

# **An Overview of Intellectual Property Court in Taiwan\***

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## **1. A Brief Introduction of Intellectual Property Litigation in Taiwan**

Taiwan has a distinct three-pronged legal system comprised of civil, criminal and administrative litigation. Ordinary courts handling civil and criminal litigation are categorized into the following three-tier court system: District Courts, High Courts and the Supreme Court.<sup>1</sup> Administrative courts dealing with administrative litigation categorize a two-tier court system which consists of the Administrative High Courts and the Administrative Supreme Court.<sup>2</sup> Judges of administrative courts come from the same selection system as ordinary courts. Intellectual property cases, especially patent and trademark cases, are tried in the ordinary civil, criminal or administrative courts according to the nature of each case. Prior to the establishment of a special

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<sup>1</sup> There are 22 District Courts, including a Juvenile Court, and 6 High Courts in Taiwan, see Directory of the Judicial Branch, Judicial Yuan of the Republic of China (Taiwan), available at: <http://www.judicial.gov.tw/en/> (last visited on August 28, 2008).

<sup>2</sup> There are 3 High Administrative Courts in Taipei, Taichung and Kaoshiung, see *Id.*

intellectual property court, parallel trials in different courts were inevitable. Multiply that by the technology issues always involved in patent litigations and a patentee will face many difficulties when attempting to enforce his or her rights efficiently.

In Taiwan, patent and trademark validity can be challenged only by initiating an invalidation action filed at the Intellectual Property Office and then by subsequently appealing to the two-tier administrative courts. This system has been in effect since July 1, 2000.<sup>3</sup> The civil courts handling infringement cases do not review the issue of validity and generally stay proceedings until the issue of validity is decided. In other words, a Taiwanese ordinary court confronted with the question of patent or trademark infringement will assume the intellectual property right is valid and has no power to investigate validity itself. Validity can, however, be changed only by a cancellation or called an invalidation action before the Taiwan Intellectual Property Office (TIPO). If such a cancellation action is pending, the court hearing the infringement action has the power to stay the infringement

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<sup>3</sup> Since 1920'st, Taiwan's administration litigation was tried at the only Administrative Court level. This one-tier litigation system was long criticized for its lack of protection of human rights. Administrative Proceeding Law revised thereof, and the current two-tier litigation system was effectuated on July 1, 2000.

proceedings until such time as the cancellation proceeding is completed.<sup>4</sup> In addition, a patent application must go through primary examination,<sup>5</sup> re-examination,<sup>6</sup> and administrative appeal before the superior administrative agency, i.e., the Appeals Board of Ministry of Economics<sup>7</sup> before reaching the Administrative High Court. It then goes before the Administrative Supreme Court. All of these appeals before filing with the Administrative Court are conducted *ex parte* with no oral hearing. On the other hand, the defendant in the Administrative Courts is the TIPO.<sup>8</sup> An interested party may intervene in the action according to the provisions of Administrative Proceeding Law, but the parties are still applicants and TIPO.<sup>9</sup> The Administrative High Court conducts oral hearings and allows the use of expert testimony, but the Supreme Administrative Court proceeds only on written review.

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<sup>4</sup> Article 12 of Administrative Proceeding Law, Article 90 of Patent Act, Article 49 of Trademark Act, Article 42 of the Plant Variety and Plant Seed Act.

<sup>5</sup> Article 35 of Patent Act provides that the Patent Authority shall designate patent examiner(s) to conduct substantive examination on an invention patent application.

<sup>6</sup> Article 46 of Patent Act provides that in case of dissatisfaction with a rejection decision rendered for an invention patent application, the applicant may, within sixty days from the date of the rejection decision is served, apply for re-examination by submitting a Statement of Reasons.

<sup>7</sup> Article 2 of Administrative Appeal Court.

<sup>8</sup> In Taiwan, the defendants of all administrative litigation are government agencies, see Article 24 of Administrative Proceeding Law.

<sup>9</sup> Under the rule of administrative law, the purpose of administrative litigation is to correct a government agency's erroneous disposition which influences people's rights. Benefiting the third party is a reflective interest, so the third party may intervene in the action for one party's interest.

