

# TAIWAN REPORT

The ROC (Taiwan) Patent Law currently in effect was most recently amended on 24 October 2001. To ensure that patent examination mechanisms can be more functional and effective, the Legislative Yuan passed an amendment of the Patent Law on 3 January 2003, and the President announced the amendment on 6 February 2003. According to Article 138 of the amended Patent Law, all the amended Articles will take effect on a date to be specifically designated by the Executive Yuan (the Cabinet), except for Article 11 of the amended Patent Law (governing the appointment of a patent attorney/agent, qualifications for an individual to act as a patent attorney/agent and the administrations of the same) which took effect on 6 February 2003. The amendment has caused significant changes to the patent examination practices, and the Intellectual Property Office needs time to re-structure its examination platforms to comply with the amended Patent Law. It is understood that the rest of the amended Articles will take effect in early 2004. The major contents of the Patent Law amendment of January 2003 are summarized as follows:

## **1. Appointment of Patent Attorneys/Agents & Administrations of the Same (Article 11)**

Previously, no specific law governed the qualifications for becoming admitted as a patent attorney/agent in the ROC. In July 1953, the Ministry of Economic Affairs ("MOEA") announced the Regulations Governing Agents for Patent Matters ("Regulations") to provide for qualifications for agents representing patent matters and their administrations. According to the old Patent Law, qualifications of being admitted as patent attorneys/agents shall be governed by a law (i.e., the draft Law of Patent Attorneys/Agents pending review and legislation by the Legislative Yuan), and the Regulations Governing Agents for Patent Matters shall govern the concerned issues prior to the formal promulgation of the Law of Patent Attorneys/Agents.

According to the Regulations Governing Agents for Patent Matters, an individual can register himself (herself) before the IPO as an agent who can represent his (her) clients for patent-related applications and matters if he (she) (1) is admitted as an attorney-at-law, (2) has worked with the IPO as a patent examiner for at least two years, (3) passed the national technician examination, or (4) is admitted

as a CPA. Since the mid-1990s', the Executive Yuan (Cabinet) has started to propose a new law entitled Law Governing Patent Attorneys/Agents, based on which an individual will be admitted as a patent attorney/agent only through passing a patent bar examination. According to the draft Law Governing Patent Attorneys/Agents, agents that have been registered with the IPO prior to the promulgation of the Law Governing Patent Attorneys/Agents will be allowed to continue to represent for patent matters after the Law Governing Patent Attorneys/Agents takes effect. The draft Law Governing Patent Attorneys/Agents is currently pending review and legislation by the Legislation Yuan.

According to Article 174-1 of the Law of Administrative Procedures (a new law taking effect on 1 January 2001), for matters that are originally governed by a regulation or an order issued by an administrative agency prior to 1 January 2001 pursuant to Law Governing Standardization of Laws of Central Government, the same matters shall be governed through promulgation of a new law or amendment of an existing law prior to 31 December 2002, provided that the same matters must be governed by a specific law or be governed by a regulation as specifically allowed by a law. On 18 July 2002, the Ministry of Justice issued an interpretation letter, confirming that the Regulations Governing Agents for Patent Matters became voided at the end of 2002 in light of Article 174-1 of the Law of Administrative Procedures.

Since the Law of Patent Attorneys/Agents has not yet been promulgated, the Legislative Yuan thus amended the Patent Law (Article 11), based on which the concerned government authorities (MOEA) may, prior to the formal promulgation of the Law Governing Patent Attorneys/Agents, formulate and announce relevant regulations with respect to qualifications for admission as an agent for patent matters, as well as revocations, abolishment and administrations thereof.

## **2. Electronic Filing of a Patent Application and Other Proceedings and Patent Registry Made in an Electronic Manner (Articles 19 & 75)**

A new provision is added into the Patent Law (Article 19) to provide a legal basis for filing a patent application and other proceedings in an electronic manner. In addition, according to Article 75 of the amended Patent Law, the IPO (i.e., the IPO) may prepare its Patent Registry in an electronic manner.

## **3. Calculation of Time Limit Set Forth in the Patent Law (Article 20)**

According to the old Patent Law, the time limit for filing various applications or taking various actions respectively is calculated with a different commencement day (i.e., from either the specific day of a certain action or the day following the date of a certain action). To avoid confusion, the Patent Law was amended to provide one single way of calculating any time limit set forth in the Patent Law.

