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International Legal Affairs Office Intellectual Property Office Ministry of Economic Affairs 3rd Floor, No. 185, Section 2 Xinhai Road, Daan District, Taipei City

# Submitted via email: ipoil@tipo.gov.tw

# Re: "Announcement of Draft Amendments to Some Provisions of the Patent Law" (September 11, 2024)

Dear International Legal Affairs Office:

The Intellectual Property Owners Association (IPO) appreciates the opportunity to respond to the solicitation of opinions on the *Announcement of Draft Amendments to Some Provisions of the Patent Law* ("Draft") published on September 11, 2024.

IPO is an international trade association representing a "big tent" of diverse companies, law firms, service providers, and individuals in all industries and fields of technology that own, or are interested in, intellectual property rights. IPO membership includes over 125 companies and spans over 30 countries. IPO advocates for effective and affordable IP ownership rights and offers a wide array of services, including supporting member interests relating to legislative and international issues; analyzing current IP issues; providing information and educational services; supporting and advocating for diversity, equity, and inclusion in IP and innovation; and disseminating information to the public on the importance of IP rights.

IPO's vision is the global acceleration of innovation, creativity, and investment necessary to improve lives. The Board of Directors has adopted a strategic objective to foster diverse engagement in the innovation ecosystem and to integrate diversity, equity, and inclusion in all its work to complement IPO's mission of promoting high quality and enforceable IP rights and predictable legal systems for all industries and technologies.

IPO recognizes the importance of the objective of the Draft to cope with the rapid development of diverse image designs using digital technology. IPO appreciates the efforts from the Taiwan Intellectual Property Office ("TIPO") to try to harmonize Taiwanese law with international trends in protecting design rights. IPO hopes that its comments below will be helpful during the process of finalizing the Draft.

# **General Comments**

As a preliminary comment, IPO is supportive of the steps being taken by TIPO to update the patent law to improve the functioning of the patent system, particularly

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General Counsel Lauren Leyden Akin Gump Strauss Hauer & Feld LLP regarding design patents. Our comments set out below with respect to certain articles support many of the changes, but IPO is concerned about the expansion of the scope of design patent infringement to include the distribution of images online.

# Articles 10, 69, 71, 119, 140, 141

The amendments to Articles 10, 69, 71, 119, 140, and 141 concern patent applications where the ownership is in dispute. The amendments to Article 10 provide that patent prosecution should be paused in the event of an ownership dispute and not resumed until that dispute is resolved. The amendments to Article 69 further provide that an invention patent application may not be abandoned while a dispute is pending. The amendments to Articles 71, 119, and 141 remove the possibility of invalidating an invention patent, utility model patent, or design patent based on disputes over ownership. The amendments to Article 140 prevent surrender of the design patent right while an ownership dispute is pending and require consent of all co-owners of a patent before any corrections to the patent can be made.

IPO supports these changes, as they protect the true patent owner from harm that might occur if the application were prosecuted by an impostor, who might prefer to see no patent or an inferior patent issue from the application. IPO also supports the provision that any such disputes shall be resolved by civil law procedures, not invalidation by TIPO, as the courts and the civil law are best suited for the resolution of civil disputes, like asset ownership, and because invalidation is not the best resolution of an ownership dispute. As part of the executive power, TIPO lacks sufficient legal instruments to investigate asset ownership.

#### Articles 121, 124, 129, 136

The amendments to Articles 121, 124, 129, and 136 drastically expand the scope of design patent protection and infringement to include the mere distribution of digital images online. The amendments to Article 121 delete the limitation of scope to the application of images to articles (and may also create ambiguity by deleting reference to graphical user interfaces). Likewise, the amendments to Article 124 remove the article requirement. The amendments to Article 129 add a new type of design patent (a design patent for an image) to the traditional type of design patent (a design patent for an article). The amendments to Article 136 add new acts of infringement for "an image design," not just the traditional "article design," and these acts include "providing the image online."

While IPO believes in the importance of design patent rights, expanding the scope of design patent infringement to include mere distribution of images online conflicts with existing IP protections and will have significant unintended consequences.

