

**Introduction of the Revised Intellectual Property Laws  
“Patent Law, Design Law and Trademark Law”  
(2006) in Japan**

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## **Introduction of the Revised Intellectual Property Laws in Japan**

On June 1, 2006, the Japanese Intellectual Property Laws (including Patent Law, Design Law and Trademark Law) Revision Bill was passed and The Revised Intellectual Laws were promulgated on June 7, 2006. The date of enforcement of the new law is different for each provision, as indicated below. The following briefly explains the main changes by such amendment.

### **I . Patent Law**

The revised Japanese Patent Law (“revision”) will become effective on April 1, 2007. The revision will be applicable only to applications filed on or after April 1, 2007. This means that the revision will not be applied to divisional applications whose parent application has been filed on or before March 31, 2007.

#### **1. Divisional Application**

Under the revision, while applicants will be given more opportunities to file a divisional application, an additional limitation will be imposed on amendments to be filed in response to an office action.

**1.1.** Under the current law, a divisional application can be filed;

- (1) anytime prior to the first office action,
- (2) while there is an outstanding office action (final or non final),
- (3) when you file an appeal to a final decision of rejection.

**1.2.** Under the revision, in addition to the aforementioned, a divisional application can further be filed;

- (4) within 30 days from the mailing date of Notice of Allowance and prior to the issuance of a patent.

**Therefore, it is preferable that a divisional application be filed prior to payment of the issue fee, which is similar to the US and EP practice.**

When the period for payment of issue fee is extended, the period set forth in the above (4) is also extended.

(5) within 30 days from the mailing date of the final decision of rejection, even if the applicant does not file an appeal. In case of applicant of foreign resident, 90 days period (non-extendable) is given instead of the aforementioned (5) period.

#### **1.3. Additional Limitation on Amendment**

Under the revision, if any of the claims of a divisional application is the same as

the claims of the rejected parent application, an additional limitation applies to subsequent amendments to the divisional application. More specifically, the same limitation that would be applicable to applications under final office action is imposed on amendment to such divisional application, even though the office action in response to which the amendment is being made is not a final office action. In other words, claim amendments are allowed only to cancel claim(s), limit the scope of claim(s), correct typographical errors, or to clarify unclear languages.

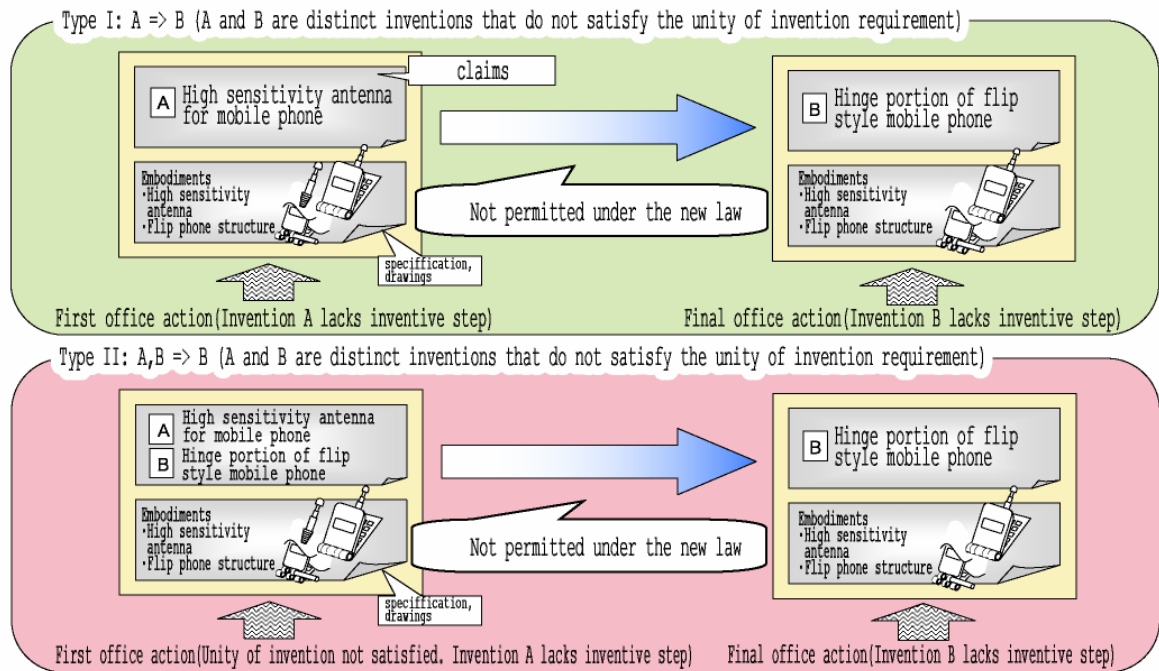
An applicant often does not have time to review the office action before filing a divisional application. As a result, many divisional applications are filed with claims directly copied from the parent application, without being amended to overcome the rejections in the parent application. ***In such cases, it is advisable to file a voluntary amendment in the divisional application as soon as possible, at the latest by the time a first office action is issued on the divisional application.*** Otherwise, the rejections made in the office action of the parent application will be repeated in the first office action on the divisional application. Furthermore, since the above described limitation applies to the amendment of the divisional application, the applicant may need to file another divisional application to overcome the rejections.

