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Court Adjusted Level of Fame Required for a Well-known Trademark to Block Registration of Another Mark under Dilution Ground

A mark applied for registration that is identical or similar to a well-known trademark is not registrable[1]. That being said, it has long been a matter of some debate as to whether the trademark enjoys knowledge or recognition beyond the relevant sector—to the extent that it becomes widely known among the relevant public—in order to deter another identical or similar mark from registration because it is likely to dilute the distinctiveness or good will of the well-known trademark[2]. In the past, the judicial practice has been anchoring a benchmark to requiring that a trademark must have widespread fame beyond its sector or in the general public before it can be recognized as "well-known" . However, the Grand Chambers of the Supreme Administrative Court (GCSAC) released a unified interpretation in March 2023 to demand that a well-known trademark may fend off another identical or similar mark' s registration so long as it has attained fame in its own business sector.[3]

An application for trademark registration shall be rejected if, among other grounds, the mark applied for registration is identical or similar to another well-known trademark, thus creating the likelihood of confusion or likelihood of diluting the distinctiveness or reputation of the well-known trademark. Said grounds for confusion and dilution are statutorily prescribed in Article 30(1)(11)(P1) and Article 30(1)(11)(P2) of the Trademark Act, respectively. More specifically, a norm was established in the Supreme Administrative Court' s 1st Joint Conference Resolution of the Presiding Judges in November 2016 ("Resolution") which set out different levels of fame for activating a rejection. In order to protect related individuals from wrongfully identifying the genuine source of goods or services, a rejection on the grounds of confusion is raised as long as the well-known trademark is famous among relevant consumers ("petite fame"). By contrast, a rejection on the grounds of dilution would not be raised until a trademark enjoyed fame among general consumers as, in this case, the scope of protection is not limited to the specific class of the business of the well-known trademark ("grand fame").

1 Article 30(1)(11) of the Trademark Act

2 Rear Paragraph of the Article 30(1)(11) of the Trademark Act

3 111-GrandChamber-No. 1, Grand Chambers of the Supreme Administrative Court

Ever since it was established, the norm of the Resolution regarding the different benchmarks had been honored and followed in subsequent cases[4]. Several years later, however, it faced a challenge.

Yunix International Corp. applied—under the title of another entity—for a series of word marks of "GIOVANNI VALENTINO" on class 24 for fabrics, tissues and textiles, among other things; it was granted registration as No. 1920292 in February 2018. The Italian company Valentino S.p.A. filed for opposition against the '292 registration. Taiwan IP Office decided to deny Valentino' s opposition request for the two marks not being similar. Valentino sued TIPO, with the case being taken to the IPC Court; the Court dismissed Valentino' s case[5]. Being unwilling to back down, Valentino appealed. In light of inconsistency between the legal interpretations in the trial decision and those of the Resolution, the appellate panel judges petitioned for a uniform opinion from the Grand Chamber of the Supreme Administrative Court.

The Grand Chamber began by upholding the statutes. Article 31 of the Enforcement Rules of the Trademark Act defines the term "well-known" as the circumstance in which there is objective proof of a sign' s capability of being commonly recognized by the relevant enterprises or consumers. As the Grand Chamber emphasized, Article 31' s definition applies throughout the entire Trademark Act since a fundamental legal methodology teaches that a term shall persist in a unitary definition in one law instrument. That is, as per the plain language of the Enforcement Rules of the Trademark Act, there should not be any conflicting definitions of "well-known" in different sections of the Trademark Act where the term "well-known" appears in the absence of being otherwise prescribed.

The Grand Chamber further surveyed the legislative history. Tracing back to the then bill to introduce the aforementioned confusion clause and dilution clause, there was no implication to additionally establish the conflicting levels of fame between the two

4 109-Appeal-No.982, 107-Judgement-No. 446, 106-Judgement-Nos. 607, 608, and 609 of the Supreme Administrative Court

5 109-AdminTMTrial-No.55, IPC Court

clauses. On the contrary, the bill' s statement of purpose clearly illustrates that the element requiring "similarity or identity to another trademark" commonly stipulated in both clauses should be considered in conjunction with the knowledge of relevant consumers. Hence, even the legislation reveals the consistency of the definition of "well-known".

International law was also scrutinized. According to WIPO, each member state may—although this is not mandatory—determine that a well-known mark be familiar to the public at large.[6] It is left to the member state to choose which level is more appropriate for its own system. A uniformly lower threshold of fame for triggering rejection on the grounds of dilution was not contradictory to WIPO's conclusion.

Trademark infringement by likelihood of confusion or dilution would lead to the same conclusion, that of no different well-known levels being required. According to Article 70 (2) of the Trademark Act, a trademark is infringed in the event of "knowingly using words contained in another person's well-known registered trademark as the name of a company, business, group or domain or any other name that identifies a business entity, and hence there exists a likelihood of confusion among relevant consumers or a likelihood of dilution of the distinctiveness or reputation of said well-known trademark." A well-known trademark would be infringed as long as it is well known to the relevant consumers, supposing other elements are met. To exercise the dilution clause, it would be unjustifiable for the level to be higher at the stage of deterring a competing registration than at the stage of enforcing against another's unauthorized use of a trademark.

