

## **General Description of the Amendment to the Trademark Act**

Since it was first formulated and announced on May 6, 1930 and implemented on January 1, 1931, the Trademark Act (hereinafter "the Act") has been amended 12 times. Last time was on August 25, 2010.

Under the rapid development of industries and businesses and vigorous and diverse changes in the models of business and trading of recent years, many provisions of the Act are insufficient for practical application. Furthermore, provisions pertaining to trademark infringement also give rise to different interpretations in judicial practice. In view of the fact that products with trademarks are circulated internationally, and that the Singapore Treaty on the Law of Trademarks (STLT) for the harmonization of trademark application procedures was adopted by the Diplomatic Conference in Singapore in March 2006 (which came into effect in March 2009), it is necessary to conform the Act to international trend by adjusting relevant provisions of the Act, so as to afford better protection for trademark rights. Hence, beginning in 2006, Taiwan Intellectual Property Office (TIPO) actively conducted reviews of the relevant provisions of the Act. Six public hearings for the amendment to the Act and six advisory committee meetings with experts and scholars were also held beginning in 2008. After integrating opinions from different sectors, the Amendment to the Act (hereinafter, "the Amendment") was completed, whose main points are outlined below:

1. Modifying chapter and section headings

For a clearer structure of the Act, chapter and section headings are modified in accordance with the amendments to the articles.

2. Objects protectable under the Act

The objects of right protectable under the Act include those of trademark, certification mark, collective membership mark, and collective trademark. (Articles 1 and 2 of the Amendment)

3. Definitions of different types and acts of trademark use

With the legislation of other countries as references, the Amendment provides several kinds of act of trademark use. If a trademark is used in the course of trade and the goods or services may be possessed, displayed, sold, exported, or imported by digital audio-visual means, electronic media, on the Internet, or through other media, such use is also considered trademark use. (Article 5 of the Amendment)

4. Expanding the scope of objects protectable as trademarks

To be in line with international trend, any signs that are distinctive enough to identify the source of goods or services are now protectable as trademarks; the representation of trademark sought to be registered should be represented in a manner that is clear, precise, self-contained, objective, durable, easily accessible and intelligible. (Articles 18 and 19 of the Amendment)

5. Claims of rights of exhibition priority

In accordance with Article 2 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), the provisions of Article 11 of the Paris Convention with regard to rights of exhibition priority are incorporated into the Act. (Article 21 of the Amendment)

6. Non-substantial changes in the representation of trademark

Non-substantial changes may still be made to the representation of trademark after an application for registration thereof has been filed. (Article 23 of the Amendment)

7. Correction of errors in the particulars of a trademark application for registration and the particulars of a trademark registration

An applicant may request to have an error in the particulars of a trademark application for registration or the particulars of a trademark registration corrected under the condition that such correction does not affect the identity of the trademark or broaden the scope of the designated goods or services. (Articles 25 and 38 of the Amendment)

8. Co-ownership of a trademark

In order to respond to the needs of the industries, the Amendment clearly stipulates that a trademark may be owned jointly by two or more parties, and includes new provisions relating to the application for registration, assignment, division, restriction of the designated goods or services, licensing and pledge on a jointly owned trademark. (Articles 7, 28 and 46 of the Amendment)

9. Adjusting grounds for rejection of trademark registration

Grounds for rejection of trademark registration has been set forth in two articles: one for grounds related to lack of trademark distinctiveness, and another for all the other grounds. The Amendment also contains some adjustments on grounds for rejection of trademark registration in compliance with Article 6<sup>ter</sup> of the Paris Convention. (Articles 29 and 30 of the Amendment)

10. Reinstatement of rights for registration fees not paid within time limits

Taking STLT as a reference, the Amendment provides that those who unintentionally failed to pay registration fees within prescribed time limits can apply for reinstatement of rights. However, to maintain the stability of rights and prevent confusion of coexistent trademarks because of reinstatement of rights, the Amendment also provides exceptions in which reinstatement of rights is not allowed. (Article 32 of the Amendment)

11. No more two-installment payment option for registration fee

Although the Act provided that registration fee may be paid in two installments, the intent to eliminate registered trademarks designated on goods that have a short lifespan was not met. Also, the risk of the proprietor's loss of trademark rights due to delay in making the second payment was increased. Therefore, the two-installment payment is no longer an option for registration fee in the Amendment. (Article 26 of the Act is abolished)

