17, 18, 19, and 20, 2015 to educate attending right holders and their representatives from Taiwan and abroad on the methods of verifying genuine goods and identifying counterfeits, as well as explain IPR border measures. The participants also exchanged views on strengthening right holder-customs collaboration on deterring piracy and counterfeiting.

Taiwan High Prosecutors Office (THPO)

1. Enforcement Results (January-March, 2015)

District prosecutors offices across Taiwan uncovered 12 off-campus photocopying stores involving 12 suspects, and seized 82 illegally printed textbooks and 266 pirated e-books in PDF format. These infringing materials were worth NT\$21,116,606. The prosecutors offices will continue investigation to effectively deter such infringement.

2. Status of adjudication (January-March, 2015)

As shown in the table below, affirmed IPR infringement cases by Taiwan’s district prosecutors offices from January to March 2015 totaled 739. Of these, 197 suspects in 158 cases were indicted under ordinary procedures; 169 cases involving 181 defendants filed for summary judgment; 357 indictments involving 387 defendants were deferred; and 55 cases involving 61 defendants were closed by ex officio action. In the same period, 298 defendants were sentenced to prison terms at a conviction rate of 93.42%. Compared to the same period of 2014, the status of court rulings on IPR infringement cases (summary judgment included) is as follows. There were 378 indictments in 2015 and 387 in 2014, accounting for a 2.3% decrease. As for the number of convictions, there are 298 defendants being convicted in 2015, accounting for a 30% decrease over the same period (426) of last year.

Status of Adjudication of Taiwan District Courts on IPR Infringement Cases

unit: person

Sentence	Year	Status of adjudication and number of convictions										
		Total	Sentence								Not Guilty	Others
			Subtotal	Under 6 Months	6-12 Months	1-2 Year(s)	2-3 Years	Over 3 Years	Detention	Fines		
Total	2015 Jan.-Mar.	390	298	76	2	1	-	-	201	18	21	0
	2014 Jan.-Mar.	534	426	143	14	3	-	-	245	21	35	5
	Percentage Change(%)	-26.97	-30.05	-46.85	-85.71	-66.67	0.00	-	-17.96	-14.29	-40.00	-100.00

Source : The Prosecutors’ Office for the Taiwan High Court

3. International exchanges

Michael E. Mangelson, the US Department of Commerce and US Patent and Trademark Office as Intellectual Property Attaché in the US Consulate General Shanghai, accompanied by AIT Economic Officer Kris Kvols, visited the Intellectual Property Branch of Taiwan High Prosecutors Office on March 24, 2015. While there, Mr. Mangelson attended a panel discussion and exchanged reviews on processing and handling reconsideration of ruling, and IPR enforcement personnel training in the US.

IPR Awareness

● IPR awareness information meeting series

From January to March 2015, TIPO held a series of “IPR Protection Service Group” information meetings to raise people’s IPR awareness. The topics and effects of the meetings are:

Information meeting	Time, Venue and Number of Participants	Topics and effects
1.Laws and regulations	From January to March, TIPO and the Service Group organized 14 meetings (5 at government agencies, 4 at corporations, and 5 at universities) across Taiwan with 1,170 people in attendance.	The meetings focused on patent, trademark, copyright, and trade secrets. On-site counseling was available to increase people’s copyright awareness. Survey shows that 90% of the participants are willing to go to similar events in the future.
2.Copyright at business venues	One meeting was held on March 6 in Taichung, with 56 people in attendance.	The meeting explained regulations governing copyright at business venues and licensing mechanism involving public broadcast of music. Survey shows that over 70% of the attendants said that they learned more about CMO’s licensing systems, licensing issues concerning public broadcast of radio and TV programs at business venues, licensing issues involving karaoke machines at business venues. The participants also said that the meeting helped business proprietors better understand how to handle licensing matters.

● More assistance to audiovisual industries in obtaining licenses for musical works

In recent years, there has been an influx of students, amateurs, and small-scale businesses having relatively little knowledge about commercial copyright licensing but nonetheless making foray into new media and other audiovisual industries. To help these creators make contact with the right holders for licensing matters, TIPO is planning to create a website that contains “Music licensing at a glance,” “Use of copyrighted music FAQ,” as well as contact information of CMOs, record labels, and companies that manage copyright.

● Workshop on information exchange

On March 20, Keelung Customs of the Ministry of Finance held the first information exchange workshop of 2015 to provide training to customs employees on relevant IPR border measures and laws.

● MOE’s Campus IPR Protection Awareness Activities

- 1.On March 27, the MOE held the first inter-agency on-campus IPR protection consultation meeting of 2015 to exchange feedback with right holder groups on the measures proposed by the ministry. The ministry and the groups discussed in-depth and reached consensus on several measures which will then be implemented to help teachers and students cope with new challenges arising from the wide spread of digitized information.
- 2.Earlier this year, the MOE took over the “University inspection for IPR protection” and rename it as “Joint university inspection.” From January to March, the ministry paid four visits and learned about how IPR work was implemented through examining audit reports of each university and on-site inspection.
- 3.Weeks following the start of school term, the MOE on March 5, 2015 sent a notice requesting all universities to step up IPR awareness activities. Universities should also educate students to use licensed textbooks (second-hands included) and to avoid committing any act (e.g. illegal reproduction of books or teaching materials) of copyright infringement.
- 4.On January 15-16, the National Pingtung University of Science and Technology held the “2015 national meeting of university principals.” This meeting was commissioned by the MOE to ask universities to step up their implementation of the on-campus IPR protection action plan.