## **2. New Limitation on Amendment**

Under the revision, a new limitation will be imposed on amendment after an office action.

Under the revision, an amendment that changes the subject matter of the claims will no longer be permitted once an office action is issued. In other words, an applicant cannot cancel the rejected claims and add new claims directed to a different technical feature once a substantive examination of the original claims has been conducted, even if the technical feature of the new claims is disclosed in the specification as originally filed.

As shown in the examples below, once a substantive examination is conducted on at least part of the claims, an amendment will not be entered if it changes the technical feature to which the claims are directed. This is so even if the technical feature of the new claims is disclosed in the specification as originally filed.



The Japan Patent Office plans to establish the Examination Guideline of this Limitation on Amendment. After the Examination Guideline is made available, we will inform you of more details.

## **II. Design Law**

### **1. Duration of a Design Right**

The duration of a design right will be extended from 15 years to 20 years from the date of registration. This revision is slated to come into effect on April 1, 2007. This revision will apply to only design applications filed after the date of enforcement (April 1, 2007).

### **2. Screen Design**

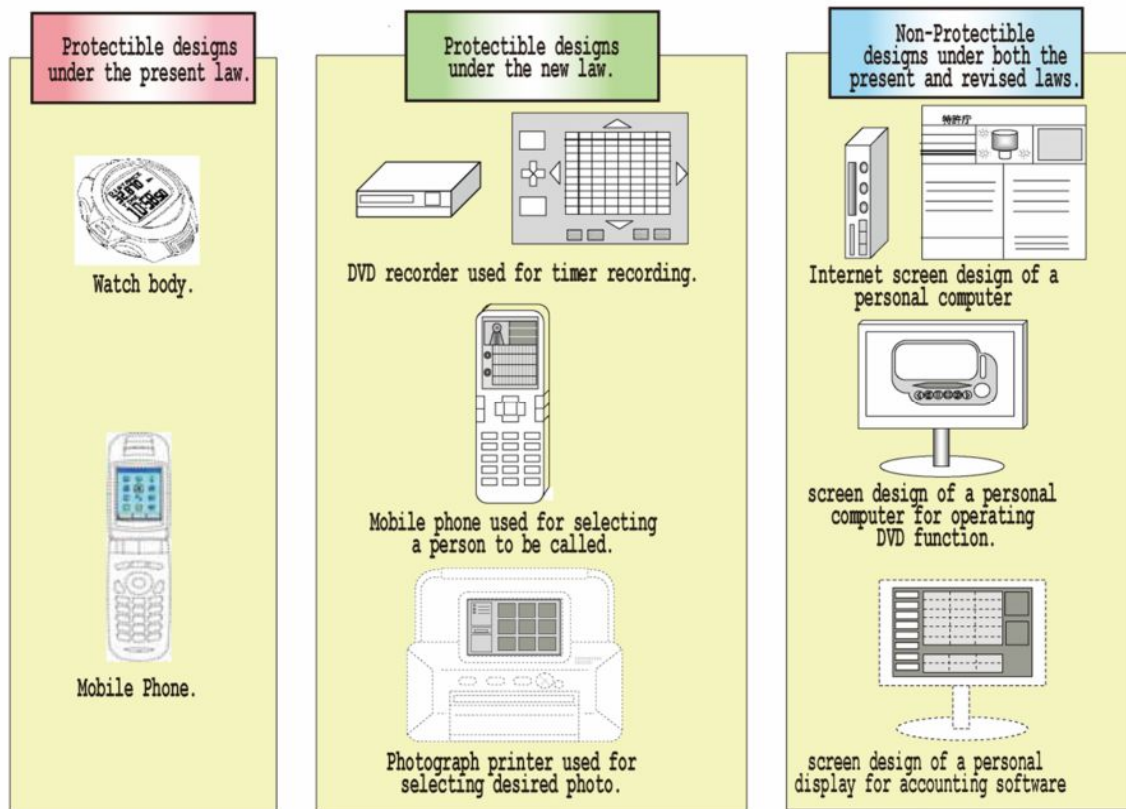
The current Design Law protects and registers screen designs on condition that (a) the figure indicated on the display of an article is essential for fulfilling the primary function of the article, (b) the figure is displayed by the function that the article itself possesses (display function), without being controlled by a signal from outside the article, and (c) if the figure changes in appearance based on the function of the article, there must be a relationship between figures before and after the modification of the figure. Accordingly, the subject matter relating to screen designs under the current design law is limited to main menu screens indicated on the display of the article to which the design is applied.