12. Expanding scope of fair use

Taking foreign legislation as a reference, the Amendment comprehensively provides that nominative fair use includes use of a trademark registered by another person to indicate the intended purpose of its own goods or services. (Article 36 of the Amendment)

### 13. Definitions of exclusive and non-exclusive license

On the basis of the STLT, the Amendment provides the definition of exclusive license and new provisions relating to sub-license. Also, in order to protect the exclusive licensee's rights and interests, the Amendment includes new provisions on exercise of rights by exclusive licensee. (Articles 39 and 40 of the Amendment)

### 14. Requesting to submit supporting evidence, where an invalidation or revocation action is filed on the basis of a trademark, to show use of such trademark in three years before the filing of the action

If the trademark that relied upon invalidation or revocation action has been registered for three years or more, the applicant of the action shall submit evidence showing use of such trademark for three years before the filing of invalidation or revocation action, or any facts or evidence of proper reasons for non-use. (Articles 57 and 67 of the Amendment)

### 15. Trademark infringement

#### (1) Precise definitions of infringing act

In order to set the scope of exclusivity of trademark rights precisely, the Amendment clearly defines the acts constituting trademark infringement. (Article 68 of the Amendment)

#### (2) Clarifying subjective requirements on the liabilities of trademark infringement

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, whereas damages claim can only be made when the infringer has a subjective intent to commit the act, either intentionally or negligently. (Article 69 of the Amendment)

#### (3) Acts deemed as trademark infringement

- i. To avoid flaws in the protection of well-known registered trademarks, the Amendment provides that an act is deemed trademark infringement

if it could prove likelihood of dilution of the distinctiveness or reputation of a well-known registered trademark.

- ii. Any person who manufactures, possesses, displays, sells, exports or imports labels, tags, packaging or containers that have not been applied in relation to goods or services, or articles that have not been applied in relation to services, knowing that such items would likely infringe trademark rights, is deemed to have committed trademark infringement. (Article 70 of the Amendment)

#### 16. Comprehensive border control measures of Customs Authorities

- (1) Border control measures on *ex officio* actions to detain goods suspected of trademark infringement and provide information thereof

The Amendment provides provisions on *ex officio* actions of Customs Authorities to detain goods suspected of trademark infringement. Moreover, the Amendment provides that without prejudice to the protection of the confidentiality of the detained goods, Customs Authorities may allow the inspection of the detained goods requested by the applicant thereof or the party whose goods are detained to be examined for infringement. The information of the suspected infringing goods may also be provided to the proprietor of a registered trademark. (Articles 75 and Article 76 of the Amendment)

- (2) The proprietor's request for Customs Authorities to take samples for examination of infringement

As some counterfeits are difficult to identify whether they are infringing goods or are not in practice, the Amendment provides that the proprietor of a registered trademark may request Customs Authorities, along with a security, to take samples of the suspected goods to be examined for infringement. (Article 77 of the Amendment)

#### 17. Certification marks and collective trademarks

- (1) Definition of certification mark and geographical certification mark

The definition of certification mark is revised and the definition of geographical certification mark is added. Relevant provisions regarding the filing thereof are also included. (Articles 80 to 84 of the Amendment)

(2) Definition of geographical collective trademark and relevant provisions

The Amendment defines geographical collective trademark, includes clear provisions relating to the filing thereof, and stipulates that the provisions applicable to geographical certification mark apply *mutatis mutandis* to geographical collective trademarks. (Articles 88, 89 and 91 of the Amendment)

18. Penalty for infringement of certification mark

In view of the fact that certification marks have more to do with public interest than trademarks, and that infringing the rights of a certification mark causes more damage to society and the public than infringing the rights of a trademark, the Amendment adds penalties for infringement of certification mark. (Article 96 of the Amendment)

19. Penalty for sale or intent of sale of goods that are known to be infringing by means of an electronic medium or on the Internet

In response to economic development toward the direction of e-commerce and the flourishing advancement of the Internet, the Amendment clearly specifies that sale or intent of sale of infringing goods by means of an electronic medium or on the Internet also constitutes trademark infringement. (Article 97 of the Amendment)

20. Transitional provisions

Under the Amendment, an invalidation or revocation action filed on the basis of a trademark must come with evidence of use of such trademark and the evidence must comply with the requirements for genuine use. These provisions are applicable only to invalidation or revocation cases filed after the Amendment is implemented, and not to those filed and accepted before that. (Articles 106 and 107 of the Amendment)