

## **Patentee Mr. Huang**

1735<sup>th</sup> Commissioners' Meeting (2025)

Case: Patentee Mr. Huang violated the Fair Trade Law for sending patent infringement legal attest letters to optical shops without justification

Keyword(s): Eyeglasses, patent, warning letter

Reference: Fair Trade Commission decision of January 15, 2024 (the 1735<sup>th</sup> Commissioners' Meeting); Disposition Kung Ch'u Tzu No.114005

Industry: Wholesale of Watches, Clocks and Eyeglasses (4565)

Relevant Law: Article 25 of the Fair Trade Act

### Summary:

1. Mr. Huang was complained for sending warning letters to optical shops claiming the glasses frames sold at the shops were suspected of infringed his "eyeglasses frame component" patent and requesting the shops to remove the frames in question from their shelves and to negotiate settlement arrangements with him. The conduct was suspected of violating the Fair Trade Act.
2. Findings of the FTC after investigation:  
Mr. Huang, the patentee of the aforementioned patent, solely founded a company to import eyeglasses frames from abroad and sell them to downstream optical shops. Before sending the warning letters, Mr. Huang did not fulfill his duty to verify the alleged infringement and notify the potential infringing suppliers to request cease of their infringements. Instead, he directly issued warning letters to optical stores without providing concrete facts of the infringements. According to the shops that received the letters, they were unable to determine from the content of the warning letters whether any infringement had occurred or existed, and therefore had to engage attorneys or patent attorneys on their own for appraisal reports.
3. Grounds for disposition:
  - (1) The act of issuing a warning letters by Mr. Huang had prevented the suppliers of the allegedly infringing frames from being informed of the dispute beforehand and take proper measures to respond. Meanwhile, the optical shops receiving warning letters could only remove the allegedly infringing eyeglasses frames from their shelves, return them to the

suppliers or replace them for other frames, and in some cases even agree to purchase frames from the patentee as a condition for settlements. In the meantime, in order to avoid the result of downstream optical shops being apprehensive or terminating business relationships and therefore having chilling effects on the market, the eyeglasses frame suppliers were compelled to offer full guarantee to maintain transaction opportunities.

- (2) By sending the warning letters, Mr. Huang had engaged in unfair competition practice. Such obviously unfair conduct was able to affect trading order and was in violation of Article 25 of the Fair Trade Act. After assessing the motivation, purpose, benefits derived on account of the unlawful act, the level of harm to trading order, the duration, the profit obtained, the business scale, operating condition, market position, number of past violations, the corrections made after the violation and the cooperativeness in the investigation, the FTC cited the first section of Article 42 of the Fair Trade Act, ordered Mr. Huang to cease the unlawful act, and imposed a fine of NT\$100,000 on him.

Summarized by: Chang, Fa-Chu ; Supervised by: Ho, Yen-Ju