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Patent Act amended for utility model applications and patents

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Following proposals by the Legislative *Yuan*, on 31st May 2013 the Patent Act was amended in relation to utility model applications and patents and the exercise of utility model patent rights. The amendments took effect on 13th June 2013. The key change for patent applicants is the revision of Article 32 pertaining to a patent application for an invention and a patent application for a utility model filed in respect of the same creation by the same applicant on the same date. In that event, the grant of the utility model patent usually pre-dates that of the invention patent, because the former must undergo only a formality examination. Therefore, if the invention application is considered to be patentable after examination, the applicant will be required to choose in order to avoid double patenting. If the invention patent application is selected, the utility model patent right will be extinguished on the publication date of the invention patent, rather than being deemed non-existent *ab initio*. This result is known as the continuation of rights. An applicant that wishes to enjoy such continuous protection should declare in both applications the existence of another application at the time of filing. Amended Article 32 applies only to applications filed on or after 13th June 2013.

Under amended Article 32, the patent holder enjoys the benefit of the continuation of rights between the utility model patent and invention patent, and obtains non-stop patent protection for its creation. When an inventor completes a pioneer creation or perceives that the creation may become a standard in the technical field, he or she may consider filing both an invention patent application and a utility model patent application on the same date for the same creation in order to achieve more comprehensive protection for the creation.

The provision governing the right to claim compensation based on a laid-open invention patent application prescribed in Article 41 has also been revised in order to coordinate the continuation of rights between the utility model patent and the invention patent prescribed in amended Article 32. According to amended Article 41, if a patent application for an invention and a patent application for a utility model are filed in respect of the same creation by the same applicant on the same date, and if, after grant of the utility model patent and the laying open of the invention patent application, the creation continues to be commercially exploited by a person notified by the applicant, the applicant may claim against that person either compensation based on the laid-open invention patent application after publication of the invention patent or damages for infringement based on the utility model patent right.

Pursuant to the existing patent law, a utility model patent application is subjected to a formality examination and approved for a patent right without undergoing a substantive examination for patentability. The amendment also modifies the wording of Article 116, emphasising that the rights holder of a utility model patent should not issue a warning without first presenting the technical evaluation report for the utility model patent. Amended Article 116 would avoid abuse of the exercise of the utility model patent right.

The technical evaluation report of the utility model patent is not a prerequisite for instituting a patent litigation suit. If infringing behaviour is discovered before the technical evaluation report is obtained, the patent holder can still file a patent litigation suit.

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