

March 2025

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2024 Filing Trends in Taiwan: Stability in Patent Filings, Recovery in Trademark Applications, and Improved Examination Efficiency

The Taiwan Intellectual Property Office (TIPO) has released its 2024 patent and trademark statistics, highlighting stable patent filings, a gradual recovery in trademark applications, and improved examination efficiency. The report provides insights into domestic and foreign filing trends, leading applicants, and shifts in Taiwan’s intellectual property landscape.

Patent Applications: Stability with Evolving Trends

In 2024, the TIPO received 72,742 patent applications, a slight increase of 2% from 2023. Among them, invention patents (50,823) saw a slight decline, while utility model patents (14,559) rebounded and design patents (7,360) continued to grow (Fig. 1).

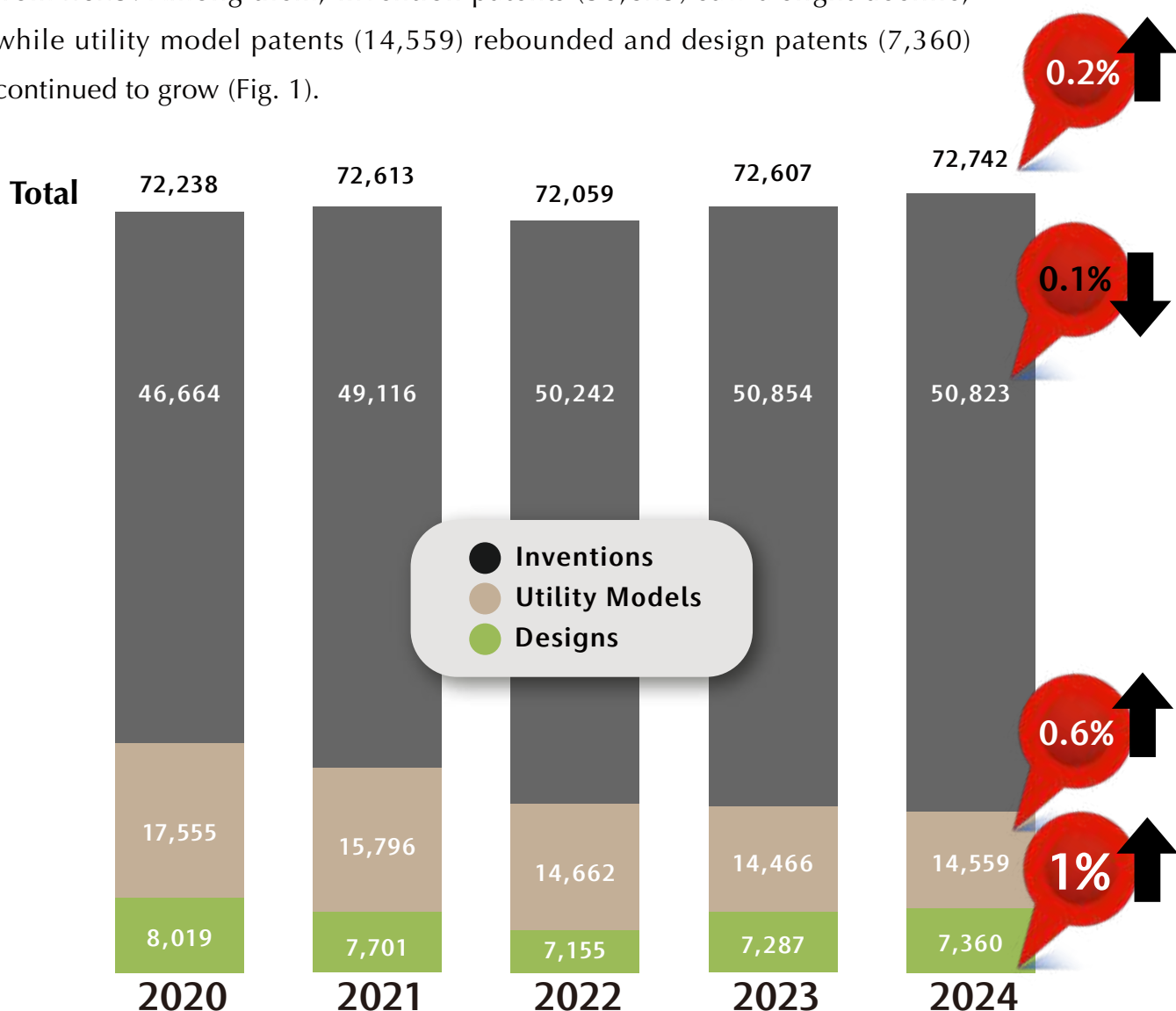
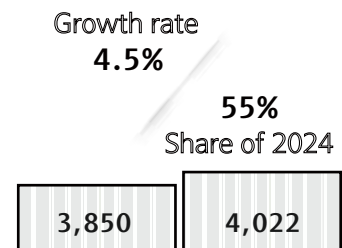
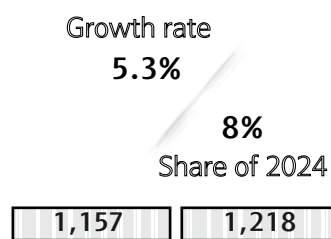
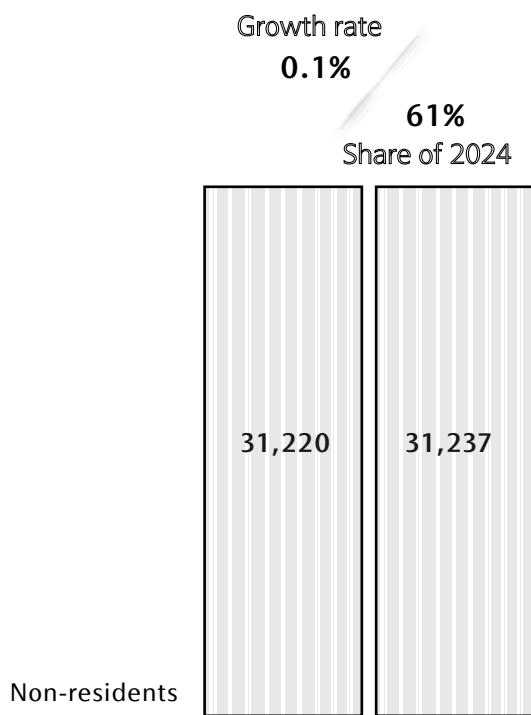


Fig. 1 Trends in Patent Applications over the Past 5 Years

Fig. 2
 Patent Applications by Residents
 (Domestic Applicants) and
 Non-residents (International Applicants)



Inventions

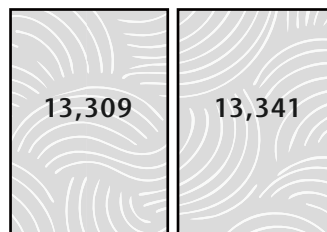
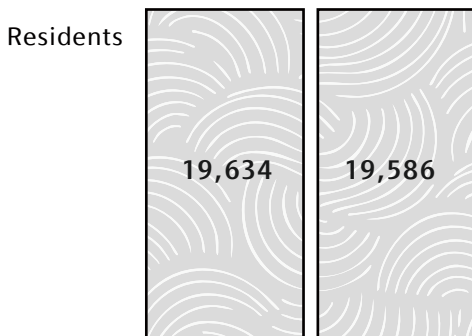
Utility Models

Designs

2023 2024

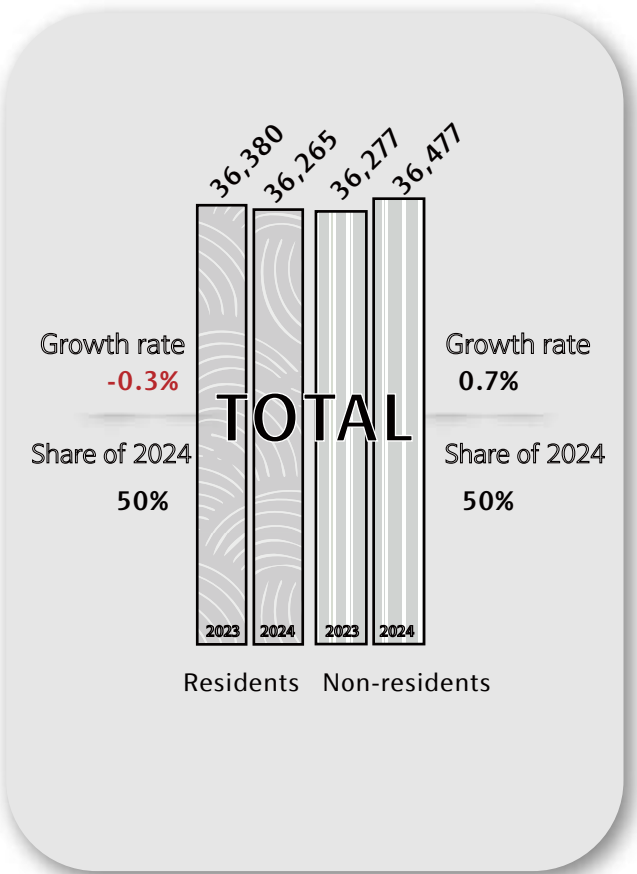
2023 2024

2023 2024



Growth rate: -0.2%
 Share of 2024: 39%

Growth rate: 0.2%
 Share of 2024: 92%



Patents by Domestic Applicants

Domestic applicants adopted diversified IP strategies, with invention patent applications (19,586) decreasing by 0.2% and utility model applications (13,341) increasing by 0.2% (Fig. 2). Universities and research institutions focused more on protecting technological advancements, leading to a 3–8% increase in invention patent filings and a significant 13–57% rise in utility model filings. However, design patent applications declined by 3% to 3,338, primarily due to fewer university filings, while corporate filings increased by 5%, demonstrating strong interest in design protection in the industrial sector.