In accordance with the above, the Grand Chamber concluded that a well-known trademark in the dilution clause refers to one that in light of evidence can be sufficiently identified as being widely recognizable by relevant businesses or consumers rather than the general public at large. As for whether there exists the likelihood of dilution, it would

6 Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, September 1999

require another assessment to comprehensively and integratively evaluate several factors; these factors include—but are not limited to—the level of fame of the well-known trademark, the degree of similarity of the two marks, the extent to which the well-known trademark is used in other goods or services, the level of inherent or acquired distinctiveness of the well-known trademark, and whether the applicant has an intent to others to associate its mark with the well-known trademark.

The adjudication was made in March 2023; it is generally believed to favor the established well-known trademark owner or licensee, since the threshold for deterring another similar mark's registration is lowered.

Rejection from registration due to being identical with or similar to another person's well-known trademark	Supreme Administrative Court's 1st Joint Conference Resolution of the Presiding Judges in November 2016	111-GrandChamber-No. 1, Grand Chambers of the Supreme Administrative Court in March 2023
[As] there exists a likelihood of confusion among the relevant public (Article 30(1)(11)(P1))	Well-known among relevant consumers	Well-known among relevant consumers
[As] there exists a likelihood of dilution of distinctiveness or reputation (Article 30(1)(11)(P2))	Beyond relevant consumers and being well-known among the **general public** at large	"Well-known among **relevant consumers**"

Sandoz v. Hansoh: An Application to Join a Collective Pharmaceutical Procurement Project May Constitute an Infringing Offer for Sale

It has been the subject of some debate in China as to whether a generic drug maker's public quotation and related activities on a platform established for pooled procurement of drugs - a government's bargain-maximizing means of seeking both a reduction in unit price and an increase in availability by pooling the demand and supply of pharmaceutical products in a certain geographical range - amounted to an act of offer for sale. Often, in an attempt to delay the market entry of generic versions, the patent holder will file a patent infringement complaint against such a bid of a generic drug. The lower courts and the local patent authority will in most cases affirmatively identify such activities as being offers for sale with a risk of infringement. Some local platforms will even talk the generic competitors into withdrawing the applications. Nevertheless, the procedural process and substantive requirements for a procurement bid can be very different depending on the level or scale of a specific project. Different provinces and cities in China have different procedural requirements, from the application for the eligibility assessment and the announcement of conclusion of the eligibility assessment, quotation and bidding to the final signing of tender contracts, purchase, and delivery. This leaves a considerable grey area as to the stage at which a specific action involving a bid becomes infringing. Some argued that providing a quotation after winning a bid or after eligibility assessment should be considered an offer for sale in view of the readiness of a product's entry. On the contrary, as others would maintain, a mere application for eligibility assessment at the earliest stage may not constitute an infringing act because there still remains a period of time before the generic maker must decide when or whether to publicly provide a quote in reaction to the date of patent expiry.

In a recent case between Sandoz Pharmaceutical and Hansoh Pharmaceutical in February, the Supreme People's Court's IP Tribunal ruled for the first time that, during the term of patent validity of a brand-name drug, an application by way of submitting

pharmaceutical product quality certifications-related documents to a local health authority in order to bid for a centralized drug procurement contract constituted a patent-infringing act of offer for sale.[1]

Vildagliptin, sold by Novartis under the brand name Galvus, is popularly used to treat type two diabetes by effectively reducing hyperglycemia. In China, it corresponds to patent CN99814202.6, granted in 2004 for an "N-substituted 2-cyanopyrrolidines compound" which was later licensed to Novartis's subsidiary Sandoz. On the other hand, Hansoh—a Jiangsu Province-based pharmaceutical company focusing partly on drugs for chronic diseases—obtained marketing approval for its generic version of Vildagliptin in 2019. The company subsequently placed a bid for the tenders of pooled drug procurement contracts in at least Guangzhou, Fujian, Shangxi and Qinghai. Hansoh was alleged to have sponsored medical seminars by offering free bottled waters with customized labels advertising the generic product. Furthermore, Hansoh was alleged to have requested its employees to post recruiting advertisements on social media platforms for hiring new sales representatives who would be tasked with marketing said generic product. Sandoz sued and claimed CNY 616,340.

Fuzhou Intermediate People's Court—the trial court—found that Hansoh's listing of its generic drug as a role of a bidder was an expression of its intention to sell the same to the medical institutes in the Fujian province and was therefore a form of offer for sale. On the opposite, the recruitment ads were not offers for sale, since they were not substantially related to the sale of a product.

Both Sandoz and Hansoh appealed.

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1 (2021) IPCivilFinal-No.1158 of the Supreme People's Court

In an appellate review, the Supreme People's Court approached this case by answering two main questions.

