

Overview of the Japanese Patent System

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I. Historical IP Developments in Japan

II. Japan Patent Office Organization

III. Patent Infringement Litigation

IV. How to Enforce a Patent

V. Patent Attorney System in Japan

VI. Fundamental Principles of the Patent Law

VII. The New Patent Law

VIII. The Brand New Patent Law

1. Dawn of Patent World Japan (1884-1905)

1884 – Trademark Law

1885 – Patent Law • *Patent Office*

1888 – Design Law

1899 – Paris Convention • *Patent Attorney System*

1905 – Utility Model Law • *Industrial Property Protection Institute, now Japan Institute of Invention and Innovation*

	Patent Attorneys	Examiners	Patent Filings
1889	138	21	1,064
2002	5,121	1,699	421,045

2. Cradle of Patent World Japan (1906-1940)

1922 — Japan Patent Attorneys Association

1938 — Patent Association (corporate patent people),
now Japan Intellectual Property Association

- Utility Model by domestic applicants

v.s

Patents by foreign applicants

- Shifting from utility model for daily goods to patents for electrical/mechanical/chemical fields

3. Age of International Harmonization (1988-1997)

1988 — Multi Claim System

1990 — Paperless System (e-Filing System) •GAO Reports

1994 — New Matter Prohibition
Automatic UM Registration

1995 — 20-year Patent Term
Requirements for Claims and Description
English Text Filing
GATT TRIPS Priority

1996 — Post Grant Opposition
Accelerated Examination
Submission of Information

- Shifting from quantity of patents to quality of patents
- International negotiation for harmonization
- Bilateral arrangements between Japan and the U.S.

4. Pro-patent Age (1998-present)

- 1998 — •Civil Procedure Law (Partial Shift of Burden of Proof, Attorney- client Privilege)
 - Doctrine of Equivalents / Supreme Court Decision
 - Japan IP Arbitration Center
 - Optional jurisdiction for IP cases
 - Tokyo and Osaka District Courts
- 2000 — •Validity issue can be reviewed by a patent infringement litigation court / Supreme Court Decision
 - Proposal for court proceedings by the judges of the Tokyo District Court
 - Increased Amount of Damage, Lost Profit
- 2001 — New Patent Attorney Law made effective.
- 2002 — New Patent Law (Program without storage medium, supplying program, relaxed indirect infringement, English text filing for PCT case, quasi-IDS)
- 2003 — New Patent Attorney Law will be made effective (more responsibility for patent infringement litigation)
- ?? — Convergence of IP cases to the Tokyo and Osaka District Courts

Commissioner / Deputy Commissioner

General Affairs Dept.

Trademark, Design and Administrative Affairs Dept.

*Formality Exam Div. International Application Div. Trademark Div.
Design Div. Information Systems Div.*

1st Patent Exam Dept.

Administrative Affairs Div. / Exam stds office / measurement, optics, optical devices, printer, copying machine, amusement(video game), housing

2nd Patent Exam Dept.

Automatic control, machinery, transportation, thermal equipment,.....

3rd Patent Exam Dept.

Chemical, metallurgy, semiconductor devices, medical, food, biotech, polymer, plastics, fibers

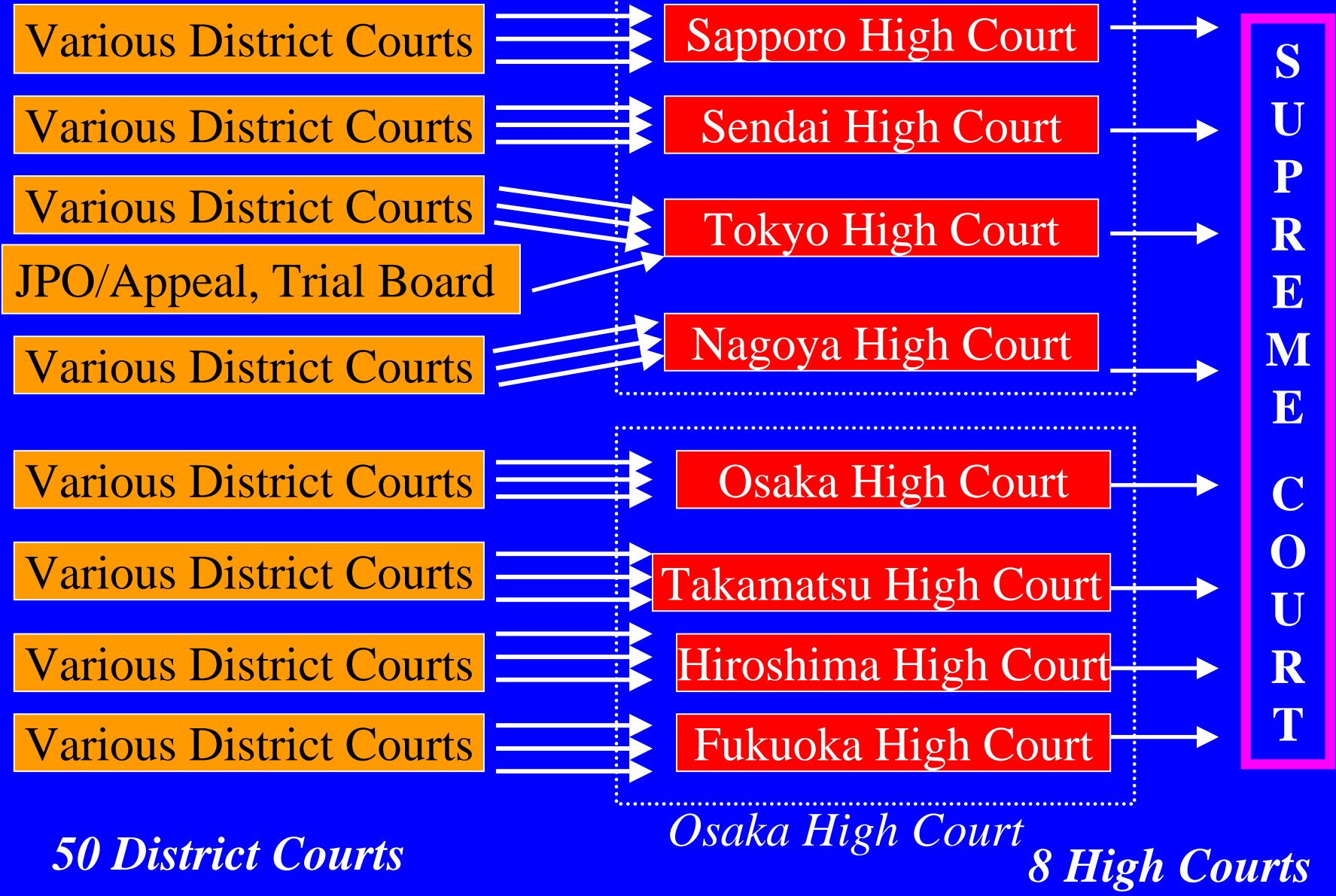
4th Patent Exam Dept.