Among domestic applicants, TSMC continued to dominate Taiwan's patent landscape, with the most invention patent filings for the fifth consecutive year. Leading iPhone assembler Foxconn ranked fourth, experiencing a notable 125% year-on-year increase in applications.

TIPO's 2024 Top TW Applicants for Patents

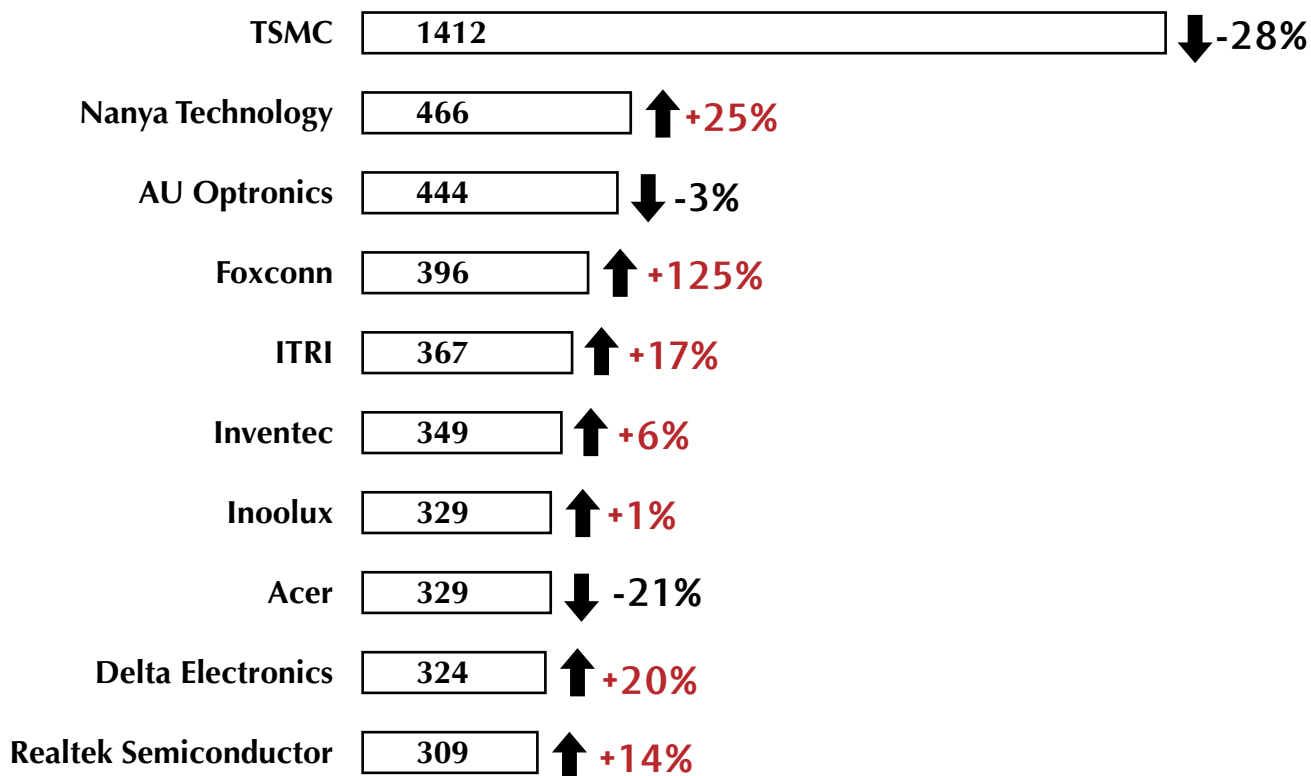
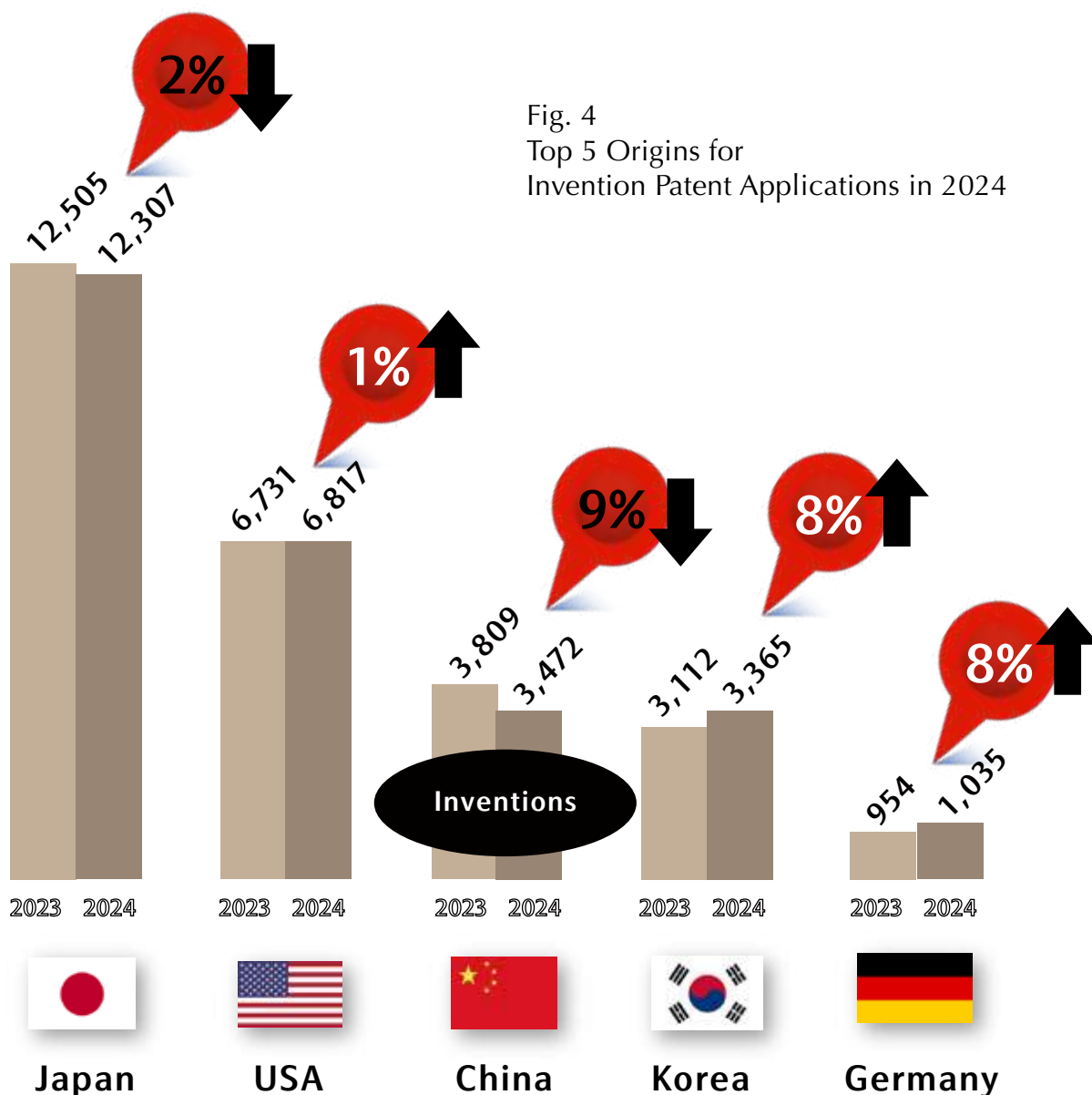


Fig. 3 TIPO's Top Taiwanese Applicants for Patents in 2024



Patents by International Applicants

Invention patent applications filed by international entities rose slightly by 0.1% to 31,237 (Fig. 2). Japan led with 12,307 applications, followed by the US (6,817), Mainland China (3,472), South Korea (3,365) and Germany (1,035). South Korea and Germany saw the highest growth at 8%, while Japan and Mainland China declined by 2% and 9%, respectively. These trends are depicted in Fig. 4, showing the top five origins for invention patent applications in 2024.



Design patent filings by international entities grew by 4.5% to 4,022 (Fig. 2). Japan remained the top filer with 880 applications, followed by the US (772), Mainland China (755), Switzerland (370) and Germany (241). Mainland China showed the strongest growth rate at 61%, while Japan, the US and Switzerland saw a 6% decline (Fig. 5).