For the first question, the court analyzed whether the application for a pooled procurement project was essentially an offer for sale. The answer was yes. The court began by characterizing the patterns of offer for sale as non-exhaustive, diversified and atypical, rather than referring to some customary stereotypes. The Beijing High Court's 2017 Patent Infringement Determination Guidance and other dictates have defined an offer for sale as an act of "advertising", "displaying in a shop window" and "displaying at a trade fair". The court stressed, however, that these were no more than examples, while any forms of expression of commercialization to introduce a product to the market by any perceivable means—be they oral narrations, technical specs in writing, product demos or webpage showcasing, among others—can be understood as an offer for sale so long as they are accompanied with the mindful intention of selling a product to any specific or unspecified persons. In the present case, for one thing, the defendant undertook the associated activities to apply for or submit the required documents in order to make preparations in advance for the commercialization and market debut of its generic version drug. For another, the associated activities revealed the intent to supply the defendant's own products to unspecified persons, such as its competitors, health authorities offering a centralized procurement project, or the public medical institutes who could be potential counterparties in subsequent purchase deals. Whether such an application would be approved or whether the drug product would be successfully listed on a procurement platform were not deemed to be consequential in defining an act as being an offer for sale.

The second question was whether Hansoh's application for a pooled procurement was subject to the Bolar exemption, even if it constituted an offer for sale. The answer was no. The court reasoned that the Bolar provision applies only when an entity or an individual exploits a patent by "making, using or importing" for the sole purpose of seeking regulatory approval from the health authority. Notably, as early as 2000, China singled out "offer for sale" as being one particular type of infringing act. By contrast, China did not introduce the Bolar provision until 2008 with limited types of acts—only those involving "making, using or importing" are eligible — of which the offer for sale was not one. In view of the chronology of these events, the offer for sale was deliberately excluded from the scope of China's Bolar provision at the time of law enactment. As a result, the Bolar provision had no role to exempt the defendant's activities.

To conclude the case, the court comprehensively assessed the injury caused by the defendant Hansoh's accused activities in Guangzhou, Xiamen, Nanchang, Sha'anxi and Qinghai, the costs incurred by the plaintiff Sandoz during enforcement, and the weight of evidence supporting Sandoz's monetary claim. Damages of CNY 300,000 were ultimately awarded.

In a milestone judgment, the Supreme People's Court ruled affirmatively to bring forward the offer for sale to the time that documents are submitted to bid for procurement tender; it is now not necessary to wait until a quotation for the drug product has been proposed. The conclusion of the judgment apparently favors the patentees of new drugs, since they may take necessary enforcement measures at an earlier stage.

Consequences of Violation of CNIPA Confidentiality Review- A 2022 Top Listed Case in China

A "foreign filing license" or "first filing requirement" means that, when an innovation created locally is related to national security, it may fall under the category of confidential information that should be reviewed in advance by the competent IP Office before a patent application is filed abroad. If an applicant files his first application with the IP Office of the jurisdiction in which an invention is completed, the IP Office will examine whether or not the invention constitutes confidential information. If an applicant intends to file his first application with a foreign IP Office, a separate confidentiality examination shall be requested and approved by the competent authority of the jurisdiction in which the invention is completed. Failure to comply with this requirement constitutes grounds for refusal or invalidation.

According to Article 19(1) of the China (PRC) Patent Law, "[i]f any entity or individual intends to file a patent application abroad in a foreign jurisdiction for an invention or utility model completed in China, they should report in advance to the patent administration department under the State Council for a confidentiality examination." In April 2023, the China National Intellectual Property Administration ("CNIPA") announced the Top Ten Invalidation Cases of 2022.[1] Among these, CNIPA highlighted a case of an invalidation request for a utility model right as an example of invalidation due to violation of the confidentiality examination. The case is outlined below.

The patentee (Zhejiang Jiechang Linear Drive Co., Ltd.) filed a provisional application with the United States Patent and Trademark Office ("USPTO") on December 20, 2016; they then filed an application for the same invention with CNIPA on January 10, 2017, before filing a further utility model application on April 14, 2017, claiming priority based on the previous Chinese application. The invalidation requester filed a request for an invalidation trial on the grounds that its priority claimed was not the first application and that it violated the confidentiality examination regulation.

1 Top Ten Invalidation Cases in 2022, published on April 26, 2022, at https://www.cnipa.gov.cn/art/2023/4/26/art_3207_184728.html

The invalidation requester stated that:

❶

All of the inventors of the utility model at issue are Chinese national

❷

The initial public offering prospectus and the online article report about the patentee showed that the patentee had a complete R&D system and organization in China

❸

In order to effectively conduct research and development in this technical field, the technology needs to be integrated with the manufacturing process; and

❹

The patentee did not establish an R&D department overseas

The patentee submitted immigration records of Mr. Hu, the founder, president, and the lead inventor of the utility model at issue, to prove that Mr. Hu had traveled to the United States three times in 2016. The patentee argued that the invention at issue had been completed during his stay in the U.S. and that the only contribution made by the other inventors had been through correspondence.

CNIPA firstly pointed out that the patentee had failed to submit the evidence of immigration records within the specified period. However, since it proved that the invention at issue had been completed in a foreign jurisdiction, the evidence was eventually used in the invalidation proceeding; this was a crucial element of the case.

Next, CNIPA stated that if the invalidation requester can establish prima facie evidence showing that the invention was for the most part completed domestically and the patentee cannot in turn provide sufficient evidence for rebuttal, the patentee shall bear the legal consequences, namely that the invention is not entitled to patent protection.

