

### Border control measures: a new weapon against patent infringement

#### Formosa Transnational - Taiwan

#### Yulan Kuo, Yu-Jia Yen

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Border control measures in Taiwan are undergoing a dramatic change under the newly amended Patent Act and the Regulation Governing the Detention of Suspected Patent-Infringing Goods by Customs. The amended act and the regulation became effective on March 24 2014. Under the regulation, patent owners have a new and more effective weapon against patent infringement: they can now request detention of the infringing goods even before filing a patent infringement complaint with the court.

Under the regulation, the patent owner or its exclusive licensee can file such request. This is because under the Patent Act, an exclusive licensee has the right to request an infringer to stop the infringement and even to apply for an injunction. Therefore, the exclusive licensee can avail of the new border detention measure alongside the patent owner.

Certain requirements must be fulfilled before a request for detention will be approved. According to the regulation, when requesting detention of the infringing goods, the patent owner must submit:

- documents supporting ownership of the patent. If the patent is a utility model patent, a technical evaluation report must be submitted (as a utility model patent is granted without substantive review, a technical evaluation report is needed as proof of validity of such patent);
- documents confirming the identity of the owner or exclusive licensee;
- a patent infringement report, a description enabling Customs to identify the infringing goods and samples, pictures, a catalogue or drawings of the allegedly infringing goods; and
- a description enabling Customs to identify the goods to be detained – for example, the name of the importer, the uniform number, the customs declaration entry number, the name of the goods, the model number, the specification, the possible import date and the harbour or mode of transportation.

In addition, security equal to the value of the duty-paid price of the imported goods must be deposited upon notification by Customs. The regulation sets out several ways to deposit the security. A patent owner may deposit:

- a government bond;
- a certificate of deposit issued by a bank or credit cooperative;
- a trust certificate issued by a trust and investment company for more than one year; or
- a guaranty letter issued by credit providers.

Furthermore, if necessary, the patent owner must help Customs to identify the allegedly infringing goods. If the patent owner does not provide sufficient assistance for Customs to identify the goods, the detention cannot be enforced. This is because Customs is under some time pressure when enforcing the border control measure. If Customs finds it difficult to locate and identify the allegedly infringing goods, timely assistance from the patent owner is required.

The amendment to the Patent Act gives patent owners a new weapon for enforcing their rights effectively, while the regulation gives a clearer picture of what is required in order to use this weapon. Nonetheless, since it is still new to all parties involved, including Customs, it will be some time before the efficacy of its enforcement and its impact on the Taiwanese patent system can be assessed.

#### For further information please contact:

Yulan Kuo  
Formosa Transnational  
[www.taiwanlaw.com](http://www.taiwanlaw.com)  
Email: [yulan.kuo@taiwanlaw.com](mailto:yulan.kuo@taiwanlaw.com)  
Tel: +886 2 2755 7366



Yulan Kuo



Yu-Jia Yen



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