Under the amended Patent Law, a time limit shall start to run from the day next to the commencement date of such time limit. However, the patent term shall start to run from the filing date of the concerned patent case.

#### **4. Patentable Requirements for Obtaining an Invention Patent (Articles 21, 22, 23 & 24)**

The following requirements set forth in the old Patent Law have been amended as follows:

##### **A. Definition of an Invention**

Under the amended Patent Law, an invention is defined as an innovation with respect to technical concept, which utilizes natural laws. According to the old Patent Law, an invention is defined as a "high level of" innovation with respect to a technical concept, which utilizes natural laws.

##### **B. Novelty Requirements**

In addition to the requirements that have been set forth in the old Patent Law, the amended Patent Law further stipulates that the novelty of an invention would be ruined if the concerned invention has been known to the public prior to applying for patent. In addition, under the old Patent Law, an involuntary disclosure of an invention is not justified. However, according to the amended Patent Law, where an invention has been disclosed and such disclosure is against the patent applicant's intent, the novelty shall not be ruined if a patent application is filed within 6 months from the date of involuntary disclosure.

##### **C. Inventive Step Requirement**

According to the old Patent Law, an invention shall not be patentable if it utilizes conventional techniques or knowledge, which can be easily conceived by persons skilled in the art. In line with the factors in determining the inventive step of an invention, the Patent Law was amended to delete the wording "utilizes conventional technique or knowledge, which can be easily conceived by persons skilled in the art." Instead, the amended Patent Law provides for the "inventive step" requirement as follows:

*"An invention shall not be patentable if it can be easily conceived by persons with ordinary skills in the same technical field based on conventional techniques prior to applying for patent."*

##### **D. Unpatentable Subject Matters (Article 24)**

Under the old Patent Law, an invention related to an animal or a new plant breed is unpatentable, except for an invention related to a method of growing

a new plant seed. To comply with Article 27.3(b) of the TRIPs and take into consideration of the patent practices in foreign countries, the Patent Law provisions governing subject matters not allowed for patent protection have been amended as follows:

*"Animal or plant, or any essential biological process for the production of a plant or an animal shall not be patentable, provided that the above does not apply to any microbiological process of producing the same."*

In addition, the following provisions have been deleted through the amendment of the Patent Law:

- (1) an invention related to scientific theory or mathematic method is unpatentable;
- (2) an invention related to regulation(s) or method(s) of a game or a sport is unpatentable;
- (3) an invention related to a method or plan that must be implemented only through human reasoning or memory is unpatentable

## **5. Patentable Requirements for Obtaining a New Utility Model Patent (Articles 93, 94, 96 & 97)**

The following requirements set forth in the old Patent Law have been amended as follows:

### **A. Definition of a New Utility Model**

According to the old Patent Law, a new utility model is defined as a creation or improvement with respect to the shape, structure or construction of an object. Under the amended Patent Law, a new utility model is defined as an innovation concerning the shape, structure or construction of an object, which is a technical concept utilizing natural laws.

### **B. Novelty Requirements**

In addition to the requirements that have been set forth in the old Patent Law, the amended Patent Law further stipulates that the novelty of a new utility model would be ruined if it has been known to the public prior to applying for patent. In addition, under the old Patent Law, an involuntary disclosure of a new utility model is not justified. However, according to the amended Patent Law, where a new utility model has been disclosed and such disclosure is against the patent applicant's intent, the novelty shall not be ruined if a patent application is filed within 6 months from the date of involuntary disclosure.

### **C. Inventive Step Requirement**

According to the old Patent Law, a new utility model shall not be patentable if it utilizes conventional techniques or knowledge, which can be easily conceived by persons skilled in the art and which cannot achieve improved efficacy. In line with the factors in determining the inventive step of a new utility model, the Patent Law was amended provide for the "inventive step" requirement as follows:

*"A new utility model shall not be patentable if it can be easily conceived by persons with ordinary skills in the same technical field based on conventional techniques prior to applying for patent."*

#### **D. Unpatentable Subject Matters**

Under the old Patent Law, among others, a new utility model that is the same as or similar to a party flag, national flag, military flag, national symbol, or official symbol in their shape is not patentable. The above requirement has been deleted through the amendment of the Patent Law.