In this case, the invalidation requester submitted evidence of the patentee's domicile and the inventor's nationality, which was considered sufficient to establish the prima facie evidence. The Court held that the burden of proof should be transferred to the patentee to prove that the invention at issue was not completed in China. However, the patentee failed to provide any evidence other than the immigration records, which were at best additional evidence but could not directly prove that the invention at issue had been completed in a foreign jurisdiction.

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The question of whether an invention or utility model is subject to a confidentiality examination in China depends on "whether or not the majority of the creation was completed in China", regardless of the nationality of the inventor. If the majority of the creation is

completed in China and then filed as an application with a foreign IP Office without an initial request being made for a confidentiality review, this fact will constitute grounds for rejection or invalidation in China.

This case clearly shows that if the evidence presented by the invalidation requester is persuasive enough to support the claim, the burden of proof will be transferred to the patentee. If the patentee fails to provide direct evidence to refute the claim, the patent will be invalidated by CNIPA. In addition, CNIPA may accept evidence provided by the patentee outside the specified period if the evidence has sufficient influence on the outcome of the invalidation trial. Therefore, in order to avoid unfavorable outcomes regarding patent protection, applicants should pay attention to local regulations concerning the confidentiality examination.

With regard to the method of requesting a confidentiality examination, in addition to directly filing a request with detailed technical contents, if an applicant files his first application with CNIPA or files a PCT application where CNIPA is the receiving office, they will be deemed to have requested a confidentiality examination at the same time without filing a separate request.

Amendment Including the New Qualification of Trademark Agent and the Accelerated Examination is Passed

The Legislative Yuan passed an amendment to the Taiwan Trademark Act on May 9, 2023. There are five main aspects to the amendment; of these, the most notable are the provisions regarding the new qualification of the Trademark Agent and the introduction of the Accelerated Examination, both of which are of particular relevance to applicants and IP practitioners.

The five main aspects are summarized as follows.

Under the current system, any person may act as an agent to apply for trademark registration and related matters on behalf of an applicant. However, those applications filed by an applicant not domiciled in Taiwan are subject to compulsory representation. In order to strengthen the protection of applicants' interests and to build an agent management system, the scope of an eligible agent will be limited to two types of professionals, namely Trademark Agents and those authorized to practice trademark-related matters in accordance with the law.

According to the Taiwan Attorney Regulation Act and the Taiwan Certified Public Accountant Act, the legal practices of attorneys-at-law and certified public accountants (CPAs) include trademark-related matters, so they will continue to be qualified in this regard after the amendment takes effect. In addition, so as not to affect the interests of current practitioners, those who have engaged in providing trademark registration services in the past but are not an attorney-at-law or CPA will be allowed to register as a

1 Article 6, Article 12 and Article 109-1 of the amended Taiwan Trademark Act

Trademark Agent if they have presented ten applications per year for the past three years. For those who do not have such qualifications or practice records but intend to practice, a Trademark Professional Competence Certification Examination organized by the Taiwan Intellectual Property Office (TIPO) will serve as the examination for certification of trademark practitioners.

2 Introduction of the Accelerated Examination[2]

In order to promote the use of the e-filing platform, TIPO introduced the Fast-Track Examination Program for applications filed through the e-filing platform in 2020. However, the number of applications made through this program currently accounts for more than sixty percent of new applications. Considering foreign practices and the applicants' need for early acquisition of rights, TIPO plans to introduce a fee-based accelerated examination mechanism.

According to the statistics published by TIPO, the average First Office Action pendency and the average total pendency in 2022 are 5.2 months and 6.5 months, respectively, and the pendency may be longer due to the increase in the number of new applications. The amendment will provide the basis for the introduction of a fee-based accelerated examination program. If an applicant states the reasons and the facts for urgently requiring a trademark right, TIPO will conduct an expedited examination upon receipt of an additional official fee. However, the details have yet to be finalized and announced by TIPO.

2 Article 19(8) of the amended Taiwan Trademark Act

3 Simplification of the Infringement Determination Procedure for Customs and Border Protection[3]

Under the current law, Customs, in the course of performing its duties, shall notify the trademark owner when it suspects the imported or exported articles to have infringed the trademark right. After receiving the notification, the trademark owner should identify the articles at issue on-site within twenty four (24) hours and then submit evidence of infringement within the next three working days. Regardless of whether the time limit is reasonable or not, in light of contemporary technology and foreign practices, it is possible for trademark owners to determine through photographs only whether or not it constitutes an infringement. Therefore, trademark owners will no longer be required to confirm in person at Customs.

4 Broadening the Scope of Eligible Applicants[4]

According to the previous interpretation of the Taiwan Constitution, an unincorporated association has no legal capacity under substantive law but does have the capacity to be a party. In other words, an unincorporated association is not an eligible applicant to file a trademark application with TIPO but is an entity protected under the Taiwan Trademark Act and procedural law. In view of the need for unincorporated associations to trade in the market under their names, the scope of eligible applicants has been expanded to include partnership organizations (e.g., law firms and architectural firms), unincorporated associations established under the law, and sole proprietorships or partnerships registered under the Business Registration Act.

