

Intellectual Property, Taiwan Patent Act amendments: a guide

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The current Patent Act was amended on 18 January 2018 and took effect on 1 May 2018. Subsequently, on 16 April 2019, the Legislative Yuan amended the act once again in order to relax some of the requirements – in particular, to reflect adjustments to international patent laws and practice and upgrade Taiwan's patent examination practice. The president announced the latest amendments on 1 May 2019 and on 31 July 2019 the Executive Yuan announced that they would take effect on 1 November 2019. This article examines the major changes introduced by the amendments.

Reinstatement procedure for non-compliance with priority claim-related requirements

According to Article 29 of the Patent Act, within 16 months from the single filing date or the earliest priority date, a patent applicant may – due to an "unintentional reason, where [it] fails to claim priority at the time of patent filing" or "where the filing date and the foreign patent office receiving the priority application are not disclosed when claiming priority, thus causing [the] priority claim [to] be considered as not to have been made pursuant to the Patent Act" – file a reinstatement procedure, pay the official fee and make a priority claim so as to revive said priority claim. Under the prior Patent Act, "where a priority claim was considered as not to have been made pursuant to the Patent Act" referred to one of the following situations:

- the priority claim was not made at the time of patent filing;
- although the priority claim was made at the time of patent filing, the applicant failed to declare the filing date and the country of filing for the priority application at the time of patent filing; and
- the applicant failed to submit a priority document before the deadline.

Since the deadline for filing priority document is the same as that for filing reinstatement procedure as stated (ie, within 16 months from the first priority date), where an applicant fails to comply with the deadline for filing priority document, reinstatement will not be allowed based on an unintentional argument. Therefore, the amended Patent Act has limited the grounds for filing reinstatement procedure to the first and second situations listed above. The third situation (ie, the applicant failed to submit priority document within the deadline and the priority claim was considered not to have been made) has been deleted from the act.

Divisional patent filing

Invention patent applications

Timing and deadline for filing

According to Article 34 of the Patent Act, where an invention patent application covers in substance two or more inventions, applications for divisional filings can be made either on request by the Taiwan Intellectual Property Office (TIPO) or initiated by the patent applicant. Under the previous act, divisional filings had to be made:

- before a re-examination decision was issued; or
- within 30 days from the date of receiving an allowance decision issued for the parent patent application at the first examination stage (but not at the re-examination stage).

To enable applicants to utilise divisional filing approaches more flexibly and protect their rights and interests, the Patent Act was amended to expand the period for filing divisional applications. Now, postallowance divisional filings can be made after allowance of the parent patent application at either the first examination or the re-examination stage. In addition, the deadline for filing a post-allowance

divisional application has been extended from 30 days to three months from the date of receiving the allowance decision.

According to Article 157-3 of the Patent Act, if the deadline for filing a post-allowance divisional application under the amended Patent Act (Article 34(2)(2)) for an invention patent application allowed before 1 November 2019 had not expired when the amended Patent Act took effect on 1 November 2019, the applicant may proceed with a post-allowance divisional filing under the amended Patent Act.

Moving relevant rules into amended Patent Act

Article 29 of the Enforcement Rules has been introduced into the amended act (Articles 34(6) and (7)). Article 34(6) reads as follows:

Where a divisional patent filing made based on Item 2, Paragraph 2 is filed, the divisional filing shall cover an invention which is disclosed in the specification and/or drawings of the parent patent application but is different from that disclosed in the approved claims of the parent patent application. For a divisional patent application, the examination proceeding shall continue from the examination proceeding of its parent patent application before patent allowance.

Article 34(7) reads as follows:

The specification, claims or drawings of a parent patent application already allowed shall not be changed. The said parent patent application shall be published based on the claims and drawings on record at the time of allowance.

These provisions also apply to new utility model divisional patent applications.

Reasons for rejecting an invention patent application

Article 46 of the amended Patent Act clearly states that a violation of Article 34(6) (as quoted above) will be grounds for rejecting a divisional patent application.

Reason for filing cancellation action against invention patent

Article 71(1) of the amended Patent Act states that a violation of Article 34(6) (as quoted above) is new grounds for filing a cancellation action against an invention patent application.

