



經濟部智慧財產局

INTELLECTUAL PROPERTY OFFICE
MINISTRY OF ECONOMIC AFFAIRS

April to June 2018

Quarterly Report on Intellectual Property Rights Protection in Taiwan

On April 17-18, TIPO, the Ministry of Justice (MOJ), and the American Institute in Taiwan (AIT) jointly held the 2018 Taiwan Trade Secrets Workshop in Taipei, provided much food for thought and inspiration in the way to carry out trade secrets investigations and prosecutions.

On April 25, 2018, TIPO, the European Economic and Trade Office (EETO), and the European Business and Regulatory Cooperation programme in Taiwan (EBRC), jointly held the 2018 EU-Taiwan Seminar on IP Capacity Building for SMEs and Academic and Research Institutions. A total of about 200 people from industry, government, academia, and research institutions showed up for the event, and heated discussions have taken place throughout the sessions.

Special Report

TIPO, MOJ and AIT jointly hold the 2018 Taiwan Trade Secrets Workshop on April 17-18

On April 17-18, TIPO, the Ministry of Justice (MOJ), and the American Institute in Taiwan (AIT) jointly held the 2018 Taiwan Trade Secrets Workshop in Taipei. A number of officials and experts from both Taiwan and the US were invited to share their experience at the event, including an IP law enforcement coordinator of the US DOJ, an assistant deputy chief for Litigation of the Computer Crime & Intellectual Property Section of the US DOJ, FBI supervisory special agents, an USPTO IP attaché, an USPTO attorney-advisor, a prosecutor of the Intellectual Property Branch of the Taiwan High Prosecutors Office, and a member of the council of the Taiwan Association for Trade Secrets Protection (TTSP). Around 170 people showed up for the event, including MOJ prosecutors of different prosecutors offices around the country, investigators from the Investigation Bureau, police officers from the National Police Agency, and IP professionals from TIPO.

The workshop has a special focus on trade secrets investigations and prosecutions in practice. US experts shared their experiences in a number of fields, including the investigation and prosecution methods of complex scientific and technological trade secrets crimes, the consideration of trade secrets cases involving both civil and criminal proceedings, trade secrets charging decisions, determining the amount of damage awarded, as well as related real-world cases. Animated discussions have taken place between participating Taiwanese law enforcement officers and US expert lecturers, showing that the event has provided much food for thought and inspiration for local judiciary personnel in how they can carry out trade secrets investigations and prosecutions in the future.

An EU-Taiwan seminar on IP capacity building for SMEs and academic and research institutions takes place on April 25

On April 25, 2018, TIPO, the European Economic and Trade Office (EETO), and the European Business and Regulatory Cooperation programme in Taiwan (EBRC), jointly held the 2018 EU-Taiwan Seminar on IP Capacity Building for SMEs and Academic and Research Institutions. The conference featured presentations by experts from both the EU and Taiwan, including Mr. Benoît Lory, minister counsellor, the EU Delegation in Beijing; Mr. Jorg Weberndorfer, IP Senior Expert, DG Trade, European Commission; Mr. Ignacio de Medrano, EUIPO Project Leader of IP cooperation programmers ECAP(Arise+) and IP Key in South-East Asia, based in Bangkok.; Ms. Aida Balbuena-Diez, Project Officer of the China IPR SME Helpdesk under the European Commission; Deputy Director-General Tu Chun-yi of the Department of Academia-Industry Collaboration and Science Park Affairs of the Ministry of Science and Technology; Business Manager Joseph Wang of the Technology Transfer and Law Center of the Industrial Technology Research Institute; Deputy Director-General Gloria Wu of the Science & Technology Law Institute of the Institute for Information Industry; COO Aileen Chang of the Wispro Technology Consulting Corporation; and Director Kao Tso-liang of the Information Service Division of TIPO.

A total of about 200 people from industry, government, academia, and research institutions showed up for the event, and heated discussions have taken place throughout the sessions.