### **6. Patentable Requirements for Obtaining a New Design Patent (Articles 109 & 110)**

The following requirements set forth in the old Patent Law have been amended as follows:

#### **A. Novelty Requirements**

In addition to the requirements that have been set forth in the old Patent Law, the amended Patent Law further stipulates that the novelty of a new design would be ruined if it has been known to the public prior to applying for patent. In addition, under the old Patent Law, an involuntary disclosure of a new design is not justified. However, according to the amended Patent Law, where a new design has been disclosed and such disclosure is against the patent applicant's intent, the novelty shall not be ruined if a patent application is filed within 6 months from the date of involuntary disclosure.

#### **B. Creativeness Requirement**

According to the old Patent Law, a new design shall not be patentable if it is one that can be easily conceived by persons skilled in the art. In line with the factors in determining the inventive step of a new design, the Patent Law was amended to provide for the "creativity" requirement as follows:

*"A new design shall not be patentable if it can be easily conceived by persons with ordinary skills in the same field based on conventional techniques prior to applying for patent."*

### **7. Filing Documents & Official Filing Fee (Articles 25 & 116)**

**A. Submission of an Oath is No Longer Needed for Filing a Patent Application (Articles 25 & 116)**

According to the old Patent Law, a written patent application, an Oath (or an Oath & Assignment), a specification, claim(s), the necessary drawings and an official filing fee are needed to obtain a filing date for a patent application (invention, new utility model or new design), and an Oath or an Oath & Assignment signed by inventor(s) (where the patent application is filed by an assignee) can be submitted within the time period specified by the IPO. To simplify the patent filing procedure, the relevant provisions were amended so that an Oath signed by the inventor(s) is no longer needed when filing a patent application. For a patent application filed by a person other than the inventor(s), the applicant has to submit to the IPO an Assignment executed by the inventor(s), which can be submitted within the time limit specified by the IPO.

**B. Official Filing Fee is No Longer Needed to Obtain a Filing Date (Articles 25 & 116)**

Under the old Patent Law, the payment of an official filing fee, among others, is needed to obtain a filing date for a patent application. According to the amended Patent Law, payment of an official filing fee is not needed to obtain a filing date, and an applicant can pay such fee within the time limit specified by the Intellectual Property Office (IPO). If the applicant fails to pay the fee within the specified time limit, the patent application will not be accepted by the IPO.

**8. Disclosure Requirements for a Patent Specification, Claim(s) & Drawing(s) (Article 26 & 117)**

**A. Invention & New Utility Model Patent Applications**

To provide more clear guidelines regarding the disclosure requirements and comply with Article Paragraph 1, Article 29 of the TRIPs, the disclosure requirements for a patent specification, claim(s) and drawing(s) for an invention or a new utility model patent application have been amended as follows:

*" A specification shall disclose (1) title of invention (2) description of invention (3) abstract and (4) claim(s). The specification shall precisely and sufficiently disclose the concerned subject matter(s), so that persons with ordinary skills in the same technical field may understand its content and practice the same. Claim(s) shall precisely disclose the claimed invention, and each claim shall be written in a precise and clear way and its disclosure must be supported by the description of invention and drawing(s). Methods of disclosure for description of invention, claim(s) and drawing(s)*

*shall be prescribed in the Enforcement Rules of the Patent Law."*

## **B. New Design Patent Applications**

The disclosure requirements for a patent specification, claims and drawings for a new design patent application have been amended as follows:

*" A specification shall disclose (1) title of new design (2) description of creation (3) description of drawings and (4) drawings. The specification shall precisely and sufficiently disclose the concerned subject matter, so that persons with ordinary skills in the same field may understand its content and practice the same. Methods of disclosure for specification shall be prescribed in the Enforcement Rules of the Patent Law."*

## **9. International Priority Claim Practices (Articles 27 & 28)**

### **A. Reciprocity Basis to be Clarified to Include WTO Member States**

The Patent Law provision governing international patent priority claim practice has been amended to clearly state that the "reciprocity" for claiming international priority in the ROC applies to any member state of the World Trade Organization (WTO) or any other country having reciprocity with the ROC. The above applies to invention, new utility model and new design patent applications.

### **B. Claim for Priority and Submission of a Priority Document**

To simplify the filing procedure, the Patent Law was amended so that when claiming an international priority claim, a patent applicant only has to declare to the IPO the (1) filing date and (2) country of filing, of the corresponding basic application. Since the serial number shall be shown in the priority document to be submitted by the applicant, there is no need for the applicant to declare to the IPO the "serial number" of the corresponding basic application when claiming priority.