The new design Law stipulates that subject matter of Design Law includes screen images which are used for operation of an article to which the design is applied (that is limited to those for bringing the article into operation), and includes both screen images displayed on the article of an application and screen images displayed on an article which are used with the article of the application. This revised design law relatively expands the subject matter in relation to screen designs, and that includes screen images used for operation of an article, not limited to main menu screens.

The left side column illustrated below shows protectible and registrable screen designs (display of a watch and a main menu screen of a mobile phone) under the current design law, the middle column shows protectible and registrable screen designs under the revised design law, and the right column shows non-protectible and non-registrable designs under both the current design and revised design laws.

Under the new design law, as described in the diagram below, for example, a screen design (which is displayed on a TV screen) of a DVD recorder which is used for timer recording (upper figure in the middle column), a screen design of a mobile phone which is used for selecting a person to be called (middle figure in the middle column), and a screen design of a photograph printer which is used for selecting desired photographs (lower figure in the middle column). In contrast, as shown in the right column, even the new design law does not protect an internet screen design of a personal computer (upper figure in the right column), a screen design of a computer display for operating a DVD player function (middle figure in the right column), and a screen design of a computer display for accounting software (lower figure in the right column), because these screen designs use the function of the articles (information processing function of a computer), rather than being used for operation of the article.

This revision is slated to come into effect on April 1, 2007. This revision will apply to only design applications filed after the date of enforcement (April 1, 2007).



