

The 2009 Asia IP Patent Survey



A Guide to Asia's Leading Patent Advisors

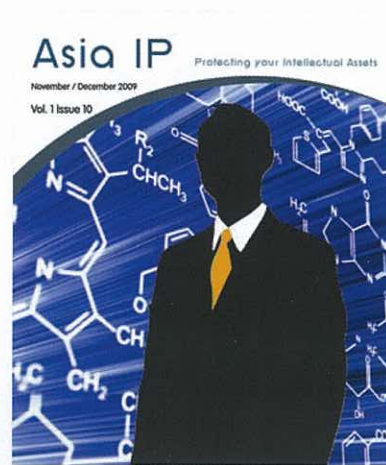
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Who Protects Your Patents?

Or more importantly, are the firms you are using the best in their field? Over the past several months, *Asia IP* polled thousands of in-house counsel and private practitioners in order to find the best patent law firms or practices in Asia and the Pacific.

By Gregory Glass



Australia, Taiwan and Japan. This can make the job of effectively protecting and exploiting these patent assets even harder, but hopefully the 2009 Patent Survey will help.

After months of extensive independent research by *Asia IP*

Patent holders are under pressure: pressure to cut budgets, pressure to turn little-used patents into commercial assets, and pressure to protect the most valuable patents in their portfolios. Patent holders have had to contend with a raft of legislative changes in Asia, with China and Japan introducing new patent law amendments, and proposed amendments in

staff members, and input from in-house counsel and private practitioners from across Asia and beyond, *Asia IP* can finally reveal the regions best patent practices according to the people that matter most – their clients and peers.

The 2009 Patent Survey covers 15 of the most important jurisdictions in Asia, with information on key developments in that jurisdiction, and a ranking of the top 10 patents practices. Each jurisdiction is broken into two tiers; the listings within each tier are alphabetical.

Accompanying each top 10 list is a brief description of the firms included in the ranking, and information on a select number of other firms which only just fell outside the top two tiers. This month sees the publication of the first two parts of the survey, covering Greater China and Oceania. In China we have ranked both local law firms and international law firms, due to its unique legal environment. The first two parts of the survey are presented in this month's issue of *Asia IP*; the remainder will appear in the January issue.

We hope that our first comprehensive patent survey will help you find the best advisors in Asia.

Greater China



CHINA

The Third Amendment to China's Patent Law became effective on October 1, 2009, reflecting what Deacons partner Annie Tsoi calls "China's on-going effort to adapt its IP protection regime to the demands of a rapidly developing economy." The State Intellectual Property Office (SIPO) issued

the Transitional Provisions for the Implementation of the Revised Patent Law on September 29, 2009.

Tsoi, writing on the firm's website, says the key provision to the amendment is Article 2, which stipulates that any patent application filed prior to October 1, 2009, and any patent right granted on the basis of such application, shall be governed by the old Patent Law. The Revised Patent Law shall apply to any patent application filed on or after October 1, 2009.

"However, the Transitional Provisions set out certain events where the Revised Patent Law shall apply even in respect of patent applications filed prior to October 1, 2009," said Tsoi, including:

- Where an application for a compulsory licence of the patent is filed on or after October 1, 2009 (Chapter 6 of the Revised Patent Law will apply);
- Where the administrative authority for patent affairs deals with suspected acts of patent infringement which arise after October 1, 2009 (Articles 11, 62, 69 and 70 of the Revised Patent Law will apply); and
- Where the administrative authority for patent affairs investigates and handles any suspected passing off of a registered patent arising after October 1, 2009 (Articles 63 and 64 of the Revised Patent Law shall apply).

Tsoi said the Transitional Provisions are in line with the principle set out in Article 84 of PRC Legislation Law, which provides that newly promulgated legislation should not have any retrospective effect. SIPO confirmed this view in a notice issued on September 30, 2009, stating that the conditions for granting patents, examination procedures and any possible invalidation proceedings which may arise in respect of patent applications filed prior to October 1, 2009 (and any corresponding patent rights subsequently granted), shall remain to be governed by the old Patent Law.

"This means that the 'absolute novelty' test for inventions and

utility models and the higher threshold for the grant of design patents, introduced by the Revised Patent Law, will only apply to patent applications filed after October 1, 2009," Tsoi said. "This may be contrasted with the position when the Patent Law was last amended in 2001, where it was provided that, except in certain circumstances, any patent applications filed prior to July 1, 2001, should be governed by the new Patent Law."

