



Trademarks

in 43 jurisdictions worldwide

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1 Ownership of marks

Who may apply?

Any individual, corporation or legal entity may apply with the Taiwan Intellectual Property Office (TIPO) to register a trademark in Taiwan. Foreign applicants from WTO member countries or countries that protect trademarks on a reciprocal basis with Taiwan may apply, but those not domiciled or established in Taiwan must appoint a trademark agent in Taiwan to register a mark.

2 Scope of trademark

What may and may not be protected and registered as a trademark?

Under Taiwan's Trademark Act a trademark may be a word, figure, symbol, colour, sound, three-dimensional shape or a combination thereof. The TIPO is drafting proposed amendments to the Trademark Act that would extend registration to scents, motion marks and holograms. To gain registration, a mark must be sufficiently distinctive to enable relevant consumers of goods or services to recognise it as a mark indicating the goods or services, and to differentiate them from goods or services provided by others.

Unregistrable marks are listed in article 23 of the Trademark Act. These include marks that:

- are non-distinctive;
- are identical or similar to a registered marks intended for use with the same or similar goods or services and likely to cause confusion;
- are identical or similar to well-known marks and likely to dilute such marks or cause confusion;
- are identical or similar to a mark first used by another party in connection with the same or similar goods or services where the applicant knows of said mark's existence;
- are identical or similar to national flags or to emblems, seals or certificates of domestic or foreign organisations;
- mislead as to the nature, quality, or origin of the goods or services; or
- are identical or similar to a geographical indication for a wine or alcohol product.

3 Obtaining a trademark

How long does it typically take, and how much does it typically cost to obtain a trademark registration?

A routine trademark application is typically approved within eight to 12 months from the date of filing. Office actions issued by the TIPO and opposition action by a third party will likely prolong the registration process. Once approved, the mark is posted in the Trademark Gazette for three months and thereupon granted registration if no opposition is filed during that period. The cost to file a trademark application in one class with 20 or fewer designations

is approximately US\$700 plus disbursements, assuming no priority claims or office actions.

4 Classification system

What classification system is followed, and what goods or services may be claimed?

Although not a signatory to the Nice Agreement, Taiwan does follow the Nice Classification of Goods and Services. Taiwan's classification system also features sub-classifications similar to those adopted in Japan. Goods are generally presumed to be similar to other goods in the same subclass, but they may also be similar to goods or services in other subclasses or classes.

5 Conflicts with other trademarks

Are applications examined for conflicts with other trademarks? What is the procedure followed in the Trademark Office?

The TIPO conducts a substantive review of each trademark application, examining the inherent registrability of the mark (distinctiveness, descriptiveness, etc) and checking for potential conflicts with senior registered marks or earlier-filed applications.

If a mark is found to meet the conditions for registration, the TIPO will notify the applicant of its approval of the mark. Upon payment of the registration fee by the applicant, the TIPO will publish the notification of approval in the Trademark Gazette, whereupon the mark will be open to opposition for a period of three months.

6 Use of a trademark and registration

Does use of a trademark or service mark have to be claimed before a registration is granted? Does proof of use have to be submitted? If registration is granted without use, is there a time by which use must begin to maintain the registration?

Use of a trademark need not be claimed before a registration is granted. It is therefore unnecessary to submit proof of use. It should be noted that a mark not in use for a continuous period of three years at any point after registration is vulnerable to non-use cancellation.

7 Appealing a denied application

Is there an appeal process if the application is denied?

Yes. Appeals are heard by an administrative appellate review in the Ministry of Economic Affairs. Thereafter, administrative suits may be filed with the Intellectual Property Court (IP Court). An appeal against an IP Court ruling may be brought before the Supreme Administrative Court.

8 Third parties

May a third party oppose registration or seek cancellation of a trademark or service mark? What are the procedures?