3 Article 75 of the amended Taiwan Trademark Act

4 Article 19(3) of the amended Taiwan Trademark Act

5 Clarifying Indicative Fair Use of a Trademark[5]

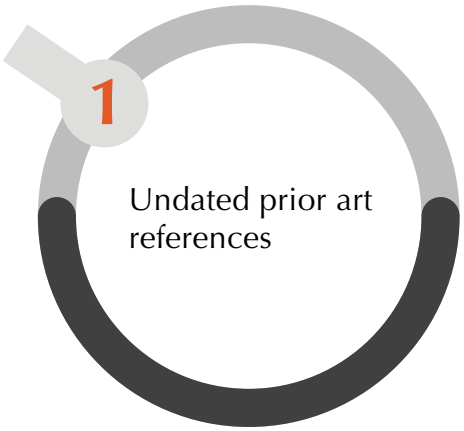
Fair use of a trademark can be further classified into descriptive fair use and indicative fair use. Indicative fair use refers to a third party using a registered trademark to indicate the goods or services that it provides; examples of this include using a registered trademark to indicate that the component is compatible with the trademarked products, providing repair services for the trademark owner's goods, and appearing in commercial transactions such as comparative advertisements. According to the precedent of the Taiwan Intellectual Property and Commercial Court, the Court may consider the likelihood of confusion among relevant consumers in analyzing whether or not it constitutes indicative fair use. Therefore, the amendment adds an indicative fair use provision based on this precedent in order to clarify the definition of indicative fair use.

In sum, the amendment to the Taiwan Trademark Act focuses on solving current practical issues in order to protect the interests of applicants. The effective date of the amendment has yet to be determined. For the next phase, the Legislative Yuan will continue to deliberate on a further draft amendment regarding the introduction of an adversary system in invalidation proceedings.

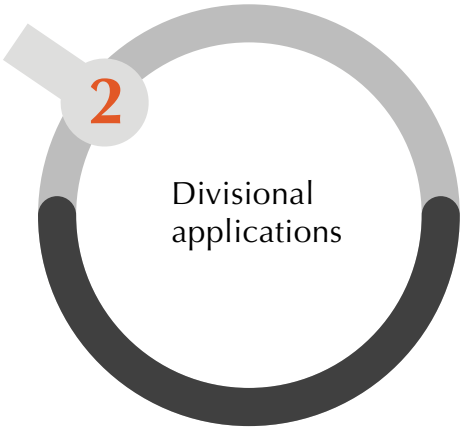
5 Article 36(1)(2) of the amended Taiwan Trademark Act

Amendment to Patent Examination Guidelines in June 2023

TIPO released a notice regarding a draft revision of certain sections of the Patent Examination Guidelines as an adjustment in line with the reformation of examination practices and recent judicial opinions. With the patent term extension (PTE) and the introduction of the WIPO ST.26 XML sequence standard as the two principal focuses, the summary of the main revision points is as follows.

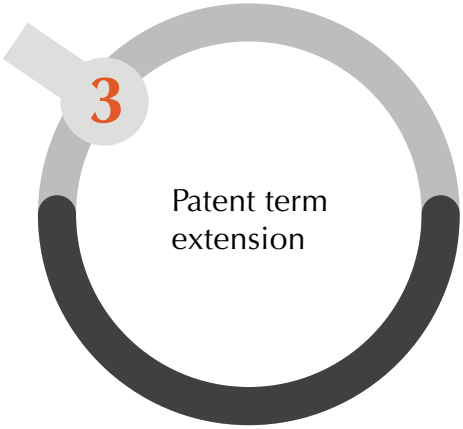


When the dates of publication of the cited references in the patent description cannot be ascertained or are not specified, they shall be considered to predate the filing date or priority date of a claimed invention. However, if the applicant provides in a response to an Official letter with clear supporting evidence demonstrating that said cited references are literature containing its own internally confidential information, said literature does not constitute prior art to evaluate the patentability of the claimed invention. This approach based on good faith or estoppel was affirmed in a previous court judgement and has been adopted as one of the review notes, but only now is it about to be included in the Examination Guidelines.



Whereas now only one divisional application is permitted, in the event of parallel filing, the applicant will have the liberty to file more than one divisional application. Nevertheless, when the parent or any divisional application proceeds to allowance, the applicant shall decide in the reply to TIPO

which application sharing the same invention with the earlier granted utility model is the one to relay the patent right.
On the other hand, division from a domestic priority basis is now possible. An earlier application which has served as the basis of domestic priority will be deemed withdrawn 15 months from its own filing date. The TIPO would no longer attend to the earlier application anymore as if it enters dormancy because essentially the later-filed application has replaced it as a result of priority. However, in order to offer the applicant a greater degree of procedural freedom, before a decision of patentability of the later-filed application is made, the applicant is permitted to file for a new divisional application from the earlier-filed application to include matters that are not joined in the later-filed application.