In addition to the Transitional Provisions, Tsoi says, SIPO has also set out certain other transitional arrangements through notices on its website, including the Notice Concerning Certain Events for the Implementation of Revised Patent Law. This Notice introduces several new forms (which are downloadable from SIPO's website) for the implementation of the Revised Patent Law. After October 1, 2009, applicants are required to complete the relevant form in the following circumstances:

- 《同日申请发明专利和实用新型专利的声明》(Declaration of Applying Invention Patent and Utility Model Patent on the Same Date) According to Article 9 of the Revised Patent Law, it is possible to file applications for both a utility model patent and an invention patent, on the same date, for the same invention or creation. However, if a utility model patent is granted first, before the expiration of such utility model patent, the applicant may elect to relinquish the utility model patent and be granted an invention patent instead. To implement this provision, the applicant is required to complete the "Declaration of Applying Invention Patent and Utility Model Patent on the Same Date" at the time of the application. According to the Submission Draft of the Implementing Regulations of Patent Law (as of February 2009), failure to do this means that Article 9 shall not apply.
- 《向外国申请专利保密审查请求书》(Application of Confidentiality Examination for Patent Application Filing Abroad) Under the Revised Patent Law, any inventions or utility models "completed in China" by any entity or individual, irrespective of their nationalities, may first file a patent application abroad, or file a PCT application through other receiving offices, provided that an application is first submitted to the Patent Administration Department for a "confidentiality examination."
- 《遗传资源来源披露登记表》(Registration of Disclosure of Origin of Genetic Resources) According to Article 26 of the Revised Patent Law, for an invention which relies on genetic re-



sources, the applicant shall disclose in the application document the origin of such genetic resources.

Lanny Lee, partner at HFG Intellectual Property Consulting in Shanghai, notes that under the new law, the maximum statutory damages for infringement have been increased to Rmb1 million (US\$146,400). "Statutory damages are awarded when it is hard to prove actual damages, which is typically the case in China, due to the lack of available discovery," says Lee. "When damages can be determined, damages are based on actual losses suffered by the patentee. If actual losses cannot be determined, the damages are awarded based on profits earned by the infringer. If earned profits cannot be assessed, damages are based on a multiple of a licensing fee. However, it is expected that the maximum statutory damages of Rmb1 million will become the effective cap on damages awarded by courts in China in most cases."

Lee said the firm expect that the court will conform to the spirit of this standard.

Stephen Yang, a partner and patent attorney at Peksung Intellectual Property in Beijing, told *Asia IP* that the new patent law includes "a lot of changes" on design practice. "New regulations will create new issues in the practice," Yang said. "In particular, the 'brief explanation' of the design imposes a great challenge to attorneys as this part will be used to define protection scope of the design. It will be very difficult to draft this part to meet the requirement of the law while not prejudicing the applicant's rights."

CCPIT Patent and Trademark Office reported that Chinese invention patent applications abroad continued to grow steadily in the first half of 2009, despite the global financial crisis. "Under

the latest statistics of United States Patent and Trademark Office (USPTO), European Patent Office (EPO) and Japan Patent Office (JPO), from January to June 2009, Chinese applicants filed 2,326 patent applications to USPTO, up 14.3%; 765 application to EPO, up 2.9%; and 433 applications to JPO, up 16.1%," the firm reported, noting that, overall, applications received by USPTO, EPO and JPO were affected by the global financial crisis. In the above same period, the growth rates of applications in USPTO, EPO and JPO were respectively reduced to 2%, -8% and -9.5%.

"Moreover, in the first half of 2009, China received 11,080 applications from the US, down 8.9%; 12,811 applications from Europe, down 9.6%; and 15,956 applications from Japan, down 2.3%," the firm reported on its website. "In spite of that, the number of the applications from the US, Europe and Japan to China [is] still nearly five times, 17 times and 37 times, respectively, as much as the number of the applications from China to US, Europe and Japan in the same period."

China Patent Agent (H.K.) told *Asia IP* that in recent years, a considerable amount of granted patents have been declared invalid by the Patent Reexamination Board for failing to comply with Article 33 of the Patent Law, which has given rise to much controversy. "It is deemed that the State Intellectual Property Office's application of different standards during the granting and invalidation procedures is disadvantageous to the patentee," lawyers at the firm said. "[We] hope the judgment in *Shimano Inc. v. Patent Reexamination Board* will lead the State Intellectual Property Office to reconsider this issue." (For more details on the *Shimano case*, see the *China Patent Agent (H.K.)* entry in the *Local Law Firms* section below.)

Peksung, a boutique intellectual property law firm, offers full spectrum of premium intellectual property services in prosecution and litigation for domestic and overseas clients.

Peksung is home to a diversified team consisting of reputable and dedicated patent attorneys, trademark attorneys and attorneys-at-law that bring together academic, industrial and professional experience.

Peksung has taken the leading role in issues at the forefront of the ever-changing intellectual property world that entail great breadth of expertise and in-depth understanding of law and technology. Peksung has been recognized by our peers and clients as a firm of both scholarship and entrepreneurship.