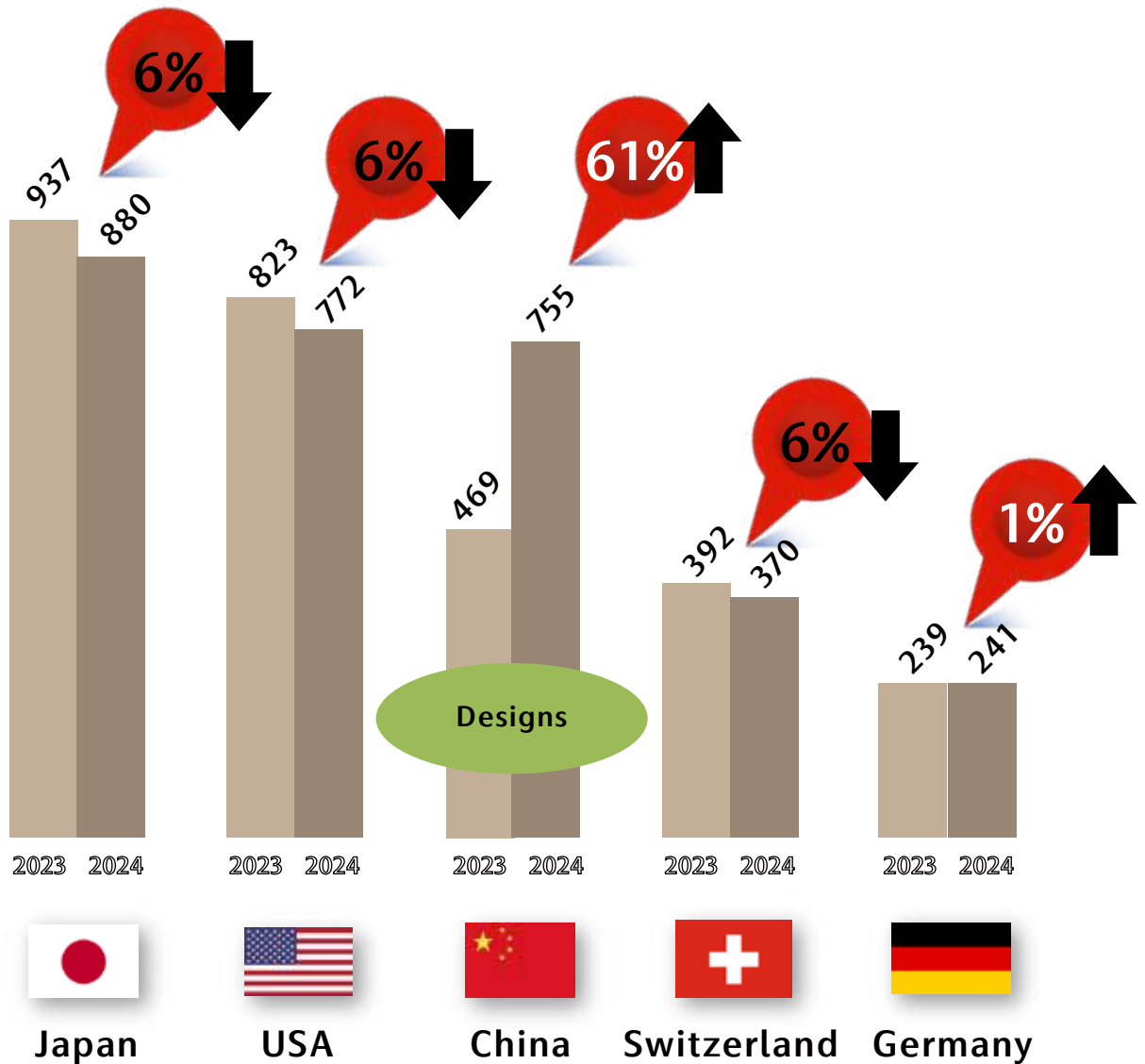


Fig. 5 Top 5 Origins for Design Patent Applications in 2024

Regarding the leading international applicants for patents overall, Applied Materials reclaimed the top foreign filer position, reflecting the continued commitment in investment in Taiwan’s semiconductor and technology sectors. Japanese and Korean companies expanded their presence, with Japanese firms holding 11 of the top 20 spots among foreign applicants.

Additionally, companies such as Coupang, Tokyo Electron Limited, ASML, Shin-Etsu and Lam Research all set new records for patent filings in 2024 (Fig. 6).

TIPO's 2024 Top International Applicants for Patents

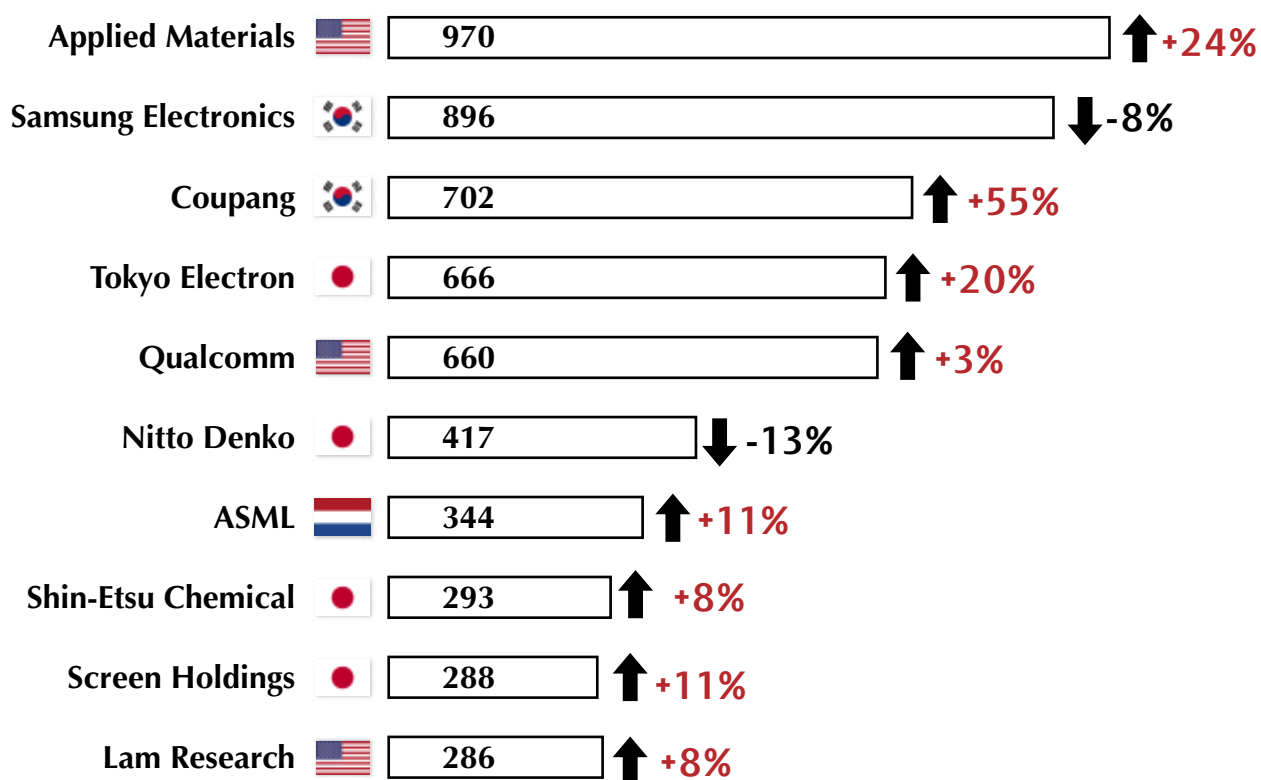


Fig. 6 TIPO's Top International Applicants for Patents in 2024

Trademark Applications: Modest Decline, Increase in Foreign Filings

In addition to patent filings, trademark applications also showed signs of recovery in 2024, despite an overall decline of 1% to 90,341. This represents an improvement from the 3% drop recorded in 2023. Trademark applications from international applicants rebounded strongly, increasing by 7% to 20,955, while resident filings fell by 4% to 69,386. Fig. 7 illustrates these trends in both domestic and foreign applications.