Administrative Courts only review the facts and evidence submitted to the TIPO. Based on the separation of powers under the civil law concept, judicial power can only review whether the executive's disposition is legal or not in accordance with the facts and evidences when the executive made the dispositions. The main task of judicial review here is to correct wrongdoing of the executive, not to take over the executive's job. Therefore, if the decision made by the TIPO was erroneous, the Administrative Courts can only revoke the decision instead of making a new disposition. Theoretically, the applicant or the interested party shall ask the TIPO to make a new decision followed by the courts' opinion. However, the applicant or the interested party may also introduce new facts or evidence before the TIPO makes a new decision. Therefore, a repetitive procedure runs again and again. The potential infringer or unscrupulous applicant often takes advantage of this inextricable litigation system.

Before the Patent Act of 2003 abolished criminal liability for patent infringement, patent infringement was both a tort and a crime. In the past, criminal proceedings could be instituted by a complaint to either the Public Prosecutor or directly to the District Court, the former normally being preferred in order to take advantage of investigations carried out by the public prosecutor

which could include the execution of a search warrant by the police. All trademark, and some copyright infringements, were public crimes that, technically, did not require a complaint to be filed and the police or prosecutor's office may initiate the legal action on their own authority. However, as a practical matter, the Taiwan police and prosecutor's office often demanded a criminal complaint before initiating an investigation. Filing a criminal complaint first could be extraordinarily useful. The three basic benefits are as follows: 1) early access to the full police, prosecutor and court files; 2) greater involvement in the criminal hearings, which could help with regard to getting more severe penalties, and with laying the foundation for a later civil liability action; and 3) avoidance of the basic one-percent-of-claim fees charged for actions that were purely civil actions.<sup>10</sup> However, this intimidating way of proceeding harmed the development of intellectual property civil litigation. Compared to the volume of intellectual property rights infringements in Taiwan, there were few intellectual property cases. Taking patents as an example, in 2004, there were 72,082 applications, among which the TIPO approved 27,717 patent rights and issued 66,490 certificates,<sup>11 12</sup> but

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<sup>10</sup> A civil act with supplements to a criminal action is charge of free. See Article 504 of the Criminal Procedure Law.

<sup>11</sup> In Taiwan, since July 1, 2004, the utility model was adopted formal examination system. If a utility model applicant paid the issue fee and the first year annuity within three months after the applicant

only 453 involved intellectual property civil cases in nationwide district courts, 600 cases in the High Administrative Court, and 2,539 criminal cases in nationwide district courts.<sup>13</sup> Using criminal procedure to oppress civil negotiation dominated the intellectual property litigation system, severely influencing the participation of the judiciary in the enforcement of intellectual property rights. Most cases would be forcedly negotiated before the court defined the scope of the right or decided the validity of the right, because of the fear of criminal penalty. This situation has changed since patent infringement was decriminalized in early 2003. Henceforth, a civil action filed by the patentee or exclusive licensee has become the only recourse against infringement.

However, civil actions move much slower. Trial proceedings in Taiwan both in ordinary and administrative courts are in fact a series of hearings before the judge with the judge himself being involved in elucidating the facts of the case. Evidences and arguments are presented by way of written submission or

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had received the written decision for the granting of a patent as requested (only a formal, yet substantive examination), the patent shall be published and the TIPO shall issue a certificate to the applicant. See Article 101 of the Patent Act.

<sup>12</sup> Annual Statistic of the TIPO, available at:

[http://www.tipo.gov.tw/eng/statistics/Annual\\_Report\\_2005.pdf](http://www.tipo.gov.tw/eng/statistics/Annual_Report_2005.pdf) .

<sup>13</sup> See Judicial Yuan, Statement of establishing the proposed Intellectual Property Court, released by the Judicial Yuan on December 9, 2005.

oral statements. In Taiwan, the use of court appointed experts is very common in patent infringement cases and the expert's opinion is normally given in writing. If there are criminal proceedings on the same issue, the evidences can also include the results of police raids on the defendant's premises. In addition, the courts lack the technical and scientific expertise necessary to judge infringement cases and the heavy docket pressure on judges ultimately results in the civil courts having reliance upon a patent infringement verification report from an outside institute over which the courts have no control, while administrative courts are inclined to accept the TIPO's opinions.<sup>14</sup> Even in copyright cases, the court may ask the so-called "experts" to decide whether the claimed work originally deserved to be protected by copyright law, and therefore whether it has been infringed upon.<sup>15</sup> Also accompanying an enforcement action in Taiwan, as aforementioned, is the high possibility of a corresponding cancellation action filed with the TIPO by the accused infringer. It is typical for a district court or a public prosecutor to stay enforcement actions pending resolution of the one or more cancellation actions lodged by an

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<sup>14</sup> Article 43 of Patent Act provides that upon completion of the examination of a patent application, a written decision shall be rendered and issued to the applicant or his/her patent attorney. When a patent application is found to be not patentable, the reasons therefore shall be given in the written decision of examination.