In the conference, the European experts shared EU academic plans, strategies to support SMEs to innovate and grow by making use of IPs, as well as its practices to support SMEs to safeguard their IP rights in mainland China and Southeast Asian countries; while Taiwanese experts shared Taiwan's strategies and practices to promote cooperation between industry and academia, as well as its major measures and plans to support SMEs and academic and research institutions in their efforts to strengthen IP capacity.

Legislative Amendments

TIPO publishes amendments to Chapter 11 of Part Two of the Patent Examination Guidelines, which has come into effect on April 1

TIPO published amendments to Chapter 11 ("Extension of Patent Terms") of Part Two ("Substantive Examination of Invention Patents") of the Patent Examination Guidelines, which has come into effect on April 1.

For more information, please visit:

<https://www.tipo.gov.tw/ct.asp?xItem=665046&ctNode=7127&mp=1>

The list of examples of items that do not require a disclaimer for trademark registration was revised and published, and came into effect on June 5

The list of example of items that do not require a disclaimer for trademark registration was firstly published on May 2, 2012, and it came into effect on July 1 of the same year. Since then, TIPO has gained extensive real-world experience in deciding what non-distinctive elements might raise doubts over the scope of trademark rights during a trademark application examination. With the experience, lately, TIPO revised the list of examples of each class of designated goods/services that do not require a disclaimer, in the hope of offering a clearer guidance to TIPO trademark examiners as well as trademark applicants alike.

For more information, please visit:

<https://www.tipo.gov.tw/ct.asp?xItem=670158&ctNode=7127&mp=1>

Latest News

1. Director General Hong Shu-min gives a talk at a luncheon held by AmCham Taipei

On June 22, Director General Hong Shu-min gave a keynote speech, entitled "Forward-moving TIPO", at a luncheon invited by AmCham Taipei. In her presentation, Director General Hong shared what TIPO has been doing to enhance IPR protection, including its efforts to reduce patent backlog, improve examination quality, and promote cooperation with other IP offices. In addition, she also talked about TIPO's plans to draw up draft amendments to IP laws this year, efforts to improve examination quality, practices to provide greater protection to trade secrets, as well as measures to create an environment conducive to convenient patent search and utilization. Last but not least, she also responded to concerns raised in AmCham's White Paper this year. The exchange has allowed members of AmCham Taipei to gain a better understanding about TIPO's policies, thereby allowing them to make better use of services provided by the Office.

2. TIPO publishes the English language version of its 2017 annual report

TIPO has focused its work on improving IP quality, supporting the industry, and promoting international exchanges in the year of 2017. By so doing, it has improved the value of IPs in Taiwan, provided better IP services to SMEs, and worked with international partners across a wide range of issues.

For example, in terms of examination efficiency, the average first-action pendency and the average disposal pendency for invention patents have dropped to 9 and 16 months, and those for trademarks have dropped to 5 and 7 months, respectively, the best over the past five years. As for examination quality, TIPO has published guidelines on patent examination quality review, and launched the Patent Examination Quality Review 2.0, a project dedicated to further improving the framework for patent examination quality reviews while introducing the Patent Application Face-to-face Interview 2.0 project, in the hope of cultivating patents of even better quality.

In terms of its support of SMEs, TIPO, along with its branch offices, have provided tailor-made classes to SMEs to equip them with the basic knowledge of IP matters and how to improve patent quality. Moreover, information sessions were held for IP professionals to improve their competence in design patent. TIPO also published trend analysis on important industries. By doing so, TIPO aimed to provide the industries with the professional and just-in-time support they needed to expand their IP portfolio around the world.

As for international exchanges, TIPO's MOU on Patent Prosecution Highway (PPH) with its Japanese counterpart has been extended for another three years. In addition, an MOU on IPR enforcement cooperation has been signed with the US; an MOU on PPH cooperation signed with Poland, and an MOU on the mutual cooperation in the field of deposit of biological material for the purpose of patent procedure was signed with the UK, showing TIPO's multidimensional cooperation with many international partners.