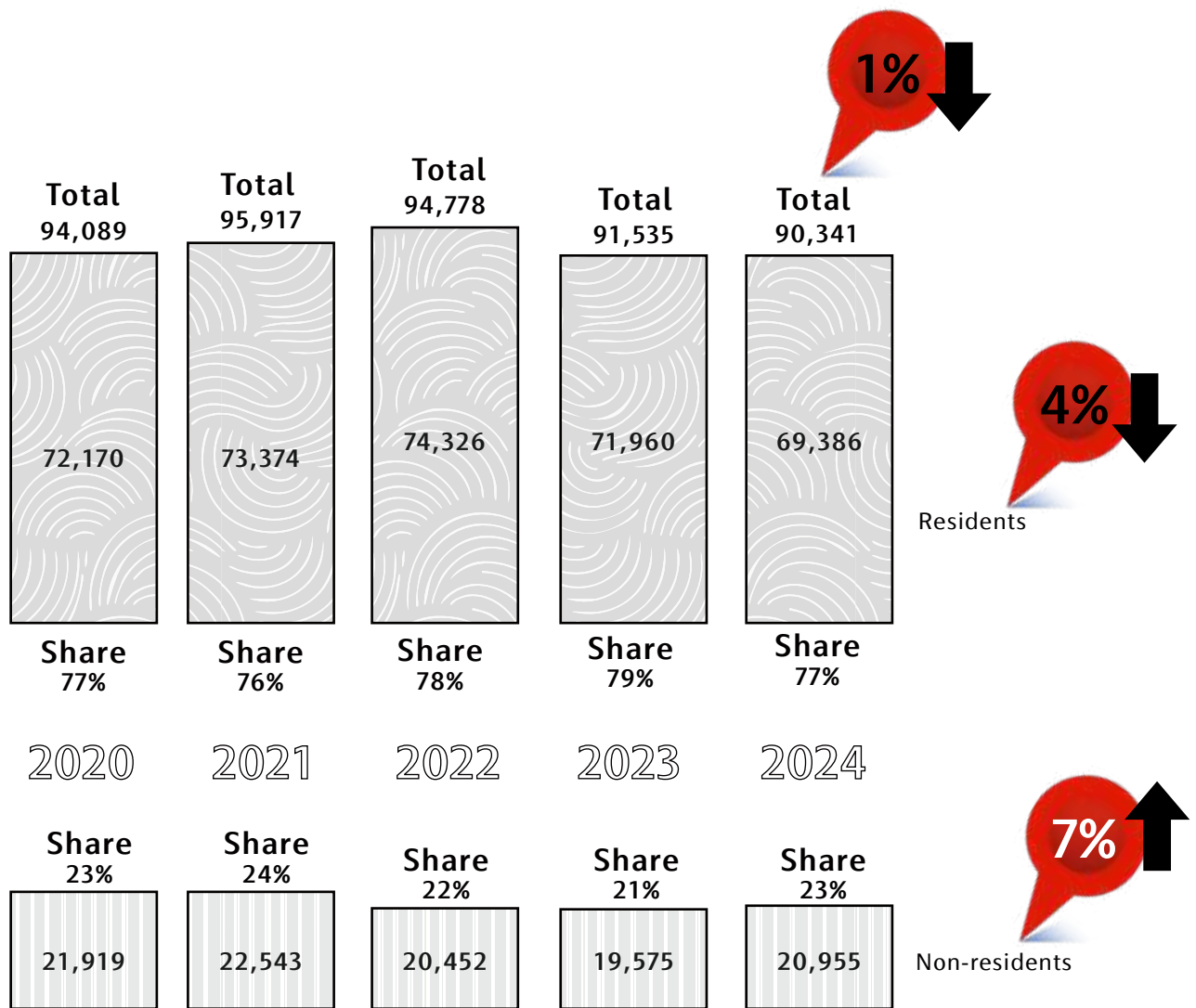


Fig. 7
 Trademark Applications by Residents (Domestic Applicants) and
 Non-Residents (International Applicants)

Mainland China remained the leading producer of foreign filers with 5,624 applications, followed by Japan (3,397), the US (2,822), South Korea (1,919) and Hong Kong (1,227). The US declined by 3%, while the other major jurisdictions grew by 13–28% (Fig. 8).

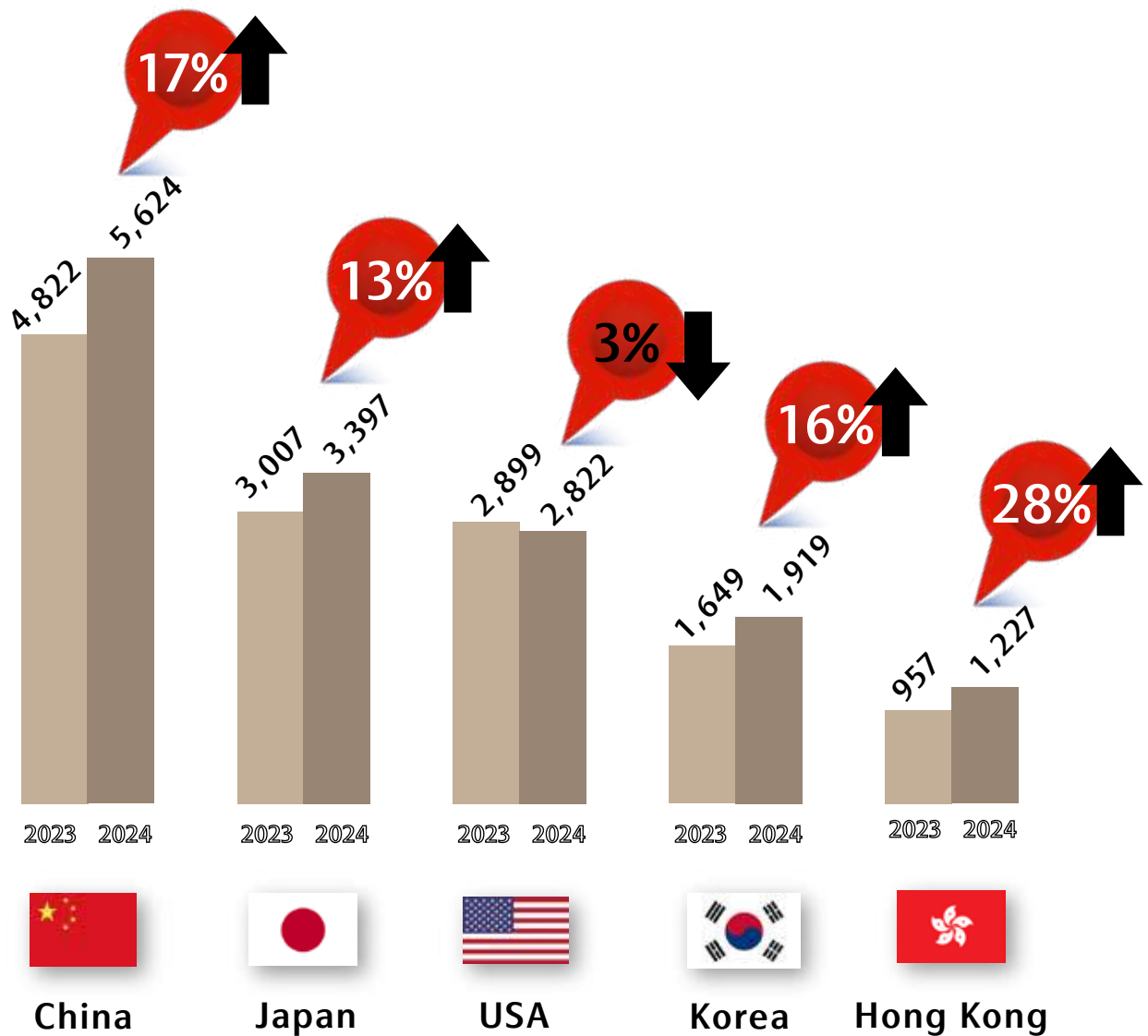


Fig. 8 Top 5 Origins for Trademark Applications in 2024

Among domestic applicants, Uni-President led trademark filings for the sixth consecutive year with 709 applications, followed by MOMO.COM (216) and Wu, Ruo-Mei (163), whose trademarks are mostly related to religion and folk culture. Tencent Holdings led non-resident filings with 146 applications, followed by L' Oréal (86) and Kao (81), reflecting continued brand expansion in Taiwan. These figures are summarized in Fig. 9, showing the top domestic and international applicants.

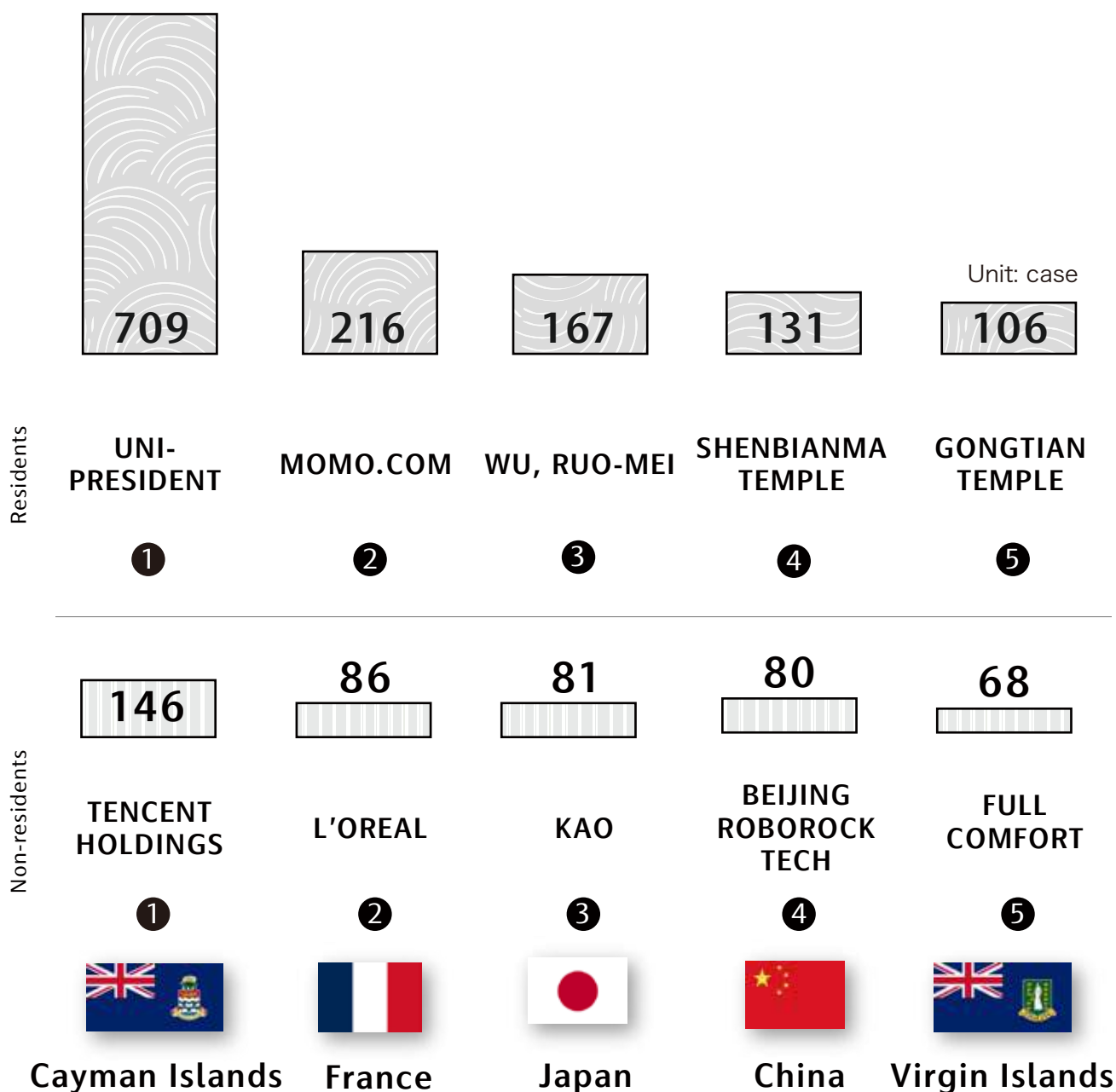


Fig. 9
TIPO's Top 5 Domestic and International Applicants
for Trademark Applications in 2024

A closer look at trademark classification trends reveals shifts in brand protection strategies (Fig. 10). The highest number of resident trademark applications were filed in Class 35 (Advertising and Business Management), with 13,407. Among the top 10 categories, Class 3 (Cosmetics), Class 5 (Pharmaceuticals) and Class 42 (Scientific and Technological Services) fluctuated between -0.3% and +2.2%, while other categories fell by between 1.8% and 10.6%.

