

Operation Directions on Hearings for Patent Invalidation Cases

1. Grounds and purposes

1.1 The Operation Directions on Hearings for Patent Invalidation Cases are instituted by the Taiwan Intellectual Property Office (hereinafter referred to as "TIPO") of the Ministry of Economic Affairs, pursuant to the relevant articles of the Administrative Procedure Act on hearing proceedings for patent invalidation cases.

1.2 A hearing is held in order to afford the parties involved in a patent invalidation case an opportunity to present relevant evidence, legal opinions and conduct mutual inquiries, to help the reviewers in charge to render a decision on a patent invalidation case based on reasoning and empirical rules with all of the investigated facts and pieces of evidence, as well as the results of mutual inquiries being concerned.

2. Terminologies Defined:

2.1 "Parties" refer to the patentee of a patent in dispute and the invalidation requester in a patent invalidation case.

2.2 "Interested parties" refer to any of the following other than the parties in a patent invalidation case:

- (1) The party in a lawsuit involving a patent in dispute.
- (2) The licensee or pledgee of a patent in dispute.
- (3) The party whose rights or interests are compromised by the existence of the right to a patent in dispute.

2.3 "Agent" refers to the patent attorney, patent agent or lawyer appointed by the aforementioned parties or interested parties involved in a patent invalidation case.

2.4 "Presiding official" refers to a person appointed from among the reviewers of handling invalidation of a patent in dispute.

3. Holding a hearing

3.1 If a party who is contesting a patent invalidation case applies for a hearing, he/she shall submit a request containing specific reasons for holding a hearing and attach an application form. Based on the reasons, the hearing may be held if TIPO deems it necessary.

3.2 TIPO may hold a hearing ex officio if it deems it necessary.

3.3 For the case reviewed in accordance with the hearing procedures,

TIPO shall make a hearing announcement and assign three or more reviewers to conduct the review in panel discussion.

4. Forwarding relevant documents or evidence

4.1 From the announcement of the hearing to the tenth (10th) day of the hearing date, either party can only submit written statements or statements on the import of the argument according to the matters listed in the notice of the hearing and must send them to the other party simultaneously.

4.2 The written statements or statements on the import of the argument submitted by the invalidation requester that change the provisions or specific facts or the relationship between the respective specific facts and the evidence asserted originally by the invalidation action shall not be considered as the basis for hearing review.

5. Preliminary hearing

5.1 To facilitate the unobstructed progression of the hearing, TIPO may hold a preliminary hearing on account of case complexity and notify the parties to be prepared for the following:

- (1) Discuss and decide on the process of the hearing;
- (2) Clarify matters on the eligibility of relevant documents and evidence;
- (3) Formulate and simplify issues;
- (4) Clarify matters on corrections of the disputed patent;
- (5) Agree on the disputed issues of the hearing; and
- (6) Other matters concerning the hearing.

5.2 The parties shall be bound by the agreement made in accordance with the preceding provision.

5.3 Minutes shall be taken of the preliminary hearing.

6. Notification and publication of a hearing

6.1 Thirty (30) days prior to the hearing, TIPO shall serve upon the parties a written notice, giving therein the following matters, and publicizes the notice at its branch offices or on its website:

- (1) Subject matter and grounds of the hearing;
- (2) Names or titles of the parties;
- (3) Date and venue of the hearing;
- (4) The reviewers who review the disputed case;
- (5) Main procedures of the hearing;

- (6) That the party may appoint an agent;
- (7) During the hearing, the parties are allowed to only express opinions on contents of written statements or statements on the import of the argument. With the permission of the presiding official, the parties may question the witnesses, expert witnesses, the other parties or their agents;
- (8) The rationales for making the hearing proceeding open to the public or not; and
- (9) The consequences due to the absence of either party from the hearing.

6.2 TIPO may notify witnesses or expert witnesses to attend the hearing prior to the hearing if it deems the parties' request of questioning them at the hearing necessary.

6.3 The parties wishing to change the date shall do so ten (10) days prior to the set date and file a request containing specific reasons. If the reasons are deemed justifiable, TIPO shall allow such request and notify the parties of the change. If not, TIPO shall notify the party filing the request that the hearing will be held as scheduled.

6.4 The parties considering making the hearing proceedings open to the public is likely to be against the public interest, or to cause material harm to their interest may file a request containing specific reasons thereof within ten (10) days following the receipt of the hearing notice. If the reasons are deemed justifiable, TIPO shall allow such request and notify the parties that the proceeding will not be held in public. If not, TIPO shall notify the party filing the request that the proceeding will still be held in public.

6.5 The interested parties wishing to attend the hearing should file a request with relevant supporting documents within twenty (20) days after the hearing is publicized.

6.6 TIPO may ex officio change the venue for holding a hearing, reschedule or cancel a hearing.

6.7 If the party believes that the reviewer has grounds for recusal as provided for in the Patent Act, he or she shall, within ten (10) days after receiving the hearing notice, state the specific reasons in writing and apply for the recusal of the reviewer.