Patent Act governing handling of cancellation action

Under Article 71(3) of the previous act, the fact and reasons for filing a cancellation action against an invention patent were governed by the Patent Act in effect at the time of allowing the invention patent. However, if the Patent Act provided otherwise with regard to specific facts and reasons, said facts and reasons would be governed by the act in effect at the time of filing the cancellation action. In particular, if a post-allowance divisional filing led to double patenting issues between the parent patent application and the divisional patent application, such ground for cancellation was considered a substantive violation of the requirements for patentability and would be governed by the act in effect when the cancellation action was filed. Therefore, Article 71(3) of the amended Patent Act clearly states that if a cancellation action is filed on the ground that the patent violates Article 34(6) (as quoted above), the act in effect at the time of filing the cancellation action governs the examination of the disputed issue in the cancellation action.

New utility model patent applications

Timing and deadline for filing

According to Article 107 of the previous act, where a utility model patent application covered in substance two or more utility models, applications for divisional filings could be made either on request by the TIPO or initiated by the patent applicant. A divisional filing had to be made before receiving a decision for the parent patent application. Under the amended Article 34(2) (concerning the timing and deadline for a post-allowance divisional filing), a post-allowance divisional filing based on a utility model patent case will be allowed with a deadline of three months from the date of receiving an allowance decision for the parent patent application.

According to Article 157-3 of the Patent Act, if the deadline for filing a post-allowance divisional application under the amended Patent Act (Article 107(2)) for a utility model patent application allowed

before 1 November 2019 had not expired when the amended Patent Act took effect on 1 November 2019, the applicant may proceed with a post-allowance divisional filing under the amended Patent Act.

Reason for filing cancellation action against utility model patent

In view of the amendment to Articles 107 and 34(6) – which also apply to utility model patents – Article 119(1) of the Patent Act was amended to explicitly recognise the violation of Article 34(6) (as quoted above) as a ground for filing a cancellation action against a utility model patent.

Patent Act governing handling of cancellation action

If a post-allowance divisional filing violates the requirements set out in Article 34(6) of the act (which also applies to utility model patents according to Article 120), it may lead to double patenting between the parent application and the divisional application, which would, in nature, violate the patentability requirements. As such, Article 119(3) has been amended to clearly state that if a cancellation action is filed on the ground that the patent violates Article 34(6) (as quoted above), the Patent Act which is effective at the time of filing the cancellation action will govern the examination of this disputed issue.

Patent term extensions

According to Article 52 of the previous act, the patent term of an invention patent starts from the patent publication date and expires 20 years from its filing date. Also, as prescribed in Article 53 of the previous act, where the practice of an invention patent covering a pharmaceutical or agrichemical product or a method for manufacturing such a product requires a special permit from the Taiwanese government and the permit is obtained after the patent's publication, the patent owner may apply for a one-time patent term extension. Each special permit can be used to seek only one extension. A patent term extension cannot exceed the total period during which the patent cannot be practised for the reason of obtaining the special permit from the relevant government agency. If the period needed to obtain the special permit exceeds five years, the maximum patent term extension will be five years.

With respect to a granted patent term extension, Article 57 of the previous act set out the below grounds for filing a cancellation action against the patent term extension:

- where there is no need to obtain a special permit to practise the patent;
- where the patent owner or its licensee never received a special permit;
- where the extended period exceeds the period during which the patent cannot be practised;
- where the applicant seeking the patent term extension is not the patent owner;
- where the special permit based on which a patent term extension is granted is not the first special permit or said special permit has been extended;
- where a patent term extension is filed based on the period for conducting testing abroad recognised by the Taiwanese government when issuing the special permit and the patent term extension period granted by the TIPO exceeds the patent term extension by a foreign patent office; and
- where the product of a patent, for which a patent term extension is applied, is used for animals.

The purpose of a patent term extension is to compensate the period during which a patent cannot be practised due to the need to obtain a regulatory permit to do so. According to the Regulations Governing Patent Term Extension Matters, the calculation of the period for conducting foreign clinical trials required to obtain a regulatory permit from the Taiwanese government will be based on the period granted by the government agency responsible for issuing the regulatory permit. Whether a patent term extension has been allowed in a foreign country is irrelevant to the calculation of the abovementioned period. It is unnecessary to consider the length of a patent term extension granted in a foreign country. Therefore, the sixth ground listed above (ie, where a patent term extension is filed based on the period for conducting testing abroad recognised by the Taiwanese government when issuing the special permit and the patent term extension period granted by the TIPO exceeds the patent term extension by a foreign patent office) has been removed as a ground for filing a cancellation action against a patent term extension.