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We Know & We Care

China

Tier 1	CCPIT Patent and Trademark Law Office China Patent Agent (H.K.) King & Wood Liu, Shen & Associates Zhongzi Law Office
	Beijing Sanyou China Sinda Intellectual Property Fangda Partners Hylands Law Office Kangxin Partners

LokeKhoo Tan, partner and head of the IP group for China and Hong Kong at Baker & McKenzie, says that the biggest challenge law firms doing business in China face is to change their practice from a translation-focused practice to an advisory-based practice. "Most patent counsels in this jurisdiction have been benefiting from large amounts of patent filings by multinational corporations in recent years, which are mostly done through translation service," says Tan. "Now, clients demand higher quality service in terms of patent strategy, better enforcement strategy and anti-trust related issues. Patent practitioners are also facing greater demand to provide excellent service to large Chinese corporations who are keen to build up their IP portfolio overseas."

Tan says there are "good opportunities" for patent practitioners to meet such challenges. "Firms have to hire first-tier talent and provide consistent quality training to people, while they have to cope with the [quickly-increasing] competition in the market."

Local Law Firms

Founded by Qiang Li, **Beijing Sanyou** bills itself as the first private IP law firm in China and has received the State Intellectual Property Office's prestigious Outstanding Patent Agency award. The firm's offerings include prosecuting patent applications for invention, utility models and designs, as well as patent search and consultation, patent annuity payments, patent reexamination and invalidation and registration in Hong Kong and Macau.

CCPIT Patent and Trademark Law Office is one of the largest

China - International Firms

Tier 1	Baker & McKenzie Bird & Bird Jones Day Lovells Rouse & Co
	Deacons Ella Cheong (Hong Kong, Beijing) Gide Loyrette Nouel Orrick, Herrington & Sutcliffe Vivien Chan & Co

full-service IP firms in China, handling thousands of patent applications and numerous patent litigation cases. The firm boasts more than 470 staff members, including more than 170 patent and trademark attorneys, nearly 40 of whom also have lawyer's qualification, and more than 80 patent engineers. With its main office in Beijing, the firm also has offices in New York, Munich, Tokyo, Hong Kong, Shanghai and Guangzhou.

China Patent Agent (H.K.) has advised firms including Philips, GM, DuPont, GE and Merck. The firm recently won a patent administrative lawsuit for bicycle components manufacturer Shimano in No. 1 Intermediate People's Court of Beijing. Dissatisfied with the Patent Reexamination Board's invalidation of the Chinese patent relating to bicycle rear derailleur, Shimano filed an administrative lawsuit against the PRB. The Court revoked the Decision on Invalidation. The firm has more than 160 patent attorneys, 70 patent engineers, 25 trademark attorneys and 36 lawyers working in offices in Beijing, Shanghai and Shenzhen, all of which were grew in 2009, and Hong Kong.

Gary Zhang and Lina Xie are top patent practitioners at **China Sinda Intellectual Property** in Beijing. Zhang, the firm's president, is a US-licensed patent lawyer who is noted for his patent prosecution work in Chinese courts, while Xie, the firm's vice president, has handled a large number of patent and trademark application cases, including the first Taiwan patent applications filed in mainland China in 1990. Zhang and Xie both worked in firms in North America before their work at China Sinda. The firm comes highly recommended by its clients.



Ella Cheong (Hong Kong, Beijing) is noted for the work of its top patent practitioners, Wubin Yan, Han Long, Margaret Burke and Matthew Rose. The patents practice covers sectors including biotechnology, computer systems and software, electronics and digital signal processing, industrial chemistry, mechanical engineering, medical devices, pharmaceuticals and telecommunications.

Gide Loyrette Nouel has been present in China since 1987, and was one of the first foreign law firms to be granted a license by the Chinese Ministry of Law to practice law in China; its lawyers now work from offices in Beijing, Shanghai and Hong Kong.

Jones Day has been in China for more than 20 years, with offices in Beijing and Shanghai, as well as Hong Kong. Its China patent practice includes work with litigation, prosecution, licensing and technology transfer, defective products and export controls. Top lawyers include partners Victor Chang, a seasoned litigator with more than 20 years of experience in IP and other disputes, and Peter Wang, who handles complex commercial disputes and patent, trade secret, and other technology and intellectual property matters in China, the United States, and worldwide.

Lovells is frequently ranked in the first tier in IP and telecom/IT markets in Hong Kong and China. The firm has particular strength in patent litigation and counselling. Notable practitioners include Doug Clarke in Shanghai, and Horrace Lam in Beijing, as well as the team in Hong Kong.

Morrison & Foerster partner Michael Vella advised Sichuan Changhong Electric, a Chinese electronics manufacturer, in the defense of a patent infringement case filed by Digital Choice in the US District Court for the Eastern District of Texas. The patents at issue related to technology that allowed users of VCRs and DVD players to block access to violent or sexual content. All claims against Changhong were dismissed before trial with the client making no payment. Vella, who leads the firm's litigation practice in China, and Harris Gao, who has a Master's degree in physics and handles patent litigation and prosecution, have both joined the firm's China practice.