Under the old Patent Law, an applicant must submit the concerned priority document(s) within a 3-month time limit. The above deadline has been amended to a "4-month" deadline from the date of filing the ROC patent application. The above applies to invention, new utility model and new design patent applications.

## **10. First-to-File Principle (Articles 31 & 118)**

To better implement the first-to-file principle, a new provision has been added so that when two or more patent applications are filed by the same applicant for the same invention/new utility model/new design, the IPO will notify the applicant and ask him (her) to select within a specified time limit only one patent

application between/among the patent applications filed thereby. If the applicant does not make the selection within the time limit, as the IPO requires, both/all the patent applications shall not be granted. The above applies to invention, new utility model and new design patent applications.

## **11. Unity Requirement (Articles 32 & 119)**

### **A. Invention & New Utility Model Patent Applications**

To adapt to the international trend and comply with what has been stated in the Substantive Patent Law Treaty, the relevant Patent Law provisions governing "utility" requirements have been amended as follows:

*"A patent application shall cover only one invention. Where two or more inventions belong to a single general inventive concept, the said inventions can be claimed in one single patent application."*

### **B. New Design Patent Applications**

A new provision has been added into the Patent Law to require one new design be covered in a single new design patent applications.

## **12. Grounds for Rejecting A Patent Application (Articles 44, 97 & 120)**

According to Article 5 of the Law of Administrative Proceedings, the Patent Law should include provision(s) listing the grounds for issuing a rejection decision for a patent application. Through the amendment of Patent Law of January 2003, the following were added into the Patent Law:

### **A. Invention Patent Applications (Article 44)**

In case of any violation of Articles 21-24 (subject matter, novelty and inventive step requirements), Article 26 (disclosure requirements), Items 2 & 3 of Article 30 (biotech materials deposit requirement), Article 31 (first-to-file principle), Article 32 (unity requirement) or Paragraph 4 of Article 49 (requirements for making amendment or supplement), the IPO may issue a rejection decision for an invention patent application.

### **B. New Utility Model Patent Applications (Article 97)**

Where a new utility model is not related to the shape, structure or construction of an object, or in case of any violation of the Article 96 (subject matter requirement), Paragraph 1 & 4 of Article 26 (disclosure requirements), Article 32 (unity requirement) or Paragraph 4 of Article 49 (requirements for making amendment or supplement), or where the specification and drawings do not disclose the essential content or its disclosure is apparently unclear, the IPO may issue a rejection decision for a new utility model patent application. However, prior to issuing such a rejection decision, the IPO must notify the applicant and order him (her) to

file a response and/or make a supplement/amendment of the specification and/or drawings.

**C. New Design Patent Applications (Article 120)**

In case of any violation of Articles 109-112 (subject matter, novelty and inventive step requirements), Article 117 (disclosure requirements), Article 118 (first-to-file principle), Paragraph 1 of Article 119 (unity requirement) or Paragraph 3 of Article 122 (requirements for making amendment or supplement), the IPO may issue a rejection decision for a new design patent application.

If there is no violation of any of the prescribed grounds, the IPO shall allow the concerned patent application and publish the patent application in the Patent Gazette.

**13. Changes to New Utility Model Patent Practices (Articles 97, 103, 104, 105, 101 & 134)**

**A. A New Utility Model Application Shall be Subject to Formality Examination Only (Article 97)**

Under the old Patent Law, any patent application (invention, new utility model or new design application) shall be subject to substantive examination before it is granted. Through the amendment of the Patent Law, a new utility model patent application shall be subject to "formality examination" only (but not substantive examination). According to Article 135 of the amended Patent Law, the above new practice shall apply to all new utility model patent applications that have not yet been decided at the time when the amended Patent Law takes effect as well as all new utility model patent applications to be filed afterward. Referring to Item 11 above, the IPO shall allow a new utility model patent application if there is no violation of any of the requirements set forth in Article 97 of the Patent Law.

**B. Technical Report for a New Utility Model Patent (Article 103)**

After a new utility model patent application is approved through formality examination and published in the Patent Gazette, any person may file an application with the IPO for issuance of a "new utility model patent technical report ("Report")" with respect to the following:

- (1) Issue(s) governed by Items 1 & 2, Paragraph 1 of Article 94, (i.e., whether the new utility model has been publicly disclosed through a publication or a public use?)
- (2) Issue(s) governed by Paragraph 2 of Article 94, (i.e., whether there involves the 6-month grace period due to a prior disclosure of the new

utility model through prior disclosure for research or experimental purposes, trade exhibition, or involuntary disclosure, etc.)