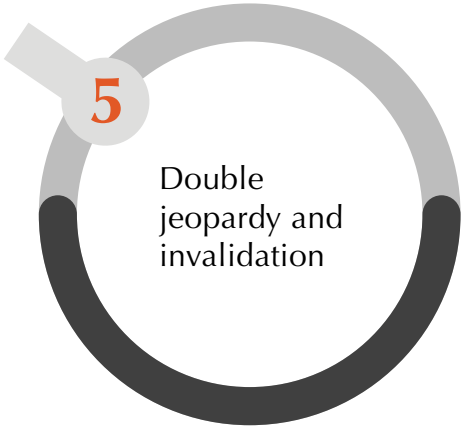


The sale of orphan drugs requires a special approval under rare disease-related regulations, instead of the Pharmaceutical Affairs Act. In the current examination guidelines, there is no mention of whether such an approval awarded likewise by the TFDA is a qualifying document that serves to extend the term of a patent as if it were an ordinary marketing approval for other non-rare disease medicines. The draft revision provides the legal basis for confirming the admission of an orphan drug's approval in the event of an application for patent extension. Moreover, the legal degree of usability is the same for the approval of a drug for conventional diseases and one for rare diseases. Both of them can only be used one

time to extend a patent. Once said patent is extended by either approval, the same patent cannot be extended again by the other.

The time spent for examining an application for term extension can be shortened thanks to a streamlining procedure. When the extension applicant submits to the TIPO a specifically sealed package enclosing documents of the clinical trial data issued by the TFDA, the TIPO will no longer forward the package to the TFDA for verification of the authenticity of the same.

As of August 1, 2022, TIPO discontinued its own format and adopted the WIPO Standard ST.26 as the new format rules to be followed for patent applications disclosing nucleotide and amino acid sequences. Some outdated requirements inconsistent to the ST.26 standard are therefore compelled to be revised in the examination guidelines. For instance, the term “specifically defined” is to be added to designate nucleotides and amino acids presented in an application. An XML sequence list does not need to denote “sequence” in Chinese as a title, nor will the numbering of the pages of a sequence be permitted. The ST.26 does not allow coexisting presentation of a nucleotide sequence and its corresponding translated amino acid sequence. In contrast to TIPO’s abandoned style that accepts a three-letter code to denote an amino acid residue, the ST.26 accepts only a one-letter code. The examination guidelines are to be revised accordingly.



When an invalidity challenge against a multiple dependent claim where the present challenge only addresses a portion of the patent right comprised by said multiple dependent claim and some claims dependent therefrom, if the present challenge ultimately fails, another new invalidity challenge against the unaddressed portion of the patent right can still be instituted without the risk of double jeopardy.

Here is an example. Suppose that, in a patent, Claims 1, 2 and 3 respectively cover components A, B and C, while Claim 4 depending from any of Claims 1, 2 and 3 relates to a composition comprising any of components A, B and C respectively. An invalidation action challenges Claims 3 and 4, whereas the supportive reasons submitted to the TIPO state only that Claim 3 as well as Claim 4 depending from Claim 3 lack inventiveness, without addressing the non-patentability of Claim 4 depending from the matters recited in Claims 1 and 2. The Office will only examine Claim 3 along with Claim 4 that depends from Claim 3. If at the end of the examination procedure the Office finds the challenge to have failed, another new challenge against Claim 4 dependent from the matters recited in Claims 1 and 2 shall remain open.

Selected Statistical Facts from CNIPA Annual Report 2022

On June 5, 2023, the CNIPA released its annual report for 2022. Among others, the report includes statistics of IP filings and examination performance. According to the report, a total of 798,000 patents were granted and 6,177,000 trademarks were registered throughout the entire year of 2022. The pendency of invention patent examination has been successfully down to 16.5 months, whereas the same pendency for high-value patents was only 13.0 months. The pendency for examining an application for trademark registration was about 4 months. By the end of 2022, China has more than 4,212,000 valid invention patents, 42,672,000 valid trademark registrations, and 61,000 registrations of IC layout designs. In 2022, cases reported as abnormal patent filings amounted to 955,000. 372,100 malicious trademark registrations were identified. Other notable statistical figures are as follows.

Patent Grants and Applications

The number of **invention patent applications** was 1,619,000 (a yearly difference of +2.1%), whereas 155,000 applications were filed by international applicants, accounting for **9.6%** (a yearly difference of-2.0%);

The number of **utility model applications** was 2,951,000 (a yearly difference of +3.5%);

The number of **design applications** was 795,000 (a yearly difference of -1.4%);

The accuracy rate of **invention patent examination** was 93.4%;

The number of **invention patents granted** was 798,000 (a yearly difference of significant +14.7%), whereas 102,000 of them were granted to international applicants, which was **12.9%** of all;

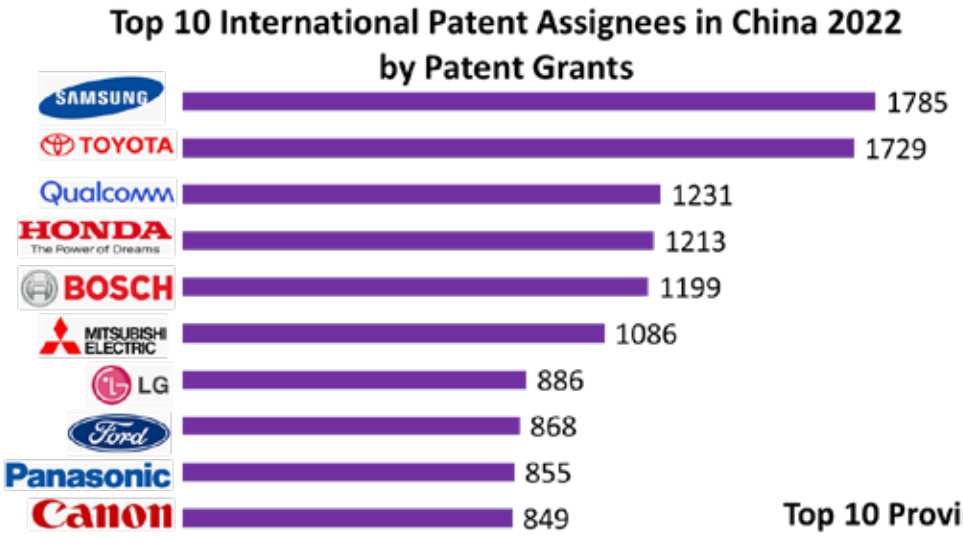
The number of **utility models granted** was 2,804,000 (a yearly difference of significant-10.1%);