For non-resident applications, Class 9 (Computers & Technology) saw the most filings at 3,848. Class 3 (Cosmetics), Class 25 (Clothing) and Class 18 (Leather Goods & Luggage) recorded strong double-digit growth of 12.2–15.4%, while Class 5 (Pharmaceuticals) and Class 42 (Scientific & Technological Services) declined by 3.7% and 9.8%, respectively.

Ranking	Residents				Non-Residents			
	Class	Description	Cases	Growth Rate	Class	Description	Cases	Growth Rate
1	35	Advertising; business management etc	13,407	-7.6%	9	Computers and information technology equipment etc	3,848	-2.6%
2	43	Services for providing food, temporary accommodation etc	6,675	-7.3%	35	Advertising; business management etc	2,488	-1.4%
3	30	Coffee, tea, pastries etc	5,985	-6.5%	3	Cosmetics and toiletry preparations etc	2,318	12.2%
4	5	Pharmaceuticals etc	5,077	0.3%	5	Pharmaceuticals etc	2,087	-3.7%
5	41	Education; entertainment etc	5,024	-1.8%	42	Scientific and technological services etc	1,635	-9.8%
6	3	Cosmetics and toiletry preparations etc	4,114	2.2%	25	Clothing, footwear, headwear	1,604	12.8%
7	9	Computers and information technology equipment etc	3,954	-2.1%	41	Education; entertainment etc	1,389	-5.9%
8	29	Meat, and preserved fruits and vegetables etc	3,297	-10.6%	30	Coffee, tea, pastries etc	1,190	5.6%
9	42	Scientific and technological services etc	2,816	-0.3%	7	Machines, machine tools etc	1,073	5.3%
10	25	Clothing, footwear, headwear	2,767	-4.3%	18	Leather and imitations of leathers, luggage etc	973	15.4%

Fig. 10

Top 10 Classes of Trademark Applications by Domestic and International Applicants in 2024

Conclusion: Improving Efficiency and Strengthening IP Strategies

The TIPO continued to make improvements in examination efficiency, ensuring faster IP protection for applicants. In 2024, the average first action pendency for invention patents improved to 8.4 months, a 0.5-month reduction from 2023. The backlog of pending patent applications decreased to 52,712, contributing to a more efficient examination process (Fig. 11).



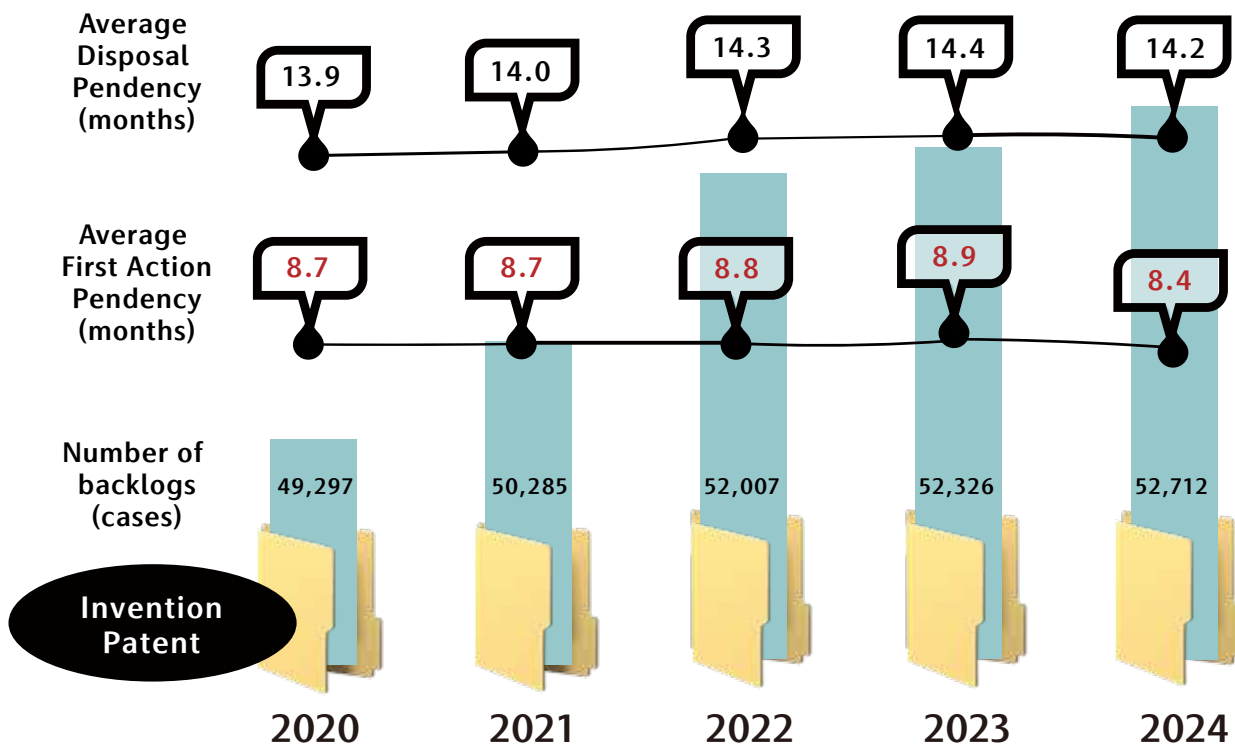


Fig. 11 Invention Patent Examination

A similar trend can be observed with trademark examinations; first action pendency was shortened to 6.1 months, a 0.1-month reduction from the previous year. The number of pending trademark applications dropped to 52,860, reinforcing the TIPO's commitment to streamlining processing times (Fig. 12).

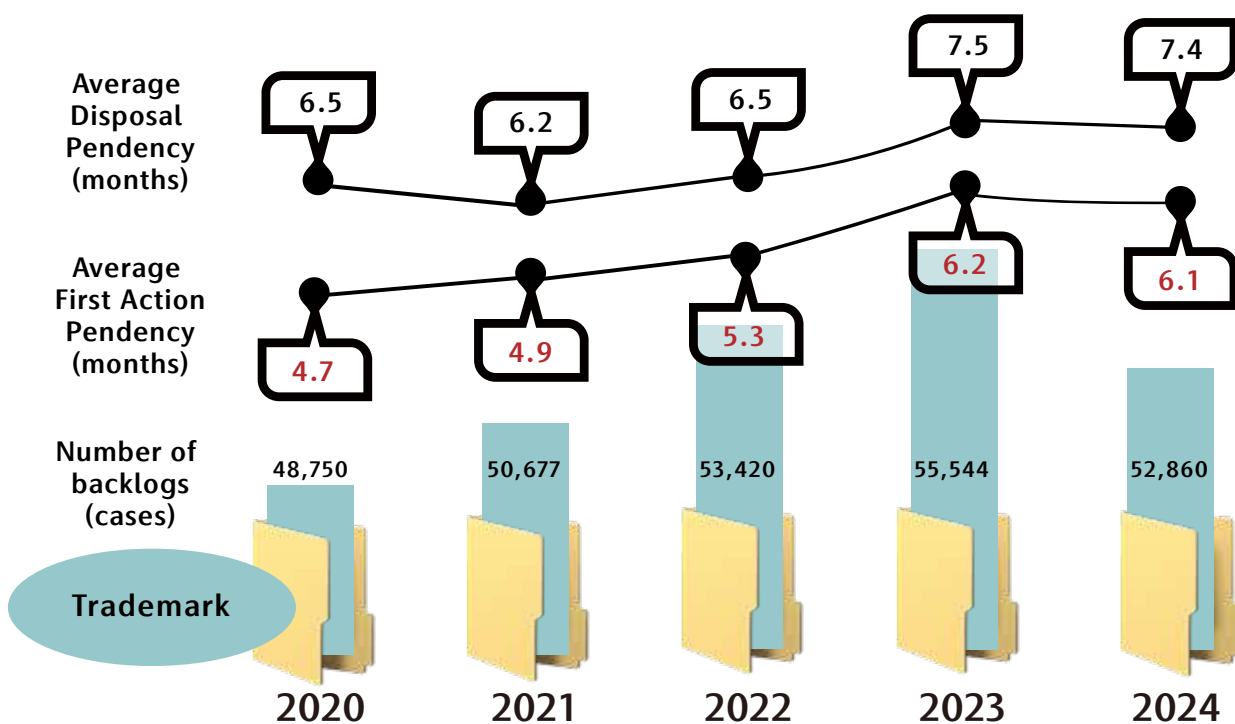


Fig. 12 Trademark Examination

Overall, the TIPO' s 2024 statistics reflect stable patent filing activity, a recovering trademark market, and improved examination efficiency. Foreign applicants remain highly active in Taiwan, particularly those from South Korea and Mainland China, which saw strong growth in both patent and trademark applications. At the same time, domestic industries are refining their IP strategies, and universities and research institutions are strengthening their efforts to protect technological advancements.