- (3) Issue(s) governed by Article 95 (novelty requirement due to a prior patent application)
- (4) Issue governed by Article 31 (first-to-file principle)

An application for issuance of Report shall not be withdrawn. The IPO shall publish in the Patent Gazette the fact with respect to applying for the Report, and assign a patent examiner to review the matter and issue the Report (with identification of the name of the examiner in the Report). When applying for the Report, if the applicant declares in his (her) application that there is a third party making commercial use of the concerned new utility model, the IPO shall complete the Report within 6 months. An application for issuance of the Report is acceptable even if such application is filed after the concerned new utility model patent has extinguished.

#### **C. Patent Term Has Been Shorten to 10 Years (Articles 101 & 134)**

According to the Patent Law currently in effect, a new utility model patent shall commence from the publication date and expire upon an expiration of 12 years from its filing date. Under the amended Patent Law, it will be faster to obtain a new utility model patent because only formality examination will be involved. The Patent Law thus was amended to shorten the duration of a new utility model patent to a 10-year protection term (i.e., it commences from the publication date and expires upon an expiration of 10 years from the filing date). According to Article 134 of the amended Patent Law, for a new utility model patent that has been granted prior to the date on which the amended Patent Law takes effect (i.e., in early 2004), the old Patent Law shall continue to govern its patent term (i.e., 12-year protection term).

#### **D. Pre-requisite of Enforcing a New Utility Model Patent (Articles 104 & 105)**

When enforcing a new utility model patent, the patentee (or a licensee) shall present a Report issued by the IPO to warn the alleged infringer(s). Where a new utility model patent is revoked or invalidated, the patentee shall be liable for compensating the damages suffered by a counter party against whom the patentee enforced the said utility model patent prior to the revocation or invalidation of the patent. However, if the patentee enforced his (her) patent based on the content of the Report, or if he (she) has already exercised considerable attentions when enforcing the patent, it will be presumed that the patentee has no negligence.

**14. Time Limit for Applying for Reexamination or Patent Conversion Has Been Extended (Articles 46, 102, 114 & 115)**

**A. Application for Reexamination for Invention & New Design Applications (Article 46)**

According to the old Patent Law, the time period for applying for re-examination of a patent application (invention, new utility model or new design) is 30 days from the day following the date of receiving a rejection decision issued by the IPO. Under the amended Patent Law, the time period for applying for re-examination has been extended to 60 days from the date of receiving the rejection decision. The above applied to invention and new design patent applications. Under the amended Patent Law, new utility model patent applications will be subject to formality examination only, and reexamination will not be available for new utility model patent applications.

**B. Application for Patent Conversions (Articles 102, 114 & 115)**

According to the old Patent Law, the time period for applying for converting a patent application from one patent category to another is 30 days from the day following the date of receiving a decision issued by the IPO for the originally filed patent application. Under the amended Patent Law, the time period for applying for patent conversion has been extended to 60 days from the date of receiving the decision (Article 102 for converting a patent application into a new utility model application; Article 114 for converting a patent application into a new design application; Article 115 for converting an independent new design application into an associated new design application, or vice versa)

**15. Opposition Actions Are Abolished (Articles 41, 42 of old Patent Law)**

**A. Abolishment of Opposition Actions (Articles 41 & 42, etc. of old Patent Law)**

According to the old Patent Law, a patent application shall be published in the Patent Gazette after it is approved through substantive examination. The publication shall last for a period of three months, during which any person may file opposition action(s) against the published application. If no opposition action is filed during the publication period or if the opposition action(s), once filed, is (are) irrevocably dismissed, the published patent application will mature into a granted patent. It is always very time-consuming to receive a final decision for an opposition action, which is unfair to a patent owner if opposition action(s) is (are) maliciously filed to delay the patent grant. In fact, after a patent is granted, any person may file cancellation action(s) against the granted patent, which basically involves similar proceedings and legal grounds. To protect the legitimate

rights and interest of patent owners, the Patent Law was amended to abolish opposition actions.

