

# Intellectual Property Case Adjudication Act

Promulgated on March 28,  
2007 by Presidential Order  
Hwa-Tzong-1-Yi-Tze  
No. 09600035711

## Chapter One – General Provisions

Article 1 Intellectual property cases shall be adjudicated pursuant to this Act. For matters not provided for under the Act, the laws applicable to civil, criminal or administrative actions, as the case may be, shall govern.

Article 2 The term “trade secrets” as used in this Act shall refer to the trade secrets defined in Article 2 of the Trade Secrets Act.

Article 3 Where there is technological equipment on the premises of the parties, representatives, agents, advocates, assistants *ad litem*, witnesses, verification experts or other related parties to an action, which equipment may enable the live transmission of voice and image of a trial, the court may authorize the use of such equipment upon motion or on its own initiative.

In the circumstances of the preceding paragraph, the court shall seek the opinions of the parties.

In the circumstances of the first paragraph, the venue of attendance specified on the date notification or summons shall be

the premises where such equipment is located.

If a record or other documents are prepared during an action pursuant to the first paragraph, and the signature of the person being interrogated is required, such documents shall be transmitted from the court, i.e. interrogator, to the premises of the party being interrogated. After verifying the contents of the transcript and signing thereon, the party being interrogated shall telefax or transmit via other technological equipment the transcript to the court.

The rules governing the trial described in the first paragraph and transmission of documents in the preceding paragraph shall be established by the Judicial Yuan.

Article 4 The court may, whenever necessary, request a Technical Examination Officer to perform the following duties:

1. Ask or explain to the parties factual and legal questions based on the professional knowledge, in order to clarify the disputes in action;
2. ask questions directly to witnesses or verification experts;
3. state opinions on the case to the judge; and
4. assist in evidence-taking in the event of preservation of evidence.

Article 5 Challenge of a Technical Examination Officer shall be governed

*mutatis mutandis* by the rules of challenge of a judge as provided in the Code of Civil Procedure, Code of Criminal Procedure and Code of Administrative Litigation Procedure, as the case may be, depending on the nature of the action involved.

## Chapter Two – Civil Action

Article 6 Sections 3 and 4 of Chapter 2 of the Code of Civil Procedure shall not apply in civil actions concerning intellectual properties.

Article 7 Civil actions specified in Paragraphs 1 and 4, Article 3 of the Intellectual Property Court Act may be submitted to the jurisdiction of the Intellectual Property Court.

Article 8 Before any special professional knowledge already known to the court is adopted as a ground for judgment, parties shall be accorded an opportunity to present their arguments regarding such knowledge.

The Presiding Judge or Commissioned Judge shall direct the parties to issues concerning the legal relations of the disputed matters, and shall, whenever appropriate, provide his legal opinions and disclose conviction.

Article 9 When a party's means of attack or defense involves its own trade secrets or those of a third party, the trial may be held in private upon motion of the party and approval of the court; the same applies where both parties have agreed to have a private trial.

Where litigation materials involve trade secrets, the court may refuse or otherwise allow limited reviews, transcription or videotaping of such litigation materials upon motion or on its own initiative.

Article 10 The Court may impose a penalty not more than NT\$30,000 upon a holder of a document or object for inspection who refuses to submit such document or object to the court, and the court may order such holder be subject to enforcement.

Provisions of the Compulsory Execution Act concerning mandatory submission of documents or objects for inspection shall apply *mutatis mutandis* to the enforcement in the preceding paragraph.

An appeal may be filed against the ruling in the first paragraph, and the penalty shall not be enforced during the appeal.

Where the court considers whether there are grounds for the holder of a document or object for inspection described in the first paragraph not to submit such document or object, it may, whenever necessary, order such holder to submit the same in a manner not open to the public.

Under the circumstances of the preceding paragraph, the court shall not order discovery of the document and object for inspection, unless such discovery is required for the court to understand the related party's opinions.

Under the circumstances of the preceding proviso, the Court

shall notify the holder of the document or object before ordering discovery of such document or object. Such holder shall not disclose any object before a ruling becomes final with respect to his motion for an order to preserve confidentiality which is filed within 14 days after notification is received.

Article 11 Where any one of the following situations occurs with respect to trade secrets held by a party or a third party, the court may, upon motion along with preliminary proof by such party or third party, issue a confidentiality preservation order upon the other party, agent, assistant *ad litem*, or other related party to the action:

- 1) Contents of a party's pleadings disclose its own trade secrets or those of a third party, or evidence-taking that has been or is to be made involves trade secrets of a party or a third party.
- 2) Limitation on discovery or use is required so as to prevent the discovery or use of the trade secrets in the preceding paragraph being intended for purposes other than those related to the case, and there are concerns of obstruction to the party's or the third party's business operation as a result of the disclosure of the trade secrets.