If the reasons for recusal are justified, TIPO shall order the reviewer, who has been subject to the recusal application, to recuse himself and appoint another person.

6.8 Regarding changes of reviewers, hearing dates or venues, and cancellation of hearings, TIPO shall reissue a notice and have it published.

7. Decision not holding a hearing

If TIPO considers the reasons for requesting a hearing to be obviously unrelated to the case or the merits of the case to be sufficiently clear, it shall then notify the requester(s) or state the reasons in its written decision for not holding the hearing.

8. Duties of the presiding official

In conducting the hearing, the presiding official shall maintain an unbiased and fair position. During a hearing, the presiding official may perform the following duties:

- (1) To inquire of the party and other persons present at the hearing with respect to questions of fact or law;
- (2) To delegate ex officio or upon application of the party any other related authority to carry out necessary inquisition;
- (3) To require by notification the appearance of any witness or expert witness;
- (4) To require by notification or to allow ex officio or upon application the intervention by any affected party into the hearing proceeding;
- (5) To permit the party or any other person present at the hearing to raise questions or to make statement;
- (6) To forbid the party or any other person present at the hearing to make statement in order to avoid delay of the hearing proceeding and to order the expulsion of any such person if the hearing proceeding is seriously obstructed thereby;
- (7) The party which comes late shall not attend the hearing. However, if the presiding official deems it necessary to clarify the case, such a person may be allowed to attend the hearing;
- (8) To begin, postpone or conclude the hearing proceeding as the case may require notwithstanding the failure of all or some of the parties to appear without good cause;
- (9) To admit the statement contained in the relevant documents presented by the party at the preliminary hearing as his statement made at the hearing;
- (10) To determine before the end of the hearing the date and place where further hearing will be held if he deems it necessary;
- (11) To suspend or reschedule the hearing ex officio or upon application by the party in the event of the occurrence of an act of God or other incident preventing the conduct of the hearing;

- (12) Before the conclusion of the hearing procedure, the conviction from the evidence introduced by the parties may be disclosed appropriately regarding the factual, legal or evidentiary issues; and
- (13) To take any other actions as may be necessary for the unobstructed progression of the hearing proceeding.

9. Hearing proceeding

9.1 The hearing shall be held on the date publicized, conducted at the venue designated by TIPO, and may be recorded or videotaped.

9.2 The hearing shall only be attended by reviewers, the parties or their agents, as well as witnesses and expert witnesses who TIPO deems necessary to attend. However, the interested parties with approved requests for attendance and the general public allowed to sit in may also attend the hearing. The parties referred to in the preceding paragraph may, if they are juristic persons, appoint their employees to attend the hearing. Agents may appoint those who have expertise in patent invalidation to attend the hearing.

9.3 The hearing proceeding in principle shall be held in public. However, the presiding official may decide that the proceeding not be made entirely or partially public if the parties have filed a request prior to the hearing or if the parties make a statement in the hearing proceeding that the documents or evidence being open to the public could cause material harm to their interests.

9.4 If the parties, interested parties, witnesses, expert witnesses or their agents are unable to attend the hearing in person, and there is communication technology enabling audio and video parallel transmission between their location and TIPO for them to state their opinions and ask questions online during the hearing, they may be allowed to use the technology in hearing ex officio or upon application, if the presiding officer deems it appropriate, and they shall be deemed to have attended the hearing.

9.5 Prior to the start of the hearing, the identification documents of the attendees (observers) shall be checked for eligibility. Attendees (observers) shall actively present their identification documents for inspection. Failure to present identification documents and inability to redress the shortfall in time will result in being rejected attendance by the presiding official. This rejection shall be recorded in the minutes of the hearing.

9.6 A hearing is conducted by a panel comprised of three or more

reviewers. When a hearing is ongoing, all of the reviewers shall be present.

9.7 If one party fails to attend the hearing on the specified date, the hearing proceeding may be conducted at the request of the other party. However, if one of the following circumstances occurs, another hearing date shall be set:

(1) The party who did not attend was not legally notified within a reasonable period of time.

(2) The party did not attend due to natural disasters or other legitimate reasons.

(3) The party present at the hearing cannot provide necessary proof for matters that TIPO should investigate ex officio.

(4) The reasons, facts or evidence presented by the party present were not delivered to the other party within a reasonable period of time.

9.8 After the presiding official announces the start of the hearing, the presiding officer first should state the basic information such as the case number and cause, and then confirm the eligibility of the attendees (observers). If no opposition is raised, the presiding official shall then indicate the purpose of the hearing and announce the order of statement-making and mutual inquiries, as well as other matters worthy of noting.

