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- News about Sonoda & Kobayashi -

1. Awards

We are very pleased to announce that Sonoda & Kobayashi Intellectual Property Law has been recommended by IAM 1000 as one of the **World's Leading Patent Professionals 2020**.



Patent 1000
Sonoda & Kobayashi
Intellectual Property
Law
Recommended Firm 2020

2. Internal News

i) Sonoda & Kobayashi was happy to welcome a new staff member into the organization last May This is:

- [Mr. Jeroen van der Donck](#), working in the International Affairs Department.

ii) On the 23rd of June, Sonoda & Kobayashi cooperated with Lexology to organize a Webinar on the patentability of AI Inventions. The webinar offers an overview of how the U.S., Japanese, Chinese and EU patent authorities treat inventions where AI is involved.

The webinar can be accessed by signing up on the following page:

<https://www.lexology.com/Events/Details/8060>

3. Meet our Members

An interview with [Ms. Yumiko Tochino](#), director overseeing the engineering, IT and administrative department.

Profile:

As one of the first members of Sonoda & Kobayashi, Ms. Tochino has continued to actively help build and expand the firm. She developed a broad range of skills in different positions, from her time as an English-to-Japanese translator to her role as a paralegal and expert in trademarks and designs. Keen on delivering the best results for our clients with an eye toward improving internal efficiency and satisfaction, she developed a workflow and quality control system at our firm early on.

Q1 : What brought you to Sonoda & Kobayashi?

I was interested in translation. Before working for Sonoda & Kobayashi, I was an English teacher and an English-Japanese translator of streaming video on website. I wanted to be more specialized in technical translation and found a world of IP translation.

Q2: What do you enjoy about working at here?

The atmosphere of freedom with responsibility. We do not need to start working at the same time everyday whereas standard Japanese companies expect all employees to do so. What we are required is to achieve given tasks. This way of thinking is very simple and I like it. Also, we can

Speak out to anyone including superiors and opinions can be accepted as long as they are logical and convincing.

Q3: Tell us one thing about yourself many people do not know?

I used to be a gamer and played video games all night long. Now, I sometimes get absorbed in online games.

Q4: What is your most memorable moment here?

When I give a speech first time in front of employees as a board member.

Q5: Pick a Japanese word to describe the office and explain why.

“多様性” (“Tayōsei). I believe one of the underlying principles in our office is diversity and it has been a key factor of our development. Personally, I enjoy working with colleagues from overseas. I am also happy to see many working mothers.

JPO News

1. 10th June, Handling of Procedures Affected by COVID-19

The JPO homepage has detailed information in English regarding potential relief for those who have been unable to timely complete filing procedures for patents, utility models, designs, and trademarks due to the adverse effects of COVID-19.

The JPO divides procedures into two categories: procedures with (1) designated time limits (i.e., time limits set by the JPO), and procedures with (2) statutory time limits (i.e., those with time limits specified by law and ministerial ordinances). The methods to apply for relief, the relief that may be provided, and the time period within which relief may be requested, differ by procedure.

Specific information on this topic can be found here:

https://www.jpo.go.jp/e/news/koho/saigai/covid19_procedures.html (English)

2. 6th July, JPO Launches new PPH Portal

On July 6, 2020, the JPO launched its renewed Patent Prosecution Highway (PPH) Portal page. This page provides detailed information on the PPH system, the worldwide network linking Japan with other jurisdictions, and statistical data, such as the number of PPH requests and the grant rate of applications utilizing the PPH process.

The new PPH Portal can be found here:

<https://www.jpo.go.jp/e/toppage/pph-portal/> (English)

<https://www.jpo.go.jp/toppage/pph-portal-j/> (Japanese)

3. 8th May, JPO Examination Division and Appeals Division Are Conducting Television

Interviews

While in-person interviews will not occur in the near future, the JPO Examination Division and the Appeals Division are now conducting television interviews over the internet utilizing web applications.

This system allows parties to participate in the interview from their own computer. With the consent of the party or the party's agent, reference materials used in conjunction with the interview can be sent and received via email.