The preceding paragraph does not apply where the other party, agent, assistant *ad litem*, or other related party has obtained or possessed such trade secrets through means other than the document review or evidence-taking prescribed in the Paragraph 1 of the preceding paragraph.

The person subject to a confidentiality preservation order shall not use the trade secrets for purposes other than those related to the case, nor shall he disclose said trade secrets to those not subject to the order.

Article 12 A motion seeking a confidentiality preservation order shall specify in writing the following:

- 1) The persons to be subject to the confidentiality preservation order;
- 2) The trade secrets to be protected by such order; and
- 3) The fact that conditions described in Paragraph 1 of the preceding article are met.

Article 13 A ruling granting a confidentiality preservation order shall specify the trade secrets to be protected, grounds for such protection, and content of the prohibition.

When a confidentiality preservation order is granted, such ruling shall be served to the movant and persons subject to the order.

A confidentiality preservation order shall become effective upon being served to the person subject thereto.

An appeal may be filed if a motion for a confidentiality preservation order is denied by the court.

Article 14 A person subject to a confidentiality preservation order may file

a motion to revoke such order with the court at which the action is pending when the requirements specified in Paragraph 1, Article 11 are not met, or when the situation described by Paragraph 2, Article 11 occurs, or when the grounds of such order no longer exist. However, when a judgment of the principal case becomes final, the motion to revoke the confidentiality preservation order shall be made to the court that grants the order.

Movant of a motion to preserve confidentiality may file for the revocation of such order.

The ruling revoking a confidentiality preservation order shall be served to the movant and the opposing party.

An appeal may be filed against the ruling in the preceding paragraph.

A confidentiality preservation order shall become void when the ruling revoking such order becomes final.

When a ruling revoking a confidentiality preservation order becomes final, the court shall notify, in addition to the movant and the opposing party, any other persons subject to the confidentiality preservation order of the revocation of such order.

Article 15 In an action where a confidentiality preservation order has been granted, the court clerk shall immediately notify the movant of the order of any application made by anyone not subject to the

order or prohibition or limitation of review for review, transcription or videotaping of the dossier documents. This does not apply if the ruling revoking the confidentiality preservation order becomes final.

Under the circumstances in the preceding paragraph, the court clerk shall not deliver the dossier documents for review, transcription, or videotaping for 14 days from the date the movant or the third party is notified. If within 14 days of notification, the movant or the third party files for a motion for a confidentiality preservation order or requests limitation on or prohibition of review, the court clerk shall not deliver the dossier documents until the ruling on such motion becomes final.

Where the movant of a confidentiality preservation order agrees to the application described in the first paragraph, the second paragraph shall not apply.

Article 16 When a party claims or defends that an intellectual property right shall be cancelled or revoked, the court shall decide based on the merit of the case, and the Code of Civil Procedure, Code of Administrative Litigation Procedure, Trademark Act, Patent Act, Species of Plants and Seedling Act, or other applicable laws concerning the stay of an action shall not apply.

Under the circumstances in the preceding paragraph, the holder of the intellectual property right shall not claim any rights during the civil action against the opposing party where the court has recognized the grounds for cancellation or revocation of the intellectual property right.

Article 17 To rule on the claims or defense raised by a party pursuant to the first paragraph of the preceding article, the court may, whenever necessary, order the competent intellectual property authority to intervene in the action.

The competent intellectual property authority may intervene only to determine if there is ground for a claim or defense pursuant to the first paragraph of the preceding article, and Article 61 of the Code of Civil Procedure may apply.

When the competent intellectual property authority intervenes, the first part of Paragraph 1, Article 63, and Article 64 of the Code of Civil Procedure shall not apply.

After the competent intellectual property authority intervenes, and if the parties no longer dispute the claims or defense pursuant to the first paragraph of the preceding article, the court may revoke the order to intervene.

Article 18 Where no action has been initiated, a motion for preservation of evidence shall be made to the court where the action is to be brought; where the action has been initiated, such motion shall be made to the court where the action is pending.

The court may inspect, examine or preserve documentary evidence when preservation of evidence is ordered.

The court may order a Technical Examination Officer to execute his duties on site when preservation of evidence is ordered.

Where an opposing party has no grounds to refuse an order of preservation of evidence, the court may enforce such order by force, but only to the extent necessary, and may request assistance from the police to execute such order if necessary.

Where preservation of evidence may violate the trade secrets of an opposing party or a third party, the court may, upon a motion by the movant or the opposing party or third party, set limits on or prohibit the presence of the persons on the premises of the preservation of evidence, and may preserve the evidence separately, or set limits on or prohibit the review of the evidence.