<sup>15</sup> See a civil case of Taiwan High Court, 90 Shan Zi No. 1252, decided on May 25, 2004.

accused infringer in the IPO. The delay in pursuing the enforcement action can last more than two years while the validity issues wind their way through the TIPO and the subsequent appeal process to a final decision. Much worse for a patent case, all these factors drag the trial out and a patent infringement case may take as long as four or five years to resolve.<sup>16</sup>

## **2. The Establishment of Taiwan's Intellectual Property Court**

### **a. Background**

An inextricable litigation system plus enforcement authorities' lack of experience and expertise have triggered the need for the reformation of the intellectual property litigation system in Taiwan. Based on the facts described above, the judicial system in Taiwan has long been criticized for being ill-equipped to handle special cases that involve complex technical issues.

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<sup>16</sup> Take a civil case of the Supreme Court as an example, 93 Tai Shan Zi No. 1073, decided on May 28, 2004, this case was filed in 2000 and the patent right was revoked by High Administrative Court in 2002. Taiwan High Court first trialed the case was dismissed because the patent right was revoked in 2002. However, the Supreme Court ruled that the Taiwan High Court had to stay because the invalidation case of Taipei High Administrative Court was appealed to yet decided by the Supreme Administrative Court. Therefore, the Supreme Court remanded it to Taiwan High Court. Finally, Taiwan High Court overruled the case on the basis of the invalidation case of the Supreme Administrative Court, but the appellant decided to appeal to the Supreme Court. At the end, the Supreme Court affirmed the decision of Taiwan High Court in 2005 and made this case lasted for five years.



Judges and prosecutors selected from identical legal educations and selection systems lack the training and guidance in both substantive intellectual property legal issues and in handling complex technical issues effectively. Heavy docket pressure also gives them extremely limited time to immerse themselves in a new field.

In order to enter the WTO, Taiwan has consecutively revised related intellectual property law focuses on patents, trademarks and copyrights.<sup>17</sup> The substance of the related intellectual property law might comply with international standards, but the litigation system seems too outdated. As the highest judicial institution in Taiwan, the Judicial Yuan<sup>18</sup> has not designated special intellectual property divisions in the district courts and the Taipei High Administrative Court until its inception in 1992.<sup>19</sup> Except for designating

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<sup>17</sup> The most recent revised Patent Law was effected in 2004, Trademark Law in 2003 and Copyright Law in 2004, 2006 and 2007.

<sup>18</sup> According to the Constitution, the Organic Act of the Judicial Yuan, the Constitutional Interpretation Procedure Act, the Organic Act of the Court, the Organic Act of the Administrative Court, and the Organic Act of the Commission on the Disciplinary Sanction of Functionaries, the Judicial Yuan exercises the power to interpret the Constitution, to adjudicate civil, criminal and administrative cases by its various subordinate courts, to discipline the public functionaries, and to exercise judicial administration. The Judicial Yuan is composed of 15 Justices, nominated by the President of the Nation and confirmed by the Legislative Yuan (the legislative branch of the nation). For more details, see the official website of the Judicial Yuan, available at: <http://www.judicial.gov.tw/en/>.

<sup>19</sup> To exercise its power over judicial administration, the Judicial Yuan may submit suggestions to the various courts in the interest of promoting uniformity of management procedures and the expeditious conduct of court business, and establish regulations regarding the internal discipline of the courts, the administration of judicial affairs and trial procedures. Therefore, the Judicial Yuan

special divisions, the Judicial Yuan also regulated an Expert Consulting Essential Points in May of 2000, providing that the court may ask an expert to deliver professional opinions on specific professional items. Additionally, the drafting of the Expert Participating Trial Ordinance, still pending in the Judicial Yuan, is an attempt to let the non-professional judge sit on the bench on a case by case basis. Furthermore, since January 1, 2002, the Judicial Yuan has begun to issue specialized certificates to judges who are qualified in accordance with the provisions of the Regulations of Annual Judicial Affair Allotment of Various Courts Handling Civil, Criminal and Specialized Cases as of that date.<sup>20</sup> According to the Regulations, a judge with a specialized certificate may have priority to choose a particular specialized division when the court allots judicial affairs. However, these efforts are far from enough. Assignment to the intellectual property division does not relieve a judge's workload of matters unrelated to intellectual property, nor is there any guarantee that a judge assigned to the special intellectual property division has been trained in

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sends notices to various courts, requiring them to establish specialized intellectual property divisions based on the court's own needs.