Any third party may oppose the registration of a mark within three months of the publication of the registration in the Trademark Gazette. The process involves the opposing party filing a notice of opposition with the TIPO identifying the basis for the opposition. The opposing party thereupon submits its arguments and evidence in favour of revocation of the registration of the mark. The applicant will have an opportunity to submit a brief arguing why the registration should be maintained. The TIPO will review all submitted materials and ultimately issue a disposition on the matter.

A mark that has been registered and is no longer in the three-month opposition period may be invalidated upon application by an interested party. Invalidation procedures are similar to those for opposition.

A mark may be cancelled for a number of reasons, including non-use of the mark for a continuous period of three years or more, or alteration of the registered mark such that it becomes confusingly similar to the senior mark of another party.

9 Duration and maintenance of registration

How long does a registration last and what is required to maintain a registration?

A registration is valid for 10 years and may be renewed indefinitely. The registration fee must be paid for the entire term in order to maintain the registration for the full 10 years.

10 The benefits of registration

What are the benefits of registration?

In Taiwan, trademark rights are based on registration, so registration of a mark confers significant legal benefits. Registration provides the trademark owner with the exclusive right to use the mark in connection with the designated goods and services. It also enables the registrant to preclude others from using the same or a confusingly similar mark in connection with the same or similar goods or services. Infringement of a registered trademark in Taiwan gives rise to both civil and criminal liability, and may be used as a basis for border enforcement, police raids or other preliminary injunctions or attachments. Taiwan's Trademark Act follows a first-to-file system, so early registration of a mark is important.

11 Assignment

What can be assigned? Trademark with goodwill? Without goodwill? All or some of the goods and services? Must other business assets be assigned to make it a valid transaction?

A registered mark is assignable with or without goodwill. All or some of the goods and services may be assigned, and a mark need not be assigned in connection with other business assets to be effective. A trademark may be licensed to multiple licensees. With the permission of the original rights owner, licensees may sublicense an assigned mark to a third party.

12 Assignment documentation

What documents are required?

An assignment agreement executed by both parties, and a power of attorney from the assignee are required to record the assignment with the TIPO.

13 Validity of assignment

Must the assignment be recorded for validity?

The assignment need not be recorded to be valid as between the assignor and the assignee. The assignment must be recorded, however, in order for it to be asserted against any third party.

14 Security interests

Are security interests recognised?

A trademark may be the subject of a pledge. Such pledges must be recorded in order to be asserted against any third party.

15 Markings

What words or symbols can be used to indicate trademark use or registration? Do these words or symbols have to be used? What are the benefits of using them and the risks of not using them?

Symbols such as 'TM' and ® may be used but are not obligatory under Taiwan law. Use of recognised symbols such as 'TM' and ® are beneficial in the sense that competitors and customers are more likely to be aware of the use or registration of a mark. The symbols, however, accord no special privileges to the user and care must be taken to ensure that the ® symbol appears only on registered marks.

16 Trademark enforcement proceedings

What types of legal or administrative proceedings are available to enforce trademark rights against an infringer, apart from previously discussed opposition and cancellation actions? Are there specialised courts or other tribunals? Is there any provision in the criminal law regarding trademark enforcement?

Trademark infringement gives rise to civil and criminal liability in Taiwan.

Criminal proceedings are the most common form of remedy as the police and prosecutors have authority to obtain or compel the defendant to produce evidence that might not be obtainable through a civil proceeding.

Civil suits for trademark infringement may be brought before the IP Court as an independent civil claim or as an ancillary claim to a criminal proceeding.

Border enforcement measures are available. Trademark registrants may record their marks with customs, and customs will include these marks in their review of imported and exported products. In order for customs to suspend or seize suspected infringing products, the trademark registrant or its agent must be able to confirm whether the potentially infringing products are genuine or counterfeit within 24 hours of notification.

17 Procedural format and timing

What is the format of the infringement proceeding? Is discovery allowed? Live testimony? Experts? Who decides the case? How long does the proceeding typically last? If there is a criminal enforcement mechanism, what is that procedure?

