

Intellectual Property, Taiwan

Issues relating to trade dress protection

Contributed by Lee and Li Attorneys at Law

Introduction

A key factor in determining the validity of a patent is inventive step or non-obviousness. According to Introduction Trade dress may be protected mainly by design patents, trademarks and copyright. If trade dress meets the requirements of novelty, non-obviousness and utility, the owner may apply for a design patent pursuant to the Patent Act, so that the trade dress in question will enjoy protection under the Civil Code. If the trade dress is capable of serving as a recognisable trademark, it can be registered as a trademark pursuant to the Trademark Act and enjoy both civil and criminal protection. If the trade dress constitutes a creative work, it may qualify for protection under the Copyright Act and enjoy both civil and criminal protection. However, if trade dress does not conform to any of these, supplementary protection will be provided under the Fair Trade Act.

Fair Trade Act

Article 22 of the amended Fair Trade Act (promulgated February 4 2015) stipulates that if an enterprise uses a commonly known symbol of goods or services, which is not a registered trademark, for the same or similar goods or services so as to cause confusion, the rights holder may bring a civil claim for damages. Article 22 of the amended act is more restrictive than Article 20 of the previous act, for example:

- Article 20 stipulated that the object of protection should be marks that are "commonly known to relevant enterprises or consumers", whether registered or unregistered;
- Article 20 referred to "using in the same or similar manner... so as to cause confusion", meaning that the "the same or similar goods or services" requirement was not necessary; and
- with regard to legal effect, those who violated Article 20 were not only required to bear civil liability but were also liable to administrative penalties imposed by the Fair Trade Commission. Nevertheless, the administrative penalty provision in violation of Article 20 has been removed.

If trade dress does not constitute a commonly known symbol – for example, if the trade dress has not yet been registered as a trademark, if the appearance or configuration of a new product for which the enterprise in question has not yet had time to apply for a trademark or a design patent becomes the subject of dead copy by a rival firm – this is treated as a violation of Article 25 of the act (Article 24 of the previous act).

Violation of Article 25 incurs civil liability, as well as administrative penalties imposed by the commission. Since the protection afforded to a commonly known symbol that is not a registered trademark no longer has the provision for administrative penalties included, the commission considered that if attempting to free ride on another firm's business reputation or engaging in dead copy were subject to administrative penalties, it would create a situation wherein punishment for a less serious offence might be more severe than punishment for a more serious offence. The commission therefore proposed to delete from its guidelines the references to attempting to free ride on another firm's business reputation and to engage in dead copy. However, legal acts have always lacked clear regulations regarding the protection of trade dress and prevention of dead copy. The application of Article 25 has played a supplementary role to make up for this deficiency, raising the following questions:

- If references to attempting to free ride and dead copy are removed from the guidelines, how will it be possible to provide protection for trade dress and prevent dead copy in the future?
- Does the removal of the references imply that the act's provisions regarding civil protection do not apply to such behaviour?
- Does it imply that IP Court would no longer have jurisdiction over these categories of behaviour and that they must be dealt with by the ordinary courts?
- If they are to be returned to the jurisdiction of the ordinary courts, are there suitable Civil Code provisions that can be applied?

Comment

As this is such a significant dispute, the IP Office Ministry of Economic Affairs held a conference on August 4 2015, at which commission officials, academics and experts in related fields were invited to discuss the issue. The participants were unanimous in holding that even if administrative penalties were considered to be removed in cases involving dead copy or free riding on another firm's business reputation, these types of behaviour should still be covered by Article 25. It remains to be seen whether and how the commission will revise its guidelines in response to this issue.

For further information on this topic please contact Tsung-Yuan Shen at Lee and Li Attorneys at Law by telephone (+886 2 715 3300) or email (tsungyuanshen@leeandli.com). The Lee and Li website can be accessed at www.leeandli.com.