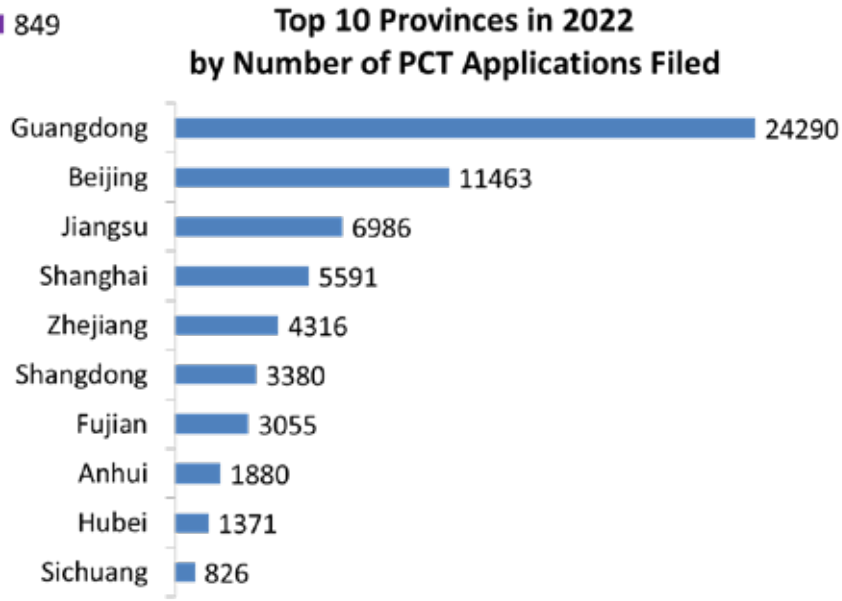
The number of **designs granted** was 721,000 (a yearly difference of -8.2%);

The number of **invention patents owned by international assignees** was 861,000, accounting for **20.4%** in the total valid and granted patents;

The number of **high-value patents granted** to every 10,000 population was 9.4 (a yearly difference of +1.9%)

Top 10 patent assignees by patent grants and Top 10 provinces by number of PCT applications filed are shown as follows. The former is indicative of active filers in the China market whereas the latter may be suggestive of the innovative capacities according to different regions in the country.





Patent Reexamination and Invalidation

The number of **requests for reexamination** was 105,000 (a yearly difference of significant +38.1%), where 92% of the requests were made due to rejections as a result of examination;

The number of **decisions made for reexamination** was 63,000 (a yearly difference of significant +16.1%), and in 48.8% of which the examiner's rejection was withdrawn;

The pendency of **reexamination proceeding** in average was 17.2 months;

The number of **requests for invalidation** was 7,095 (a yearly difference of-7.0%);

The number of **decisions made for invalidation** was 7,879 (a yearly difference of +11.5%) with a breakdown percentage according to the conclusion of the decisions:

	All Invalid	Partial Invalid	Valid or otherwise case dismissed
Invention patent	27.9%	15.4%	56.7%
utility model	41.4%	18.7%	39.9%
Design	53.8%	1.4%	44.8%

Trademarks Applications, Oppositions, and Reviews

The number of **trademark registration applications** was 7,516,000 (a yearly difference of significant-20.5%), whereas 212,000 applications were filed by international applicants, accounting for 2.8% (a yearly difference of-17.8%);

The pendency for trademark examination was about 4 months and **the pendency from filing to registration complete** was about 7 months;

The top 10 destinations of **applications through Madrid System** was US, RU, JP, BR, ID, KR, TH, MY, VN, and EU;

The number of **requests for trademark opposition** was 146,000 (a yearly difference of-17.2%);

The pendency of **trademark opposition** in average was 11 months;

The number of **decision for trademark reviews** was 412,000 (a yearly difference of +7.5%) with a breakdown percentage according to the conclusion of the decisions:

	All non-registrable	Partial non-registrable	Registrable or valid
Rejection review	65.8%	10.9%	23.3%
Invalidation	62.1%	12.9%	25.0%
Cancellation review	49.0%	33.8%	17.2%
Opposition review	67.9%	21.1%	11.0%

Gudeng v. Entegris: Court Emphasized Comparison of Asserted Patent with Accused Product in Infringement Analysis

Gudeng Precision Industrial Co., Ltd., a Taiwan-based semiconductor manufacturing system supplier, is the owner of Taiwan invention patent I238804 titled "A filling device for transfer box", which provides an improved filling valve installable onto a transfer box in the SMIF production line. Engaging in direct competition in the same business of mask handling, Entegris Inc. from the USA was the provider of the FOUP product model A300 and the EUV pod product model EUV 1010 series. The FOUP is a type of plastic carrier designed to securely hold wafers in a controlled environment during transfer, while the EUV pod is a device that safeguards the shipping and transportation of EUV reticles.

