



Key Amendments to the 2012 Trademark Act in Taiwan

July 2012

1. Expanding the scope of objects protectable as trademarks	
New Act Any signs that are distinctive enough to identify the source of goods or services are protectable as trademarks.	Old Act A trademark may only be composed of a word, device, symbol, color, sound, three-dimensional shape or a combination thereof.
Consequence Signs such as motion, hologram, scent or touch can now be registered as a trademark if they are distinctive.	
Practitioner's Note To obtain registration of a non-traditional trademark, it must usually be shown that the mark has acquired distinctiveness. Therefore, it is advisable to collect substantial evidence of use to demonstrate that the sign functions as a trademark for consumers.	

2. Providing definitions for different types and acts of trademark use	
New Act Trademark use refers to use of a trademark in the course of trade 1) on goods, packaging 2) possession, display, sale, export and import of such goods 3) on articles in connection with services 4) on commercial documents and advertisements The foregoing use by digital audio-visual means, electronic media, on the Internet or through other media are also deemed as use of a trademark.	Old Act Trademark use is defined as use of a trademark on goods, services or relevant articles thereof for marketing purpose, or use through two-dimensional graphic representation, digital audio-visual means, electronic media or other media.

<p>Consequence</p> <p>Trademark use as defined under the new Act encompasses use by proprietors for maintaining rights as well as unauthorized use by another person in the form of trademark infringement. Hold, display, sale, export and import of goods or services via digital audio-visual means, electronic media, the Internet, or through other media in the course of trade constitute use of a trademark.</p>
<p>Practitioner's Note</p> <ol style="list-style-type: none"> 1) In order to constitute genuine use of a mark, the mark should be actually used in the course of trade and the use must suffice to cause consumers to recognize the mark as such. 2) If a trademark in actual use differs slightly from its registered form but still maintains sameness in the eye of general public, i.e., without substantially changing the main features of the mark, such use can principally be considered as use of the registered trademark. 3) It is advisable to use the trademark in exactly the same form as registered to avoid jeopardizing the registration.

<p>3. Allowing exhibition priority claim</p>	
<p>New Act</p> <p>Exhibition priority can be claimed if the application is filed within a six- month period from the date of the first display of the goods or services at an international exhibition held or officially recognized by the Taiwan Government.</p>	<p>Old Act</p> <p>No provisions regarding rights of exhibition priority claims exist in the old Act.</p>
<p>Consequence</p> <p>The exhibition priority allows the applicant the benefit of claiming a prior filing date on which a trademark was exhibited at an official or officially recognized exhibition.</p>	
<p>Practitioner's Note</p> <p>The TIPO has announced that international exhibitions should be recognized case by case and the officially recognized exhibitions will be published in the Trademark Gazette and the TIPO's website.</p>	

<p>4. Allowing non-substantial amendment of trademark representation</p>	
<p>New Act</p> <p>An amendment to a trademark representation which does not affect the identity of the trademark may be allowed when the application is pending.</p>	<p>Old Act</p> <p>Amendment to the representation of the trademark is prohibited.</p>

<p>Consequence</p> <p>The applicant will be allowed to make minor amendments to a trademark representation, including deletion of parts that are non-distinctive or misleading with respect to the nature, quality or place of origin, parts of purely informative nature and the TM or ® sign.</p>
<p>Practitioner’s Note</p> <p>An amendment of a trademark representation will only be allowed if such an amendment does not affect the identity of the trademark and the impression conveyed to consumers remains the same. It should also be noted that a trademark representation cannot be amended after registration.</p>

<p>5. Adding provisions for correction of errors in application and registration particulars</p>	
<p>New Act</p> <p>Errors in a trademark application and the registration particulars may be corrected if the correction does not affect the identity of the trademark or broaden the scope of goods or services.</p>	<p>Old Act</p> <p>No provisions regarding correction of errors exist in the old Act.</p>
<p>Consequence</p> <p>With the provisions regarding correction of errors incorporated in the new Act, the applicant shall have the right to correct</p> <ol style="list-style-type: none"> 1) errors in the name or address of the applicant 2) errors of wording or of copying 3) any other obvious mistakes 	
<p>Practitioner’s Note</p> <p>Obvious mistakes as exemplified by the TIPO include a trademark representation placed upside down. Corrections of the specification of goods, e.g. correcting “cosmetics, namely, skin milk, toning lotion” to “cosmetics, in particular, skin milk, toning lotion”, will be deemed as broadening the scope of goods and thus are not allowable.</p>	

