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Intellectual Property - Taiwan
Deciding on claim amendment during patent infringement trials

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Introduction

In past patent infringement proceedings, civil courts did not have the power to determine the validity of a patent; instead, they had to adhere to the decision of the competent patent authority – the Taiwan Intellectual Property Office (TIPO). Hence, in the event of a patent invalidation action, a court could only suspend proceedings and subsequently had to await TIPO's decision. Consequently, disputes incurred lengthy stays and the enforcement arena became unfavourable for rights holders.

In light of this, the IP Case Adjudication Act, which came into effect on July 1 2008, expressly stipulated that when a litigant counterpleads that the disputed patent should be revoked (ie, that the patent is invalid), the court must make a decision and cannot suspend proceedings. The court's decision regarding the validity of a patent is effective only between the litigants; it does not directly invalidate the patent.

When a defendant raises the defence of patent validity, the plaintiff can introduce certain amendments to the claims (eg, reducing the scope, correcting errors or explaining unclear descriptions) so as to resist the defendant's attack. The result of the amendment will influence the court's judgment on patent validity.

Nevertheless, approval of the plaintiff's application for claim amendment remains within TIPO's discretion. Although the act grants courts the power to judge patent validity of their own accord, it is silent on how to handle the application of claim amendment. Consequently, when a plaintiff asserts amendment of its patent claims during proceedings, the matter of how the court should deal with the situation before TIPO renders a decision on the plaintiff's application for amendment remains problematic.

Article 32 of the IP Case Adjudication Rules states that:

> "Where a litigant to a civil action of patent infringement claims or defends that the patent right shall be revoked, and where the patent holder has applied to the competent intellectual property authority for claim amendment, the court shall take into account the progress of the authority's examination of the amendment application, consult with both parties, and then designate an appropriate date of a court session, except for the situation where the trial can directly proceed because the amendment is obviously inadmissible or there becomes no infringement on the basis of the amended claims."

According to the wording of this article, it seems that the court may proceed with the trial directly only where the amendment is obviously inadmissible or there would be no infringement on the basis of the

amended claims. However, considering the legislative objective of the IP Case Adjudication Act, and the fact that civil courts have been granted the power to assess patent validity, the aforementioned rules are interpreted as 'exemplary'. In other words, if the court believes that "the application of claim amendment obviously shall be approved", it can proceed with the trial.

But how should the court decide whether this is the case? In determining "whether the application shall be approved", should it conduct a comprehensive substantive examination of the content of the plaintiff's amendment? Or should it assess of its own accord only whether approval is clear in light of the amendment?

IP Court judgments

In order to clarify such issues and establish guidelines, it is necessary to rely on IP Court decisions. However, since its establishment on July 1 2008, the IP Court has been inconsistent in its dealings with the application of patent claim amendment. By examining recent judgments, its different approaches can be categorised as follows:

- No need to determine whether the amendment shall be approved – while such adjudications(1) clearly indicated that "the court does not need to consider the application of claim amendment and can make the judgment of the principal case directly", they all came to the aforementioned conclusion after comparing both the original and amended claims with the prior art citations raised by the defendants, and decided that both the original and the amended claims were invalid.
- No determination of whether the amendment shall be approved – 2011-MinZhuanShang-14(2) was silent on whether the court should judge on the claim amendment of its own accord; nor did it discuss the substantial content of the amendment. However, the court compared the defendant's product with the patent claims before and after amendment and determined that the product in question did not infringe either version of the claims.
- No judgment on claim amendment, but parties' consent must be obtained(3) – by mutual agreement of the parties, the court can decide which version of claims (before or after amendment) shall be used as the basis for judgment, and need not explore the interpretation and application of Article 32 of the IP Case Adjudication Rules, or review and deal with the legitimacy of the claim amendment. In addition, disputes between litigants in this respect could be decreased. However, no matter which version of claims (before or after amendment) is mutually agreed on by the parties, it does not mean that the amendment should or should not be approved. Since the court does not conduct a substantial examination on the amendment, it is more likely that the claims employed by the court as the basis for judgment will be inconsistent with the final version approved by TIPO.
- No judgment on claim amendment unless the amendment is obviously acceptable – in 2011-MinZhuanSu-49(4) the court first explained its standing that "in respect of whether the application of amendment should be approved, it is the mandate of the competent patent authority and the court has no way to make judgment". It then referred to Article 32 of the IP Case Adjudication Rules, expressing that "where the content of amendment is obviously approvable, the civil court may determine the validity of the patent on its own". In this case, the plaintiff simply deleted three of the original four claims and changed the sequence of the remaining one, which is an "obviously approvable amendment"; the court then used the claim

after amendment as its basis for determining the validity issue. This judgment seems to suggest that courts may determine only when the amendment is "obviously approvable in light of the formality".

- Decision of its own accord that the amendment shall be approved; defendant's consent must be obtained – in such judgments,(5) besides explaining in detail the reasons why the court considered the amendment to be approved, the defendant's consent to use the claims after amendment was the basis for judgment.
- Decision of its own accord that the amendment shall be approved – in 2011-MinZhuanSu-61 and 2011-MinZhuanSu-60,(6) the court examined the plaintiff's and the defendant's claims about the amendment of the patent claims, expounded the reasons why it determined that the plaintiff's amendment complied with patent law and finally used the claims after amendment as the basis of judgment. The court concluded infringement in both cases. It appears that in these judgments the court took a more proactive attitude about the amendment issue and conducted a comprehensive investigation and judgment on the parties' attacks and defences, rather than seeking the defendant's agreement to use the claims after amendment.

Comment

The IP Court has not yet established a common principle regarding how to handle the application for claim amendment filed by plaintiffs. It seems that the court tends to allow judges to make decisions on a case-by-case basis according to their mandate and their own evaluation of the evidence. As such, litigants are provided with scope to choose suitable procedures, and opportunities to apply different strategies swiftly.

Endnotes

(1) 2009-MinZhuanShang-42 and 2009-MinZhuanShang-45, June 10 2010.
(2) February 29 2012.
(3) Adjudications taking this direction include 2011-MinZhuanSu-93, July 26 2012; 2011-MinZhuanShang-2, May 31 2012; 2011-MinZhuanShangYi-31, April 5 2012; and 2010-MinZhuanShang-75, March 29 2012.
(4) March 20 2012.
(5) 2011-MinZhuanSu-128, July 25 2012 and 2011-MinZhuanShang-18, January 12 2012.
(6) June 28 2012 and September 7 2012 respectively.

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