### 3. Similarity of design

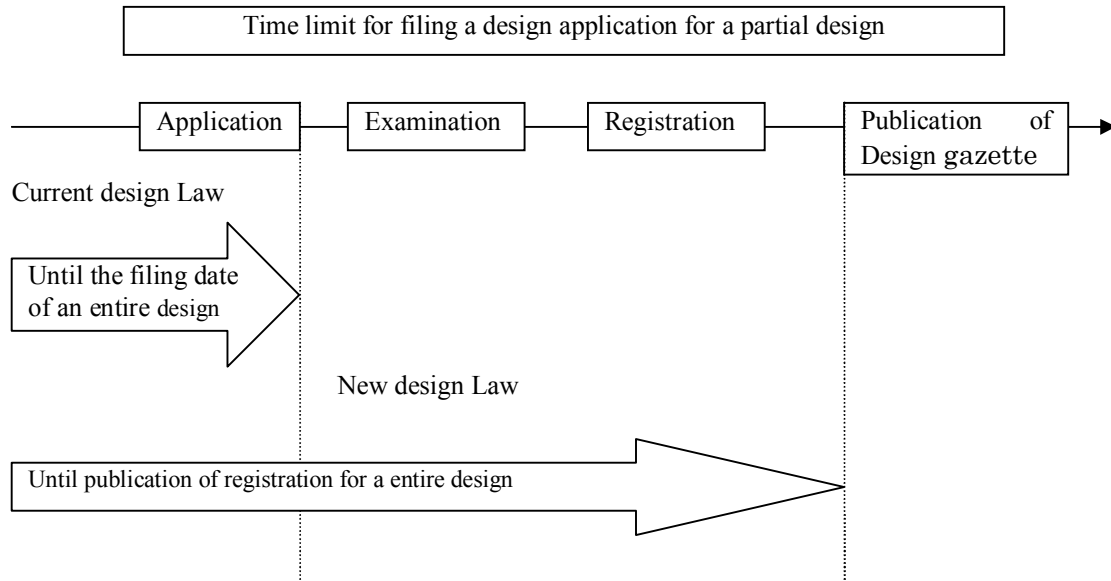
The revised design law expressly states that similarity of designs shall be determined based on an aesthetic impression from the eye of a consumer. The consumers include end users and distributors.

In determining novelty and design infringement, the important and controversial question is whether the filed design or the registered design is similar to the prior design or the infringing design. Until now, there was a controversial issue as to whether, an ordinary consumer or a designer, is an appropriate person for evaluating an aesthetic impression of a design. This revised provision confirms that similarity of a design should be determined on the basis of the view of an ordinary consumer, not a designer in the filed of the article.

### 4. Time limit for filing a design application for a component or a partial design.

Under Article 3 bis of the current Design Law, component parts(headlight of a vehicle) or a partial design (screen design of a mobile phone) has to be filed earlier than or at the same time as a design application for an entire design incorporating the

component part or the partial design (a vehicle with the headlight or a mobile phone with the screen design), even if these designs are filed by the same applicant. The new design law will ease the time limit, and will allow an applicant to file a design application for a component or a partial design until publication of the design registration for the entire design in the official gazette. This revision is slated to come into effect on April 1, 2007, and this revision will apply to only design applications filed after the date of enforcement (April 1, 2007).