**B. Issuance of Patent (Articles 51, 101 & 113)**

According to the old Patent Law, if no opposition action is filed during the publication period or if the opposition action(s), once filed, is (are) irrevocably dismissed, a published patent application will mature into a granted patent provided that the patent applicant has paid the patent certificate fee and the 1<sup>st</sup> year annuity. Due to the fact that opposition actions have been abolished, the amended Patent Law stipulates that where a patent application is approved by the IPO, the applicant shall pay the patent certificate fee and the 1<sup>st</sup> year annuity within 3 months from the date of receiving the approval decision so that the approved patent application will be published in the Patent Gazette. If the above payments are not made or are not made on time, the patent application shall not be published and the patent right shall not exist ab initio. The above applies to invention, new utility model and new design patent applications.

**16. Scope of Patent Right Has Expanded to Include Right to Exclude Others From "Offering for Sale" (Articles 56, 106 & 123)**

To comply with Article 28 of TRIPs, the relevant Patent Law provisions were amended to expand the scope of patent right so that a patent owner is entitled to, among others, exclude others from "offering for sale" of the patented products or products manufactured by a direct use of his (her) patented method. In addition, the amended Patent Law made it clear that when interpreting patent claim(s), reference can be made to the disclosure in specification and drawing(s). The above changes apply to invention, new utility model and new design patents.

**17. Amendment/Supplement of a Patent Application (Articles 49, 100 & 122)**

**A. Invention Patent Application**

Due to the laying open practice of an invention patent application, an applicant of an invention patent application may, among others, make amendment/supplement of his (her) application within 15 months from the filing date (or the priority date). A new paragraph is added into Article 49 of the Patent Law stating that where amendment/supplement is made after the above-mentioned 15-month time period, the application shall be laid open in its originally filed content.

**B. New Utility Model Application**

To comply with the "formality examination practice" newly adopted for new utility model patent application, a new provision (Article 100) is added into the Patent Law to govern the amendment/supplement of a new utility model patent application. According to the amended Patent Law, an

applicant of a new utility model patent application shall make amendment/supplement of his (her) specification (including claims) and/or drawings within 2 months from the filing date provided that such amendment/supplement shall not go beyond the disclosure scope of the originally filed specification and drawings.

### **C. New Design Patent Applications (Article 122)**

Through the amendment, it is clearly stated that any amendment/supplement of a specification and/or drawings of a new design patent application shall not go beyond the disclosure scope of the originally filed specification and drawings.

## **18. Correction of a Granted Invention or New Utility Model Patent (Article 64)**

To avoid confusion with respect to the legal grounds and requirements for making correction of a granted patent (invention or new utility model), amendment was made to reflect the following:

1. The legal grounds for making correction of a granted patent include (1) to narrow down the claim scope (2) to correct any erroneous disclosure, or (3) to clarify any unclear disclosure.
2. Any correction made shall not go beyond the disclosure scope of the originally filed specification (including claims) and drawings; it shall not substantially expand or change the claim scope.

## **19. Conducting Interview, Conducting Necessary Testing, Submitting Model/Sample or Correction of Patent as Occurring During the Proceeding of a Cancellation Case (Articles 71 & 127)**

A new Article (Article 71) is added to state the following:

*"When reviewing a patent cancellation case, the Patent Authorities may, upon an application or at its own initiation, notify a patent owner to attend an interview with patent examiners, conduct necessary testing, submitting product sample/model and/or make correction(s) of his (her) granted patent (invention, new utility model or new design patent) within a specified time period. Any correction thus made on the granted patent shall not go beyond the disclosure scope of the originally filed specification and drawings. Where a patentee has made a correction as stated above, the Patent Authorities shall notify the concerned petitioner(s) for the cancellation action(s)."*

In addition, a new paragraph was added into Article 127 of the amended Patent Law, stating that a corrected specification and/or drawings, once published, shall retroactively take effect as of the filing date.

## **20. Practice of Dividing a Granted Patent Has Been Abolished (Article 68 of old Patent Law)**

According to Article 68 of the old Patent Law, a patentee may apply for a division of his (her) granted patent if the patent covers two or more inventions. Taken into consideration the requirement that any correction of a granted patent shall not expand the claim scope, Article 68 of the old Patent Law was deleted and it is not possible to divide a granted patent into two or more patents.

