

This news mail distributed in Japanese and English from time to time provides updates on the development of law in Taiwan with focus on intellectual property rights law. For more information about the status of intellectual property right protection and practice in Taiwan, please visit our website www.tiplo.com.tw

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01 TIPO announces second draft amendment to certain provisions of Patent Act

The TIPO made an announcement that they issued a draft amendment to partial provisions of the Patent Act on September 11, 2024 for public comments. Further on November 4, 2024, a public hearing was held to receive a total of 35 suggestions from all sectors. After discreet deliberation and multiple rounds of discussion of the suggestions, TIPO has prepared a second draft of the amendment proposing revisions to a total of 17 articles. The key points of adjustments based on and between the first and second draft amendments are summarized below:

1. Computer graphics and graphical user interface should be regarded as “articles” eligible as subject matters of design patents.
2. Article 58 of the Patent Act governing the exploitation of an invention which is a product shall apply *mutatis mutandis* to the exploitation of design patents.
3. One applicant holding two or more similar designs may file a single application for his/her multiple similar designs with one design thereof as the principal design and the remaining designs as the derivative ones.
4. The invalidation-based remedy with respect to patent ownership disputes shall be maintained. Relevant provisions are included to prohibit a nominal right holder from abandoning patent rights prior to the resolution of the dispute. (Released 2025.03.24)

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02 Analysis of trend of trademark filings by industry with Taiwan IPO and WIPI 2024 statistics

The World Intellectual Property Organizations (WIPO) published the World Intellectual Property Indicators 2024: WIPI 2024 on November 7, 2024 to make public the data regarding the global trademark filings, number of registrations, average pendency times for first office action and final decision, statistics of final decisions, application class count per unit of GDP and application class count per million population of each country throughout 2023. Taiwan IPO released the “Analysis of Trends in Trademark Applications Filed by the Industry from 2019 through 2023” to present a brief analysis and comparison between Taiwan’s data of filings in 2023 and the WIPO 2024 as summarized below.

Throughout 2023, the worldwide trademark applications and application class counts declined for the second consecutive year, marking an end of a steady growing trend that had lasted from 2009 to 2021. Following a slump of 15.7% and 14.5% in the previous year, the pace of decline eased to 1.3% and 2%, respectively. This suggests that trademark filing activity has largely returned to normal levels after the surge in trademark filings as a result of the COVID-19 pandemic in the past two years. In spite of the downturn in the number of applications in the past two years, the number of worldwide trademark filings remains nearly 3.5 times higher than those of 2009. China’s trademark application class count reached above 7.2 million classes, holding onto the top position and largely surpassing the US, by nearly tenfold, at the 2nd position with 739,000 class counts. In addition, Taiwan’s application class count was close to 115,000 classes to rank 19th globally, while Taiwan’s registration class count was 96,000 to come in 18th globally as well.

In 2023, Taiwan saw a drop in the number of applications and class counts by 3.4% and 6.68%, respectively. Notably, Taiwan experienced a 5.4% rise in the number of trademark applications and also a 2.7% increase in the class count for the past five years. The top four

industry sectors of the non-resident filings in Taiwan were “Research and technology”, “Health”, “Agriculture”, “Clothing and accessories”, while those of the non-resident WIPO trademark filings were “Research and technology”, “Health”, “Clothing and accessories”, and “Leisure and education”. The non-resident applications filed for the sector of “Health” at the Taiwan IPO strikingly outstripped those reported in the WIPO statistics, which reveals that non-resident applicants place importance on their brand development in that sector in Taiwan.