E-commerce, interface, IT, transmission system, telephone, digital telecommunication, information recording, image processing

Appeal / Trial Dept.

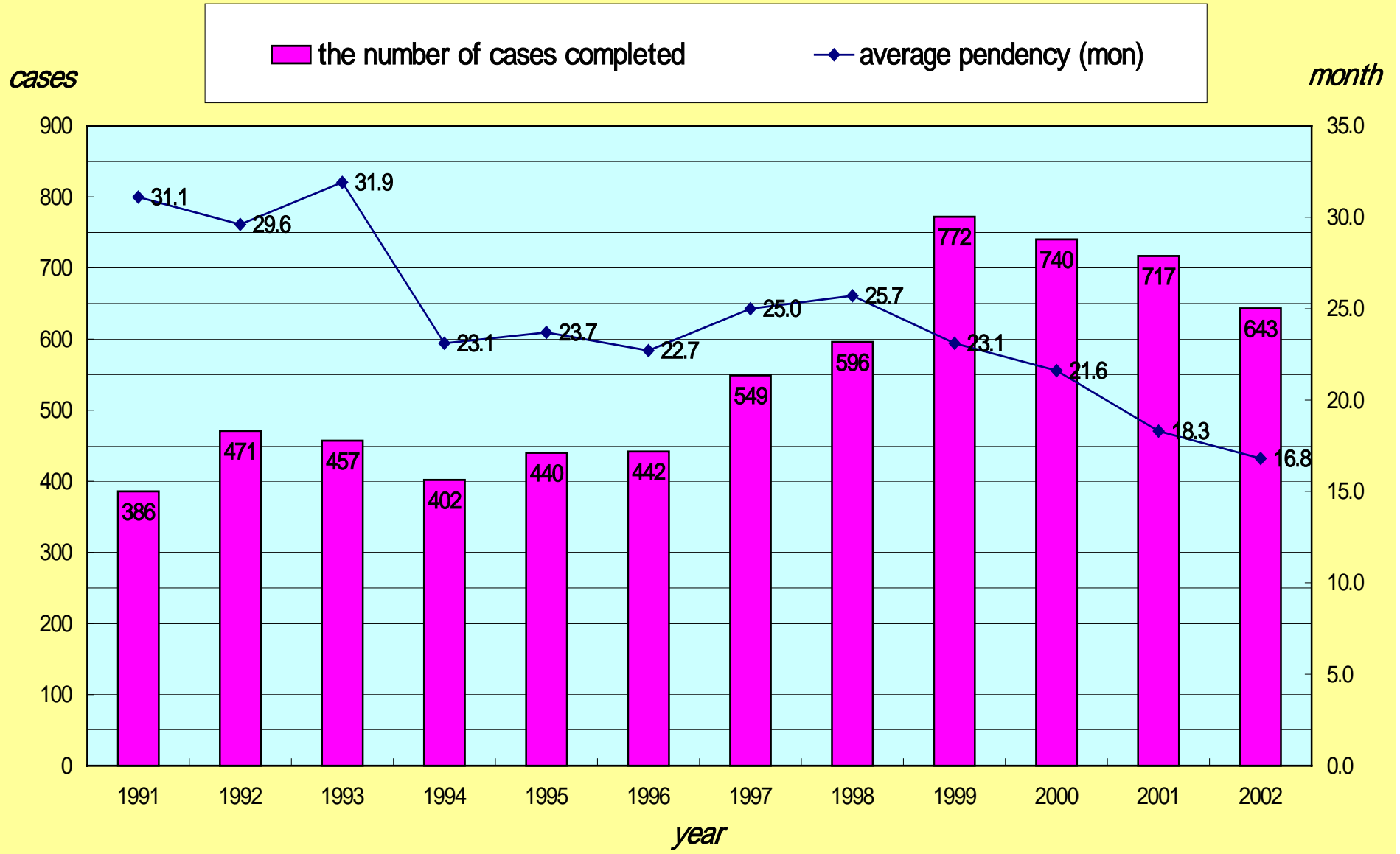
IP Training Institute

1. Court System



2 . Expedited Litigation Situation in Japan

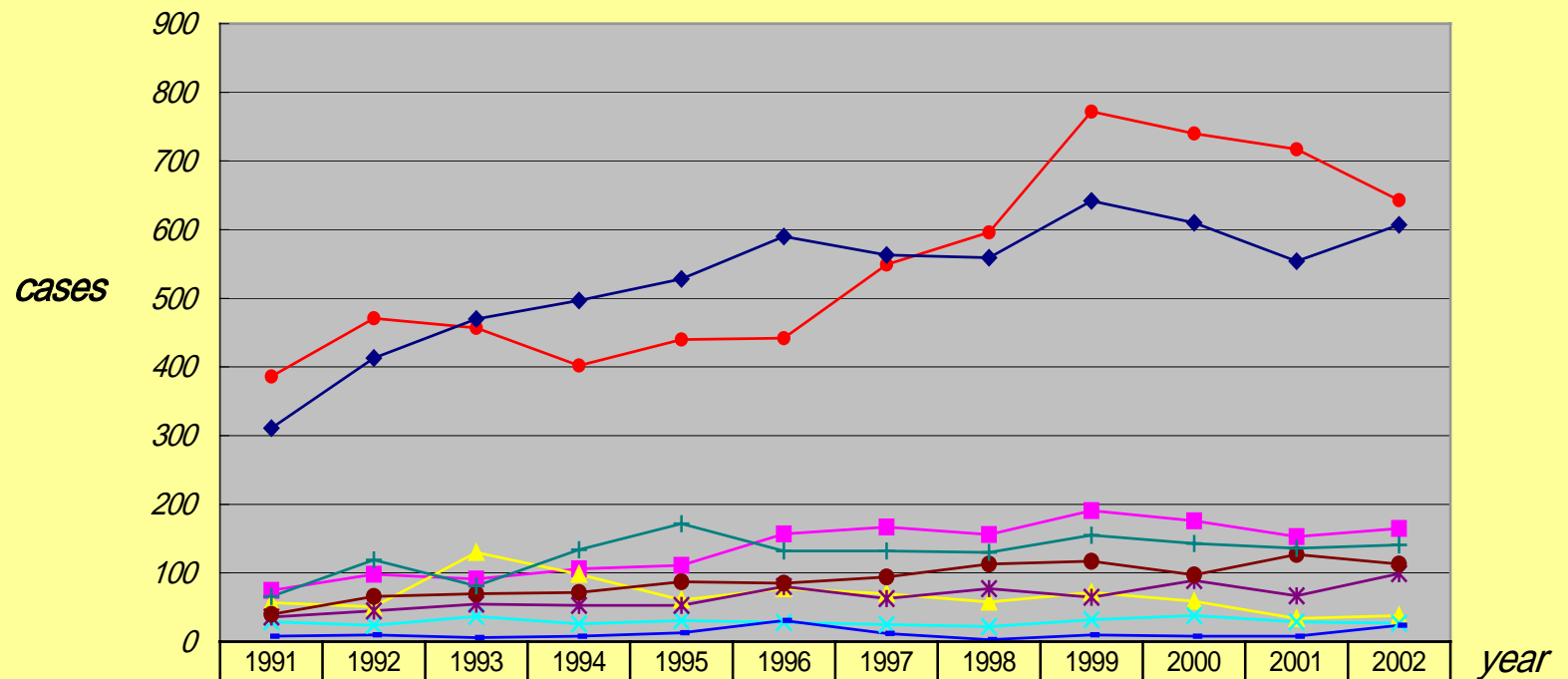
Table1



2 . Expedited Litigation Situation in Japan

. Patent Infringement Litigation

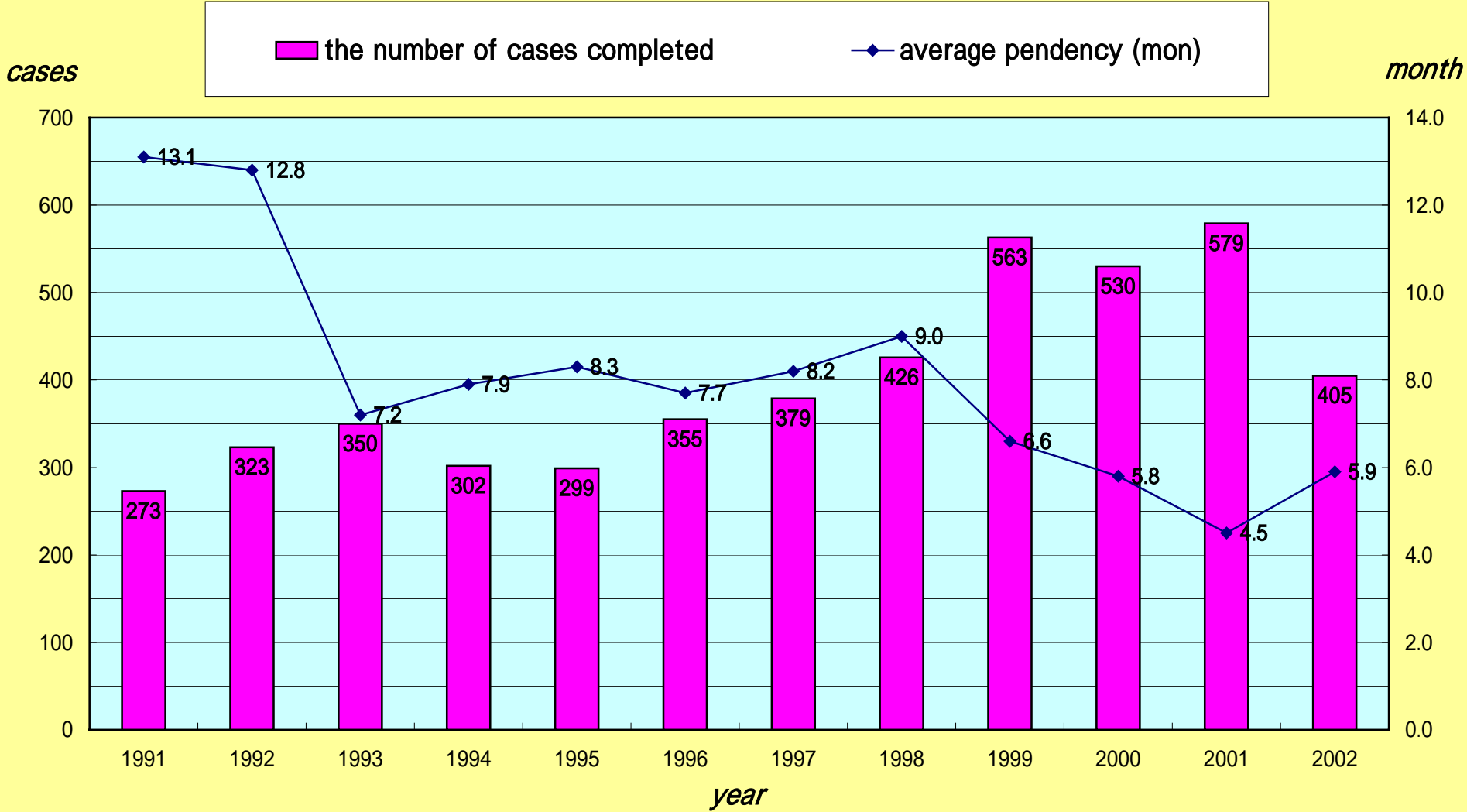
Table2



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
—●— The Number of Cases Disposed	386	471	457	402	440	442	549	596	772	740	717	643
—◆— Total Number of new cases	311	413	470	497	528	590	563	559	642	610	554	607
—■— Patent	75	98	91	106	111	157	167	156	191	176	153	165
—▲— Utility Model	57	51	130	98	61	77	70	58	72	59	34	38
—×— Design	29	24	37	26	31	28	25	22	32	38	29	27
—*— TM	36	45	55	53	53	80	63	77	65	89	67	99
—●— Copyright	40	66	70	72	87	85	94	113	117	97	127	113
—+— Unfair Competition Prevention Law	66	119	81	134	172	132	132	130	155	143	136	141
—+— Commercial Law & Misc.	8	10	6	8	13	31	12	3	10	8	8	24