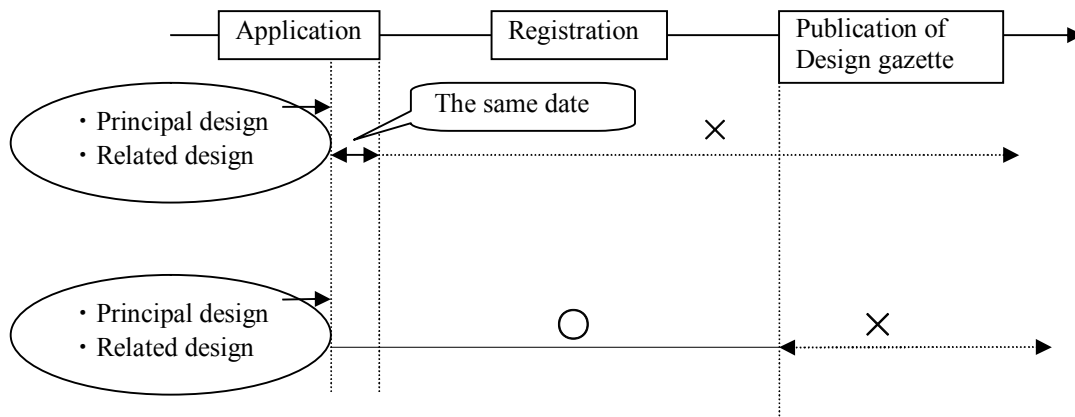


### 5. Related Design System

Article 10 of the current design law requires an applicant to file a group of similar designs on the same date, specifically, one has to be filed as a principal design and the other designs similar to the principal design have to be filed as related designs on the same filing date as the principal design application. The new design law allows an applicant to file a related design application for a design similar to a filed design (a principal design) until a design registration for the principal design is published in an Official gazette. This revision is slated to come into effect on April 1, 2007. This revision will apply to only design applications filed after the date of enforcement (April 1, 2007).

Time limit for filing a related design application

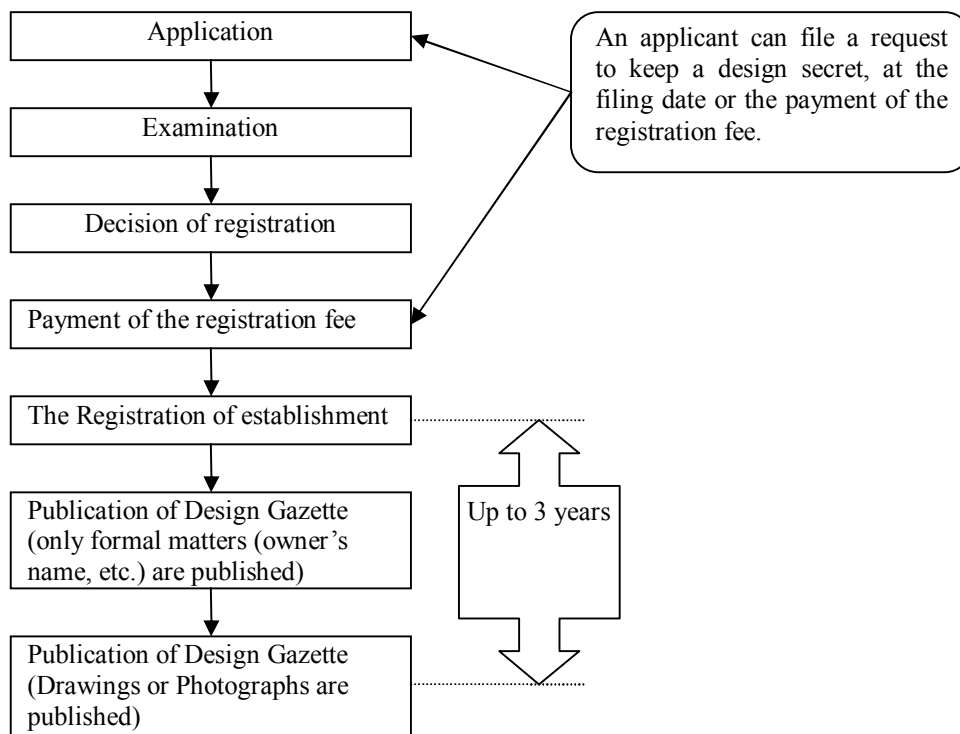
A group of similar designs (a principal design and a related design) has to be filed on the same filing date, under the current design law.



A related design can be filed until publication of registration for a principal design under new design law.

### 6. Secret design

In Japan, an applicant can request that a design be kept secret for a period of up to three years after the design registration is granted. The current design Law requires that, an applicant who desires to make such demand, at the time of filing the design application, submits to the Japanese Patent Office a request specifying the period for which secrecy is demanded. Under the new design law, an applicant can also request that a design be kept secret, at the time of paying the registration fee. This revision is slated to come into effect on April 1, 2007.