As stated in the legislative explanation of the amended act, if a third party believes that the period for conducting testing abroad which was considered when granting a patent term extension has been

erroneously calculated, leading to the erroneous granting of a patent term extension, the party may file a cancellation action against the concerned patent term extension grant based on the ground set out in Article 57(1)(3) (ie, the extended period exceeds the period during which the patent cannot be practised). Therefore, the deletion of the sixth ground listed above would not affect the rights and interests of third parties.

Cancellation actions

Timeframe for submitting cancellation arguments and evidence

Under Article 73 of the Patent Act, cancellation petitioners must submit to the TIPO:

- a written application, including the declaration of and reasons for the cancellation action; and
- supporting evidence.

Previously, cancellation petitioners had to submit supplementary reasons and evidence within one month from the cancellation action's filing date. However, any reasons or evidence submitted before a decision was issued would be considered. To avoid delays in the handling of cancellation actions due to the repeated filing of supplementary reasons and evidence by concerned parties, the amended Patent Act states that a cancellation petitioner must submit supplementary reasons and evidence within three months from the date of filing the cancellation action. Any supplementary reason or evidence submitted beyond the threemonth deadline will not be considered.

Filing post-grant amendments, responses and statements

According to Article 74(1)(2) of the previous act, where the TIPO receives a cancellation action, it will serve the patent owner with the same. The patent owner must file a defence within one month from receipt of the action. Unless a patent owner receives an extension for filing its defence, the TIPO will review the cancellation case based on documents on file. Where the examination of a cancellation action is delayed due to the late submission of reasons or evidence by the cancellation petitioner or where the facts and evidence are clear, the TIPO may proceed with the examination directly. These provisions remain unchanged following the amendment of the Patent Act. However, to avoid unnecessary delays which may affect the rights and interests of both parties, Paragraphs 3 to 5 of Article 74 were amended as follows:

- 1. If a cancellation action is filed, the patentee can apply for amendment(s) only at the below-listed timing: (a) the time period set by the TIPO for filing a defense brief, (b) the time period for filing a supplementary defense brief or (3) the time period for filing a response/statement to a TIPO's notification. The above shall not apply if the concerned patent is involved in a patent litigation.*
- 2. As the TIPO deem necessary, the TIPO may notify a cancellation petitioner to express opinion or notify the patentee to file a supplementary defense or file a response/statement with the TIPO. The cancellation petitioner /or the patentee has to act as required by the TIPO within one month. Unless an extension is granted beforehand, documents under late submission shall not be taken into consideration.*
- 3. Where the filing of response/statement or supplementary defense as stated in Paragraph 4 may cause delay of the examination or the fact and evidence is found clear and concrete, the TIPO may continue its examination without requesting the filing of a supplementary defense or response/statement.*

Post-grant patent amendments

According to Article 77(2) of the previous act, where a post-grant amendment request is filed during the examination procedure of a cancellation case, the examination of the amendment request and the examination of the cancellation case, as well as the respective decisions, should be consolidated. Where the TIPO considers that an amendment request is acceptable, it will serve a copy of the amended specification, claims or drawings on the cancellation petitioner. Article 77(2) further stipulates that where two or more requests for post-grant amendment were filed during proceedings for the same cancellation action, the earlier requests would be deemed to have been withdrawn.

If an amendment request filed by the patentee relates only to deleting claims, the amendment, once approved and published, will retroactively become effective from the filing date of the concerned patent. If such amendment leads to an absence of subject matter under cancellation, which will not affect the rights and interests of the cancellation petitioner and which may facilitate the examination of the cancellation case, the TIPO may proceed with examination directly without seeking opinions from the cancellation petitioner. Therefore, Article 77(2) of the act has been amended as follows:

Where an amendment stated in the preceding Paragraph is considered acceptable by the TIPO after examination, the TIPO shall serve a copy of the amended document on the cancellation petitioner. However, if the amendment only relates to deleting claim(s), the above service requirement shall not apply.

Applying for post-grant amendment of utility model patents and examination of amendments

In Taiwan, utility model patent applications are subject only to a formality examination before they are decided. Utility model patent applications that comply with the formality requirements will be allowed. According to Article 118 of the previous act, except for the situations prescribed in Article 77(1), applying mutatis mutandis to utility model patents under Article 120 (eg, the examination of a cancellation action and of a post-grant amendment should be consolidated and the TIPO will serve a copy of the amendment on the cancellation petitioner) if the amendment is permitted, the post-grant amendment of a utility model patent should be subject to a formality examination and a decision will thus be made and served on the applicant filing the amendment.

