

## ► POLICES ◀

### **Premier Yu Met With AmCham Representatives to Express Determination in Push for FTA Signing**

Premier Yu met with representatives from the American Chamber of Commerce on June 11 to emphasize the significance of FTA in promoting bilateral trade relationship between the United States and Taiwan. Premier Yu hoped that AmCham will act as the liaison in bringing FTA back on the discussion table that would benefit both countries in developing their international economic opportunity.

AmCham applauded the achievements Taiwan had made in IP protection and financial reform, and believed that such achievements made over the last four years were far more fruitful than what had been done in the last forty years. AmCham further stressed their willingness to work with the Taiwan government to create a better investment environment.

Premier Yu pointed out that the administration places high regards on the suggestions that AmCham made in their white paper, and understands that such suggestions are beneficial to enhancing Taiwan's competitiveness. Premier Yu also instructed the Council for Economic Planning and Development to coordinate a meeting with AmCham, other relevant authorities and the Judicial Yuan President WENG Yueh-sheng to discuss issues related to judicial implementations suggested in the white paper. In respect to amending certain laws and regulations, Premier Yu also suggested that a visit be paid to the Legislative Yuan President WANG Jin-pyng before the next legislative session begins to establish a communication platform among AmCham, the Legislative Yuan and the Judicial Yuan.

With respect to problems with exclusivity protection for pharmaceuticals information, Premier Yu stated that the current ROC laws and regulations are in full compliance with WTO

regulations. However, the phrase "information exclusivity" does not exist in the current laws and regulations. Premier Yu instructed the Department of Health to work with domestic pharmaceuticals associations to derive at an agreeable bill regarding the period and scope of pharmaceuticals protection for administrative review at the Executive Yuan.

The above information is taken from:

[http://www.cedi.cepd.gov.tw//tnen\\_info.php?iPath=49&digests\\_id=484](http://www.cedi.cepd.gov.tw//tnen_info.php?iPath=49&digests_id=484)

## ► ENFORCEMENT ◀

### **Taiwan's IP Infringement Seizures Dropped Below US\$60,000 First Half of Fiscal Year 2004—Taiwan Outside Top Ten List Once More**

According to the United States Department of Homeland Security's CBP and ICE IP infringement seizures for the first half of fiscal year 2004 (Oct. 1, 2003 to March 31, 2004), the total seizures for Taiwan has plunged to US\$60,000. Most of the goods being seized were not optical disk products that are of concerns to US enterprises. This indicates that Taiwan's IP inspection measures and border control mechanisms have continued to be effective.

According to the same report, the amount of IP seizures from Taiwan dropped from US\$2.54 million in 2002 to US\$320,000 in 2003 during the same period, and plunged to US\$60,000 in the first half of 2004. Twenty-seven cases of infringements were found. However, most of the goods confiscated were sunglasses and computer related hardware. Optical disk related products confiscated were significantly less than previous years. The top ten IP infringement importers to the United States are: Mainland China (58%), South Africa (7%), Russia (6%), Hong Kong (3%), Viet Nam (3%), Netherlands Antilles (2%), Korea (1%), Botswana (1%), Kenya (0.8%), and Amman (0.79%). Taiwan is placed outside of the top ten list second year running.

MOEA is pleased with the positive implications these figures revealed, stating that these are concrete proves of the government's effort in IP enforcement. MOEA will continue to work closely with relevant agencies to protect the interests of right holders from abroad and at home to embrace the coming of a knowledge-based economy and to establish a sound IP regime.

## » LAWS & REGULATIONS «

### **New Patent Act Takes Effect July 1, 2004**

Since the new Patent Act was promulgated on February 6, 2003, TIPO has been upgrading its electronic administrative processing system and related operation mechanisms, launching public awareness programs, and revising related regulations in preparation for when the Act enters into force on July 1, 2004.