2 . Expedited Litigation Situation in Japan

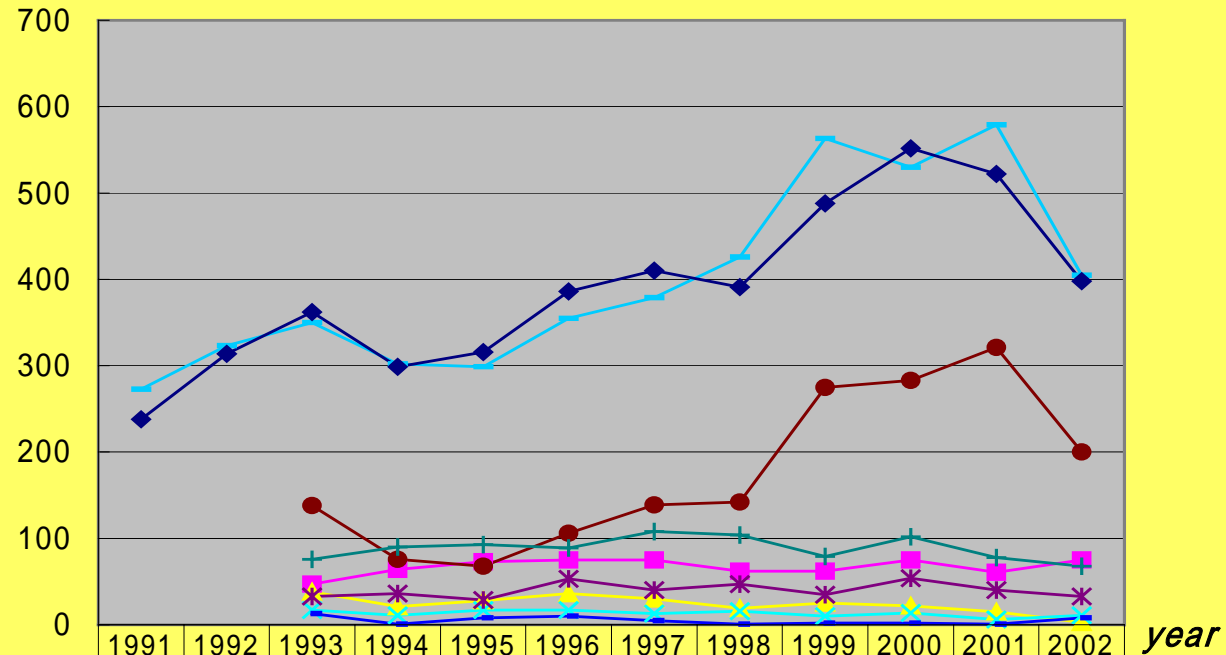
Table3 - *Provisional Disposition*



8 . Expedited Litigation Situation in Japan

Table4-Provisional Disposition

cases



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
— The Number of Cases Disposed	273	323	350	302	299	355	379	426	563	530	579	405
◆ Total Number of new cases	238	314	362	299	316	386	410	391	488	552	522	398
■ Patent			47	64	73	75	75	62	62	75	61	75
▲ Utility Model			38	21	28	36	30	19	25	22	15	3
✕ Design			17	11	17	17	13	16	10	14	6	11
✳ TM			33	36	29	53	40	47	35	54	40	33
● Copyright			138	76	68	106	139	142	275	283	321	200
+ Unfair Competition Prevention Law			76	90	93	89	108	104	79	102	78	68
— Commercial Law & Misc.			13	1	8	10	5	1	2	2	1	8

1. Patent Infringement Litigation in Japan

Expedited Court Proceedings

- 1-2 years
- Exchange of information between JPO and courts

Partial Shift of Burden of Proof to Defendant

- The defendant should show evidences of Non-infringement at an earlier stage.

Trade Secret Protection

- No protective order
- Only in-camera system

Amount of Damage

- Reasonable royalty
- Lost profit
- (Amount of product by defendant) \times (Unit profit by plaintiff)
- Hypothetically licensed royalty

Preliminary Injunction

- More frequently affirmed than in the past
- Powerful to plaintiff. Serious influence to defendant.

Validity issue can be reviewed by a court since April, 2000.

2. Claim Interpretation

(1) Reference to Specification

- Basically, claim should be interpreted on the basis of the claim language (§ 70,Para1).
- Meaning of a term or terms in the claim shall be interpreted in the light of the specification including drawings (§ 70,Para2).

2. Claim Interpretation

(2) Doctrine of Equivalents