Taiwan has a civil law system. Litigation is largely directed by the judge and is conducted over a series of hearings. Taiwan does not have well-developed discovery procedures in place in civil litigation, which is one reason that many trademark registrants pursue criminal actions as the police and prosecutors are able to obtain evidence that might be difficult to obtain in a civil trial. Judges decide cases and may accept testimony from witnesses and experts. Typically, it takes between 12 and 18 months for the court of first instance to reach a decision in a civil case. In a criminal case, the prosecutor will normally hold two to four hearings over a period of several months

Update and trends

IP Court

The Intellectual Property Court, Taiwan's first specialized court, began hearing cases on 1 July 2008. The IP Court broadly handles IP-related civil, criminal, and administrative matters. Its jurisdiction includes Taiwan's Patent Act, Trademark Act, Copyright Act, Optical Disk Act, Trade Secrets Act, Integrated Circuit Layout Protection Act, Plant Variety and Seed Act, and Fair Trade Act. The court has non-exclusive jurisdiction in civil and administrative IP cases, but functions only as an appellate court for criminal cases. In court, qualified judges may be supported by experienced IP technical examiners, a measure designed to facilitate proceedings and enhance IP rights protections. The new IP Court is expected to expedite proceedings and improve the quality and consistency of decisions on IP related matters.

The Trademark Act

The Taiwan Intellectual Property Office (TIPO) proposed substantive revisions to the Trademark Act in mid-2007. The original draft amendments have been revised further following a number of public hearings. It is unclear whether a bill on the amendments will be introduced to the legislature in 2008. The TIPO's current draft includes the following key amendments.

Protected subject matter

The draft amendments to the Trademark Act expand the scope of registrable marks to include any mark that serves to indicate the source of goods or services and is sufficient to distinguish those goods or services from goods or services provided by others. Specifically, scents, motion marks and holograms have been included in the scope of protected subject matter.

Acts that constitute civil trademark infringement

Acts that constitute civil trademark infringement have been clarified to include:

- affixing an infringing mark on goods or the packaging thereof;

- selling or offering for sale goods bearing an infringing mark;
- putting goods bearing an infringing mark on the market or stocking them for those purposes under the mark, or offering or supplying under the mark;
- importing or exporting goods bearing an infringing mark; or
- using the mark on business papers or in advertising.

Famous marks

The scope of protection given to famous marks would be expanded by replacing the current requirement to prove actual dilution with a requirement to show a 'likelihood' of dilution.

Border enforcement

Customs officials would be empowered to hold, ex officio, any suspected infringing imported or exported goods.

Nominative fair use

The definition of nominative fair use would be expanded. For example, the proposal would allow for use of another's marks in comparative advertising or in advertising of maintenance services for marked goods.

Trademark assignment

Only written assignment agreements would be deemed valid.

Penalties

The maximum fine imposed for infringement of trademark rights would be increased from 200,000 Taiwan dollars (approximately US\$6,500) to 750,000 Taiwan dollars (US\$25,000).

Opposition/invalidation/cancellation

Previously proposed revisions regarding opposition, invalidation and cancellation are being reconsidered, including a possible move to abolish the opposition system on the grounds that the process is identical to invalidation.

before issuing a decision to indict or not to indict. The criminal court of first instance will then typically take between 12 and 18 months to reach its decision.

18 Burden of proof

What is the burden of proof to establish infringement or dilution?

To establish infringement, the plaintiff must provide evidence demonstrating that use of the defendant's mark is likely to cause confusion or misidentification by relevant consumers, and that the infringement was intentional or arose out of negligence on the part of the defendant. To prove dilution, the plaintiff must establish that the defendant's use of its mark caused actual dilution of the famous mark and that the dilution was intentional. Evidence of fame of the plaintiff's mark could be established through advertisements in various media, invoices and sales figures, brochures, catalogues, and brand-ranking data.

19 Standing

Who may seek a remedy and under what conditions? Who has standing to bring a criminal complaint?