<p>6. Adding provisions on co-ownership</p>	
<p>New Act</p> <p>A trademark may be jointly owned by multiple proprietors.</p>	<p>Old Act</p> <p>The old Act did not address trademark co-ownership though co-ownership was admitted in practice.</p>

<p>Consequence Under the new Act, assignment and abandonment of a jointly owned trademark requires the consent of all co-proprietors except assignment by inheritance or legal enforcement or co-proprietor's abandonment of his own share. Further, restriction or division of designated goods and services, licence, sub-licence, assignment, abandonment or creation of pledge on a jointly owned trademark also requires consent from all joint owners.</p>
<p>Practitioner's Note The joint applicants may elect one of them to represent all the joint applicants in the process of application and related affairs. In the absence of designated a representative, the first-listed joint applicant in the application will be regarded as the representative to be served upon.</p>

<p>7. Amending grounds for unregistrability</p>	
<p>7.1 Accepting coexistent registrations with consent only when the registration is not obviously improper</p>	
<p>New Act Consent given by the proprietor of the said registered trademark or earlier filed trademark to the application is acceptable if it is not obviously improper.</p>	<p>Old Act Consent given by the proprietor of the said registered trademark or earlier filed trademark to the application is generally acceptable, except when both trademarks and designated goods/services are identical.</p>
<p>Consequence Concerning the indisputably indistinctive part in a trademark, since the scope of trademark rights is clear and there is no possibility to preclude others' use of the indistinctive part, there will be no need to enter a disclaimer.</p>	
<p>Practitioner's Note If the Examiner in charge considers that a disclaimer is necessary for a specific case, he/she will issue a Preliminary Objection. The applicant may consider entering a disclaimer only after receiving such a Preliminary Objection.</p>	
<p>7.2 Limiting entry of a disclaimer</p>	
<p>New Act A disclaimer for the indistinctive part of a trademark is requested only when the inclusion of that part in the trademark could give rise to doubts as to the scope of the trademark rights.</p>	<p>Old Act A disclaimer for the indistinctive part of a trademark is requested when deletion of said indistinctive part would result in incompleteness of the trademark.</p>

<p>Consequence Concerning the indisputably indistinctive part in a trademark, since the scope of trademark rights is clear and there is no possibility to preclude others' use of the indistinctive part, there will be no need to enter a disclaimer. Without waiting the applicant to enter a disclaimer, the examination period would be shortened.</p>
<p>Practitioner's Note If the Examiner in charge considers that a disclaimer is necessary for a specific case, he/she will issue a Preliminary Objection. The applicant may consider entering a disclaimer only after receiving such a Preliminary Objection.</p>

8. Allowing reinstatement of rights that are lost for failing to pay registration fees within time limits

<p>New Act Those who unintentionally fail to pay registration fees within prescribed time limits in the Notice of Approval can apply for reinstatement of rights with said fees being doubled.</p>	<p>Old Act If the applicant does not pay the registration fee within prescribed time limits in the Notice of Approval, the approval will become invalid.</p>
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Consequence
Considering that the applicant has invested significant time and funds from the time of filing to being approved for registration and the TIPO has also spent tremendous administrative resources on examining and approving the application, providing reinstatement of rights is applicable for those who fail to make payment not because of natural disasters or reasons attributable to the applicant.

Practitioner's Note
Exceptions in which reinstatement of rights is not allowed if, during such period, an application was filed by a third party who believed that there was no conflicting prior mark or if an application has been approved for registration by the TIPO.