<sup>20</sup> A judge who has obtained a Master's degree or above in a specialized field, has papers in a specialized field published by a law journal, or makes a certain number of decisions in a specialized field may apply to the Judicial Yuan for issuing the certificate. A committee composed of the Supreme Court Justices, law professors and experts will review the application and make a decision. As of this writing, there are 15 judges awarded the certificate in intellectual property field.

intellectual property law. The owners of intellectual property rights become both enforcer and educator under such circumstances.

Furthermore, the U.S. Trade Representative (USTR) has played an important role in pushing Taiwan's intellectual property protection.<sup>21</sup> As noted by the USTR, since 2000<sup>22</sup> Taiwan has rebuffed repeated efforts by the U.S. government to improve access to the judicial system in infringement cases. The USTR commented that Taiwan's toleration of lax procedures in the enforcement of intellectual property rights conflicts with Taiwan's emerging role as a major originator of IP assets.<sup>23</sup> Taiwan, therefore, always remains on the Special 301 Priority Watch List or Watch List.<sup>24</sup> In addition, the American Chamber of Commerce (ACC) in Taipei has published the White Paper

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<sup>21</sup> Mostly at the end of April, the US Trade Representative (USTR) publishes its annual Special 301 report according to Article 182 of the Trade Act of 1974, which picks out trading partners of the U.S. which it determines do not protect the intellectual property rights of U.S. business adequately enough. See Background of Special 301, available at: [http://www.ustr.gov/assets/Document\\_Library/Reports\\_Publications/2007/2007\\_Special\\_301\\_Review/asset\\_upload\\_file230\\_11122.pdf](http://www.ustr.gov/assets/Document_Library/Reports_Publications/2007/2007_Special_301_Review/asset_upload_file230_11122.pdf) (last visited on February 5, 2008). As much as some countries might resent the schoolmaster approach of this provision of U.S. trade legislation, it is not something they can ignore. The U.S. can, and does, threaten the withdrawal of trade privileges from those jurisdictions because of lack of intellectual property enforcement.

<sup>22</sup> U.S. Trade Representative 2000 Special 301 Report (April 2000).

<sup>23</sup> Taiwan has been on the Watch List from 2004 until 2007.

<sup>24</sup> There are three categories used by the USTR in its annual 301 report: Watch List, Priority Watch List and Priority Foreign Country. A Priority Foreign Country designation is reserved for countries having the most onerous and egregious laws and policies that adversely impact U.S. products and which have failed to engage in good-faith negotiations or otherwise make significant progress in resolving the issues.

annually since 1996,<sup>25</sup> assessing Taiwan's current political and economic situation, and includes Position Papers discussing priority issues. Moreover, the European Chamber of Commerce (ECC) in Taipei also publishes Position Papers, addressing concerns with regard to the business environment in Taiwan and providing practical recommendations to the Taiwan government for resolving specific issues.<sup>26</sup> For the past few years, both the ACC and ECC have suggested that Taiwan's judiciary should take the necessary measures to enforce intellectual property protection, provide an efficient and well-trained judicial system and urge Taiwan's judiciary to create a specialized court for intellectual property cases. Accompanied by the Executive Yuan, the executive branch of Taiwan's government, they visited the Judicial Yuan, hoping the Judicial Yuan could effectively help them to enforce intellectual property rights.

However, awareness of the value of intellectual property to a country's economic bottom line is more effective in altering attitudes towards intellectual property protection than suggestions from foreign chambers or the negotiations

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<sup>25</sup> See White Paper, American Chamber of Commerce in Taipei, available at:

[http://www.emcham.com.tw/publication\\_wp.php](http://www.emcham.com.tw/publication_wp.php) .

<sup>26</sup> See Position Papers, European Chamber of Commerce in Taipei, available at:

[http://www.ecct.com.tw/position\\_paper.php](http://www.ecct.com.tw/position_paper.php) (last visited on February 2, 2008).

and pressures placed on countries that find themselves on the 301 Watch List or suggestions from foreign chambers. In 2003 former general counsel of Hon Hai Precision Industry Co. Ltd.,<sup>27</sup> Yen-Pong Jou, advanced a battle cry that Taiwan's patent rights were useless, because the judicial system was too antiquated to enforce intellectual property rights.<sup>28</sup> This sensational argument touched professionals in this field and, more importantly, woke the Judicial Yuan, which decided to pay much more attention to intellectual property cases.