Summary of the new Patent Act and related regulations are as follows:

1. Patent Act
  - a. Abolish the opposition system; patent certificate will be issued to approved patent applications upon payment. Any disagreement to such approval may be appealed.
  - b. Deadline for re-examination application is extended to sixty days from the original thirty.
  - c. Invention patent application will be examined on a per-item basis.
  - d. Natural persons, schools, and SMEs who have obtained patent right may apply for annual fee reduction. NT\$800/year is deducted for year one to year three, and NT\$1200/year is deducted for year four to year six.
  - e. Stipulate that the competent patent authority may take precedence in examining patent involved in infringement disputes to prevent litigation delays.
  - f. Utility model patent applications submitted after July 1, 2004 or have not been approved as of July 1, 2004 are to be reviewed under formality examination. Anyone who wishes to apply for the technical report of the utility model approved under the formality examination system may do so. Right holder who has not applied for the right to use the patent or has not complied with regulations and used the patent might be subject to damage liability if the patent right is revoked.
2. Related regulations:
  - a. *Implementing Regulations of the Patent Act:*

Streamlining administrative procedures, e.g., registrations may be completed by any involving party, inserting application for utility model's technological report and allowing for delaying patent publication.

- b. Fees: Increasing examination fees and decreasing patent annual fees.
- c. *Regulations Governing Awards for Inventions and Creations:* Establish National Invention and Creation Awards for inventors and creators; organize National Invention and Creation Exhibition to promote exchange of technology and to develop business opportunities.
- d. *Regulations for Reduction and Exemption of Patent Annual Fees:* Stipulate reduction and exemption provisions for natural persons, schools and SMEs.
- e. *Examination Standards for Patents:* Provisions will be implemented gradually after public hearings are held.

### **New Regulations Governing Interviews for Patent Cases Takes Effect July 1, 2004**

MOEA announces on June 15, 2004 the revisions to the *Regulations Governing Interviews for Patent Cases*. The revised regulations will take effect on July 1, 2004. Major revisions to the regulations are as follows:

1. Revising articles that relate to or make reference to the corresponding revised articles in the Patent Act.
2. Preliminary examinations are given face-to-face interviews to meet applicants' request for more ample examination. Deleting provision that states interviews will not be granted if preliminary examination results are definite and clear.
3. Inserting provision that allows all involving parties to appear at the interviews provided a power of attorney is supplied and approved by TIPO.
4. Inserting provision for videotaping interview sessions to ensure that the interview records are thoroughly kept.

### **Examination Standards for 3D, Color, and Sound Marks Takes Effect July 1, 2004**

Pursuant to the insertion of 3D, color and sound marks to the Trademark Act that entered into force on November 28, 2003, the *Examination Standards for 3D, Color, and Sound Marks* was completed on June 10, 2004 and will take effect on July 1. The distinguishability of these marks shall be judged based on consumer's recognition, the characteristic of the merchandise, and their application in consumer

market. Also, pursuant to Article 17.2 of the Trademark Act, 3D, color and sound marks must include the exact image and description. Examination standards for these marks are summarized below:

1. Examination standards for 3D marks

The examination standards for 3D marks define what 3D marks are, explain the what kind of marks are eligible for application, what constitutes their distinctiveness and their non-functionality, and how they can be combined with utility model patent right and copyright.

- a. 3D marks are 3-dimensional marks that consist of height, width, and length, and must be distinct in the sense that the consumers can distinguish the goods or services that the marks represent. 3D marks must meet the conditions of distinguishability, non-functionality, and other trademark requirements before their registration application be approved.
- b. Pursuant to Rule 11.1 of the *Trademarks Regulations*, application for 3D marks must include the drawing of the mark in 3-dimensional form and a description of the mark.
- c. The type of 3D marks that can be applied for trademark right include the shape of the goods itself, the packaging shape of the goods, 3D shapes (shapes that are not part of the goods or the packaging), decorations and designs for services, words, images, symbols, or the combination of colors and shapes.
- d. The rules for proving the distinctiveness of a 3D mark are stricter than those for 2D images. In addition to consumer's recognition, the characteristic of the goods must also be taken into account. This Examination Standards defines how distinctiveness is determined based on the five types of 3D marks referred to in the preceding paragraph.
- e. Pursuant to Article 23.1.4 of the Trademark Act, trademark that is a three-dimensional shape of the goods or packaging thereof and is indispensable for performing the intended function(s) may not apply for registration. Trademarks with functionality that have been in use for extended period of time and have become distinctive may not apply for registration as well.
- f. Factors for determining functionality include whether the 3D shape has satisfied the needs for

the usage or purpose of the goods, or for the technical effect of the goods. Also, the cost and method of making the 3D shape are also taken into consideration.