9. Cessation of two-installment payment option for registration fees

<p>New Act Payment of registration fees should be paid in one installment.</p>	<p>Old Act Regarding payment of registration fees, the applicant can choose to pay in one installment or in two installments.</p>
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Consequence
The option of payment of registration fees in two installments is deleted considering that the purpose of eliminating trademarks for goods that have a shorter lifespan on the market has not been accomplished and the risk of the proprietor losing his trademark rights from unintentional delay in making the second payment will be reduced.

Practitioner's Note

Since the motive to purpose of eliminating trademarks for goods that have a shorter lifespan on the market is not accomplished, and the risk of the proprietor losing his trademark rights from unintentional delay in making the second payment, the TIPO only maintain one installment for paying registration fee.

10. Distinguishing exclusive and non-exclusive license**New Act**

When recording license of trademarks, the nature of the license being exclusive or non-exclusive has to be indicated.

Old Act

No need to indicate the license of trademarks being exclusive or non-exclusive when recording the license.

Consequence

An exclusive licensee is entitled, within the scope of the license, to exclude the proprietor and any third party from using the registered trademark. Furthermore, unless otherwise prescribed in a licensing contract, an exclusive licensee is entitled, within the scope of the license, to bring infringement proceedings in his/her own name and to sub-license the registered trademark to another person

Practitioner's Note

Depending on the provisions of the licensing contract, an exclusive licensee may exercise some rights and privileges as the licensor. Nonetheless, the licensor is still the owner of trademarks, and the licensor does not lose his rights other than rights to use trademarks, such as assignment of trademarks and creation of pledges.

11. Requesting to submit evidence of use for an invalidation or revocation action**New Act**

The petitioner of an invalidation or revocation action has to submit evidence showing the actual use of his mark(s) dated within three years before the foregoing action is filed on the ground that a latter applied registered trademark or a self-altered trademark or a trademark supplemented with additional notes has caused likelihood of confusion to relevant consumers.

Old Act

No evidence of use is necessary for filing such invalidation or non-use revocation action.

Consequence

To prevent the proprietors of registered trademarks that have never been used from abusing their rights.

Practitioner's Note

- 1) The foregoing evidence of use is necessary when the petitioner's mark(s) has been registered for over three years.
- 2) The foregoing evidence of use has to prove that the petitioner's mark(s) has been used in the course of trade.
- 3) The TIPO will send a duplicated copy of the foresaid evidence of use to the Opposed Party for any objection.
- 4) This new request does not apply to the invalidation or revocation action that has been filed before July 1, 2012.
- 5) The proprietor of registered trademarks should use his mark(s) in Taiwan as soon as possible after registration.

12. Amending the provisions on trademark infringement to strengthen the protection of trademark**12.1 Definitely stipulating situations of trademark infringement****New Act**

The new Act definitely stipulate that the infringement regulated in the Act refers to the use of another's registered mark without authorization in the course of trade.

Old Act

No relevant stipulation is found.

Consequence

The exclusive right of a registered trademark becomes clearer and more definite.

Practitioner's Note

The simple purchasing of the infringing articles will not be deemed as infringement.

12.2 Stipulating situations of trademark infringement where remedy and damage claims are permitted**New Act**

- 1) The infringer's subjective intent to commit the act, either intentionally or negligently, is not a prerequisite for a proprietor's exercise of trademark rights to preclude or prevent infringement.
- 2) Damages claim can only be made when the infringer, intentionally or negligently, has a subjective intent to commit the act.

Old Act

The infringer's subjective intent is not regulated clearly.

Consequence

Any doubt about application of this Article is prevented.