At some point in 2021, Gudeng sent a warning letter to Entegris asserting that Entegris' aforementioned FOUP and EUV pod ("accused products") infringed Claims 1, 4, 5, 8 and 9 of Gudeng's '804 patent. On November 5, 2021- following receipt of the warning letter from Gudeng - Entegris filed a declaratory suit stating non-infringement together with Gudeng's lack of legitimate entitlement to both injunction and damages.[1] In response, Gudeng swiftly filed an infringement suit against Entegris on November 30, 2021.[2] Notably, the declaratory suit was instituted first and could not bar the later filing of an infringement suit (this is not the case in the reverse order of filings).

In the infringement analysis, as is the usual practice, the court performed a construction of the patent claims and disassembly of the accused product. By comparing and contrasting the corresponding elements - as shown in the table below for independent Claim 1 - the court found that Claim 1 failed to read on the accused product for at least the different features in boldface that exist only in either Claim 1 or the accused product. Under the all-elements rule, Claim 1 was determined not to have been infringed. Likewise, for independent Claim 9, not all of the technical features deconstructed were the same; therefore, the accused product did not fall within the literal scope of Claim 9. Since Claim 1 was not read on, Claims 4, 5 and 8 depending from Claim 1 were also found not to have been infringed.

1 111-CivilPatTrial-No.19, IPC Court

2 111-CivilPatTrial-No.1, IPC Court

Claim 1 of TW'804		Entegris' accused product
An improved filling device for a transfer box, especially a filling device in a transfer box used in an SMIF system, wherein the transfer box has a base and a cover being covered **on the top** of the base, wherein an accommodating space is in the cover to accommodate a photomask or a wafer, wherein the filling device is characterized in that:	1a 1A	A filling device for a wafer transfer box used in an SMIF system; wherein the transfer box has a side cover and a **flank** of the side cover is covered with a casing, wherein an accommodating space is in the casing for accommodating wafers;
The base is provided with a via, wherein the filling device having a **guiding slope** is piercingly provided in said via;	1b 1B	The casing is provided with a via, wherein the filling device is piercingly provided in said via;
Wherein the filling device has a hollow passage and a **gate** is provided at an end of the hollow passage;	1c 1C	Wherein the filling device has a hollow passage and a **valve actuated by a spring** is provided at an end of the hollow passage;
So that an inflatable tube can be inserted into the hollow passage of the transfer box following the guide slope through the gate to fill in a gas and that gate would close when the inflating tube is withdrawn;	1d 1D	N/A
Wherein, the filling device is made of **rubber** and the outer diameter of the filling device is larger than the inner diameter of the via.	1e 1E	The filling device is composed of several parts made of **different materials** and the outer diameter of the filling device is larger than the inner diameter of the via.

Since no literal infringement was found, the plaintiff Gudeng relentlessly alleged equivalent infringement. The court reasoned in the first place that an accused product infringes on a claim under the doctrine of equivalence when the equivalent element of the product performs substantially the same function in substantially the same way to yield substantially the same result as the corresponding element recited in the claim. In the court's finding, elements 1b – 1e were not equivalent to elements 1B – 1E. For one thing, the accused product did not use a slope structure to guide the motion of an inflatable tube. Instead, the accused product employed a spring to actuate a valve in order to carry out the activity of gas filling. Furthermore, the filling device of the accused product was not entirely made of rubber. Thus, the technical ways between the claimed invention and accused products were substantially different that was not easy to be conceivably replaceable or transformable. For another thing, the absence of a spring in the claimed invention effectively prevents generation of material scraps by reducing friction. It facilitates the maintaining of cleanliness inside the transfer box. Moreover, the use of rubber to make the filling device as claimed not only reduces manufacturing costs but improves the efficiency of processing when necessary. These functions and results were not substantially the same as those of the accused product. To briefly conclude, infringement under the doctrine of equivalents was not constituted.

The plaintiff Gudeng attempted to further argue that the accused product was identical to the defendant Entegris's patent I423451. Specifically, Figure 6 of the '451 patent is a mirror drawing embodying the accused product. The '451 patent could be utilized for comparison against the claims of Gudeng's '804 patent, Gudeng persisted. The court rejected Gudeng's argument. As the court emphasized, what were subject to

comparison in an infringement analysis were only the asserting patent claims and the accused product rather than a patented product versus an accused product or patent claims versus another patent. In the present case, the defendant Entegris's accused product was available to the court, despite there being restricted access due to a secret protection order. The tangible product was legitimate to serve for infringement analysis. Gudeng's demand for comparing the '451 patent of Entegris with its own '804 patent was not lawful.

To conclude, the court found no literal or equivalent infringement of Entegris' accused product. Gudeng's damages claim of TWD 100 million was dismissed. The case remained appealable.

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