Orrick, Herrington & Sutcliffe's China IP team advises clients in sectors ranging from automotive and biotechnology to industrial chemistry, memory chips, microprocessors and optical communications. The China team works extensively in China, Hong Kong and the US, where it represents Chinese companies as they expand their domestic and foreign R&D and IP for global application, including IP-related litigation. The firm has more than 15 local IP partners, of counsel, associates and consultants providing patent, trademark and litigation services to Chinese and foreign companies.

Rouse & Co International has a team of more than 500 professionals including lawyers, patent and trademark attorneys and specialist IP investigators working in 15 offices around the world to provide the full range of IP services, from registration to commercialisation and enforcement. Long standing clients include many of the world's foremost IP owners. The firm is regularly named as the leading IP firm in many jurisdictions across a range of leading industry publications.

Vivien Chan & Co offers a full range of legal services throughout Greater China. The firm's practice areas in intellectual property include prosecution, licensing, distribution,

administrative actions, litigation, tax saving structures, valuation, labeling, protection strategies, trade secret policies and portfolio management in respect of patent, trademark, design, copyright and other forms of intellectual property rights. The firm and its lawyers are regularly named as, respectively, one of the premier law firms and leading practitioners in various practice areas in Asia, including in intellectual property, litigation and China practice.



Hong Kong

Little has changed in Hong Kong's patents regime in recent years, although in December 2009 news about the patents system did flare briefly when Wong Ting-kwong, a member of the Legislative Council of Hong Kong, asked the secretary for commerce and economic development, Rita Lau, if Hong Kong intended to create an independent registration system for standard patents.

Presently, the grant of a standard patent in Hong Kong is based on a patent granted by one of three designated offices located outside the Special Administrative Region, namely China's State Intellectual Property Office, the European Patent Office or the United Kingdom Patent Office. The application process involves two stages. At Stage 1, the applicant files a "request to record" in Hong Kong within the prescribed period after the patent application has been published by a "designated patent office." At Stage 2, after the patent has been granted by the designated patent office, the applicant files a "request for registration and grant" within the prescribed period. The Hong Kong Patents Registry will normally grant the patent within a few months after receiving the relevant certifying document from the designated patent office.

"Applicants of patent registration have relayed to me that Hong Kong lacks the talents for drafting patent specifications required for submission when applying for registration of standard patent," said Wong. "Given that neighbouring places such as Singapore and Macau have already set up independent registration systems for standard patents, [will] the authorities study the setting up of an independent registration system for standard patents in Hong Kong?"

In a written response reported by 7th Space Interactive, Lau told Wong that "before establishing an 'original grant patent system,' a Patent Office would need to have a comprehensive technical information databank and a sizable pool of suitably qualified technical personnel. The relevant set-up cost is enormous."

Moreover, Lau said, given the present relatively low volume of patent applications originating from Hong Kong (approximately 1% of the total number of applications received for standard patents), establishing an original grant patent system may not be cost-effective.

Lau noted that the patent systems of Singapore and Macau are not true "original grant patent systems" – Singapore has outsourced the substantive examination of patent applications to the Patent Offices of Australia, Austria, Denmark and Hungary while patent applications filed with the Macau Patent Office are entrusted to the State Intellectual Property Office for substantive examination.

"We have no plan to establish an 'original grant patent system' in Hong Kong for the time being," Lau said. "The existing patent registration system in Hong Kong is generally working well.

It largely meets the business needs of the applicants and the process leading to registration is relatively straight-forward."

Law Firms

Baker & McKenzie's Hong Kong and China IP practice represents the owners of many of the world's best known trademarks and brand names. With a comprehensive range of IP services offered, the firm acts for both users of intellectual property and for many of the world's most significant providers of those products and services, and represents both local and multinational clients in the region. The intellectual property team is lead from Hong Kong by LokeKhoo Tan, partner and head of the intellectual property group for Hong Kong and China.

Bird & Bird's Hong Kong IP practice comprises four partners and 20 associates. The Hong Kong office is undertaking multi-jurisdictional patent litigation for a global pharmaceutical company against a generic pharmaceutical manufacturer, including litigation in China, Thailand, Malaysia and the Philippines. The firm is developing strategies to manage the differing laws in each of these counties. Top patents practitioners at the firm include partners Matthew Laight, Allison Wong, Shirley Kwok and Ai-Leen Lim.

Deacons has representative offices in Beijing, Shanghai and Guangzhou, but handles most of its China IP work from Beijing and Hong Kong. The firm offers a full range of patent and registered design services including searching, drafting, filing and maintenance, in both Hong Kong and China, with the



Hong Kong

Tier 1	Baker & McKenzie
	Bird & Bird
	Deacons
	Lovells
Tier 2	Wilkinson & Grist
	Marks & Clerk
	Mayer Brown JSM
	Robin Bridge & John Liu
	Rouse & Co
	Sit, Fung, Kwong & Shum

Hong Kong office working closely with its counterparts in China. The firm employs four qualified patent attorneys and a number of additional support staff. Patent practitioners include partner Christopher Britton, whose expertise includes contentious and non-contentious patent work in China and Hong Kong, Charmaine Koo, and Annie Tsoi.