With Taiwan' s IP market becoming increasingly competitive, businesses should prioritize early registrations, monitor competitive filings, and develop proactive IP strategies. As Taiwan continues to optimize its regulatory framework, applicants must stay informed on policy updates and utilize expert legal counsel in order to effectively navigate Taiwan's evolving IP environment.

Can an Unauthorized Use of an Unfamiliar Trademark in a Company Name be Stopped?

Under Taiwan's Trademark Act, general trademark infringement occurs when a registered trademark is used to identify the source of another party's goods or services, in some scenarios potentially leading to confusion among relevant consumers.¹ However, when a registered trademark is incorporated into a company name, the primary function of the name is to distinguish one business entity from others. Such use does not inherently qualify as traditional trademark use and, therefore, generally does not constitute infringement according to the existing law. The Taiwan Intellectual Property and Commercial Court ("IPC Court") has recently clarified how trademark rights apply in such scenarios, emphasizing the crucial factors that influence the final decision.

Under the current Trademark Act, for well-known trademarks, such unauthorized use in company names is explicitly deemed infringement as a form of dilution.² However, unfamiliar registered trademarks do not receive the same level of protection. When an unfamiliar trademark is used as part of a company name, courts must conduct a detailed, case-by-case analysis to determine whether infringement has occurred. Two recent IPC Court rulings demonstrate that factors such as evidence of intentional infringement or actual harm caused by the infringer play a crucial role in such a decision.

The first case involves the registered trademark “敲敲金工” (Choccy Metal, see Fig.1), designated for jewelry-related goods and services, including precious metal retail and wholesale, rings, and bracelets. The plaintiff, the trademark owner of Choccy Metal, alleged that the defendant, “敲金工珠寶有限公司” (Ciao Jewelry Design), had infringed on its trademark rights and thus sought injunctive relief and damages.³ The court emphasized that familiarity is a requisite element for a trademark holder to enforce against another person's use of its registered trademark as a company name. Regrettably, although the plaintiff claimed that

¹ Trademark Act Article 68

² Trademark Act Article 70(2)

³ IPCC-113-CivilTrademarkTrial-No.7 (8.28.2024)

the disputed trademark was “famous” , it failed to provide sufficient evidence to support this assertion. As a result, the court concluded that the disputed trademark did not meet the criteria for being well-known. Regardless of this finding, the court continued with its evaluation of the infringement claim.

Despite the lack of familiarity, the IPC Court ruled that the defendant’ s company name constituted trademark infringement. Both parties operated in the jewelry industry and were direct competitors. The defendant’ s company name differed from the disputed trademark by only one character, “敲” , while the remaining characters were identical. The court found that the names were virtually indistinguishable in terms of appearance, meaning and pronunciation. Furthermore, both parties sold closely related goods under similar commercial conditions. More pertinently, there was also evidence that consumers had mistakenly brought the defendant’ s products to the plaintiff’ s store for repairs, demonstrating the actual confusion around the product source. To this end, the plaintiff’ s counsel served a notice to the defendant advising the facts of actual confusion. Additionally, the defendant had previously applied for a mark (See Fig.2) similar to the disputed trademark. Despite the defendant’ s mark being rejected by the Taiwan Intellectual Property Office (“TIPO”), the defendant nevertheless adopted the disputed trademark’s text as its company name. The plaintiff also sent a cease-and-desist notice. These facts show that, by ignoring the plaintiff’ s warnings and the permission requirement, the defendant knowingly disregarded the plaintiff’s trademark.

The defendant argued that it had used the name “敲金工” in good faith prior to the plaintiff’ s trademark registration and provided evidence to support this claim. It also referred to a related and parallel criminal proceeding in which no charges were filed by the public prosecutor due to the good faith conduct of the defendant at the conclusion of the investigation. The defendant emphasized that the civil matter hereby pending should be determined as non-infringement accordingly. The court rejected this argument, however, clarifying that good faith requires not only a lack of knowledge of the prior registered trademark but also an absence of awareness of its prior use by another party. The defendant’ s actions, including adopting the name of the disputed trademark after becoming aware of it, violated principles of commercial integrity. The court also emphasized that the public prosecutor’ s decision in the criminal case did not bind civil proceedings.

Ultimately, the court concluded that the defendant's use of the disputed trademark in its company name constituted infringement, applying *mutatis mutandis* to the dilution clause despite the fact that the disputed trademark was not deemed familiar. The defendant was ordered to cease using the name and pay damages.

Conversely, in another case a few months after the previous case, the plaintiff failed to prove intentional infringement or actual harm caused by the defendant, resulting in an opposite verdict. Hsin Ya International Hotels owns the trademarks “亞太” and “ASIA PACIFIC HOTEL” (See Fig.3), registered for Class 42 services, including restaurants and hotels. The plaintiff alleged that “亞太鹿港渡假村” (Asia Pacific Resort Lukang) had infringed its rights and damaged its goodwill by using identical texts in their company names for the same services.⁴

The defendant argued that “亞太” and “ASIA PACIFIC” are generic terms commonly used across industries; it asserted that these terms describe the Asia-Pacific region and therefore lack distinctiveness as trademarks. The court acknowledged the descriptive nature of the terms but noted that trademarks could acquire distinctiveness through long-term use. The court found that, through the plaintiff's consistent use of them over nearly 30 years, these trademarks had been established as identifiers of its services. However, the plaintiff failed to prove that their trademarks were well-known. Evidence such as screenshots of the Asia Pacific Hotel website and promotional materials did not demonstrate significant consumer recognition.

The court's further factual analysis revealed that the defendants' use of “亞太” and “ASIA PACIFIC” did not constitute trademark use but was primarily a reflection of their geographical location and business identity. Moreover, the court found no indication of bad faith, since the defendant had changed its company name in compliance with government regulations for

⁴ IPCC-112-CivilTrademarkTrial-No.59 (12.5.2024)

operations in Lukang. Additionally, the plaintiff had failed to demonstrate sufficient evidence of consumer confusion. The court noted that the distinct locations and separate markets in which the plaintiff and defendant operated further reduced the likelihood of confusion.

In conclusion, the court recognized the distinctiveness of the plaintiff's trademarks, but ruled that the defendants' use of similar terms in company names did not constitute trademark infringement. The decision was based on a lack of evidence of consumer confusion, bad faith and market overlap. This case underscores the need for plaintiffs to demonstrate the existence of both intent and consumer confusion when asserting trademark infringement, particularly for unfamiliar trademarks.

These two cases underline the challenges trademark owners face in asserting their rights when their trademarks are not well-known. In the Choccy Metal case, the plaintiff successfully provided clear evidence of actual consumer confusion, competitive overlap and bad faith on the part of the defendant, leading to a ruling in its favor. In contrast, Hsin Ya International Hotels failed to establish sufficient evidence of intentional infringement or actual harm, resulting in a finding of non-infringement.

Even if a trademark is not well-known, the unfair use of such a trademark as part of another's business name may constitute infringement under the dilution clause if done knowingly without permission to cause actual confusion. However, the Supreme Court appears to have taken a different view in a recent judgment.⁵ The Supreme Court held that the appellate court had not erred in clarifying that the dilution clause is applicable only when the trademark is proven to be well-known.⁶ In the opinion of the appellate court, if a disputed trademark is not well-known, the dilution clause cannot be applied. It is hoped that future judicial rulings will provide more guidance on this issue.

⁵ SC-113-TaiwanAppeal-No.335 (10.24.2024)

⁶ PCC-111-CivilTrademarkAppeal-No. 17 (11.23.2023)

敲敲金工

Fig.1:
Taiwan Trademark Application
No.02157959, No.02159719,
No.02159482.



Fig.2:
Taiwan Trademark Refusal No.
T0418478.



ASIA PACIFIC HOTEL

Fig.3: Taiwan Trademark Application No. 00101668, No. 00101210.

Fair Use does not Unconditionally Exempt Religious Use of Copyrighted Works

Fair use is a long-established legal defense against copyright infringement. In Taiwan, its applicability is determined by a two-step test. Firstly, the law specifies several types of permissible use (unless reasonableness is an additionally required element) within the limits of copyright enforcement.¹ If an activity precisely matches one of the stipulated uses, it is exempt. Secondly, for a use either not specifically identified in the statute or additionally requiring reasonableness assessment, the Copyright Act provides a catch-all clause, modeled on the corresponding U.S. legislation, to determine whether fair use qualifies by integratively evaluating all facts involved and specifically considering the factors set forth as follows.²

- 1 The purpose and nature of use – including any commercial, non-profit or educational purposes;
- 2 The nature of the work – whether it is a factual or fictional work or whether it was published;
- 3 The quantity and quality of the portion used in relation to the entire work; and
- 4 Any impact on the market value or potential economic harm caused by the use.