- g. Functionality changes with time, technological development, and changes in consumer market. If the 3D mark contains other distinctive features other than its functional characteristic, and the applicant does not have the intention to use that functional characteristic exclusively, then the 3D mark may be granted trademark right even if part of the mark contains functionality. Provided, however, that the practicality of the goods it represents does not rely mainly on its functionality, and the overall appearance of the mark is distinct.
- h. 3D shapes that has obtained utility model patent right and has become distinct in the course of trade may obtain trademark right pursuant to Article 23.4 of the Trademark Act.
- i. Shapes in 3D marks that meet the conditions for protection in the Trademark Act and the Copyright Act may obtain trademark right and copyright simultaneously.

2. Examination standards for color marks

- a. Color marks are trademarks comprised of single color or a combination of colors, and the colors themselves are suffice to distinguish the goods or the services without the use of words, images, or the combination of symbols and colors.
- b. Pursuant to Rule 9 of the *Trademarks Regulations*, in applying for a color trademark registration, the applicant shall submit an application with an indication stating to that effect, and specifying the color(s) along with a relevant description.
- c. The natural distinctiveness of color marks is relatively low, and color combinations are more distinctive than single color. Color marks that represent the shape, quality, function(s) or other descriptions of the goods or services will be rejected for registration pursuant to Article 23. 1. 1 and 23.1.2 of the Trademark Act.
- d. Single color marks that have become distinctive after use shall be examined with more care than color combinations. Applicants may emphasize that the colors are trademark in their advertisement or sales to help prove the mark's distinctiveness.
- e. The length of time, the degree in which the colors

are used on specified goods, and the sales condition, advertisement expenses, and consumer reports are also factors to be considered when deciding the distinctiveness of the color marks.

- f. Generic color marks are colors that are being used widely for commercial purposes and are commonly known to the general public. Pursuant to Article 23.1.3 of the Trademark Act, these color marks may not apply for registration. If the color mark does not become distinctive in the course of trade, Article 23.4 does not apply.

### 3. Examination standards for sound marks

- a. Sound marks are sounds that allow the consumer to distinguish the goods or the services they represent. These might include commercial tunes, rhythms, human voices, bells, ring tones, or animal calls.
- b. Pursuant to Rule 10 of the *Trademarks Regulations*, in applying for a sound trademark registration, the applicant shall submit an application containing an indication stating to that effect, and the trademark shall be represented by musical score, numerical musical score or a written description. In addition, a CD recording of the sound shall be submitted. In providing the musical score or the numerical musical score, a written description shall also be enclosed.
- c. Sounds that are not distinctive will be rejected for registration pursuant to Article 23.1.1 of the Trademark Act. If the applicant can supply proof that the sound has become distinctive in the course of trade, Article 23.4 applies and the sound may be registered.
- d. Sound marks that represent the shape, quality, function(s) or other descriptions of the goods or services will be rejected for registration pursuant to Article 23. 1. 1 and 23.1.2 of the Trademark Act.
- e. Generic sound marks are sounds that are being

used widely for commercial purposes and are commonly known to the general public. Pursuant to Article 23.1.3 of the Trademark Act, these sound marks may not apply for registration. If the sound mark does not become distinctive in the course of trade, Article 23.4 does not apply.

For complete details of the *Examination Standards for 3D, Color, and Sound Marks* (in Chinese), please visit: <http://www.tipo.gov.tw>

#### **Related Trademark and Patent Examination Standards and Regulations Abolished**

MOEA announced on May 26, 2004, the abolishment of the *Regulations Governing Supplement Documents for Patent Applications*, and on June 5 the abolishment of *Criteria for Examining Similarity Between Trademarks* and *Guidelines for Filing Applications for Registration of Color Combination Trademarks and Service Marks*. These regulations will no longer be in effect starting July 1, 2004.

#### **Regulations for Inspection of Copyrighted Document for Audio-Visual Copyrighted Works and OEM Audio CDs Exports and Copyrighted Document Inspection Form Take Effect June 2, 2004**

Pursuant to Article 17.1 of the *Foreign Trade Act*, Article 13 of the *Enforcement Rules of the Foreign Trade Act*, and Articles 15 and 16 of the *Regulations Governing Export Commodities*, the revised *Regulations for Inspection of Copyrighted Document for Audio-Visual Copyrighted Works and OEM Audio CDs Exports* and *Copyrighted Document Inspection Form* enter into force on June 2, 2004. For further detail of the revised regulations (in Chinese), please visit: <http://www.tipo.gov.tw/service/news/ShowNewsContent.asp?wantDate=false&otype=1&postnum=4675&from=board>

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