Jacqueline Lui is managing director at Hong Kong-based **Eagle IP**. On behalf of a Hong Kong scientist, the firm was recently granted broad patents in Hong Kong, Australia, Europe, India, New Zealand and other countries for an anti-cancer biologic drug candidate that is going through phase I/II clinical trial in Hong Kong. The firm expects corresponding patents to be granted soon in the United States and Israel.

Ella Cheong (Hong Kong, Beijing) is an intellectual property boutique that provides a full range of intellectual property related services from its offices in Hong Kong and mainland China. Name director Ella Cheong is regarded as one of the pioneers in the field of intellectual property in Asia and has built up a stellar reputation.

Lovells is often ranked in the top tier for IP and telecoms/IT in both Hong Kong and China. The firm's IP practices handles cross-border and domestic litigation enforcement, as well as technology transfer, licensing and other non-contentious matters. Lawyers include Henry Wheare and Andrew Cobden.

IP specialist firm **Marks & Clerk** has one of the largest – and oldest – patents practices in Hong Kong, where it is known for its work in biotechnology and pharmaceuticals, among other areas. Partner Graeme Hall comes recommended for his work with mechanical, electrical and electronic inventions and physics devices, including inventions in nanotechnology, information technology, telecommunication, software and computer-implemented inventions. The Hong Kong team has benefited from its 2007 merger with Lloyd Wise; it also has a global network to draw on, with offices in the UK, France, Luxembourg, Canada, China, Malaysia and Singapore.

Kenny KS Wong is a partner and head of the IP/IT practice group at **Mayer Brown JSM** in Hong Kong. His patents work includes assisting the Hong Kong Hospital Authority with patent clearances for drugs and other IP issues. The firm is regarded as a top full-service law firm.



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Established in 1983, Robin Bridge & John Liu advises on all aspects of contentious and non-contentious intellectual property matters. The firm is among the top ten e-filers since the inception of the e-filing system by the Intellectual Property Department. Partner Anthony Tong is the honorary legal adviser to the Hong Kong Design Council, under the auspices of the Federation of Hong Kong Industries, a non-profit-making statutory body created to represent and serve the interests of Hong Kong's manufacturing industries.

Nick Redfearn is Hong Kong country manager and Asia head at IP specialist **Rouse & Co.** The firm's patent lawyers are heavily involved in patent commercialisation and litigation for clients including government research bodies, multinationals, SMEs and start ups. James Collison is a senior manager who joined Rouse in 2007 to assist in the growth and development of its patent services in Asia, particularly China, Indonesia, Hong Kong, Thailand, the Philippines and Vietnam. The firm's Hong Kong office is closely linked with Yu & Partners, a Hong Kong law firm and patent and trademark agency.

Sit, Fung, Kwong & Shum acts for multinational companies and top intellectual property law firms, trademark and patent agents in the US, Asia and Europe. The firm handles contentious and non-contentious intellectual property matters including local and overseas patent and design registration, licensing, enforcement and related commercial transactions through a team which has technical backgrounds in the areas of computers, electronics, mechanical engineering, electrical engineering, biochemistry and chemistry. Partner Kwong Chi Keung is noted for his IP work.

Wilkinson & Grist is one of the few full-service law firms in Hong Kong which offers a full range of IP services. One of Hong Kong's top e-filers for patent and design applications, the firm handles IP portfolios for many top multinational corporations. Partner Anne Choi is president of the Hong Kong Group of the Asian Patent Attorney Association (APAA). The patents practice includes five patent attorneys, with qualifications in China, the US and Australia.



TAIWAN

On September 3, 2009, Taiwan's Intellectual Property Office proposed amendments of the Taiwan Patent Act to the Executive Yuan covering a number of important changes.

CV Chen, managing partner at Lee & Li, told Asia IP that the amendments are intended to enhance Taiwan's "economic and industrial competitiveness, promote development of biotechnology, green technology, advanced agriculture industry and other critical technologies, [and] raise the quality of the patent examination process." Beginning in 2006, the IPO held 15 public hearings to collect comments and suggestions from the general public. The proposed amendments were drawn up after another round of public hearings.

According to Chen, key elements of the draft amendment include:

Amendment of Scope of Applying Grace Period. It is proposed that disclosure by a patent applicant in publication(s) shall be included as ground for seeking a grace period. In addition, the grace period shall, which would apply to both novelty and inven-

tive step requirements (Articles 22 & 124).