## **21. Cancellation Actions Against Granted Patents (Articles 67, 107, 128, 70 & 72)**

To comply with the changes with respect to abolishing "opposition actions" and "adopting formality examination for new utility model patent applications", amendments of the Patent Law were made to with respect to the legal grounds for filing a cancellation action by a third party or an interested party or initiating a revocation action by the IPO. These newly prescribed legal grounds are as follows:

- (1) a violation of Article Paragraph 1 of Article 112 (i.e., an application shall be filed by all the co-owners in case of a jointly-owned patent application);
- (2) a violation of any of Articles 21-24 (subject matter, novelty and inventive step requirements for an invention patent), Articles 93-96 (subject matter, novelty and inventive step requirements for a new utility model patent) or Articles 109-112 (subject matter, novelty and creativeness requirements for a new design)
- (3) a violation of Article 26 (disclosure requirements for an invention or a new utility model patent), or Article 117 (disclosure requirements for an invention or a new design patent);
- (4) a violation of Article 31 (first-to-file principle for an invention or a new utility model patent), or Article 118 (first-to-file principle for an invention or a new design patent);
- (5) a violation of Paragraph 4, Article 49 (requirements for making amendment/supplement for an invention patent), Paragraph 2, Article 100 (requirements for making amendment/supplement for a new utility model patent), or Paragraph 3, Article 122 (requirements for making amendment/supplement for a new design patent );
- (6) where the patent owner is from a country that does not accept patent applications filed by ROC nationals; or
- (7) where the patent owner is not the person(s) entitled to apply for patent

For a cancellation action filed based on the legal ground as stated in Item (1) or

Item (7), only an interested party can file such action. For a cancellation action filed by any other ground, any person may file such action. A petitioner for a cancellation action shall file a cancellation brief (detailing the reason(s) for cancellation) and supporting evidence within one month from the date of filing the cancellation action. However, any supplementary brief or evidence submitted by the petitioner prior to a decision is issued for the action shall be taken into consideration.

A new provision is added into the Patent Law (Articles 70) requiring that the IPO to assign examiner(s) to handle a cancellation case, who is (are) different from the one participating in the previous examination of the concerned patent.

According to the Patent Law (Article 52 of the amended Patent Law), subject to the requirements set forth in the Patent Law, it is possible for a patentee to apply for an extension (2-5 years) of the duration of his (her) pharmaceutical-related or agrochemical-related patent because he (she) has to prepare and apply for a permit as required by the ROC laws to practice his (her) patent and such process exceeds two years from the publication date. The Patent Law (Article 54) further states that where any person deems "a grant of patent term extension" as stated above has violated the relevant provisions of the Patent Law, he (she) may file a cancellation action with the IPO. Through the amendment of Patent Law in January 2003, a new provision (Article 72) is added into the Patent Law, prescribing that the relevant provisions governing filing cancellation actions against "a grant of patent" shall apply to cancellation actions filed against the "grant of patent term extension" pursuant to Article 54 of the Patent Law.

## **22. Compulsory Licensing of Patent (Article 76)**

According to the old Patent Law, an application for compulsory licensing of a patent can be filed with the IPO when any of the following conditions occurs:

- (1) Where there is a national emergency;
- (2) Where there is a need to make a non-profit-making use to promote public welfare;
- (3) Where the applicant for compulsory licensing failed to obtain a licensing from the patentee although reasonable commercial terms have been proposed to the patentee for a considerable period of time;
- (4) Where the patentee has committed unfair competition act that has been finally confirmed by the Fair Trade Commission or a court; and
- (5) Where a cross licensing arrangement cannot be reached between the owner of a dominating patent and that of a dominated patent (if the compulsory licensing is sought by the owner of a dominated patent, the technology covered by the dominated patent must cover important technical improvement with considerable economic meaning)

Since the Fair Trade Law governs both "unfair competition" and "restrictions on competition", the Patent Law was amended to expand the grounds listed in Item (4) above as follows:

*" Where the patentee has committed act restricting competition or has committed unfair competition act, that has been finally confirmed by the Fair Trade Commission or a court."*

## **23. Enforcement of Patent Rights**

### **A. Persons Entitled to Enforcing Patent Right (Article 84)**

According to the old Patent Law, in addition to a patentee, an exclusive licensee of the patent is also entitled to take enforcement actions against infringer(s), including claim for damages, demanding a discontinuation of continuous infringement or demanding a prevention of anticipated infringement provided that (1) the patentee did not take any of such enforcement actions after he (she) is notified, and (2) the concerned agreement contains no provision providing otherwise. To relax the conditions for an exclusive licensee to take enforcement actions, the Patent Law was amended, based on which an exclusive licensee is entitled to take enforcement actions only if the concerned agreement does not contain any provision providing otherwise. It is immaterial whether or not the patentee has been notified or whether he has taken enforcement action.