## **b. Courses**

The Judicial Yuan, with the power of rule making for judicial administration,<sup>29</sup> has played an active part in organizing the Intellectual Property Court since February 2004.<sup>30</sup> Not surprisingly, the first challenge was to face the dissenting opinions from the inside because most judges think intellectual property cases are too few compared to other types of cases, and as every type of case is very special, why would only intellectual property cases need a specialized court. Nevertheless, the Judicial Yuan faced pressure from

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<sup>27</sup> Taiwan's most profited company, rank 2 of The Info Tech 100 by Business Week in 2005.

<sup>28</sup> See Yen Pong Jou, The Comprehensiveness of Protection on Intellectual Capital Investment, No. 1, Vol. 1, Intellectual Property Review, Graduate Institute of Intellectual Property National Chen Chi University, October, 2003.

<sup>29</sup> See supra note 18.

<sup>30</sup> See supra note 13.

the executive branch, international societies, and most importantly, from the cries of domestic companies. As a result, the Judicial Yuan decided to set up a specialized intellectual property court. After the preparatory work, the Judicial Yuan convened a Heads Meeting in June, 2004, proposing this issue to all the Chief Judges of various courts. Not every Chief Judge agreed with this plan.<sup>31</sup> However, the Judicial Yuan, headed by one of its 15 Justices, nominated by the President of the nation and confirmed by the Legislative Yuan, the legislative branch of the nation, does not need approval to pilot a plan. Meanwhile, the Judicial Yuan irregularly invited industry, government, academic, experts and scholars to offer their professional opinions for drafting a specialized court for intellectual property cases.<sup>32</sup> Subsequently, the Judicial Yuan organized a Planning Committee of the Intellectual Property Court, consisting of the General Secretary, Vice General Secretary, the Chiefs of Departments of Civil Litigation, Criminal Litigation and Administrative Litigation of the Judicial Yuan to draft laws for the Intellectual Property Court. Although the Committee occasionally invited professionals or government agencies to attend the meetings, most of the ideas and designs came from the Judicial Yuan alone.<sup>33</sup>

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<sup>31</sup> Chief Judges of Various Courts Judicial Affairs Meeting, June 2004.

<sup>32</sup> See Judicial Weekly, Vol. 1201, September 9, 2004.

<sup>33</sup> The Judicial Yuan also set up a Consulting Board of the Intellectual Property Court consisting of professionals and government agencies. However, they only had three meetings before the Judicial

From October 14, 2004 to November 17, 2005, the Committee held a total 17 meetings.<sup>34</sup> Following this series of meetings, the Committee drafted two basic laws for establishing the Intellectual Property Court, the Intellectual Court Organization Act and the Intellectual Property Court Adjudication Act. On December 9, 2005, the Judicial Yuan bulletined the two drafted acts for public opinions, and declared in its annual press conference that establishing an Intellectual Property Court was its annual plan for 2006.<sup>35</sup> On February 17, 2006, the Committee of the Judicial Yuan, consisting of 15 Justices, passed the two drafted acts, and then on March 2, the Judicial Yuan present the two acts to the Executive Yuan, asking for government opinions. Though the Executive Yuan disagreed with some of the provisions,<sup>36</sup> they had a general consensus that building a new intellectual property litigation system was an urgent task. On April 19, the Executive Yuan passed the proposed versions of the Judicial Yuan's drafted acts, so the Judicial Yuan submitted the two drafted acts to the Legislative Yuan on May, 22, and the Reviewing Committee of the Legislative Yuan listed the two drafted acts as priority acts to review.

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Yuan proposed the related laws. See Meeting Records of the Judicial Yuan on January 20, 2005, February 18, 2006, November 4, 2006.

<sup>34</sup> See Meeting Records of the Judicial Yuan.

<sup>35</sup> See Judicial Weekly, Vol. 1269, January 5, 2006.

<sup>36</sup> See Suggestions to the Judicial Yuan's Intellectual Property Court, TIPO.