Claim(s) and Abstract Shall be Deemed Separate from Specification. Under the current Patent Act, a specification contains, among others, the claim(s) and an abstract. Considering international practices, it is proposed to amend the current Patent Law so that the claim(s) and abstract shall be separate documents from the specification (Articles 23 & 25).

Plant per se Inventions and Animal per se Inventions Are Allowed for Patent Protection. To promote development of the local biotech industries, it is proposed to delete Item 1, Article 24 of the Patent Act and expand patent protection to plant per se inventions and animal per se inventions.

Reinstatement of Rights. To encourage innovation and protect R&D results, for a patent case which is deemed to be filed without priority claim because the applicant fails to claim priority at the time of patent filing for reasons other than the applicant's intentional act, or for a patent case which has become extinguished because the patentee fails to pay an annuity for reasons other than the patentee's intentional act, it is proposed to allow the applicant or the patentee to revive the patent case. The patent right of a granted patent which has been revived shall not apply to the practice of the patent by a bona fide third party or the necessary preparation for such patent practice by a bona fide third party during the time period between the date of extinguishment and the date of publishing the patent revival. (Articles 29, 52, 59 & 72).

Relaxation of the Timing Requirement for Patent Division. It is proposed to relax the timing requirement for making patent division for invention patent cases, in which case a patent applicant would be allowed to apply for patent division within 30 days from the date of receiving a patent allowance decision issued at the 1st substantive examination stage (Article 34).

Patent Term Extension for Pharmaceutical-related or Agrichemical-related Patents. Under the current Patent Act, one of the requirements for seeking a patent term extension (PTE) for a pharmaceutical-related or agrichemical-related patent is that "the time period during which the concerned patent cannot be practiced due to application for a permit has exceeded two years from the patent grant publication date." It is proposed that the above-mentioned requirement be abolished. A new provision is proposed to state the following: (1) Where a PTE application has not been granted before the original patent term of the concerned patent expires but is granted afterwards, the patent right shall be deemed extended from the day following the expiration date of the original patent term; and (2) During the extended patent term, the patent right shall be limited to the active ingredients and the use(s) identified in the permit. (Articles 53, 54 & 56).

Patent Right Limitation & International First Sale Exhaustion Principle. It is proposed that patent right is also subject to the following limitations: (1) non-public acts made for non-commercial purposes; (2) a bona fide third party's practice of a patent which has been revived pursuant to Paragraph 2, Article 72, or the third party's necessary preparations for practicing the patent, which are made before publication of the revival of patent; (3) acts of research, testing or other necessary acts made for purposes of obtaining pharmaceutical inspection and registration permit(s) under the Pharmacy Act or for the purpose of obtaining permits for marketing foreign drugs. As to First Sale Exhaustion principle, it is proposed that such principle shall be international in nature (Articles 59 & 60).

Amendments Regarding Enforcement of Patent Rights. The draft sets forth subjective elements of a patent infringement act (i.e., a patent owner may claim damage from another person who infringes on the patent with intent or out of negligence).

There are proposed changes with respect to calculation of damages ("royalty rate" is added as one of the methods), and method of making patent marking (the following is newly added: "where patent marking cannot be made on the patented product, patent marking can be made on the label of the packaging of the product, or can be made in another apparent manner which may cause others to recognize it"). (Articles 98 to 100).

Amendments Regarding Design Patent Practice. Design patent protection will be expanded to cover partial designs, icon designs, GUI designs as well as designs of products supplied as a set. "Derivative design patent" will be brought into the patent system (i.e., where the same person or entity has two or more similar designs, an original design patent case and derivative design patent case(s) can be applied). Conversely, the "associated design patent" practice shall be abolished. (Articles 123, 129 & 131).

Transitional Clauses. Considering that some proposed changes involve significant changes in patent practice (such as patent protection on plant per se inventions and animal per se inventions, newly-added ground for asserting novelty grace period, division of an invention patent case after approval at the first examination stage, formality examination of an amendment of a new utility model patent, changes with respect to cancellation actions, patent amendment and design patents, etc.), transitional clauses are proposed to govern application of such changes. (Articles 151 to 160).

Taiwan's first compulsory licensing case was decided when the Taipei High Administration Court overturned the Taiwan Intellectual Property Office's decision to grant compulsory licenses to

Taiwan

Tier 1	Lee and Li Saint Island International Patent & Trademark Office Tai E International Patent & Law Office TIPO Tsai, Lee & Chen
	Baker & McKenzie Deep & Far Formosan Brothers Tsar & Tsai Union Patent Service Center

Gigastorage (a Taiwanese company) for five patents owned by Philips.