In a recent first-instance judgment involving the unauthorized use of religious works, the IP and Commercial Court reviewed the four key factors to determine whether the use qualified as fair.

Mr. Chen, a composer of several religious songs and associated lyrics, discovered that from 2012 onwards his works (the “disputed songs” or “disputed works”) were being widely used without authorization by various Buddhist organizations, including temples, foundations, academies, and the associated employees and individuals (collectively referred to as the “defendants”). The alleged unauthorized uses included public performances of his songs,

¹ Articles 44 to 64, Copyright Act

² 17 U.S. Code § 107

recordings of these performances, and the creation and sale of a music album featuring the recorded performances. Additionally, Mr. Chen found his songs being reproduced as MP3 files and made available on the temple's website without him being credited as the composer. The defendants also licensed the album containing his songs to gaming companies, making them accessible on multiple music portals and streaming services, where users could download them and convert them into ringtones—again, without identifying him as the composer. Mr. Chen complained that these unauthorized activities infringed upon his rights of reproduction, public transmission, public performance, rental, distribution, and paternity over the disputed songs.

In response to Mr. Chen's assertions, one defendant primarily argued that they lacked the willfulness to use the disputed work, as they immediately removed the video products after being notified. Furthermore, by promoting the songs and sharing their meaningful lyrics, they only wished to disseminate Buddhist teachings, without any intention of profiting from the sale of said works. The use of the disputed song's lyrics constitutes less than 4% of the entire album, a minimal amount, thus having little impact on the current and potential market value of the disputed work. Therefore, the fair use clause should apply.

The court first reasoned and determined that the defendants' activities constituted unauthorized reproduction, public transmission, distribution, etc., respectively. The defendant made the music and literary works available for others to listen to, read and download. These reproductions and public transmissions were carried out without the copyright owner's authorization.

Regarding the infringement intent, the court specified that because the songs on the album were not originally created by the Buddhist organizations, they had a duty of care—comparable to that of a prudent manager—to mitigate any potential infringement risks before using the songs. This included seeking permission, licenses or other appropriate authorizations. By failing to exercise this duty of care, the Buddhist organizations committed negligent infringement. Similarly, even if some individual defendants involved in the supervision or execution of the music and lyrics projects were unaware of the works' legitimacy, their collaborative activities with the Buddhist organizations constituted joint infringement.

Lastly, the defendant argued that their activities amounted to fair use. The court disagreed, finding that the accused activities did not qualify. First of all, while the album and song lyrics ostensibly aimed to spread religious messages, the subsequent production of music files available for download upon payment of a fee was not entirely non-profit, as it compromised the copyright owner's prospective royalty interests. Secondly, the disputed songs, expressing as they did the creator's understanding and artistic conception of a particular religion, genuinely exhibited a high level of creativity. Thirdly, the defendants' album included the entire song and lyrics without any transformative characteristics. Fourthly, offering free downloads of the songs on the defendants' webpage demonstrably harmed the copyright owner's ability to explore potential markets. The court thus concluded that the accused activities were not exempt under the fair use clause.

Regarding the plaintiff's claims for publication of the judgment in a newspaper, the court denied. While the legislative intent behind the publication of a judgment is to restore reputation, the effect of this may be to force the infringer to speak out. Granting such a claim requires the court to balance the harm to the copyright owner's moral rights against the infringer's freedom of speech. In this case, the plaintiff failed to demonstrate the specific nature and extent of the damage to their reputation. Given that the judgment is accessible online, the court did not consider it necessary to also publish it in the newspaper.

In conclusion, the court found the fair use defense inapplicable. The defendants were held jointly liable for damages to the plaintiff. The judgment is appealable.

In Taiwan, fair use serves as justification for certain uses of copyrighted works, preventing them from being deemed illegal. An event that qualifies as fair use does not incur criminal or civil liability. While parties can agree not to exercise the fair use privilege, breaching such an agreement does not constitute copyright infringement. Instead, the aggrieved party is only entitled to damages for breach of contract, rather than having recourse to criminal authorities. Notably, the four factors in the above-mentioned test are of equal importance and consequently must be examined one after another. If a use fails to meet any one of the criteria, the fair use clause will not apply.

Supreme Court Revisited Principles in Inventive Step Assessment

Mr. Lam (“Plaintiff”), the owner of Taiwanese patent 420783 (“ ’783 patent”) titled “Commandless programmable controller” granted in 2001, sued Nyquest Technology (“Defendant”) for infringement. The IPC Court as both the first and second instance court held that the ’783 patent was invalid. The Supreme Court vacated and remanded for the first time in July 2022.¹ In November 2023, the IPC Court reviewed the case again and ruled in favor of the Defendant.² Tsai, Lee & Chen had reported the judgement.³ The Defendant appealed again. In November 2024, the Supreme Court made a judgement to vacate and remand back to the IPC Court for the second time.⁴

The Supreme Court’ s analytical elaboration to define the inventive step requirement is a highlight in the judgement. The Court stressed that, in the comparison with the prior art to determine whether an invention meets the requirement of inventive step, some examination principles are to be followed including: (1) examination of the invention as a whole rather than on only the specific or partial technical features, (2) comparison against multiple references or common knowledge in combination, and (3) opinion to be made for each claim in the manner one after another.⁵ Based on the “technical problem the invention to be solved” and the “technical means to solve the problem,” one should proceed to follow the steps below:

- 1 Define the scope of the claimed invention.
- 2 Identify the technical content revealed in the relevant prior art.
- 3 Ascertain the level of technical knowledge of a person skilled in the art within the relevant technical field.
- 4 Determine the differences between the claimed invention and the content disclosed in the relevant prior art.

¹ SC-111-TaiwanAppeal-No.186 (2022.07.20)

² IPC-111-CivilPatentAppealRemandOne-No.11 (2023.11.02)

³ http://www.tsailce.com/news/Details?lc=en&News_id=1426

⁴ SC-113-TaiwanAppeal-No.459 (2024.11.20)

⁵ Section 3.3, Chapter 3, Part 2, Patent Examination Guidelines

- 5 Ascertain whether a person skilled in the art, in view of the content disclosed in the relevant prior art and the existing technology or knowledge before the filing date, could have easily achieved the claimed invention.⁶

It is critical to note that individual components or steps of the invention cannot be simply disassembled and then mechanically combined and compared against the prior art. Instead, it is important to first identify the "closest prior art" (primary reference), which refers to a single prior art document that provides the optimal referential basis on which the invention was created. This is the prior art reference from which the inventor, starting with the disclosed technical information, would most likely have been led to achieve the invention. The differences between this prior art reference and the claimed invention should then be analyzed. This approach helps avoid a mechanical assembly or combination of prior art, which could lead to an erroneous hindsight bias in determining inventive step.

Furthermore, the Court adopted the EPO's could-would method. Namely, in the Step Five above whether the claimed invention can be easily achieved by a person skilled in the art, the Court deemed it necessary to find that skilled person "would" have been prompted to make an improvement over the prior art and merely that the skilled person "could have made" the invention is not sufficient. In other words, the key element to determining inventive step lies not only in whether success is theoretically possible but also in whether, in a given case, there exists incentives, support with specific facts, or motivation to drive the skilled person to engage the research activities which finally lead to an inventive success.

In the present case, the Court found the lower court erred in jumping straight to a conclusion before having a comprehensive review of facts. Specifically, the lower court did not reason why the plaintiff's arguments were not accepted. In the review of validity issue, the plaintiff

⁶ Section 3.4, *Ibid.*

contended that a mechanical selection of features from a reference to combine with other two references to reject the inventiveness of the claimed invention was wrong. Some combinations are scientifically illogical and hence conceptually dissuaded. The lower court's acquiescence on the arbitrary combinations of references was equivalent to turning a blind eye to the "teaching away" factor. The Court opined that the lower court's failure to start with citation of a primary reference and the absence of reasons to negate the plaintiff arguments were wrong. The laws were erroneously applied and the reasons were insufficiently provided in the lower court's judgement.

As per Taiwan's evidence rule, the court shall investigate the evidence presented by the parties unless the court deems it unnecessary.⁷ An "unnecessary" situation happens in only one of the two circumstances. Firstly, the evidence is irrelevant to the facts; or, secondly, the court has already established an opinion on the matter. In other word, when the presented evidence is relevant to the facts, it is unnecessary and then bypassed investigation. In the present case, the defendant submitted an expert witness report for supporting its non-inventive assertion. The plaintiff questioned the report for lack of substantial evidentiary value. As the challenge was relevant to the pending facts, that the lower court failed to conduct an investigation was therefore illegal.

The Court also stressed the important role of secondary factors by circumstantial evidence which the lower court should not put a light weight on in the evaluation of inventive step. According to the evidence rule, when necessary for finding out the truth, the court may conduct evidence investigation on its own discretion.⁸ Categorically, the admissible evidence includes both the direct evidence and the circumstantial ones, the later meaning the evidence to corroborate another fact that can be further derived to reach the asserted and pending fact. Here, the time of inventive step decision when the patent was filed far departs from the time of

⁷ Article 286, Code of Civil Procedures

⁸ Article 288(1), Code of Civil Procedures

an infringement lawsuit. The difference in time potentially leads to subject biased mistake. The court should consult the objective facts for better making a determination. Secondary factors - long-felt needs, failure of others, unexpected results, and commercial success - stem from economic and motivational aspects of the inventions. If they are to provide explanatory and objective information for the evaluation of inventiveness, the court should consider those factors in a pursuit to reenact the then research and/or commercial reality at the time of filing.

