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Customs Administration proposes to relax regulations regarding trademark owner requests for photos

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Existing regulations

The Regulations Governing Customs Measures in Protecting the Rights and Interests of Trademarks, enacted pursuant to Article 78(2) of the Trademark Act, provide concrete guidelines for customs offices to follow with respect to trademark rights when implementing border protection measures.

Article 7(2)(1) of the regulations stipulates as follows:

[T]he owner of a registered trademark shall identify the items in question on-site for determining infringement within twenty-four (24) hours for import/export by sea freight and import by air freight

In practice, the obligation to arrive on site within 24 hours often proves burdensome for trademark owners. Many trademark owners reside overseas. As their agents must often contact them for authorisation and instructions on whether to identify and verify items that require authenticity appraisals, differences in time zones and holidays in various countries often mean that the 24-hour period is insufficient. Even if a trademark owner resides in Taiwan, the time at which counterfeits are seized is sporadic. Even where trademark agents receive notice just before customs offices close for the day, the 24-hour countdown still begins pursuant to the foregoing provision. This limits the time in which a trademark agent can contact the domestic trademark owner for instructions and the decision-making time of the latter.

To address this issue, a 30 December 2016 amendment to the regulations added Article 7(5), which states as follows:

After receiving [Customs] notification ... the owner of a registered trademark may make a request to Customs for providing the photo files of suspected infringing goods so as to determine whether to identify the goods on-site or not.

This amendment aims to assist trademark owners in determining whether to arrive on site within 24 hours. However, it does not alleviate the pressure on trademark owners to arrive on site within the limited timeframe.

Proposed amendment

In light of this, the Customs Administration of the Ministry of Finance recently proposed a draft amendment to Article 7(2)(1) of the regulations. In addition to the existing provision, the following clause has been added: "or apply to have Customs provide photo files of suspected infringing goods within the prescribed timeframe before notifying Customs whether to determine infringement."

The first reason given for the draft amendment is as follows:

[D]ue to advance[s] in modern technology, it should be technically feasible to capture and transmit clear image files through photo-taking. In practice, one can observe photo files of import/export such as a trademark owner's goods yet to be produced or sold to determine infringement.

The second reason given for the draft amendment is as follows:

[C]ustoms practices in the US, Japan, Germany, South Korea, India, and China provide owner(s) of a registered trademark with photos of suspected infringing goods and do not make it compulsory for the said owner to determine infringement on-site.

The draft amendment to the regulations offers an alternative to on-site determination of infringement: the use of accurate and reliable photo-taking technology. This effectively eases trademark owners' burden to be on site to determine infringement. The conception of the draft amendment is thus commendable.

However, the draft amendments have modified the wording of Article 7(5) of the regulations to state that:

The photo files limited to referring to the goods that Customs had seized are reference for determining whether to arrive on-site to identify the goods in question to determine infringement or reference for notifying Customs that whether the trademark owner will determine infringement.

The purpose of such draft amendment is as follows:

If the owner has included those photos into their infringement assessment report as evidence, one needs to be responsible for such own decision. The infringement determination should be made after considering all related evidence and it is not recommended to use the photos provided by Customs as the only evidence.

Therefore, it is acknowledged that photos can constitute evidence, but they should not be the only evidence that supports an infringement determination. Photos are important and effective materials when determining trademark infringement cases; it might be too rigid if the regulations were to rule out their admissibility as evidence. Besides, the owner of a registered trademark should carry the burden of proof when claiming trademark infringement.

In judicial practice, the admissibility of evidence and the weight thereof is examined in the determination of infringement. Thus, even if the Customs Administration draft amendment aims to alleviate pressure on trademark owners with respect to the 24-hour timeframe by amending Article 7(2)(1) of the regulations, Article 7(5) of the regulations requires trademark owners to undertake a meticulous and comprehensive process of appraisal through the appraisal of photographs.

The Customs Administration is collecting opinions from various relevant governmental agencies and nongovernmental organisations regarding the draft amendment and will consider these opinions before reaching a decision on whether to revise the draft amendment. Further progress will be promulgated pursuant to procedures for giving advance notice.

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