Articles 11 through 15 shall apply *mutatis mutandis* to situations concerning violation of trade secrets described in the preceding paragraph.

When necessary, the court may execute a preservation of evidence order through the district court in the locality of the domicile of the party being interrogated, or of the place where the evidence is located. When the assigned court executes a preservation of evidence order, Paragraphs 2 through 6 shall apply.

Article 19 The first instance trial of an intellectual property case may be tried by one judge.

An appeal may be made to the Intellectual Property Court of a judgment of the first instance court, and shall be adjudicated by judges sitting in council.

Article 20 Unless otherwise prescribed herein, an appeal against a judgment of the second instance court regarding an intellectual property case may be filed with the third instance court.

Article 21 Application and handling of an order for payment in intellectual property cases shall comply with the provisions in Chapter VI of the Code of Civil Procedure.

Where opposition is raised in due process by a debtor to an order for payment, the court that grants such order shall transfer the dossier documents to the Intellectual Property Court.

Article 22 Where no action has been initiated, an application for provisional attachment, preliminary injunction, or injunction maintaining the temporary status quo shall be filed with the court where the action is to be brought; where the action has been initiated, such application shall be filed with the court where the action is pending.

An applicant seeking an injunction maintaining the temporary status quo shall provide a preliminary showing proving it is necessary to prevent material harm or imminent danger or other similar circumstances with regard to the legal relation in dispute. The court shall dismiss the application if the preliminary showing is insufficient.

When the grounds for an application for an injunction maintaining the temporary status quo are demonstrated in the preliminary showing, the court may still order the applicant to

provide a bond for granting the injunction.

Before an injunction maintaining the temporary status quo is granted, the court shall accord the parties an opportunity to be heard. However, where the applicant asserts and is able to provide evidence to substantiate his assertion that there is special circumstance that shall restrict the opposing party from being notified before the injunction is issued, and the court deems such assertion appropriate, the above shall not apply.

The court may, upon motion or on its own initiative, revoke an injunction maintaining the temporary status quo where an action is not initiated within 30 days after the order is served to the applicant.

A public notice shall be given of the revocation described in the preceding paragraph, and the revocation shall become effective when the notice is published.

When the court revokes an injunction maintaining the temporary status quo because such order is not justified *ab initio*, or upon motion by a creditor, or due to the situation prescribed in Paragraph 5, the applicant of the injunction shall indemnify the opposing party against losses suffered.

### Chapter Three – Criminal Action

Article 23 A criminal complaint of any of the offenses described in Articles 253 through 255, Article 317 and Article 318 of the Criminal

Code, or a violation under the Trademark Act, Copyright Act, Paragraph 1, Article 35 of the Fair Trade Act concerning Paragraph 1, Article 20, and Article 36 of the Fair Trade Act concerning Subparagraph 5, Article 19, shall be filed with the competent district court. The same applies where the prosecutor applies for a summary proceeding.

Article 24 Where litigation materials involve trade secrets, the court may set limits on the review, transcription or videotaping of such dossier documents or evidence upon motion or on its own initiative.

Article 25 Except for juvenile delinquency, an appeal of a judgment of the first instance rendered by a district court in an ordinary, summary or settlement proceeding concerning Article 23, shall be filed with the competent Intellectual Property Court.

The same applies to other criminal cases associated with the cases of Article 23 and prescribed by Paragraph 1, Article 7 of the Code of Criminal Procedure, and that have been tried jointly in the district court and appealed jointly. The Intellectual Property Court may, however, consolidate the cases and transfer them to the competent High Court provided that the other criminal cases are more serious and complicated.

Unless otherwise prescribed herein, an appeal may be filed against the ruling in the preceding proviso.

Article 26 Unless otherwise prescribed herein, an appeal against a judgment of the Intellectual Property Court in a case concerning

Article 23 may be filed with the third instance court.

Article 27 Where the court decides that a supplemental civil action collateral to a case concerning Article 23 is illegal, or the defendant in a criminal action on which a supplemental civil action is based is acquitted, or such criminal action is exempted or dismissed, the court shall make a judgement to dismiss such supplemental civil action. Where the criminal action has been dismissed by a ruling, the court shall make a ruling to dismiss the plaintiff's action.

Except where the third instance court rules pursuant to Articles 508 through 511 of the Code of Criminal Procedure, the court shall try the supplemental civil action of a case concerning Article 23 by itself, and Paragraph 1, Article 504, and the first part of Paragraph 1, Article 511 of the Code of Criminal Procedure shall not apply. This provision shall not apply where lack of jurisdiction is held and the case is transferred pursuant to Paragraph 2, Article 489 of Code of Criminal Procedure.