Supreme Court Decision on February 24, 1998 Heisei 6 (0) 1083.

The Supreme Court for the first time confirmed the existence of doctrine of equivalents.

The Supreme Court specified requirements when the doctrine of equivalents is applied.

- (1) Doctrine of Equivalents is applicable when the difference between the patented invention and the accused device is not a substantial part of the patented invention.
- (2) Interchangeability
- (3) Ease of interchange at the time of manufacturing the accused device.
- (4) Exclusion of the publicly known prior art or its obvious version from the scope of the claim.
- (5) File wrapper estoppel confirmed.

2. Claim Interpretation

(3) **File Wrapper Estoppel** is applicable when interpreting claim.

Usually, we review a file wrapper in Japan. If necessary, we also review a file wrapper of a corresponding case filed outside Japan.

History of examination, opposition, appeal against final rejection, etc.

No Eesto practice

2. Claim Interpretation

(4) Functional Claim

In the case of a functional claim, a term such as

functional means/step is not limited to those disclosed in the specification, if the term is clear by itself.

If the term is not clear, the term may be construed by referring to the specification.

No § 112 Para 6 requirement

3. Validity Issue

Validity issue can be reviewed by a court in a patent litigation case.

Fujitsu vs. TI

Heisei 10 (0) 364.

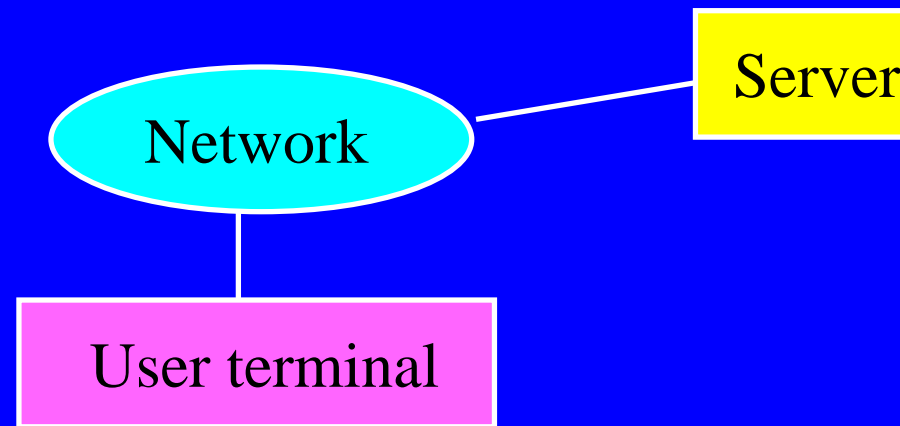
Decided April 11, 2000

Kilby's '275 patent/USP 3,138,743

The patent enforcement shall not be admitted based upon abuse of patent right in the case that the court found it clear that the patent includes a ground for invalidation.

4. Distributed Transaction / Processing

System Claim Comprising Server, Network and User Terminal:

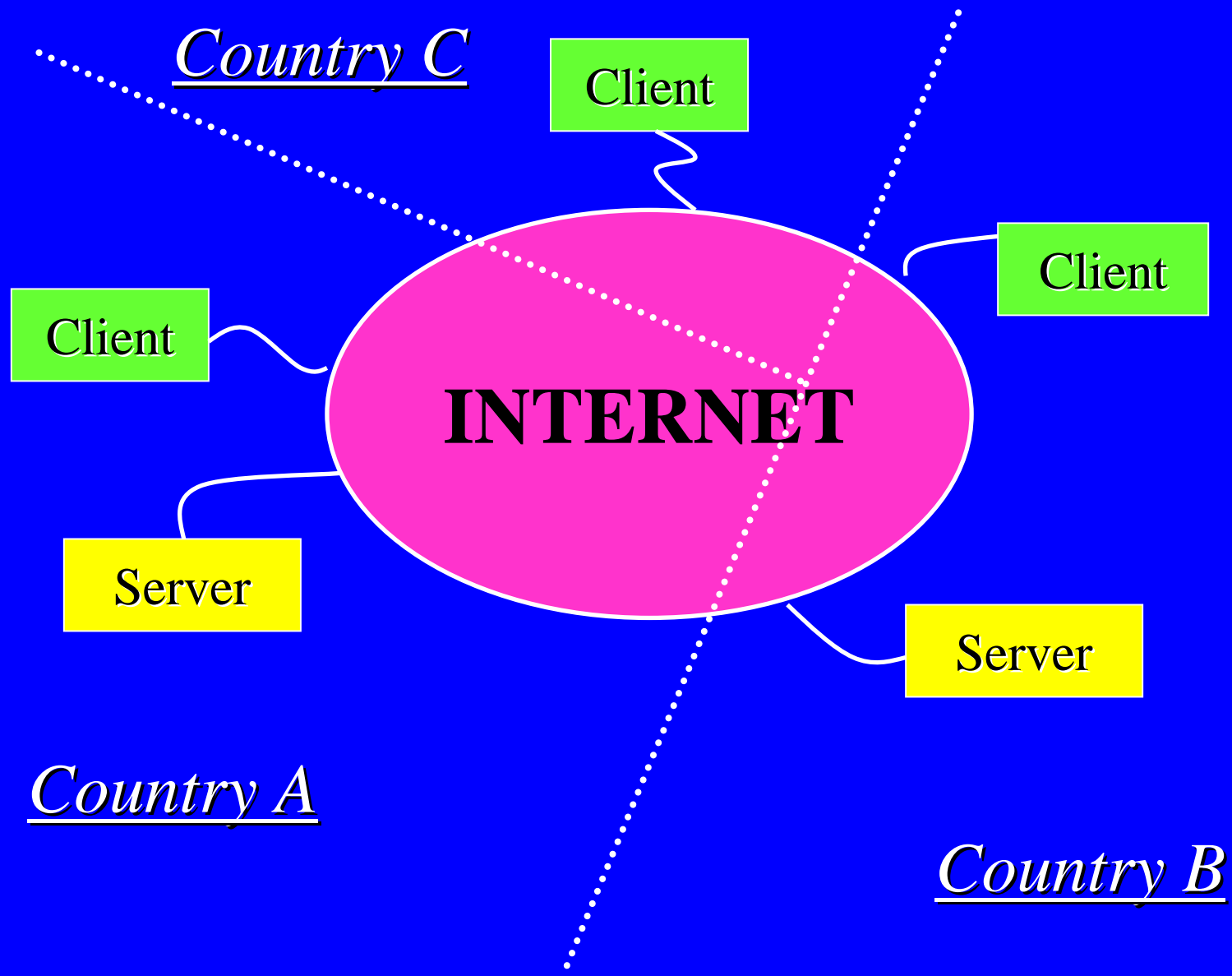


Joint Tort Issue

Server, network and user terminal are partly involved in the entire infringement act.

Cross Border Issue

Enforceable Claims Directed to Each Part of the Entire System



1. BACKGROUND

(1) What is a “Patent Attorney” in Japan ?

- Not like a U.S. patent attorney
- Completely not like a U.S. patent agent
- No precise Equivalent
- Comparable to a U.S. patent attorney

1. BACKGROUND

(2) Historical Developments

1885 — The first patent attorney practiced.

1899 — The patent attorneys were registered in compliance with the Patent Attorneys Regulation.

1922 — The old Patent Attorney Law was made effective.

2001 — The current Patent Attorney Law was made effective.

2003 — The new Law will be made effective.

1. BACKGROUND

(3) Statistics

US:	Patent Attorney	16,000
	Patent Agent	4,000
Japan:	Bengoshi-Benrishi	300
	Benrishi	5,200

2. Important Changes

- Expanded Practice
- Relaxed Condition for Maintaining Benrishi Registration
- Branch Office in Japan or Foreign Country
- Patent Practice Corporate with Unlimited Liability
- Reformed Benrishi Examination
- Increased Obligation and Responsibility
- Continued Education
- Free Competition

What Benrishi can do :

- Representation before the JPO
- Representation before the Tokyo High Court Appeal from the JPO Appeal/Trial Decision
- Opinion Works on Infringement and Validity Issues
- Assistant in the case of Intellectual Property* Infringement Litigation, Presenting a Statement and/or Interrogate
- Seizure of Imported Counterfeits Infringing IP Right (Customs)**
- Representation before Arbitration Tribunal
- Representation in the case of Amicable Settlement*
- Representing/Intermediating/Undertaking Consultation in the Case of Contract***

**Patent, Utility Model, Design, Trademark, Mask Work, Unfair Competition (Trade Secret Relating to Technology)*

***Trademark, Copyright: Procedures to Director of Customs
Patent, UM, Design: Presentation of Information*

****Patent, Utility Model, Design, Trademark, Mask Work, Unfair Competition (Trade Secret Relating to Technology), Copyright*

4. Benrishi Examination

. Patent Attorney System in Japan

	Candidates	Successful Candidates	Pass Rate
1994	3,999	113	2.8%
1995	4,177	116	2.8%
1996	4,390	123	2.8%
1997	4,564	140	3.1%
1998	4,650	146	3.1%
1999	5,002	223	4.5%
2000	5,531	255	4.9%
2001	5,963	315	5.6%
2002	7,176	466	6.9%
2003	8,553	?	?