Taiwanese copyright law already has robust protections against infringement of intellectual property through images distributed online, including many years of jurisprudence covering a vast range of scenarios, and has been developed to maintain a balance between incentives to create images and the benefits to society from use of those images. Taiwanese trademark law further provides protection for images that are used as

trademarks and, likewise, has had years of development to attain a balance of interests. Expanding the scope of design patent infringement to cover acts that are already acts of copyright or trademark infringement threatens to upset that balance.

Providing images online is an activity undertaken by millions of internet users every day. Many of those images are provided through social media providers and internet search engines. Expanding the scope of design patent infringement to cover those activities threatens the availability of those services, which is likely an unintended consequence. For example, patent search tools can display images online from every design patent in force in Taiwan.

If the amendments to this section were intended to harmonize the design patent law in Taiwan with the design patent law in Japan, then there is one important difference that, if adopted, would help mitigate IPO's concern. Namely, in Japan, design patents on graphic images are limited to functional images, for example a graphical user interface:

The term "design" in this Act means ... or a graphic image (limited to one used in the operation of a device or displayed as a result of the device performing its function, and including a part of a graphic image...).<sup>1</sup>

IPO therefore suggests not expanding the scope of infringement to include the mere distribution of images online, or at least limiting the definition of an image design to exclude non-functional images.

# Article 127

The amendments to Article 127 address filing options for an applicant where the same person owns two or more similar designs. The amendment uses the terms "original" and "derivative" design as the way to designate the first or primary design and the second design, respectively.

IPO generally supports these changes as they help to harmonize this concept with other jurisdictions. However, IPO suggests the use of the word "primary" or "first" design rather than "original." The word "original" has a specific meaning under U.S. patent law and the use of it here to designate a first or primary filing could be confusing to some. IPO therefore suggests the use of a word other than "original."

# Articles 130, 134, 141

The amendments to Articles 130, 134, and 141 address the timeframe for effectuating divisional applications for design patent applications. The amendment to Article 130 provides that an applicant can file for a divisional application not only before the re-examination decision, but also within three months after an allowance decision is made at the end of examination or re-examination. The amendments to Articles 134 and

<sup>&</sup>lt;sup>1</sup> Ishōhō [Design Act], Law No. 125 of 1959, art. 2, para. 1, *translated in* (Japanese Law Translation [JLT DS]), https://www.japaneselawtranslation.go.jp/en/laws/view/4637#je\_ch1at2 (Japan) (emphasis added).

141 stress that the introduction of new matters in divisional applications is subject to rejection and invalidation, respectively.

IPO supports these changes, as they provide applicants with added flexibility in timing for their design patent application prosecution. Instead of immediately closing the opportunity, applicants would have an additional time window after receiving an allowance to consider and decide on filing divisional applications. This would be a positive development for the system.

# Articles 127, 129, 139, 140, 141-1

The amendments to Articles 127, 129, 139, 140, and 140-1 address design patents that include multiple similar embodiments. In contrast with the current one-embodiment-per-application rule, the amendments to Articles 127 and 129 permit a plurality of embodiments to coexist in one design patent. To complement this change, Article 139 is amended to permit deletion of one embodiment in a design patent as an acceptable type of post-grant amendment.

IPO supports these changes, noting that the policy choice to allow multiple embodiments within a single design patent can reduce the costs associated with acquiring and maintaining a design patent portfolio. Allowing for broader protection with lower expenses may stimulate increased demand for design protections in Taiwan. However, the law seems silent on the degree to which multiple embodiments must be similar to coexist within a single design patent. It would be beneficial for TIPO to address this regulatory gap by providing further clarification in its Implementation Regulations or Patent Examination Guidelines. Additionally, having embodiment deletion as a form of post-grant amendment is agreeable, as such deletion merely narrows the scope of rights, aligning with the purpose of post-grant amendments.

IPO thanks the International Legal Affairs Office for its attention to IPO's comments submitted herein and welcomes further dialogue and opportunity to provide additional comments. IPO has enclosed this letter as translated herewith.

Sincerely,

Knish Gupta

Krish Gupta President

Enclosure