To ensure the stability of the contents of a utility model patent and to avoid disputes caused by the amendment of said contents, if a dispute already exists with respect to the substantive issues of a new utility model patent (eg, a cancellation action against the utility model patent is filed, a utility model patent right evaluation report is applied or a patent litigation involving the utility model patent is pending before the court), the substantive examination of a utility model patent amendment thus becomes necessary. Article 74(3) of the amended act limits when a post-grant amendment can be requested. The amendment (brought about by a change to Article 118) states as follows:

In addition to the timing requirements prescribed in Paragraph 3, Article 74 which, as stated in Article 120, applies mutatis mutandis to utility model patents, a post-grant amendment to a utility model patent can be filed only under one of the following timing:

- 1. An application for a Utility Model Patent Evaluation Report of the utility model is filed and is pending before the TIPO; and*
- 2. A litigation involving the utility model patent is pending before the court.*

Design patent term extended to 15 years

According to Article 135 of the previous act, the term of a design patent started from the patent publication date and expired 12 years from the filing date. The patent term of a derivative design patent expired on the expiration date of its parent design patent. In response to comments provided by the general public and considering that the design patent term in most foreign countries exceeds 15 years (eg, 15 years for US patents, 20 years for Japanese and South Korean patents and 25 years for EU patents), Article 135 has been amended to extend the term of a design patent from 12 years to 15 years.

According to Article 157(4) of the amended act, where an earlier granted design patent was valid when the amended Patent Act took effect on 1 November 2019, its patent term would be extended to 15 years. Where a design patent was extinguished before 1 November 2019 due to a violation of Article 70(3), which – as stated in Article 142 – applies to design patents (ie, an annuity is not paid in a timely manner) and a reinstatement procedure is filed on or after 1 November 2019 (ie, the failure to pay the annuity in a timely manner is unintentional), the patent term of such design patent will be governed by the amended Patent Act.

Possession of patent files

According to Article 143 of the previous act, the TIPO will retain the filing documents, specification, claims, abstract and drawings of a patent application for a maximum of 30 years. Patent files can be recorded on microfilm, disc, magnetic disc, CD or any other form of media considered to be the same as

a paper file on verification by the TIPO, after which paper files can be destroyed. Copies of storage records are presumed to be true on verification by the TIPO. These storage records will be governed by regulations to be announced by the TIPO.

Considering the number of patent files and the lack of space to store them, Article 143 of the act was amended to limit the patent files permanently possessed by the TIPO to those considered to be "files with preservation values". The amendment states as follows:

1. *For filing documents, specification, claims, abstract, drawings of a patent application, which is considered with value for preservation by the TIPO, such files will be possessed permanently.*
2. *For allowed invention patent cases, their files shall be possessed for 30 years. The files of other invention patent cases shall be possessed for 20 years.*
3. *For allowed utility model patent cases, their files shall be possessed for 15 years. The files of other utility model patent cases shall be possessed for 10 years.*
4. *For allowed design patent cases, their files shall be possessed for 20 years. The files of other design patent cases shall be possessed for 15 years.*

Transitional provisions

The following transitional provisions were included in the amended act to govern the application of the previous and amended versions.

Article 157-2

The amended act applies to patent applications that had yet to be decided by 1 November 2019, unless the act provides otherwise. The amended act also applies to post-grant amendment applications and cancellation cases that had yet to be decided by 1 November 2019.

Article 157-3

The amended act applies to patent applications that had been allowed by 1 November 2019 but for which the deadlines for filing post-allowance divisional applications under the amended act (Article 34(2) for invention patent applications and Article 107(2)(2) for utility model patent applications) had not expired.

Article 157-4

Where an earlier granted design patent remained valid when the amended act took effect on 1 November 2019, its patent term is governed by the amended act. Where a design patent had been extinguished before 1 November 2019 due to a violation of Article 70(1)(3), which as stated in Article 142(1), applies to design patents (ie, an annuity is not timely paid) and a reinstatement procedure was filed on or after 1 November 2019 (ie, the failure to pay the annuity in a timely manner is unintentional), the patent term of such design patent is governed by the amended act.

Comment

To guide the implementation of the amended act, the TIPO has also amended the relevant patent examination guidelines.

For further information on this topic please contact CV Chen or Daisy Wang at Lee and Li Attorneys at Law by telephone (+886 2 2715 3300) or email (cvchen@leeandli.com ordaisywang@leeandli.com). The Lee and Li website can be accessed at www.leeandli.com.