5. Future Prospects

- From 2003, a patent attorney can represent a client before an infringement litigation court jointly with an attorney-at-law, if a patent attorney has been so qualified after training.
- Full Involvement in IP Infringement Litigation as Representative/Proxy
- Clarification of Attorney-Client Privilege*
 - Benrishi is entitled to refuse to state client's confidential information (Article 197, Civil Procedure Law) and to submit a document containing client's confidential information (Article 220).

1. Patent Acquisition after Substantive Examination

- Average pendency : 29 months (in 2002)

2. First-to-file System

- 6 months grace period to safeguard pre-filing disclosure, but not satisfactory

3. Deferred Examination and Early Publication

- Request for examination within 3 years from the filing date in Japan
- Automatic publication 18 months after the first filing date
- Earlier laying-open is available upon request.

4. Post-grant Opposition System

- Within 6 months after the publication of the granted patent
- By any person.
- Decision - Patent is revoked or maintained.
- No participation by the opposer.
- Consolidation of plural oppositions.
- Appeal to the Tokyo High Court by the patentee in the case of revocation.
- No appeal to the Tokyo High Court by the opposer in the case of maintenance.
- An invalidation trial before the JPO is possible regardless of opposition.

**This opposition system will be abolished as from January 1, 2004*

5. Requirements for Claims and Description

- Problem-solution approach
- No more “indispensable feature” requirements
- Claim should be supported by the disclosure.
- Clear and concise definition of claims/Functional claims
- Clear and sufficient description
- Enablement
- Best mode not required

6. Expedited Examination

- Request for examination:
 - Within 3 years from the filing date in Japan
- An applicant can ask the JPO to expedite examination:
 - If the corresponding application was filed in the U.S.
 - At the time of requesting examination or later.
 - By submitting the U.S. examination result and a proposed claim amendment, if any.

7. English Text Filing

- Japanese application form plus English specification (except a PCT case).
- English text filing is applied to a convention priority case.
- A Japanese translation should be submitted within 2 months from the filing date.
- Useful when:
 - Correcting Mistranslation
 - Urgent Filing
 - A Complicated Data Case (Biotech Case)

8. PCT

- 30 months entry regardless of ISR or IPE
- PCT Article 19 Amendment :
It is sufficient to submit a Japanese translation of the original claims or the amended claims.
- PCT Article 34 Amendment :
It is required to submit both of a Japanese translation of the original claims or the Article 19 Amendment and a Japanese translation of the Article 34 Amendment. The Article 34 Amendment can be filed at the time of entering into Japan or at the time of requesting an examination, or at the time of the first response to the first office action.

9. Information Disclosure Requirements

- Different from the U.S. IDS practices
 - Not duty
- Only information available before the filing date in Japan
- Mere disclosure of listing
- A copy of prior art literature is not accepted.

10. Submission of Information

- Submission of prior art literature with/without reason for rejection.
- Anonymous submission is possible.
- Simply transmit the material by fax, attention to Examiner.
- By monitoring competitors' laid-open applications, you can find an important or serious application. Then, find relevant prior art literature to be submitted.

11. Novelty

The invention is not novel,
if the invention is:

Publicly Known/Practiced (Used) anywhere in
the world.

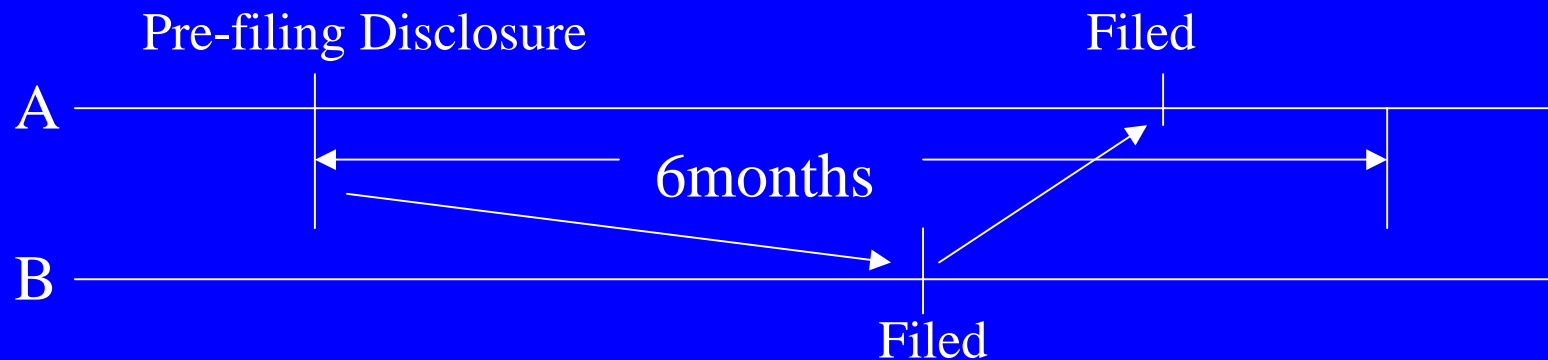
Disclosed in a Publication Distributed
anywhere in the world.

Publicly Available anywhere in the world via
Internet.

12. Grace Period

- No substantial grace period!
- Forget the risky claiming for the application of exception to loss of novelty.*
- Do not disclose the invention before filing.
- Have NDA signed before disclosure.

* Both A and B fail to obtain patent.



* The disclosure may be used as prior art if the claimed invention is not identical to the disclosure.