"The TIPO based its decision to grant the compulsory licenses to Gigastorage on the basis of Article 76 of the Patent Act under which the TIPO may grant a compulsory license 'in the case of an applicant's failure to reach a licensing agreement with the patentee concerned under reasonable commercial terms and conditions within a considerable period of time,'" said Betty Chen, an IP associate at Winkler Partners. "The EU strongly condemned the outcome and the particular provision of the Patent Act as in-

FORMOSAN BROTHERS ATTORNEYS-AT-LAW

Formosan Brothers is a general law firm established in 1997 by four founding partners, who have great reputation in the legal industry and have accumulated invaluable experiences in the field of law, on the basis of similar ambition and mutual trust arising from their long-term cooperation in dealing with many tough and complicated cases. Under their leadership, we have developed a group of legal experts with outstanding legal and analytical skills in areas such civil, criminal and administrative litigation, covering matters in connection with general corporate matters, intellectual property, taxation, fair trade, etc. We are committed in providing efficient and excellent services tailored to our client's needs

- Patents, Trademarks and Copyrights
- Licensing Agreements
- Administrative Actions
- Litigations
- Unfair Competition
- Other Services Relating to Intellectual
- Property Rights

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consistent with WTO rules, and the Taipei High Administration Court overruled TIPO's decision on the basis that Gigastorage failed to demonstrate they provided reasonable commercial terms to reach a licensing agreement with Philips."

Chen says Taiwan will likely amend Article 76 to address this concern.

In 2008, Taiwan's Patent Attorney Act came into effect. Under the act, only certified patent attorneys may prosecute patents. The Act was enacted to protect the rights and interests of patent applicants, strengthen the management of patent professional services, and establish the patent attorney system.

In light of the international practice of the Patent Prosecution Highway, TIPO announced that effective from January 1, 2009, the applicant of an invention patent application may apply for an expedited examination (i.e., may reduce the otherwise longer examination period now up to six months) if the invention patent application fulfills the following requirements and the required supporting documents are provided: (i) TIPO has issued a notice to the applicant indicating that the substantive examination/re-examination for the application will be commenced; and (ii) a counterpart foreign patent application has been allowed for patent upon substantive examination.

Challenges facing IP practitioners in Taiwan are many, lawyers told *Asia IP*.

One lawyer said that patent officials are "overwhelmed" by their caseloads, resulting in unnecessarily lengthy prosecutions. The lawyer said TIPO is trying to increase the number of patent officials "and have begun to accept foreign application citations and information on foreign patent grants in some cases to help expedite examination."

Lawyers at Baker & McKenzie in Taipei told said that, according to statistics, the likelihood of a patent owner winning a patent infringement lawsuit at the IP Court is only around 10%. "It's actually a large challenge for the patent owners to enforce their patent rights in Taiwan," the lawyers told *Asia IP*. "We need more time to [see] whether this is getting better or worse, [but] this winning rate is much lower than the winning rate before the IP Court was established, which was about 25%."

They said the chance of obtaining the preliminary injunction order from the IP Court is lower as well, according to the statistics.

Lee & Li's Chen offered another view: "The biggest challenge is that as soon as a patent enforcement action is taken, the defendant always files cancellation actions with the IPO against the patents concerned," said Chen. "Therefore, civil courts hearing patent infringement cases normally tend to issue rulings to suspend the proceedings of the civil suits until the patent validity issue is irrevocably decided through all the proceedings before the IPO, the Ministry of Economic Affairs and the Administrative Court, which may take five or six years."

Chen noted that such suspension may cause "substantive impact" on the IP owner's enforcement of its IP rights. "According to the Intellectual Property Case Adjudication Act, when handling an IP-related litigation case, the IP Court or an ordinary court shall make a decision on the relevant IP validity issue brought up in the case, and shall not suspend the litigation case merely on the grounds that the validity issue has not been clarified," he said. "So [at least this challenge has] been removed."

Some of the challenges facing IP lawyers in Taiwan today are a result of falling filing volumes. CF Tsai, managing partner of Deep & Far, says that, to secure better quality work has become "a severe challenge for most firms" since they have tended to cut their fees in order to win business in light of the declining filing volume.

Law Firms

Baker & McKenzie represents Sanofi-Aventis as a patentee in a Taiwan patent litigation against a major manufacturer of generic drugs. The firm is also advising the client in defending patent validity attacks in the civil action and the invalidation actions. Because the lawsuit was brought before the generic drug is released to the market, the client's market share has been protected. The patent at issue relates to new taxoid-based compositions useful for preparing perfusion solutions consisting of solutions of these derivatives in a surface-active agent containing an additive to prevent gelling on dilution. It is a key patent for the client's important product – Taxotere, an anti-cancer drug. The firm has also advised Philips in several cases relating to CD-R patent licensing. Top patents practitioners include Grace Shao, Stacey Lee, Joy Pan and Da-Fa Feng.

Deep & Far is handling what is perhaps the country's most famous patent invalidation case every. The "Knife-Free Adhesive Tape" case – the first remanded to Taiwan's new IP Court – was filed in 1971 and involves damages amounting to around NT\$1 billion (US\$31 million). Managing partner CF Tsai says the case is "known to nearly every adult" in Taiwan. The firm has also advised Lumens Digital Optics in recent actions against AverMedia Technology. Top lawyers at the firm include Tsai, Ming-Yen Lin, David Pai and Pei-Ling Wu.