Article 28 An appeal against a judgment of the district court regarding a supplemental civil action in an ordinary or summary proceeding concerning Article 23 shall be filed with the competent Intellectual Property Court.

Article 29 With respect to a summary proceeding for a case concerning Article 23, its supplemental civil action shall be decided with the criminal action at the same time. However, if necessary, it can be decided within 60 days after the criminal action is concluded.

Provisions in Articles 436-2 through 436-5 of the Code of Civil Procedure shall apply *mutatis mutandis* to an appeal to the third instance court against a judgment of the second instance in a supplemental civil action under a summary proceeding.

Article 30 The provisions of Paragraph 1, Article 8, Articles 11 through 15, and Paragraph 1, Article 16 shall apply *mutatis mutandis* to a case concerning Article 23 or its supplemental civil action.

#### Chapter Four – Administrative Action

Article 31 The following matters in an administrative action shall be submitted to the jurisdiction of the Intellectual Property Court.

- 1) A first instance administrative action and enforcement matters concerning intellectual property rights under the Patent Act, Trademark Act, Copyright Act, Optical Disk Act, Regulations Governing the Protection of Integrated Circuits Configuration, Species of Plants and Seedling Act, or Fair Trade Act.
- 2) Other administrative actions governed by the Intellectual Property Court pursuant to other laws and regulations.

When other administrative actions are jointly initiated with the actions set forth above, or are filed in addition thereto, they shall be filed with the Intellectual Property Court.

For the purposes of enforcement set forth in the first

subparagraph of the preceding paragraph, the Intellectual Property Court may establish an enforcement bureau, request the enforcement bureau of the civil division of the district court, or request an administrative agency, to administer enforcement matters on its behalf.

The Intellectual Property Court shall rule where a creditor opposes to an enforcement order assigned in the preceding paragraph.

Article 32 Unless otherwise prescribed by law, an appeal may be filed with the final administrative court against a judgment of the Intellectual Property Court.

Article 33 In an administrative action concerning cancellation or revocation of a registered trademark or patent, the Intellectual Property Court shall take into account any new evidence submitted on the same grounds for the cancellation or revocation prior to the end of the oral argument.

The competent intellectual property authority shall provide written briefs in response to the new evidence in the preceding paragraph, indicating whether arguments provided by the opposing party concerning such new evidence have merit.

Article 34 The provisions of Articles 8 through 15, Articles 18 and 22 shall apply *mutatis mutandis* to an administrative action concerning intellectual properties.

A judge handling the intellectual property civil or criminal action

may participate in the relevant intellectual property administrative trial, to which Subparagraph 3, Article 19 of the Code of Administrative Litigation Proceedings shall not apply.

#### Chapter Five – Supplemental Provisions

Article 35 One who violates a confidentiality preservation order under this Act shall be subject to a sentence of imprisonment not more than three years, detention, or in lieu thereof or in addition thereto, a fine of not more than NT\$100,000.

Prosecution for an offense described in the preceding paragraph may be instituted only upon complaint.

Article 36 Where an artificial person's responsible person, agent or employee or operator of an artificial person or a natural person, commits in conducting business an offense described in the first paragraph of the preceding article, not only shall the committer be punished, but such artificial person or natural person shall also be subject to the fine set forth in the first paragraph of the preceding article.

Where a complaint is initiated or withdrawn against the committer in the preceding paragraph, the legal effect shall extend to the artificial person or natural person. Where a complaint is initiated or withdrawn against an artificial person or natural person in the preceding paragraph, the legal effect shall extend to the committer.

Article 37 When a civil action of an intellectual property trial is pending at the district court or at the High Court before this Act comes into force, the jurisdiction and adjudication proceedings shall be subject to the following:

- 1) Taking into account the progress of the case, the district court or the High court shall conclude the case pursuant to the rules and proceedings prescribed in this Act, provided the legal effect of the proceedings already completed in due process is not affected.
- 2) If an appeal is filed against a judgment of the district court, and the related dossier documents have not been forwarded to the court of appeal, such case shall be submitted to the Intellectual Property Court as a second instance court.

Where any cases concerning Article 23 and any supplemental civil actions thereto have been pending at the courts of various levels before this Act comes into force, any subsequent actions shall be concluded at the respective courts pursuant to the rules and proceedings prescribed in this Act, provided the legal effect of the proceedings already completed in due process is not affected.

Where any intellectual property administrative actions have been pending at the High Administrative Court before this Acts comes into force, such court shall, taking into account the progress of the cases, conclude the cases pursuant to the rules and proceedings prescribed in this Act, provided the legal effect of the proceedings completed in due process is not affected.

Article 38 The Judicial Yuan shall enact the implementation rules and adjudication rules of this Act.

Article 39 This Act shall come into effect on a date to be prescribed by the Judicial Yuan.