For more information, please visit:

<https://www.tipo.gov.tw/ct.asp?xItem=671774&ctNode=7127&mp=1>

3. Draft amendments to Articles 4, 37, and 40 of the Patent

Attorney Act has been passed by the Executive Yuan, and is now sent to the Legislative Yuan for further review

Draft amendments to Articles 4, 37, and 40 of the Patent Attorney Act has been passed at a Cabinet meeting at the Executive Yuan on April 26, and is now sent to the Legislative Yuan for further review. In the amendment, provisions prescribing that "those who have been certified to be suffering from a mental disability or other physical or mental impairment shall not practice as a patent attorney or patent agent" have been removed, to be in line with Article 27 of the UN Convention on the Rights of Persons with Disabilities. By making the change, persons with disabilities will enjoy equal rights to work, allowing them to develop and stand on their own two feet while demonstrating Taiwan's determination to safeguard rights and interests of people with disabilities.

For more information, please visit:

<https://www.tipo.gov.tw/ct.asp?xItem=666094&ctNode=7127&mp=1>

4. TIPO announces its updated list of designated goods and services for trademark application and trademark searches

To better reflect reality, TIPO revised its list of designated goods and services for trademark application, adding 59 new items, removing 10, and revising 14 category names and additional remarks. The new list will come into effect on July 1.

The updated list will also apply to the e-filing system for trademarks (the exact date of the update of the system will be announced by the Information Management Office of TIPO). TIPO would like to urge future applicants who are going to apply for the registration of their trademarks through the e-filing system to download the latest list and have a look, so that they use the revised wording of goods and services in their applications—which should be in line with contents on the e-filing system—allowing them to enjoy a NT\$300 fee discount.

For more information, please visit:

<https://www.tipo.gov.tw/ct.asp?xItem=670756&ctNode=7127&mp=1>

5. TIPO accepts applications for deferring substantive examination for design patent applications, starting from July 1, 2018

TIPO starts accepting applications for deferring substantive examination for design patent applications on July 1, 2018.

For more information, such as the guiding principles of the practice, a sample application form, and must-knows about such application, please visit:

<https://www.tipo.gov.tw/ct.asp?xItem=672548&ctNode=7127&mp=1>

6. New features added to the Taiwan Global Patent Search System (GPSS) will be available, starting from July 1, 2018

TIPO has recently set up the Taiwan Global Patent Search System (GPSS), which is a cross-country, one-stop patent search platform that offers collected patent data of TIPO, the IP5 (including the USPTO, the EPO, the JPO, the KIPO, and the SIPO), and the World Intellectual Property Organization (WIPO). Currently, the system supports searches made in Chinese, English, Japanese, and Korean, and it can automatically transfer searches made in Traditional and Simplified Chinese while allowing searches of homophones in Chinese, making the search function of the platform even more powerful. This will help the industrial sector to gain a better understanding about the context of technological development in many industries, which can pave the way for their future technological R&D and patent portfolio.

The Taiwan Global Patent Search System (GPSS) has been very well received by many circles since its launch. TIPO is dedicated to continuing improving the system, in an attempt to make the system more comprehensive and user-friendly. Starting from July 1, 2018, the system will contain more than 50 million pieces of patent data ready for patent search, and many more new features are expected in the future. TIPO encourages those interested to make more use of it.

For more information, please visit:

<https://gpss.tipo.gov.tw>

7.MOE sets up a report mechanism for suspected IP infringement on campus

Under this mechanism, the Ministry of Education (MOE) will start an investigation when a report of suspected IP infringement is made to it by the public. When it is confirmed that such infringement did take place, the Ministry will pass on related information, including content and source of the report to the head of information system of that university as well as the regional center of the Taiwan Academic Network (TANet) providing services to the same university.