In spite of the short-term industrial impact and economic recession caused by the COVID-19 pandemic raging from 2019 through 2021, businesses worldwide maintain their sustained efforts and entrepreneurship spirit to seek business opportunities by developing the goods and services resulting from the pandemic, which leads to a surge in global trademark filing activity. With the pandemic winding down, businesses around the world began to struggle with other crises of high interest rates and shrinking venture capital in economy and also instability in geopolitics in 2023. The global economy has not fully recovered to the pre-pandemic level, but there were still nearly 11.63 million trademark applications filed worldwide for more than 15.23 million classes. The class counts of non-resident trademark applications slightly dropped to 27.6%. In spite of that, Taiwan remains an attractive destination for international businesses, thanks to its robust democratic rule of law, clean governance, and open and transparent economic environment. In addition to that, the government has actively promoted foreign investment with policies including negotiation of free trade agreement or other investment accords with key international partners. Moreover, located in the Asia-Pacific region, Taiwan is also recognized as a global leader in intellectual property protection. According to the Investment Commission, MOEA, overseas Chinese and foreign investment in 2023 reached its third highest level for the past sixteen years, behind only by figures in 2022 and 2018, which underscores that foreign businesses are still optimistic about Taiwan’s industrial supply chains, skilled workforce, sound investment climate, and democratic rule of law. Therefore, over the long term, trademark applications filed by foreign applicants in Taiwan are expected to continue growing positively. (Released 2025.02.08)

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03 Taiwan maintains 4th position in 2025 global economic freedom index

As reported in the press release issued by the National Development Council of Taiwan, the Washington, D.C.-headquartered think tank, The Heritage Foundation released the *2025 Index of Economic Freedom* report on March 3, 2025, and according to the report, Taiwan maintained its global ranking at the 4th place among 184 economies and ranked 2nd in the Asia-Pacific region, trailing only Singapore (1st), Switzerland (2nd), Ireland (3rd) and ahead of Australia (6th), New Zealand (11th), South Korea (17th), the U.S. (26th), Japan (28th), the U.K. (33rd), and China (151st).

According to the report, the ill-advised economic policy choices during the COVID-19 pandemic period, high inflation, Russia’s ongoing invasion of Ukraine, broader conflict in the Middle East, as well as other economic and geopolitical tensions not only risks economic recovery but also poses many long-term structural challenges to all countries in the policy areas of transparency, efficiency, openness, and government effectiveness. With a total average score of 79.7, which is a drop of 0.3 points from the 2024 score of 80, Taiwan has remained at the 4th position globally for the third consecutive year

Taiwan was marked as “free” (100-80 scores) in five of the 12 categories, which are “judicial effectiveness” (94.4), “fiscal health” (91.3), government spending (90.1), “trade freedom” (86.6), and “property rights” (83). Among these indexes, Taiwan has improved its score in “judicial effectiveness” from 70.1 in 2020 to 94.4 in 2025, a lead of 24 points that

marks Taiwan's best performance in the past five years. Taiwan also made progress in the indicators of "fiscal health", "trade freedom", and "property rights".

Besides, Taiwan ranked among the world's top 20 in five indicators, which are "trade freedom" (5th), "monetary freedom" (8th), "judicial effectiveness" (13th), "labor freedom" (17th), and "government spending" (20th). Also, in 2025, Taiwan's global rankings also advanced in the indexes of "trade freedom" (from 7th to 5th), "investment freedom" (from 38th to 28th), and "financial freedom" (from 37th to 35th).

Taiwan's legal regime has undergone several reforms from 2023 through 2024. For example, the Electronic Signatures Act is amended to promote the popularization and legal effectiveness of electronic signatures. The amended Trademark Act introduces the accelerated examination of trademark registration applications and establishes the management system of trademark agents. Moreover, a dedicated section for annual legislative plans of draft regulations is created to enhance transparency of the formulation process of regulations and orders. Moreover, the Guidelines for Artificial Intelligence (AI) Applications in the Financial Industry is released to encourage the financial industry to adopt, use, and manage AI system under controlled risks. Revisions of the Financial Consumer Protection Act are made to complete legal regulations for the financial services and strengthen information disclosure.

With global inflation gradually subsiding, global economic vitality is picking up. However, the current increasingly volatile landscape is posing unprecedented challenges to Taiwanese businesses, not only in technological advancement but also in pursuit of multiple goals of digital transformation, resilience strategies, and sustained development. Based on its commitment to economic liberalization, the government will assist enterprises in adapting to innovative business models and reorienting their strategic direction, enabling them to manage potential risks, capitalize on growth opportunities, and ensure Taiwan's international competitiveness in the shifting global economic landscape. (Released 2025.03.04)

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