Before the enforcement of the Intellectual Property Court Organization Act and the Intellectual Property Cases Adjudication Act, the Judicial Yuan had started the program of “The Plan on the Training Courses for the Judges of the Intellectual Property Court” from March 6 to July 7 in 2006 for training and electing in-service judges to the Intellectual Property Court.<sup>37</sup> The courses included common courses, professional legal courses and practical courses. The professional legal courses were further divided into basic courses of civil procedure, criminal procedure, administrative proceedings and professional legal courses pertaining to intellectual property law. The Intellectual Property Office of the Ministry of Economic Affairs abundantly supported the plan by not only providing lectures, but also assisting with designing practical training courses.

Though the Judicial Yuan had the rule-making power, the drafted acts still needed to be passed by the Legislative Yuan. Most legislators approved the idea to have a specialized intellectual property court, but they had no idea how to design it. On January 9, 2007, the Intellectual Property Court Adjudication Act was passed without any revisions of Judicial Yuan’s version. On March 5, the Intellectual Property Court Organization Act was also passed without any

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<sup>37</sup> See Judicial Weekly, Vol. 1376, February 14, 2008.



revisions. These two Acts were enacted on March 28<sup>th</sup>, 2007, and the Judicial Yuan subsequently set up the Preparatory Panel of the Intellectual Property Court to prepare various affairs related to the new court. On January 9, 2008, the Judicial Yuan assigned a Chief Judge, former Chief Judge of Kaohsiung High Administrative Court, and eight judges, five from district courts and 3 from Taipei High Administrative Court,<sup>38</sup> to this new court and required these judges to have practical training in the Taipei High Court, Taipei High Administrative Court and TIPO respectively for four months from March 1 to June 30.<sup>39</sup> Subsequently, after passing various administrative regulations related to the operation of the Intellectual Property Court, it was inaugurated on July 1, 2008, in Banchiao City, Taipei County.<sup>40</sup>

### **3. The Characteristics of Taiwan's Intellectual Property Court**

#### **a. National High Court with Two Instances**

Before the establishment of the Intellectual Property Court, all district courts in Taiwan have to show competence in dealing with intellectual property

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<sup>38</sup> The list of Chief Judge and judges of the Intellectual Property Court, see the website of the Intellectual Property Court, available at:  
[http://210.69.124.203/ipr\\_english/index.php?option=com\\_content&task=view&id=17&Itemid=49](http://210.69.124.203/ipr_english/index.php?option=com_content&task=view&id=17&Itemid=49)  
(last visited on August 27, 2008)

<sup>39</sup> See Judicial Weekly, Vol. 1379, March 6, 2008.

<sup>40</sup> See Judicial Weekly, Vol. 1396, July 3, 2008.

matters. Jurisdiction of a district court over a case is determined by the location of the infringing act or the residence of the defendant.<sup>41</sup> However, only the Taipei High Administrative Court has jurisdiction over invalidation cases of intellectual property rights, because the TIPO, the defendant in invalidation case, sits in the region where the court's jurisdiction is. By introducing an Intellectual Property Court system, the Intellectual Property court has national jurisdiction on the subject matter. It is at a high-court level.<sup>42</sup> However, it handles both first and second instances of intellectual property cases.

Jurisdiction of the Intellectual Property Court includes the following:<sup>43</sup>

1) First and second instances of a civil action for the protection of intellectual property rights and interests arising under the Patent Act, Trademark Act, Copyright Act, Optical Disk Act, Regulations Governing the Protection of Integrated Circuits Configuration, Species of Plants and Seedling Act, and Fair Trade Act; 2) Offenses under Articles 253 through 255, and Articles 317 and 318 of the Criminal Code; violations of the Trademark Act or Copyright Act, or Paragraph 1, Article 35 of the Fair Trade Act concerning offences under Paragraph 1, Article 20, or Article 36 of the Fair Trade Act concerning offenses

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<sup>41</sup> Paragraph 1 of Article 1 and Paragraph 1 of Article 15 of Taiwan Civil Procedure Law.

<sup>42</sup> Article 5 of Intellectual Property Organization Court.

<sup>43</sup> Article 3 of Intellectual Property Organization Court.

under Subparagraph 5, Article 19; and appeals of the first instance decision of a criminal action rendered by a district court in an ordinary, summary, or settlement proceeding. Criminal actions involving juveniles shall be excluded; 3) First instance of an administrative action and compulsory enforcement action concerning intellectual property rights arising under the Patent Act, Trademark Act, Copyright Act, Optical Disk Act, Regulations Governing the Protection of Integrated Circuits Configuration, Species of Plants and Seedling Act, or Fair Trade Act; 4) Other cases prescribed by law or determined by the Judicial Yuan to be within the jurisdiction of the Intellectual Property Court.

