

May 25, 1990

AGREED MINUTES: PATENTS

Delegations from the Coordination Council for North American Affairs (CCNAA) and the American Institute in Taiwan (AIT) met in Washington, D.C. on May 24, 1990, to discuss patent protection issues. During the discussions, the two sides discussed the following points:

1. CCNAA confirmed its intention to remove exemptions from patentability for food, beverages and habit-forming articles; micro-organisms; and new uses of products.
2. CCNAA confirmed its intention to provide a right of priority on a reciprocal basis. AIT indicated its willingness to engage in an exchange of letters with CCNAA, when appropriate, providing for the right of priority in the territories represented by AIT and CCNAA on a reciprocal basis.
3. AIT noted the existence of compulsory licensing provisions in at least four articles of the current law and stated that such provisions discourage the transfer of technology. AIT believes that these provisions, if retained in the amended patent law, would provide an inadequate level of patent protection in the territory represented by CCNAA and AIT requested that these provisions be removed. In particular, AIT recommended the deletion of compulsory licensing requirements in Articles 9 and 42. AIT also recommended that the provision in Article 69 be limited to the duration of national emergencies or adjudicated violations of unfair competition. AIT recommended deletion of the compulsory licensing requirements for insufficient working in Articles 67 and 68.

CCNAA was deeply concerned that the repeal of certain provisions as suggested by AIT would affect one of the primary goals of the patent system, i.e., bringing technology into the territory it represents. CCNAA indicated that, in consideration of its industrial level and on the condition that the suggested revision would not affect the goals of the patent system, it would review the possibility of revising the provisions concerned.

4. AIT requested clarification of the proposed revision concerning the patent term. CCNAA stated its intention to provide a term of "fifteen years from the date of publication, not to exceed 20 years from the date of filing." AIT suggested adoption of the international standard term -- 20 years from filing.

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5. CCNAA confirmed its intention, when the period of marketing approval required by other laws and regulations exceeds two years, to provide the owner of a patent related to pharmaceuticals or agricultural chemicals with a patent term extension of a period of at least two years but no greater than five years.

AIT noted that almost all applications for pharmaceutical marketing approval in the territory represented by CCNAA are granted in less than two years and requested that the calculation of the term of marketing approval for pharmaceuticals include the time required for clinical tests in other territories after the grant of the patent in the territory represented by CCNAA.

6. CCNAA confirmed its intention to delete the second paragraph of Article 85-1 of the current patent law. AIT requested clarification of the requirements for obtaining the presumption described in paragraph 1 of this article. AIT also recommended adding a paragraph that would provide an additional method for owners of process patents to create a presumption that a product was made using their patented process.

CCNAA explained that AIT's suggestion might be inconsistent with other rules of law and present domestic circumstances; however, CCNAA would review the issue further.

7. CCNAA and AIT discussed use of the appellate process by infringers to delay prosecution for patent infringement and the possibility of simplifying present procedures for obtaining administrative remedies. AIT encouraged simplifying the appeal procedure but indicated that the elimination of all independent review of NBS decisions would be undesirable. CCNAA indicated that it would review the issue.

8. AIT suggested that CCNAA extend the grace period from six months to one year and broaden the scope of activities that can be excused during the grace period. CCNAA expressed concern that a longer and more comprehensive grace period would be subject to abuse and would create administrative burdens. However, CCNAA further confirmed its willingness to harmonize its patent law with international trends in patent protection and indicated it would study the issue.

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9. CCNAA has not recommended adding plant and animal varieties to patentable subject matter. CCNAA stated that plant varieties are protected under the Plant Seedling Law in a manner comparable to the protection afforded within the territory represented by AIT. AIT noted that protection for plants is now available under the general patent laws, as well as the Plant Patent Act and the Plant Variety Protection Act, within the territory represented by AIT. AIT believes that the level of protection for plants and animals provided in the territory it represents is greater than that provided under the current laws within the territory represented by CCNAA. CCNAA indicated that it would consult with relevant authorities of CCNAA to clarify the scope and the subject matter of the protection under the Plant Seedling Law. CCNAA also stated that it would consider protection for animals but noted the lack of resources necessary to do so.

10. AIT and CCNAA agreed to explore the possibility of future technical exchanges on patent examination issues. AIT also assured it would consider assistance to CCNAA, provided that CCNAA requested assistance for training at the USPTO or at NBS.

11. CCNAA inquired about the progress of the AIT proposed agreement on the protection of industrial property to which CCNAA has replied. AIT indicated that discussion of the agreement would be postponed pending an indication of an international consensus emerging from GATT Uruguay Round.

12. CCNAA stated that the issues concerning the patent law that were discussed at the meeting were made on the basis of proposals submitted to the Ministry of Economic Affairs for review. These proposals are subject to further revision by the Executive Yuan prior to legislative action.

13. AIT and CCNAA agreed to meet again in the fall to continue their dialogue on patent issues.

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