## 7. Grace Period

In Japan, grace periods for any type of disclosure are available for six (6) months before the actual filing date of the Japanese design application (not priority date). However, under the current design law, unless the design is disclosed unintentionally, an applicant who desires to apply for the grace period, has to submit to the Japanese Patent Office a request for the grace period at the time of filing the design application and also has to submit a document proving the filed design was disclosed, within 14 days from the filing date. The new design law extends the time limit for filing the document proving the filed design was disclosed, from 14 days to 30 days from the filing date. This revision will apply only to design applications filed after September 1, 2006.

### **III. Trademark Law**

#### **1. Retail Services**

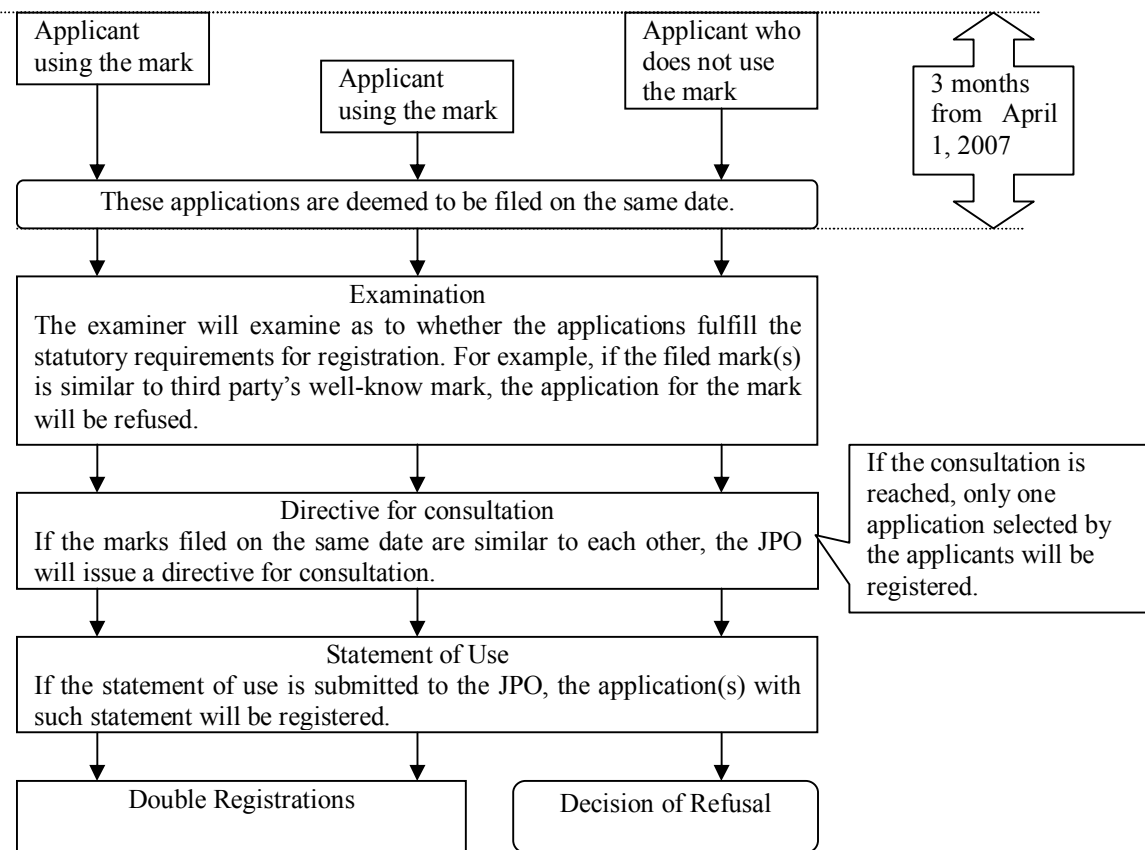
The new trademark law accepts retail and wholesale services as an identification of services in Int. Class 35 from the date of enforcement. This revision is slated to come into effect on April 1, 2007. The new trademark law introduces the following preferential measures for retail and wholesale services.