8.MOE sets up an email for reporting TANet-related IP infringement offences

The MOE has set up an email address (abuse@moe.edu.tw) for reporting TANet-related IP infringement offences. As of today, the Taiwan Book Publishers Association, a rights-holder group in Taiwan, has reported once through the email in May (accumulated three times from January to June), 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.

9.The Council of Indigenous Peoples grants exclusive rights to six traditional intellectual creations of the indigenous peoples

As of June 30, 2018, the Council of Indigenous Peoples had conducted ten meetings and reviewed 35 applications for exclusive rights to traditional intellectual creations of the indigenous peoples. Of these, six applications were granted exclusive rights, three were subject to second review after resubmission, and one was rejected. Exclusive rights will be issued to the rest of the 25 applications after amendment to the application forms are made according to feedback from reviewers.

Law Enforcement Results and Latest Statistics

The National Police Agency (NPA)

1.Law Enforcement Results

From April to June 2018, a total of 729 copyright infringement cases involving 815 suspects and worth NT\$ 472.05 million; a total of 477 trademark infringement cases involving 586 suspects and worth NT\$ 497.72 million; and a total of 3 trade secret infringement cases involving 4 suspects and worth NT\$ 28.63 million, were recorded. In total, there were 1,209 IPR infringement cases involving 1,405 suspects, with the amount of money lost as a result reaching about NT\$ 998.4 million. The abovementioned cases were later transferred to district prosecutors' offices for further investigation.

2.Major Cases

One set-top Box (STB) manufacturer advertised on the Internet that its product allows viewers to access, free of charge, over 10,000 online audiovisual works. It was found that, the scope of infringement committed by the manufacturer included domestic and foreign movies and TV channels. The case was successfully cracked on June 14 following the investigation by the Criminal Investigation Brigade (CIBr) and under the supervision of prosecutors. The amount of money involved in the infringement was roughly estimated to be at least up to NT\$100 million.

3.International exchanges

On April 24, the Recording Industry Foundation in Taiwan (RIT), Taiwan Book Publishers Association (TBPA), Motion Picture Association of America (MPAA), and Business Software Alliance (BSA) visited the Criminal Investigation Brigade (CIBr) to continue discussing issues raised in March of this year on the details of establishing an agency for third-party certification in IPR cases.

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

Unit: case/person (Jan-Jun 2018)

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
2018 Jan.-Jun.	1,069	1,273	588	734	481	539	18,710
2017 Jan.-Jun.	1,109	1,327	771	882	338	445	57,555
Percentage Change: 2018/2017 Jan.-Jun.	-3.61	-4.07	-23.74	-16.78	42.31	21.12	-67.49

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

The Joint Optical Disk Enforcement Taskforce (JODE)

From January to June 2018, the Joint Optical Disk Enforcement Taskforce (JODE) of the Ministry of Economic Affairs has conducted a total of 140 inspections on OD factories, printing plate factories, and related facilities, eight times less in comparison with the same period of time last year (148 times). The JODE also consulted law-abiding OD factories to establish an internal control and audit system and has carried out, during this period, sixteen relevant documented audits in this regard. No major violation was found as a result.

JODE's Inspection Results

(Jan-Jun 2018)

		2017	2017	2018
Number of Inspections		322	Jan-Jun 148	Jan-Jun 140
Audit/Consultation		38	19	16
Number of Cases Found Violating the Optical Disk Act		0	0	0
Number of Plants Closed	Manufacturing Plants	3	2	2
	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 April to June 2018 are listed as follows:

Apr-Jun2018	Trademark Violations		Copyright Violations	
	Exports	Imports	Exports	Imports
No. of cases	0	148	0	0
No. of items	0	30,015	0	0

Apr-Jun2018	Exported ODs without a SID Code	False Declaration of SID Codes	False Declaration of Trademarks
No. of cases	0	4	50

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

(2)From April to June 2018, customs across Taiwan received a total of 26 requests for lodging advice on protecting trademark rights, 7 requests for extending the terms for advice on protecting trademark rights, as well as 51 requests for updating documents.