Formosa Transnational partners Wen-Yueh Chung, Yulan Kuo and Hsiao-ling Fan all come recommended. The firm's IP expertise includes patent prosecution, due diligence, enforcement and dispute resolution. Clients include Microsoft, Philips, Realtek and Sanrio.

Formosan Brothers assists international and local clients with a full range of IP issues. Services offered include filing, registering, franchising, and transfer of trademarks, patents and copyrights domestically and internationally. Leading practitioners include Jessie Lee and Diana Chen.

Lee and Li successfully defended two Hong Kong clients against a competitor's act of unfair competition. The competitor issued warning letters to the clients' downstream customers implying that the clients' products infringed on the competitor's patents. In addition to cancellation actions against the competitor's patents, the firm filed a petition for reverse preliminary injunction order with the court, and the



court granted the petition and ruled that the clients could continue to sell products in dispute. The firm also filed a civil suit seeking permanent relief in connection with the preliminary injunction order and won at all of the previous trials before the Taiwan High Court and the Supreme Court, though the competitor raised other objections in order to keep the case pending and alive. Top patents practitioners include CV Chen, Daisy Wang, TC Chiang, CH Lin, Ruth Fang and Dennis Huang.

Top patents practitioners at Taipei-based **Long River International Patent, Trademark & Law Office** include Der Ming Hou and Charles Tseng. The firm has three offices in China, namely in Beijing, Suzhou and Kunshan.

Saint Island International Patent & Trademark Office, with four offices across Taiwan, is a leading IP practice which handles patent prosecution, litigation and other matters; it has an international department to handle foreign clients, including the filing of patent and trademark applications in Taiwan. Patrick Yun, who founded the firm, is a top lawyer at the firm. Clients include individual inventors, educational institutions, non-profit organizations, small- and medium-sized businesses and Fortune 500 companies.

Established in 1952, **Tai E International Patent & Law Office** is noted for its work in biotechnology, chemistry and electronics. The firm is popular among foreign companies. One of the firm's top lawyers, managing partner Fred Chi-Tai Yen, is a patent attorney and co-chair of the Asian Patent Attorneys Association's (APAA) Committee on Pharmaceuticals and Biotechnology, Taiwan Group.

TIPLO – Taiwan International Patent & Law Office has more than two dozen highly-regarded patent attorneys among its 240 full-time members. Thirty-three of its more than 70 technical engineers handling patent prosecution work hold Masters degrees in special fields of technology ranging from traditional engineering and art areas to high-tech genres. More than half of its lawyers hold degrees from National Taiwan University, known as the top university in Taiwan. The firm, founded in 1965, has become as one of the largest intellectual property law firms in Taiwan.

Tsai, Lee & Chen is one of the top intellectual property law firms in Taiwan with its full-service expertise primarily in the field of semiconductors, TFT-LCD, LED, computer hardware and software, e-commerce, business method, telecommunication, biological materials, chemical and pharmaceuticals, mechanical and electrical engineering. It advises clients from four offices, namely Taipei, Taichung, Tainan and Shanghai. The firm's clients include individual inventors, educational institutions, small and medium-sized businesses, non-profit organizations and multinational corporations.

Tsar & Tsai successfully defended Applied Materials and AKT America in a civil action filed by Jusung Engineering in Hsin-Chu District Court for patent infringement. The Court dismissed Jusung's civil action in March 2009 on the ground that its asserted patent is invalid. Jusung filed an appeal, and the case is still pending before the appellate court. It also represented Techwing, a Korea-based semiconductor equipment supplier, in filing invalidation actions in the Taiwan Intellectual Property Office against three patents owned by Advantest Corporation, which is based in Japan. The results of the three invalidation actions were favourable to Techwing; Advantest's patents were either invalidated or narrowed down. Jennifer Lin, Edgar Chen and Joyce Ho are top practitioners at the firm.

With offices in Taipei, Tokyo and Hong Kong, **Union Patent Service Center** specializes in handling patent and trademark matters in Taiwan. The firm has more than 50 staff members, including 7 patent attorneys and 2 attorneys-at-law. The firm represents clients from around the world, with the highest concentration coming from Japan, the United States and Europe, including many internationally-known conglomerates, multinationals and privately-owned corporations. Principal and founder Kingson Lai is a senior patent attorney and vice president of the Asian Patent Attorney Association (APAA).

Winkler Partners routinely handles patent proceedings from patent filing and prosecution of patent applications, searches, watches and invalidation actions to post-grant amendments of claims and patent assignments. The firm boasts a mix of US and Taiwanese lawyers and frequently advises Western companies facing infringement in Taiwan. Ben Lin, Betty Chen and Jesimy Yu are top patent practitioners at the firm.