9.9 The parties may raise instantaneously their objections to the actions taken during the hearing by the presiding official which they consider to be against the laws or improper. If the objections are well grounded, the presiding official shall then revoke the actions taken. If not, the objections shall be denied.

9.10 The presiding official shall succinctly explain the case, verify the evidence submitted by the parties, and then reaffirm the issues.

9.11 During the mutual inquiries, the parties shall first seek the presiding official's consent before raising any questions.

9.12 The presiding official considering the parties to have sufficiently carried out the mutual inquiries, shall then announce the end of the hearing immediately after the parties respectively make their closing statements. However, another hearing may be held ex officio if TIPO deems it necessary.

9.13 During the hearing, the parties may forgo parts of the issues or grounds they alleged. The forgone issues and grounds shall be recorded in the minutes of the hearing without reviewing.

9.14 If the parties are unclear about the issues or procedural matters in the case, they may request a succinct explanation from the presiding

official.

9.15 The presiding official shall inform the parties that, pursuant to Article 109 of the Administrative Procedure Act, they may bypass the administrative appeal procedure, and proceed directly to filing an administrative lawsuit if they are dissatisfied with the administrative decision rendered based upon the hearing.

10. Termination of the hearing proceeding

10.1 If both parties agree to withdraw the invalidation case, or there are major reasons that hinder the conduct of the hearing, the presiding official may terminate the hearing proceeding upon application or ex officio.

10.2 If disruptive or inappropriate behaviors occurs and cannot be corrected or stopped, the presiding official may terminate the hearing proceeding.

10.3 The grounds for termination of the hearing proceeding shall be recorded in the minutes of the hearing.

10.4 Article 109 of Administrative Procedure Law shall not apply to a decision on an invalidation case for failure to complete the hearing proceeding due to termination.

11. Maintaining order during a hearing

During a hearing, the following regulations should be observed:

(1) The attendees (observers) and those allowed to sit in should follow the presiding official's instructions;

(2) Smoking or eating and drinking shall be prohibited. All of the portable electronic devices shall be turned off or put on silent mode;

(3) Clapping or creating noisy disturbance in response to statements made by the parties shall be prohibited;

(4) Interrupting or raising doubts while a statement is being made shall be prohibited;

(5) Statements shall be delivered only to address case-relevant matters. They shall not be used to verbally abuse any person;

(6) Unless otherwise approved by the presiding official, the attendees (observers) and those allowed to sit in shall not sound record, video record, or photograph; For those who record, video or photograph without permission, the presiding official may order them to delete the recording, video or photographic content; and

(7) When granting the aforementioned permission, the presiding official shall consider the purpose of recording, videotaping or photography and its impact on the hearing proceeding, and may consult other attendees for their opinions. However, such activities shall not be permitted if they involve information that is legally protected from disclosure or other inappropriate circumstances exist.

(8) Any moves that may disrupt order or are inappropriate shall be prohibited during the hearing.

12. Minutes of a hearing

12.1 Minutes of a hearing or a preliminary hearing shall be made and incorporated as an attachment to the records of the hearing. The minutes shall contain the following matters:

- (1) Reasons and basis for a hearing;
- (2) Names of the parties, interested parties, witnesses, expert witnesses and their agents attending the hearing;
- (3) Date and venue of the hearing;
- (4) Gist of the statements or questions from the parties, interested parties, witnesses, expert witnesses or their agents, as well as the documents and evidence provided;
- (5) The grounds for raising an objection by the parties during the hearing and the action taken by the presiding official to deal with such objection; and
- (6) Gist of the inquiries and the responses thereto.

12.2 The minutes can be taken by putting down the main points in question/answer format, and may be assisted by audio and/or video recordings.

12.3 The minutes shall be completed instantly at the end of the hearing through the confirmed, signed or stamped by the reviewers, the parties, interested parties, witnesses, expert witnesses and their agents. Any objections to the minutes must be immediately raised. Corrections or supplements should be made if the presiding official considers the objection to be valid. If not, the objections shall then be recorded.

12.4 The minutes shall be made as to the facts and grounds for refusing to sign or stamp on the part of the attending parties, interested parties, witnesses expert witnesses, and their agents.

12.5 The minutes made in accordance with the aforementioned 9.4 should be transmitted by TIPO to the remote attendees (observers)

through a communication technology. After confirming the content and signing or sealing on the transmitted minutes, they should transmit the signed or sealed minutes back to TIPO by the communication technology. The validity of the remotely signed or sealed minutes is the same as any minutes taken in the venue of the hearing held.

13. Public attendance at hearings

13.1 The general public wishing to sit in on the hearing shall file their requests with TIPO within ten (10) days prior to the date of the hearing.

13.2 Requests for public attendance in accordance with the preceding provision are handled on a “first come, first served” basis, and are subject to the seats designated for the audience.

14. Language use at the hearing

Mandarin shall be the language used at the hearing. The parties using languages other than Mandarin may file a request with TIPO for an interpreter.