First instance civil actions and summary administrative actions shall be tried by a single judge. Second instance appeals in civil and criminal actions, and ordinary administrative proceedings shall be tried by a panel of three judges.<sup>44</sup> A national high court and two instances within one court are very innovative designs in Taiwan's judicial history.

## **b. Technical Examination Officers**

As their counterparts in East Asian countries, Taiwan's judges lack scientific and technological backgrounds, so the installation of technical

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<sup>44</sup> Article 6 of Intellectual Property Organization Court Act.

examination officers is very symbolically important in order to enhance the people's confidence in the reliability of this specialized court. Technical examination officers are responsible for assisting judges in clarifying technical issues. Their duties are: 1) ask or explain to the parties factual and legal questions based on their professional knowledge in order to clarify the disputes in the action; 2) ask questions directly to witnesses or the verification of expert testimony; 3) state opinions on the case to the judge; and 4) assist in evidence-taking in the event of the necessity of preservation of evidence.<sup>45</sup>

Pursuant to the judge's instructions, technical examination officers shall collect technical information as well as provide evaluation, advice and analysis on technologies. In accordance with the applicable laws, a technical examination officer may participate in trial proceedings.<sup>46</sup> When required, officers can be recruited from TIPO examiners or other IP experts. A Technical Examination Officer of the Intellectual Property Court shall satisfy one of the criteria set forth below, to qualify for the position:<sup>47</sup> 1) has served as a Patent Examiner or Trademark Examiner for over three years total with a good track record; or has graduated with a Master's Degree or above from a graduate school of a public

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<sup>45</sup> Article 4 of Intellectual Property Case Adjudication Act.

<sup>46</sup> Article 15 of Intellectual Property Organization Court Act.

<sup>47</sup> Article 16 of the Intellectual Property Organization Act.

or private university, an independent college, a foreign college or an independent institute recognized by the Ministry of Education, and served as a Patent Examiner, or Trademark Examiner or Assistant Examiner for over six years total with a good track record; or has graduated with a diploma in a relevant field from a public or private college or a foreign college recognized by the Ministry of Education, and served as a Patent Examiner, or Trademark Examiner or Assistant Examiner for over eight years in total with a good track record; or 2) is or was a lecturer in a relevant program of a public or private university or independent college for over six years in total, or an assistant professor, associate professor, or professor for over three years total, or a research fellow at a public or a private professional research institute for over six years, and has specialized publications on intellectual properties with proof.

Meanwhile, the Judicial Yuan is prescribing the rules governing transfer of professionals with expertise in intellectual properties or specific technologies to serve as technical examination officers.<sup>48</sup> At the beginning, the Intellectual Property Court staffs nine technical examination officers who are senior examiners of the TIPO.<sup>49</sup>

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<sup>48</sup> Article 15 of Intellectual Property Organization Act.

<sup>49</sup> The list of the current technical examination officers, see the website of the Intellectual Property Court, available at:

[http://210.69.124.203/ipr\\_internet/index.php?option=com\\_content&task=category&sectionid=5&id](http://210.69.124.203/ipr_internet/index.php?option=com_content&task=category&sectionid=5&id)

### **c. Three-In-One Court**

According to Article 2 of the Intellectual Property Organization Act, the Court shall govern matters in relation to civil, criminal and administrative actions over intellectual property. Though the principal aim of setting up a new court is to avoid a lax dual court system, Taiwan's Intellectual Property Court will still hear three-pronged actions and each has different jurisdiction as follows: 1) Civil actions referring to intellectual property cases governed by the Patent Act, Trademark Act, Copyright Act, Optical Media Management Act, Integrated Circuit Layout Protection Act, Plant Variety and Plant Seed Act, and Fair Trade Act;<sup>50</sup> 2) Criminal actions referring to actions involving trademark-related offenses, trade-name obstruction, or false trademarks under the Criminal Code; as well as actions involving violations of the Trademark Act, Copyright Act, and Fair Trade Act, with the exception of cases involving minors;<sup>51</sup> 3) Administrative actions referring to cases related to applications for the registration, invalidation, or revocation of intellectual property rights governed by the Patent Act, Trademark Act, Copyright Act, Optical Media

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[=19&Itemid=318](#) (last visited on August 27, 2008).

