
EU Condemns Taiwan's Compulsory Licenses

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Pursuant to a complaint we lodged for our client Royal Philips Electronics under the EU's Trade Barriers Regulation, the EU has condemned in no uncertain terms compulsory licenses of Philips' CD-R technology issued by Taiwan ([see press release](#)).

At issue were five compulsory licenses issued by Taiwan of Philips' patents for manufacturing recordable compact discs (CD-Rs). In the report, the EU accuses Taiwan of flagrantly violating the TRIPs in issuing the compulsory licenses, and even hints that Taiwan tried to use threats of compulsory licensing to force Philips to lower its royalty rates.

The EU has given Taiwan until end of March 2008 to take concrete steps toward withdrawing the compulsory licenses with retroactive effect and to make changes to the provision of its Patent Act on which basis the compulsory licenses were awarded. If Taiwan does not do so, the report recommends that the EU take the case to the WTO. With this report, the EU affirms its commitment to defending its companies' intellectual property rights.

The WilmerHale team advising Philips was led by Marco Bronckers and Natalie McNelis.