2.Major Cases

- (1)Taipei Customs: In April, 72 pairs of counterfeit Chanel sunglasses imported via express delivery and 120 counterfeit Chanel cosmetic sets imported via air freight express delivery were uncovered.
- (2)Keelung Customs: In April, a total of 220 sets of counterfeit Line Brown Bear (image) bedding imported via sea freight were uncovered. In May, a total of 600 counterfeit Hello Kitty USB-powered fans imported via sea freight were uncovered.

3.International Exchanges

- (1)As part of its efforts to step up exchange of information on counterfeiting with global counterparts, the Customs Administration from April to June provided 11 pieces of information for customs authorities of other countries.
- (2)On May 17, the Japan-Taiwan Exchange Association visited the Customs Administration of the Ministry of Finance to exchange views on IPR border measures.
- (3)On June 20, experts from the Customs Administration were invited by the Japan-Taiwan Exchange Association to lecture on the "Status in customs' enforcement of IPR border measures" at the intellectual property seminar hosted by the Japanese Chamber of Commerce and Industry.

The Taiwan High Prosecutors' Office (THPO)

From April to June 2018, the District Prosecutors Offices in Taiwan have investigated and closed a total of 529 cases suspected of IPR infringement, involving 585 suspects. Among them, 237 suspects in 187 cases were indicted under ordinary procedures; 137 suspects in 134 cases had their cases heard in a summary judgment; 160 suspects in 158 cases were granted a deferred prosecution; and 51 suspects in 50 cases were not indicted on ex officio grounds. In total, 200 people were convicted guilty by the court during this period, resulting in a conviction rate of 87.72%.

In comparison with statistics from the same period of time last year (2017): the number of suspects indicted (including those applied to have their cases heard in a summary judgment) in 2017 stood at 281, while that in 2018 reached 374, resulting in a 33.10% year-on-year increase. With regard to the number of suspects convicted, the figure stood at 240 in 2017, and 200 in 2018, 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-Jun 2018	564	410	131	1	3	1	-	244	30	-	51	3	100	-
	Jan-Jun 2017	688	515	138	4	2	-	-	336	35	1	31	5	134	2
	YoY %	-18.02	-20.39	-5.07	-75	50	-	-	-27.38	-14.29	-100	64.52	-40	-25.37	-100

Source : The Prosecutors' Office for the Taiwan High Court

IPR Awareness Campaigns

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

In the second quarter of 2018, Criminal Investigation Brigade (CIBr) inspected a total of 375 companies at Hsinchu Science Park and Southern Taiwan Science Park. The CIBr provided information relating to trade secret laws, assisted in examining confidentiality measures, and conducted 13 courses on trade secret laws.

2. Customs Administration Information exchange meeting

- (1) On April 26 and June 27, Customs Administration of the Ministry of Finance respectively held the joint seminar on customs broking, transport industry, warehouse industry, and container terminal industry in Kaohsiung and Taichung Customs. They were held to promote IPR border measures and regulations.
- (2) On May 8-11, the Customs Administration held the 2018 workshop on customs IPR border measures respectively at Kaohsiung, Taichung, Taipei and Keelung Customs to give an overview of the laws relating to IPR border measures and practices. Experts from the Criminal Investigation Brigade (CIBr) of the National Police Agency of the Ministry of the Interior were also invited to share cases relating to trademark infringement investigation and to exchange experiences in law enforcement with customs personnel.
- (3) On May 28, the seminar on customs broking businesses was held at the Taichung Customs; on June 27, an information session on the notices and regulations on declaring air-freighted imports and exports was held to promote IPR border measures and laws to relevant operators.

