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Patents

Patent Amendments in Cancellation Actions Should Extend to Pending Suits on Same Patent in Taiwan

By **Hsiu-Ru Chien**, Lee and Li, Taipei; e-mail: hrchien@leeandli.com

The Taiwan Patent Act imposes no restrictions on which parties are entitled to file a cancellation action with the Taiwan Intellectual Property Office ("TIPO") against another party's patent rights. Moreover, the Act sets no limit on the number of cancellation actions that can be initiated, except for requiring that each petition be based on different facts and evidence. Hence, in practice, when a patentee files a civil action for patent infringement, it is common for the accused infringer to initiate multiple cancellation actions in its own name or through a third party, in an attempt to increase the chance of cancelling the disputed patent right.

Where multiple cancellation actions are filed, differences in filing date, examination process, the time required to reach a decision, and the ultimate outcome will have variable effects on when each case enters the subsequent administrative remedy stage. For example, the administrative lawsuit of the first cancellation action might be pending in the Intellectual Property Court ("IP Court") while the second cancellation action is still under examination by TIPO. In such a situation, the tactics utilized by the patent owner in each of these two proceedings may have an affect on the other. Particularly, during TIPO's examination process in the second cancellation action for example, the patent owner may make an amendment to the patent claims, specification or drawings in order to overcome the cancellation petitioner's challenges. Once TIPO approves this amendment, the originally-granted contents of the patent may be subject to certain changes, such as being narrowed in scope or else become more specific and clearer in description, etc. Under this circumstance, the IP Court preparing to handle the administrative lawsuit for the first cancellation action may need to consider whether the object of its trial is the contents after amendment or those originally granted.

Some hold the view that the purpose of an administrative lawsuit is to review the legality of TIPO's decision made for the cancellation action, and that the object of the trial should still be the patent contents at the time when the decision was made. According to this view, it is inappropriate to base the trial on contents amended after the decision was issued. On the other hand, some are of the opinion that since the patent contents have changed, their legal effects should not be ignored.

The IP Court took a negative position on this issue in Judgment No. 2011-XingZhuanGeng (1)-8 (rendered in September 2011). Just after the preparatory procedure of the administrative lawsuit closed, which was for an earlier cancellation action against the patent concerned, TIPO made a decision on another cancellation action against the same patent, rejecting the cancellation petitioner's request for invalidation, and approving the patent owner's amendment of claims. The patent owner reported this result to the court immediately. Nevertheless, the IP Court ruled that since TIPO's decision in the other cancellation action had not become final and the amendment had not been published before the end of the debate hearing, the amended contents was not within the scope to be ruled on in the said administrative lawsuit, and therefore the court should still review the claims before amendment.

The patentee considered that while the claim amendment had not been published before the conclusion of debate, TIPO must make it published within a short period of time, as required by law. The patentee thus appealed the aforementioned judgment. The Supreme Administrative Court affirmed the

patentee's viewpoint and revoked the IP Court's judgment with Judgment No. 2012-Pan-1008 in November 2012. The opinions given were as follows:

- Under the law, a cancellation petitioner can repeatedly initiate cancellation actions against the same patent. Thus, even though a previous cancellation action has entered the administrative lawsuit stage, the patent owner should still be allowed to make amendments to the patent claims in another cancellation action to overcome the petitioner's arguments.
- When the patent owner effects an amendment in a cancellation action and such amendment is approved, the effect of the amendment shall extend to the previous cancellation action in a pending administrative remedy process. For an administrative lawsuit concerning patent validity, in order to decrease the possibility of inconsistent results from other cancellation actions, the trial shall proceed on the basis of the amended patent contents after publication. The above interpretation of law is made in accordance with the universal effect of a government authority's (i.e. TIPO's) decision and to prevent discrepancies among cases not yet finalized.
- According to the Patent Act, once an approved amendment is published by TIPO, it takes effect retroactively to the filing date. This is different from the invalidation of a patent, the effect of which does not become binding until the finalization of the cancellation action. Hence, although in practice, TIPO's approval of an amendment is delivered as part of the decision of a relevant cancellation action, the retroactive effect of the approved amendment has nothing to do with whether the decision of the relevant cancellation action has been finalized.

The Supreme Administrative Court expressed the same opinion in Judgment No. 2012-Pan-1007 rendered in November 2012. In summary, if a patent owner makes an amendment during the process of a later cancellation action, the patent contents after amendment, if allowed, should be taken into consideration in the administrative lawsuit of the previous cancellation action. It should be noted that the aforementioned opinion by the Supreme Administrative Court on "effects of patent amendment" is for a not-yet-finalized administrative lawsuit of a cancellation action pending in the court, and is not applicable to special relief procedures for finalized judgments, say, the retrial proceeding. The Supreme Administrative Court rendered Judgment No. 2011-Pan-2082 for a retrial petition filed by a cancellation petitioner who did not accept the outcome of a finalized judgment. The Supreme Administrative Court turned down the retrial petition by ruling that TIPO approved the amendment after the finalization of the original judgment, and hence it was groundless for the cancellation petitioner to allege the original finalized judgment had "significant errors in application of law".