The plaintiff argued that his claimed invention was granted to patent in the US, the UK, Mainland China, Japan, etc. in addition to Taiwan. The '783 patent has been licensed to many stock exchange-listed corporates including Realtek Semiconductor, ELAN Microelectronics, Sunplus Technology, etc. The long-felt technical barrier were resolved and commercial success was attained since the claimed IC chips were invented and sold overseas in volume of billions, the plaintiff insisted. As these stories were supported by paper documents, the Court demands that the lower court enquire said licensee companies regarding the technical impact of the '783 patent to their business and the details of business negotiations for the license agreements, in order to find out more information for the secondary factors to re-evaluate the inventive step.

To summarize, the Court concluded that the lower court failed to follow examination principles for inventive step and the fundamental rules of evidence. Due to the clear errors in the lower court's judgement, the case was remanded for further proceedings.

The judgement emphasized several rules for inventive step determination. Specifically, the judgement survey through the concepts and principles of the five-step examination, the primary reference citation, the could-would methods, and secondary factors in detail. The judgement serves meaningful value for inventive step analysis in detail for any upcoming cases.

Small-Value Import of Counterfeit Products Will Be Penalized

According to the currently effective Customs Anti-Smuggling Act (“CASL”), penalties for certain violations may be reduced or waived if the circumstances are deemed minor. The criteria for such reductions or exemptions are provided in the Standards for Penalty Reduction in Customs Anti-Smuggling Cases (the “Standards”).

Under the current Standards, penalties apply to events such as smuggling goods for import or export and unloading, transporting, receiving, concealing, purchasing, or reselling smuggled goods.¹ However, if the after-duty value of imported goods does not exceed TWD 5,000 (about USD 150), the penalty is waived.

On the opposite, if a traveler proactively declares imported goods that infringe on patents, trademarks, or copyrights and are not genuine parallel imports upon entry into Taiwan, they are subject to a fine up to three times the value of the declared goods. Furthermore, the goods will be confiscated.² Simply said, no waiver applies when travelers declare infringing items.

Comparing the above two stipulations, an unjustifiable disparity generates - smuggled IPR-infringing goods are exempt from penalties while the voluntarily declared ones are not. Specifically, if the smuggled imported goods infringe on IPRs with the after-duty value not exceeding TWD 5,000, no penalty is applicable. Conversely, where the individual traveler brings into Taiwan and voluntarily declares to the customs of such infringing goods, there is not provision as of today to exempt the penalty.

In addition, the customs do not levy taxes on the imported goods entering the local market. This is a loss of governmental financial income.



¹ Articles 36(1) and 36(2) of the Customs Anti-Smuggling Act

² Articles 39-1 of the Customs Anti-Smuggling Act

To combat IPR infringement and strengthen border control measures, the customs introduces a revision. Penalties will apply to importation of smuggled goods, as well as their purchase and resale, if they infringe on IPR. This is to ensure a more balanced enforcement approach.

Legislatively, Article 4 of the Standards will be amended. Under the amendment, even if the value of the goods does not exceed TWD 5,000, penalties will still be imposed if the goods infringe on patents, trademarks, or copyrights and are not genuine parallel imports.



Yet, interestingly, how the customs enforce the new law can be challenging because the customs may lack the required level of knowledge to distinguish between genuine and counterfeit goods.


Last but not least, willfulness or negligence remains required for a penalty. Therefore, customs does not penalize a traveler unknowingly wearing counterfeit apparel upon entering Taiwan if it is done without negligence.

The Decisive Factor in Proving Well-Known Status for Foreign Trademarks in Taiwan


Well-known trademarks, whether registered or not, are entitled to a greater degree of protection to maintain their distinctiveness and reputation. The determination of well-known status must be based on domestic consumers' recognition, along with factors such as distinctiveness, the level of recognition, the extent of use and promotion, registration status, and enforcement records¹. For foreign trademarks, the duration, scope and geographical reach of their use and promotion are particularly important. That is, foreign trademarks seeking well-known status in Taiwan must provide sufficient evidence to prove that their fame has reached local consumers.

This principle was reaffirmed in a recent judgment. The Taiwan Intellectual Property and Commercial Court ("IPC Court") revoked an opposition decision to cancel a disputed trademark registration based on the fame of an unregistered trademark ("the opposing mark"). The IPC Court held that the opposing mark had failed to prove its well-known status in Taiwan².

To obtain a higher level of protection, trademark owners must submit substantial evidence to demonstrate that their trademarks are well-known. According to Taiwan' s Examination Guidelines for the Protection of Well-known Trademarks, relevant evidence includes sales and distribution data, advertising records, sales locations and channels, market evaluations, trademark history, registration records, market surveys, and past administrative or judicial decisions. These factors collectively determine whether a trademark is eligible for enhanced protection under Taiwan's Trademark Act³.

In the present case, 林承箕 (LIN,CHENG-JI), an individual applicant, registered the disputed trademark (See Fig.1 ) under Class 5 and Class 44 for dietary supplements and medical

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- ¹ Examination Guideline for the Protection of Well-known Trademarks
 - ² IPCC-113-AdminTrademarkTrial-No.9 (24.01.2025)
 - ³ Trademark Act Article 30(1)(11)

services. The opposing party, a French pharmaceutical company LABORATOIRES THEA, filed an opposition. It asserted that its “half-eye logo” trademark (See Fig.2 ) , though not previously registered in Taiwan, had already attained well-known status. The opposing party argued that the disputed trademark violated Article 30(1)(11) of the Taiwan Trademark Act by creating the likelihood of confusion among the relevant public and diluting the distinctiveness and reputation of its well-known trademark. The opposing party further stated that its mark had been extensively used and promoted worldwide, including in Taiwan. The Taiwan Intellectual Property Office (“TIPO”) ruled in favor of the opposing party, finding that the applicant’ s trademark registration should be canceled due to the likelihood of consumers confusing it with a well-known mark. The applicant (the “plaintiff”) challenged this decision, firstly filing an administrative appeal, ultimately leading to an administrative lawsuit in the IPC Court, which overturned the original decision.

In the first instance administrative litigation proceedings, the court believed that the judgment would affect the opposing party LABORATOIRES THEA’ s rights and legal interests and therefore ordered the opposing party (the “intervener”) to intervene in the proceedings.

During the administrative litigation proceedings, the plaintiff argued that the intervener had not provided sufficient evidence of market presence in Taiwan, including sales, market share or advertising impact. It also contended that the trademarks were visually distinct, designated for different goods and services, and marketed through separate channels, making confusion unlikely. By contrast, the intervener countered that it operates globally with subsidiaries and distributors, has extensive trademark registrations, and its products are available online, some priced in New Taiwan dollars and shipped internationally. The intervener further asserted its long-standing recognition in the field of ophthalmic treatments and that its mark was widely known among industry professionals. Additionally, it claimed that the two trademarks had highly similar designs, leading to a risk of consumer confusion and dilution of the distinctiveness of its trademark.

After reviewing the arguments and evidence, the court first reasoned whether the establishing of well-known status is a prerequisite for determining any violation under Article 30(1)(11) of the Taiwan Trademark Act. The court found that the intervener had failed to establish the well-known status of the opposing trademark at the time of registration of the trademark in dispute, even though the court might have implicitly considered the two marks to be similar. Although the intervener owned multiple trademark registrations worldwide and operated in various countries, it had not provided sufficient evidence of actual sales, advertising or consumer recognition in Taiwan. Advertisements and sales records from Hong Kong and other regions do not automatically establish market recognition in Taiwan. Furthermore, Taiwan does not have a point of distribution so there was no way for physical sales to be made to local consumers. The court also considered online advertisements and sales data but found no clear indication that a significant number of Taiwanese consumers were familiar with the brand. In addition, the court also reviewed the intervener's website traffic and purchase records, but did not find any evidence of actual purchases locally. The court concluded that the intervener had failed to convincingly demonstrate widespread recognition among local consumers, resulting in the TIPO's cancellation decision being revoked.

This judgment emphasizes that trademark oppositions based on well-known status must be substantiated by strong evidence of market recognition in Taiwan. A trademark's international reputation does not automatically extend to Taiwan; the element of fame must be proven locally. That is, foreign trademark owners seeking well-known status in Taiwan must provide clear and verifiable evidence of domestic market recognition and consumer awareness, rather than relying solely on their international reputation. Without such evidence, an opposition claim based on well-known status is unlikely to succeed.

In this case, the scope of the court's analysis was limited to whether the intervener LABORATOIRES THEA's trademark had attained well-known status in Taiwan. Since the mark was not registered locally, the intervener needed to first establish its well-known status before claiming protection under Article 30(1)(11) of the Taiwan Trademark Act. Because the

intervener failed to meet this requirement, the court did not further examine the likelihood of confusion and dilution.

In conclusion, while Article 30(1)(11) of the Taiwan Trademark Act protects both registered and unregistered well-known trademarks, the establishment of well-known status remains a decisive threshold. Without sufficient evidence, protection of well-known trademarks may not be obtainable. Furthermore, to enjoy stronger and more comprehensive protection, foreign trademark owners are encouraged not only to provide sufficient evidence of their well-known status within the jurisdiction but also to register their trademarks locally. A registered trademark provides a more solid legal foundation and ensures greater security in terms of enforceable protection.





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