<sup>50</sup> Article 7 of Intellectual Property Case Adjudication Act.

<sup>51</sup> Article 25 of Intellectual Property Case Adjudication Act.

Management Act, Integrated Circuit Layout Protection Act, Plant Variety and Plant Seed Act, and Fair Trade Act, as well as unfair competition thereto, public domain administrative actions arising from them and enforcement-related matters.<sup>52</sup> Therefore, Intellectual Property Case Adjudication Act consists of 39 articles and 5 chapters, among which Chapter 3 to 5 are to regulate civil, criminal and administrative actions respectively.

#### **d. The Validity Judgment in Infringement Cases**

In general, intellectual property infringement cases being filed too late to serve justice due to parallel litigations and stay of infringement cases waiting for invalidation cases will be rejected. Since the Intellectual Property Court is still a three-in-one court, there must be a specific design to prevent delay. According to Paragraph 1, Article 16 of the Intellectual Property Case Adjudication Act, when a party claims or defends that an intellectual property right shall be cancelled or revoked, the Court shall make its decision based on the merit of the case, and the Code of Civil Procedure, Code of Administrative Litigation Procedure, Trademark Act, Patent Act, Species of Plants and

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<sup>52</sup> Article 25 of Intellectual Property Case Adjudication Act.

Seedling Act, or other applicable laws concerning the stay of an action shall not apply. That is, during intellectual property civil or criminal proceedings, the court in that proceeding shall rule independently on validity issues, without postponing the action for the related administrative decision on the validation of the action. However, because the Court shall deal with the issue of validity in civil or criminal actions, it does not mean that the court in civil or criminal proceeding has jurisdiction over a validity issue in the underlying matter. According to Paragraph 2, *supra* article 16, under such circumstances, the holder of the intellectual property right shall not claim any right during the civil action against the opposing party where the court has recognized the grounds for cancellation or revocation of the intellectual property right. In other words, the infringement case will not determine whether the intellectual property right is valid or not, and it will only determine if the right holder can or cannot claim his or her right. The final procedure to invalidate a right is still to file an administrative action.

#### **4. The Outlook of Intellectual Property Court in Taiwan**

Taiwan's Intellectual Property Court was inaugurated on July 1, 2008. Under its present design, the Court will have integrated jurisdiction over first



instance civil/administrative cases and second instance civil/criminal cases in connection with all intellectual property disputes. However, according to the two basic Acts of the Intellectual Property Court, this Court does not have exclusive jurisdiction over those cases, and the Intellectual Property Case Adjudication Act is not only applicable to this Court. It includes ordinary courts which are dealing with intellectual property cases as well. Will this convenient design influence the function of the Intellectual Property Court? Furthermore, how can they clearly define jurisdiction over the protection of intellectual property rights and interests arising under intellectual property laws, including the Fair Trade Act? To answer these questions, the Court needs to accumulate of court decisions to develop a sufficient body of case law. Moreover, the number of judges of the Intellectual Property Court is currently less than 10, and as aforementioned, there are two instances in civil actions within this Court, so the interest of instances seems very slim.

This special court design aims to improve the quality and consistency of court decisions regarding intellectual property rights, as well as to streamline the enforcement thereof, in particular shortening the timeline of patent rights enforcement. However, a three-tier administrative procedure, administrative appeals in the executive agencies and two-tier administrative litigation in

administrative courts, on validity issues of intellectual property rights before this Court has long been criticized as very lengthy and costly. The TIPO has proposed to reorganize the division in charge of patent examination and patent- and trademark-related dispute resolutions into panels of senior examiners with oral proceedings. Another suggestion is to either repeal the patent re-examination procedure at the TIPO or eliminate the administrative appeal procedure before the Appeals Board of the Ministry of Economic Affairs.<sup>53</sup> Each proposal is meant to simplify the administrative remedial system. There is no doubt that Taiwan's Intellectual Property Court cannot succeed without streamlining the system in its early stage. Although it is too early to evaluate whether this infant court will be successful or not, the newly established Taiwan Intellectual Property Court's unique features compared to its counterparts of other countries and its innovative design in Taiwan's judicial history deserves our attentions.

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<sup>53</sup> See Newsletter of TIPO, TIPO continues studying to revise Patent Act, January 21, 2008, available at: <http://www.tipo.gov.tw/service/news/SnowNewsContent.asp?postnum=15318from=news> (last visited on February 7, 2008).