The trademark owner or its licensee whose license has been recorded with the TIPO may enforce rights against third parties.

20 Foreign activities

Can activities that take place outside the country support a charge of infringement or dilution?

Activities haven taken place outside Taiwan would not support a charge of infringement or dilution. A rights-holder could take action in Taiwan, however, if it could be established that one or more elements of the activity occurred in Taiwan. For example, orders are placed with the Taiwan entity who in turn coordinates production and shipment of infringing goods in another country.

21 Discovery

What discovery devices are permitted for obtaining evidence from an adverse party, from third parties, or from parties outside the country?

Discovery tools are not well developed in civil litigation in Taiwan. For this reason, many trademark registrants pursue criminal actions to avail themselves of the criminal discovery devices police and prosecutors may utilise to obtain evidence that would otherwise be difficult to obtain in a civil trial. A plaintiff may request that the court compel a defendant or third party to provide evidence relevant to an infringement case. Investigators may also be useful in gathering evidence of infringement and other relevant facts for consideration by the court.

22 Timing

What is the typical time frame for an infringement or dilution action, at the trial level and on appeal?

An infringement or dilution action typically takes 12 to 18 months in the court of first instance. Six to eight months are generally required at the appeal level.

23 Litigation costs

What is the typical range of costs associated with an infringement or dilution action, including trial preparation, trial and appeal?

Costs for an infringement or dilution action from trial preparation through the first instance in either a criminal or civil action can range between US\$20,000 and US\$40,000 depending on the complexity of the matter. For a criminal action, this would include a complaint to the prosecutor's office, prosecutorial hearings to determine whether to indict and, if yes, several hearings to reach a decision. A typical civil action would involve the filing of a complaint with the IP Court followed by several hearings.

Criminal and civil appeals in infringement and dilution actions are heard by the IP Court. The costs associated with this stage also generally range between US\$20,000 to US\$40,000.

In a civil action, the plaintiff must remit a court fee of approximately 1 per cent of the amount claimed. The court fee in an appeal action is approximately 1.5 per cent of the amount claimed.

24 Appeals

What avenues of appeal are available?

Taiwan's newly established IP Court hears all administrative, civil and criminal trademark appeals to decisions by courts of the first instance. Further appeals are heard by the Supreme Court and the Supreme Administrative Court.

25 Defences

What defences are available to a charge of infringement or dilution?

Defences against charges of infringement or dilution can vary widely according to the facts of a particular case. The most commonly

asserted defences are that the allegedly infringing mark is not confusingly similar or diluting to the plaintiff's mark, that the marks in question designate different goods or services or that the plaintiff's mark is not famous in Taiwan. Other typical defences concern prior use, non-use, validity of the plaintiff's registration, differences in trade channels and parallel importation.

26 Remedies

What remedies are available to a successful party in an action for infringement or dilution? How is monetary relief apportioned? Is injunctive relief available, preliminarily or permanently, and in what circumstances and under what conditions? What criminal remedies exist?

Remedies include monetary awards for damages, injunctive relief, attachment of assets, court fees, declaration of infringement, seizure and destruction of infringing goods, imprisonment and fines.

Civil damages may be calculated as follows: (i) the actual damages suffered by the trademark owner, (ii) the benefits obtained by the defendant from infringement of the trademark rights, or (iii) 500 to 1,500 times the unit retail price of the infringing products. Both preliminary and permanent injunctions are available and Taiwan's Trademark Act does provide for criminal liability for trademark infringement. The criminal penalties include imprisonment of up to three years and criminal fines of up to 200,000 Taiwan dollars (approximately US\$6,165). Prison terms of up to six months may be commuted into fines, and this is often the case in trademark infringement cases.

27 ADR

Are ADR techniques available and commonly used? What are the benefits and risks?

Mediation and arbitration are available where parties in a dispute consent. These approaches are sometimes useful in cases where the allegedly infringing behavior is conducted by a former licensee, but criminal and civil actions, typically in conjunction, tend to be the most effective remedies.

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