<p>Practitioner’s Note The right to claim foregoing shall be extinguished if not exercised within two years from the time the person having the right to make claim learns of its right to claim damages and knows the identity of the obligor, or within ten years of the occurrence of the infringement.</p>	
<p>12.3 Allowing the court to make necessary dispositions other than destruction of the goods infringing trademark rights, or raw materials or equipment utilized for infringement.</p>	
<p>New Act After considering the seriousness of the infringement and the interests of third parties, the court is entitled to make necessary dispositions other than destruction.</p>	<p>Old Act 1) No relevant stipulation regarding the court’s discretion is provided. 2) A trademark right holder may request destruction or other necessary disposal.</p>
<p>Consequence The dispositions other than destruction of the goods infringing trademark rights, or raw materials or equipments utilized for infringement now is subject to the court’s discretion.</p>	
<p>Practitioner’s Note The most important point for the court’s consideration of the other dispositions, instead of destruction, is to prevent release of the infringing goods or materials or implements thereof of which the predominant use is for the creation of the infringing goods into the channels of commerce.</p>	
<p>12.4 Removing the lower boundary of the damages</p>	
<p>New Act Only the maximum bound of “1500 times of the unit retail price of the infringing goods” is indicated in the Act.</p>	<p>Old Act Damages may be claimed in an amount equivalent to 500 to 1500 times of the unit retail price of the infringing goods.</p>
<p>Consequence To compel the court to fairly consider the degrees of the infringement when calculating the amount of damages.</p>	
<p>Practitioner’s Note The new Act still provides that a court may, at its discretion, reduce the amount of damages in the case where the amount of damages assessed is apparently unreasonable high.</p>	
<p>12.5 Behave likely to dilute the distinctiveness or reputation of a “well-known trademark” being deemed as trademark infringement</p>	

<p>New Act Behave “likely to” dilute the distinctiveness or reputation of a well-known registered trademark shall be deemed as trademark infringement.</p>	<p>Old Act The proprietor of a well-known registered trademark may claim protection against dilution only by proof of actual dilution of the distinctiveness or reputation of the trademark.</p>
<p>Consequence The proprietor of a well-known registered trademark is able to take precautions against the infringement effectively before the damages occur.</p>	
<p>Practitioner’s Note The TIPO has strengthened the protection of the well-known registered mark. It is not necessary for the trademark owner to bear the burden of proof for the actual infringement.</p>	
<p>12.6 Deleting the provision on using a “registered trademark” of another person as the company name, business name or domain name being deemed as trademark infringement</p>	
<p>New Act Knowingly using the word(s) contained in a “well-known registered trademark” of another person as the company name, business name, group name or domain name or any other representation identifying the body or source of whose business, and hence likely to cause confusion to relevant consumers or likely to dilute the distinctiveness or reputation, shall be deemed as trademark infringement.</p>	<p>Old Act Knowingly using the word(s) contained in a “registered trademark” of another person as the company name, business name or domain name or any other representation identifying the body or source of whose business, and hence causing confusion to relevant consumers of goods or services thereof, shall be deemed as trademark infringement.</p>
<p>Consequence To claim infringement by use of a trademark as the company name, business name, group name or domain name or any other representation identifying the body or source of whose business should be based on the petitioner’s “well-known registered trademark”.</p>	
<p>Practitioner’s Note The foregoing deletion prevents undue protection for registered trademarks and prevents issues on the abuse of rights.</p>	
<p>12.7 Adding the penalty for holding the infringing goods with an intent to sell and knowingly selling, holding and displaying for sale, exporting or importing the infringing goods by digital audio-visual means, electronic media and on the Internet.</p>	

<p>New Act Holding the infringing goods with an intent to sell will be deemed as trademark infringement. Knowingly selling, holding and displaying for sale, exporting or importing the infringing goods by digital audio-visual means, electronic media and on the Internet is also punishable under the Act.</p>	<p>Old Act The penalty is stipulated for knowingly selling, displaying for sale, exporting or importing the infringing goods. The method for selling, holding, displaying for sale, exporting or importing of the infringing goods is not mentioned.</p>
<p>Consequence To prevent the dissemination of the infringing goods in any kind of channel.</p>	
<p>Practitioner’s Note In order to accommodate the developments of e-commerce and the Internet, the foregoing penalty for the infringement acts by digital audio-visual means, electronic media and on the Internet is added.</p>	

<p>13. Providing comprehensive border measures of protection</p>	
<p>13.1 Provides provisions on the ex officio actions of Customs Authorities to detain the goods suspected of trademark infringement</p>	
<p>New Act The new Act clearly provides provisions on the ex officio actions of Customs Authorities to detain the goods suspected of trademark infringement.</p>	<p>Old Act Measures on the suspension of release of goods on the border are enforced under the “Operational Directions for Customs Authorities in Implementing Measures for Protecting the Rights and Interests of Patent, Trademark and Copyright.”</p>
<p>Consequence The new Act assists Customs Authorities to implement their operation so as to achieve the purpose of anti-counterfeiting.</p>	