##### a) Examination

Service mark applications for retail and wholesale services which are filed within 3 months from the date of enforcement of the revised law (April 1, 2007) will be deemed to be filed on the same date. If identical or similar marks for retail or wholesale services are filed on the same date by more than one person, the Japanese Patent Office will issue a directive for consultation to the applicants.

When the directive of consultation is issued, the applicant can submit a statement of use proving that the mark has been used on the designated services since the date of enforcement of the revised law. The application(s) in which the statement of use is submitted will be registered with priority to the application(s) without the statement of use, as long as the application(s) fulfills other statutory requirements, such as whether the service mark is not identical with or similar to a third party's well-know mark.

In case that no agreement is reached in the consultations and no statement of use is submitted, then one application to be registered will be chosen by drawing of lots by the Japanese Patent Office.



## b) Rights of continuous use of the mark

To maintain the present orderly trading activities before the acceptance of service marks for retail services, even if someone obtains registration for a mark for retail services and wholesale services, the revised trademark law will grant a right to use a mark continuously which is identical with or similar to the registered mark, to a person who has been using the mark before the date of the enforcement of the new trademark law, under the following conditions.

Where, before the enforcement of the new trademark law and without any intention of violating the rules of fair competition, a person has been using the mark or a trademark similar to the registered mark for retail services, on or in connection with the designated services or services similar to the registration, such person has a right to use the mark continuously within the scope of business at the time of enforcement of the new trademark law. Therefore, such right to use the mark is limited to a specific business area. For example, if someone using a mark only in a certain area (e.g. Tokyo), such person cannot expand the business under the mark to another area (e.g. Osaka).

If, however, a mark in use is well-known among consumers at the time of enforcement of the new trademark law, a person who has been using the well-known mark for retail services and wholesales services can use the mark continuously regardless of the scope of business services, even if the same or similar mark is registered by a third party.

## **2. Collective Marks**

The current trademark law limits a person entitled to file an application for a collective mark, to aggregate corporations established under the provision of Section 34 of the Civil Code or industrial business corporative association and other associations established under the special law or foreign legal entities corresponding thereto. The new trademark law will expand such eligible person to corporations (other than unincorporated associations and companies) and other associations established under the special law or foreign legal entities corresponding thereto. This new provision applies from September 1, 2006. Accordingly, for example, a chamber of commerce and industry and a non-profit organization can file a trademark application for a collective mark, from September 1, 2006.

## **IV. Revisions common to Patent Law, Utility Model Law, Design Law and Trademark Law**

### **1. Exporting of infringing products**

To improve border enforcement of Intellectual property rights, an act of exporting the infringing products will be included in infringing acts of patent, utility model, design, trademark and service mark rights, from January 1, 2007.

### **2. Possession of infringing products for the purpose of assignment, lease or export**

To facilitate enforcement against IPR infringement, an act of possessing of infringing products for assignment, lease or export will be deemed to be an infringement of IP rights, from January 1, 2007.

### **3. Strengthening of Criminal Penalty**

To firmly deal with infringement of IP rights, the new IP laws increases the prison term and the maximum fine imposed on a person who violates IP laws starting from January 1, 2007. The prison term imposed on infringers will be increased up to 10 years for Patent, Design and Trademark infringement, and up to 5 years for Utility Model infringement. The maximum fine imposed on infringers will be also increased up to 10 million yen for Patent, Design and Trademark infringement, and up to 5 million yen for Utility Model infringement. The maximum fine imposed on a corporation, an employee of which has committed infringing activities of IP rights in connection with their business, will be increased up to 300 million yen. In addition, it will be possible to impose imprisonment and fine simultaneously on infringers.