### **B. Calculation of Damage Claim (Article 85)**

According to the old Patent Law, damage claim shall be calculated in any of the following ways:

- (1) being calculated pursuant to Article 216 of the Civil Code (i.e., based on the amount of damage suffered by the plaintiff);
- (2) being calculated based on the profit earned by the infringer(s); or
- (3) being estimated by the IPO or expert as requested by a court

Through the amendment, the way of calculating damage claim as stated in Item (3) above has been deleted.

### **C. Decriminalization for Infringing a New Utility Model Patent or a New Design Patent (Articles 125, 126, 128, 129, 131 & 91 etc. of the old Patent Law)**

The old Patent Law provides for criminal liability for infringing a new utility model patent or a new design patent, whereas infringement of a new invention patent however is not subject to criminal liability. Taking into consideration Article 61 of TRIPs and the fact that infringement of an invention patent is only subject to civil liability, provisions governing

infringement of a new utility model or new design patent have been deleted. Under the amended Patent Law, patent infringement will be subject to civil liabilities only. Other provisions in the old Patent Law, which are related to implementation of criminal actions against infringement, have also been deleted.

#### **D. Suspension of Court Proceedings (Article 90)**

According to the old Patent Law, for a civil or criminal proceeding related to patent right (invention, new utility model or new design), its investigation or trial proceedings may be suspended until the related patent application(s), opposition case(s), cancellation case(s) and/or revocation case(s) is (are) finally decided. To comply with the decriminalization for patent infringement and abolishment of opposition actions, the above provision has been amended as follows:

*" For a civil proceeding related to patent right, its trial proceedings may be suspended until the related patent application(s), cancellation case(s) and/or revocation case(s) is (are) finally decided."*

In addition, the following provisions are newly added into Article 90:

*"When deciding to suspend a civil case, the court shall pay attention to the justification of the filing of the concerned cancellation cases(s)."*

*"Where there is a cancellation case related to a patent infringement suit, the Patent Authorities shall expedite its examination of the cancellation case."*

As to the practice changes regarding enforcement of a new utility model patent, please refer to Item 12 (B) & (D) above.

#### **24. Criminal Punishment for Making False Patent Markings Have Been Deleted (Articles 83 & 130 of the old Patent Law)**

According to Article 83 of the old Patent Law, a false or misleading patent marking on a product or its packaging, an advertisement or a publication is prohibited. A person who has violated Article 83 shall be subject to criminal liability in accordance with Article 130 of the old Patent Law. Taken into consideration the fact that the ROC Criminal Code, Fair Trade Law, Commodity Marking Law and Civil Code already provide provisions governing the same issue as well as the "decriminalization" policy for patent legislation, Articles 83 & 130 have been deleted.

#### **25. Waivers or Deduction of Annuity Payments (Article 83)**

To provide incentives to individuals, schools and small-size business enterprises with respect to uses of their patents, the Patent Law was amended to allow an

individual, school or a small-size business enterprise to apply for a waiver or deduction of annuity payment(s). The conditions, duration, amount for waiver or deduction as well as other implementation details will be governed by specific regulations to be announced by the concerned government authorities.

## **26. Transitional Clauses (Articles 135 & 136)**

### **A. Patent Applications (Article 135)**

According to Article 135 of the amended Patent Law, for a patent application that is not yet decided at the time when the amended Patent Law takes effect (in early 2004), its subsequent proceedings shall be governed by the amended Patent Law.

### **B. Opposition Cases (Article 136)**

According to Article 136 of the amended Patent Law, for an opposition action that has been filed prior to the date on which the amended Patent Law takes effect (in early 2004), the old Patent Law shall govern such opposition case. For a patent application that has already been published prior to the date on which the amended Patent Law takes effect, opposition action(s) can still be filed against such published patent applications.

## **27. Implementation Date of the Amended Patent Law (Article 138)**

Since the Patent Law amendment of January 2003 involves certain significant changes of patent operation practices of the IPO, the IPO needs time to complete their preparation work before implementing the amended Patent Law. Article 138 of the Patent Law thus stipulates that all the amended provisions shall take effect on a date to be designated by the Executive Yuan (Cabinet), except for Article 11. Article 11 of the amended Patent Law has taken effect on 6 February 2003, the date on which the President announced the amendment.

*This report, a client memorandum, is provided by Ms. Daisy Wang of Lee & Li in Taiwan.*