<p>Practitioner’s Note</p> <ol style="list-style-type: none"> 1) The Customs Authority, in issuing the notice to the proprietor, shall specify a time period for the proprietor of the trademark to come to the Customs to identify and examine the infringement and provide evidence of infringement. 2) In the event that evidence of infringement has been provided by the proprietor of the trademark, but the importer/exporter did not provide evidentiary documents of non-infringement in compliance with the Customs notice, the Customs Authority may suspend the release of the imported/exported goods. 3) In the event that evidence of infringement has been provided by the proprietor of the trademark, and the importer/exporter has also provided evidentiary documents of non-infringement, the Customs Authority shall notify the proprietor that s/he may, within three working days after the notice is given, file a request for detention of the imported/exported goods. In the event that the proprietor did not file within the time period a request for detention of the imported/exported goods, the Customs Authority may release the goods after taking a sample that is representative of the goods.

13.2 Providing the right to take samples of the suspected goods to the proprietor

<p>New Act The proprietor of a trademark may request the Customs Authority, along with a security deposit, to take samples of the suspected goods to be examined for infringement.</p>	<p>Old Act The proprietor has to examine the possibly infringing merchandise at the Customs Authority.</p>
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Consequence
The new Act assists the proprietors of trademarks to take samples of the suspected goods for examination and obtain the information of related goods so as to achieve the purpose of anti-counterfeiting.

<p>Practitioner’s Note</p> <ol style="list-style-type: none"> 1) The amount of the security deposit shall not be less than NTD3000. 2) If the proprietor of the trademark does not return the requested samples within the time period for providing the evidence of infringement indicated by the Customs Authority, or if the samples returned are not the same as the original ones or are defective, the Customs Authority shall hold the security provided by the proprietor and use it to compensate the importer/exporter for damages suffered.

14. Strengthening the protection for well-known places of origin in Taiwan

<p>New Act The new Act provides provisions related to the definition of geographical certification marks and geographical collective trademarks.</p>	<p>Old Act Geographical certification marks and geographical collective trademarks are not protectable objects.</p>
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<p>Consequence</p> <p>The strengthening of the protection for well-known places of origin boosts development of regional industries and maintains the competitive advantages of regions.</p>
<p>Practitioner's Note</p> <ol style="list-style-type: none"> 1) A foreign legal person, group or government agency applying to register a geographical certification mark shall submit documentation proving that the geographical certification mark is protected in its name in its country of origin. 2) A geographical indication in a geographical certification mark or a geographical collective trademark shall not be deemed indistinctive or required to be disclaimed.

<p>15. Augmenting criminal penalties for infringement of a certification mark</p>	
<p>New Act</p> <p>The new Act provides provisions on criminal penalties of direct and contributory infringement of a certification mark.</p>	<p>Old Act</p> <p>Infringing a certification mark does not cause criminal penalties.</p>
<p>Consequence</p> <p>The new Act provides better protection to society and the public from being harmed by others' infringing of the rights of a certification mark.</p>	
<p>Practitioner's Note</p> <ol style="list-style-type: none"> 1) The elements of direct infringement of a certification mark are: <ol style="list-style-type: none"> a. The person uses a mark in the course of trade; b. The person uses the mark without the consent of the proprietor of the registered certification mark; c. The mark is identical with or similar to a registered certification mark; d. The mark is used in relation to goods or services identical with or similar to those for which the registered certification mark is designated; e. There exists a likelihood of confusion on relevant consumers. 2) The elements of contributory infringement of a certification mark are: <ol style="list-style-type: none"> a. The person sells or, due to an intention to sell, manufactures, possesses, displays labels, packaging, containers, or other articles that are affixed with a sign; b. The sign is identical with or similar to another person's registered certification mark; c. The person knows that the aforesaid items would likely infringe rights of the certification mark as described in the foregoing. 	