13. Appeal Against Final Rejection

- Within 30 days from transmittal of the final decision plus 60 days (U.S. applicant)
- Amendment can be filed.
 - Cancellation of the claim(s)
 - Restriction of the claim(s)
 - Correction of errors in the description
 - Clarification of ambiguous description
- If a claim amendment is filed, the case is first returned to the Examiner in charge for further review prior to the review by the Appeal Board.

14. English Translation of Japanese Patent Publication Available

- <http://www.jpo.go.jp>
- Free of Charge
- English Abstract of JP-A publication (Laid-open)
- Then, click “DETAIL” button to see a JP publication in English

1. Category of Invention (§ 2, Para 3)

Two Categories

- Article (Apparatus/System Product, Compound etc)
- Method/Process

Product covers “program and so on” which is defined as “program or comparable information” to be used for processing by computer.

- Program without storage medium is patentable.
- Signal is not patentable.

2. Mode of Working (§ 2, Para 3)

Previous definition of working:

- Product : “manufacturing”, “using”, “assigning”, “leasing”, “importing” the product, or “offering” for assignment or “lease”.
- Method : “using” the method
- Manufacturing method : “using” the method, using, assigning, “leasing”, “importing” or “offering” for assignment or “lease” the product manufactured by the method

New definition:

- Product : “manufacturing”, “using”, “assigning and so on ”
(*which means assigning and leasing, including, in the case that the product is program, “supplying” the program and so on via telecommunication channel*), “importing” the product, or “offering” for assignment and so on.

3. Indirect Infringement

Previous Provision:

- Exclusive article
- Preparatory and assisting acts of direct infringement
- Objective criterion

New Provision:

- Relaxed concept of indirect infringement
- Exclusive article or Neutral article having other usage except staple article
- Important article from technical viewpoints of the invention
- Knowing that the invention is patented and that the article is used when working the invention
- Either objective criterion or limited subjective criterion

4. Claim vs. Specification

Japan :Claim is a part of Specification.

Revision :Claim is not a part of Specification, but is separated from the specification in conformity with the PCT format. Adopting a trilaterally common PCT electronic format of XML (eXtensible Markup Language) bases.

1. Revised Fee Schedule

(effective from April 1, 2004)

- Increased fee for request for examination:
99,500Yen (830USD) 199,000Yen (1,660USD)
- Decreased application fee:
21,000Yen (175USD) 16,000Yen (133USD)
- Decreased annual fee:
356,200Yen (2,968USD) 166,600Yen (1,388USD)
the number of claims = 7.6 claims
the period of maintaining patent = 9 years
- Total fee:
476,700Yen (3,973USD) 381,600Yen (3,180USD)
- Saving: 800USD

Part of the request fee is refundable if the application is withdrawn before the initiation of examination.

2. New Invalidation Trial System

(effective from January 1, 2004)

- The current opposition system is merged into invalidation trial system.
- Anybody can demand an invalidation trial.
- An invalidation trial can be filed at any time (even after the expiration of patent).
- Inter parte proceedings between the demandant and the patentee.
- Either party can appeal to the Tokyo High Court.

3. Correction of Patent *(effective from January 1, 2004)*

- The time for demanding correction of patent is limited up to the decision of the invalidation trial to remand the case to the JPO.
- In the case where a correction is demanded, the Tokyo High Court may remand the case to the JPO, even before the Court accepts the correction.
- Both the correction by the patentee and the argument by the opposing party are examined in the re-trial for invalidation after the case is remanded to the JPO from the Court.

4. New PCT Practice

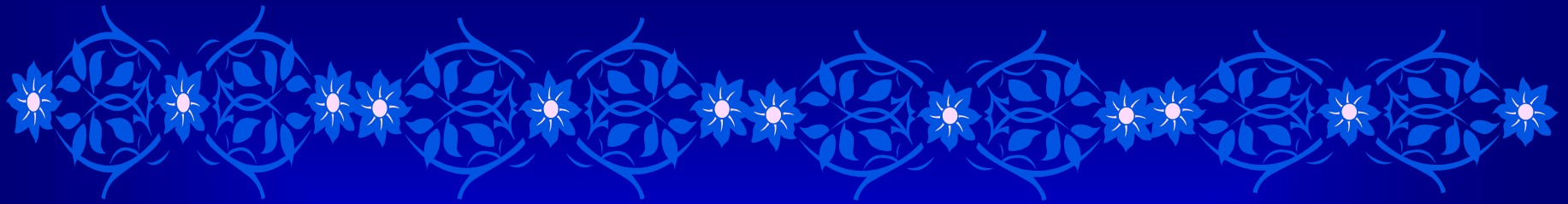
(effective from January 1, 2004)

- Automatic designation of all the PCT member countries.
- In the case the PCT application is originated from the JP application:
If the PCT application does not enter into the JP national phase, the original JP application is deemed to be withdrawn. If the entry into JP is made, this automatic withdrawal does not occur. In order to safeguard this automatic withdrawal, we recommend that a divisional application is filed before the PCT application.

5. New Matter Practice

(applicable to the applications filed on January 1, 1994 or later)

- The current new matter practice is very strict. If an amended matter cannot be directly and uniquely derived from the original disclosure, such matter causes new matter.
- In order to relax this strict practice, the new Examination Guidelines that as long as an amended matter expressly or inherently presents in the original disclosure, this matter does not cause new matter.
- An amended matter is obvious from the original disclosure from viewpoints of a person skilled in the art, this amendment does not raise new matter issue.



Thank you for your attention!