3. MOE IPR awareness campaigns

The “2018 Public and Private University Academic and Administrative Affairs Directors Joint Meeting” was held by the Ministry of Education on May 24-25. The Ministry asked attending directors to step up promotion of campus IPR protection action plan.

4. Council of Indigenous Peoples’ “Cultivating talents on protecting traditional intellectual creations” project

On May 11, the Council of Indigenous Peoples announced the “Cultivating talents on protecting traditional intellectual creations” project of the year 2018. Six colleges and universities entered the preliminary review stage and the results would be available by the end of July. Those that pass the review will conduct relevant courses in September.

5. MOEA’s IPR protection education campaigns

- (1) IPR awareness lecture series
To strengthen the public’s IPR awareness, TIPO in March began officially accepting registration for the 2018 IPR protection service group lecture series. Corporations, civil groups, and schools of all levels are eligible to register, and, once approved, on-site lectures on issues of interest (including patent, trademark, copyright, and trade secrets) along with consultation will be arranged free of charge. As of the end of June, 83 lectures had been organized, with nearly 5,600 people in attendance.
- (2) The IPR on the Campus Task Force
From May to June 2018, the IPR on the Campus Task Force, a group composed of 166 seed instructors from 29 universities, visited 12 elementary, junior and senior high schools, as well as vocational schools, to promote the concept of IP protection, by fun, lively group activities. A total of 1,406 students took part in these events. Subsequent survey shows that, more than 90 percent of student learned that sound or video recording, digital scanning, and photocopying are all considered as “reproduction” prescribed in the Copyright Act; while more than 90 percent of them said that they know that uploading newly released movies to the internet with P2P software or photocopying an entire textbook in separate times (even if not in one go) has constituted an infringement of copyright.
- (3) The 2018 IP Carnival
The 2018 IP Carnival took place at the Shin Kong Mitsukoshi Xinyi Plaza in Taipei on the afternoon of May 27. Director General Hong Shu-min of TIPO was there to give some remarks and open the event. On the site, there are also IP-themed interactive game booths and large escape games, covering topics such as patent, trademark, copyright, and trade secret, in the hope of introducing to the public the ABCs of IP as well as the importance of IP protection. An estimated 1,500 people showed up for the event. In addition, the event was live streamed on TIPO’s Facebook fan page as well as the “Let’s Support Original Works” Facebook fan page, so that more people could witness what has been going on at the Carnival. The live streamed video has been watched for more than 4,000 times, reaching a total of about 17,000 people.
- (4) Workshop on Copyright CMO Licensing Practices
TIPO held the Workshop on Copyright CMO Licensing Practices: Must-knows for Copyright Users On June 19, introducing to micro business operators (including owners doing business in high street premises or of individual stores)—who usually have a tendency to play music in their business venues—as well as owners of performance venues topics such as the collective management organization (CMO) system in Taiwan, how it works, licensing practices, as well as how to obtain legal copyright licensing and why it is important. Representatives of major CMOs in Taiwan have been invited to share their experience in licensing copyright with users through face-to-face dialogue. By so doing, it is hoped that more users will be encouraged to obtain a license before making use of copyrighted works.
- (5) Internet copyright awareness activities
To quickly disseminate awareness information through the Internet, TIPO produced and broadcast ten comic strips, street interviews and animations entitled “Registration is not required for online creations,” “Copyright ownership following the employee’s departure,” “Using the product picture of another person for the purpose of online sale,” and “Transforming cartoon characters and selling them.” As of the end of June, TIPO had uploaded 89 messages, answered 15 questions on Internet copyright, and 3,300 fans added to the “Let’s Support Original Works” fan page.
- (6) Strengthening promotion of copyright awareness through radio broadcast
A 30-second IPR awareness ad entitled “Say no to illegal download of music, movies, and articles” was aired 2,670 times in April in three languages (Mandarin, Taiwanese, and Hakka) by 16 local radio stations. The ad was created by TIPO to help cultivate a sense of respect for copyright among the general public.