In order to participate in a television interview hearing, the following equipment is required:

- A computer
- Internet
- Webcam
- Headset (or microphone and speakers)

The television interview system can be used without installing any special software. Characteristics of the television interview system include the ability to paste data from document creation software, spreadsheet software, PDF software, etc. to a "whiteboard" which can be shared between all participants. Participants may highlight/create notes on materials on the whiteboard.

Participation in a television interview is limited to 10 devices for an examination interview and 4 devices for an appellate interview.

There is no charge for applying and/or utilizing television interviews.

Links

https://www.jpo.go.jp/system/patent/shinsa/mensetu/telesys_mensetu.html (Japanese)

https://www.jpo.go.jp/system/trial_appeal/general-mensetsu/tv-mensetsu.html (Japanese)

- Latest IP News in Japan -

1. Daicel wins case at Japan's IP High Court, defending the sale of its products

Nikkan Chemical News, June 26, 2020

On June 24, Japan's IP High Court concluded that Daicel won an appeal case against Otsuka Pharmaceutical regarding patent infringement.

The case dates back to 2017 when Otsuka sued Daicel for alleged infringement of its patent rights.

Specifically, it was the use of a type of chemical, an equol called "Flavocell EQ-5", in some of Daicel's products that Otsuka objected to and demanded that Daicel stop its use.

In January 2019, the court reached a decision in favor of the defendant Daicel. However, Otsuka Pharmaceutical decided to appeal at the IP High Court, which concluded that Flavocell EQ-5 was not in the technical scope of Otsuka's patent.

2. Panasonic -Sony OLED venture starts patent infringement lawsuit against Samsung

Nikkei Asia Review, June 23, 2020

JOLED, a Japanese display maker formed in 2015 from Sony's and Panasonic's OLED display divisions, announced on June 23 that it has filed lawsuits in the U.S. and Germany against Samsung Electronics and other Samsung companies. The company is claiming that its patents on organic light-emitting diode panel technologies were infringed upon by Samsung.

In the U.S. lawsuit against Samsung, Samsung Electronics America and Samsung Display, JOLED is accusing the conglomerate of selling their Galaxy smartphone in the country without a having license for the JOLED technology used in the phone.

In the German case, JOLED's complaints against Samsung Electronics and a local German subsidiary are largely of similar nature. Both lawsuits seek damages.

3. 2018 Nobel prize laureate Tasuku Honjo sues Ono Pharmaceutical over royalties for immunotherapy drug

NHK News, June 19, 2020

Japan Times, June 19, 2020

On the 19th of June, Dr. Tasuku Honjo, the winner of the 2018 Nobel Prize in Physiology or Medicine, filed a lawsuit against Ono Pharmaceutical demanding payment of more than 22,6 billion yen as well as damages for the delay of payment.

Ono Pharmaceutical obtained a patent for an immunotherapy drug called Opdivo on the basis of Honjo's research. Honjo alleges that the pharmaceutical company neglected its obligations to him by cutting his part of the royalty income for the cancer-fighting drug.

The lawsuit was filed after Honjo rejected an earlier offer by Ono Pharmaceutical in 2018, which offered to donate 30 billion yen to Kyoto University.

According to the lawsuit, Ono Pharmaceutical had settled a comparable lawsuit against a U.S. company in which it was decided that the U.S. firm was to pay Ono Pharmaceutical some ¥70 billion yen plus future royalties until 2026. Honjo claims that he was promised 40% of this amount, but has in fact only received 1%.

Honjo is claiming 22,6 billion yen for the unpaid portion of the royalties as well as damages for late payment. Considering Opdivo's contribution to Ono's earnings, a share of 1% is irrational, he claims.

4. Adoption of Intellectual Property Strategic Program 2020

Cabinet of the Prime Minister of Japan, May 27, 2020

Shinzo Abe, Japan's prime minister, held a meeting at May 27 to adopt Japan's Intellectual Property Strategic Program 2020.

The prime minister emphasized that the spread of the coronavirus disease has increased the pace of certain trends, such as digitalisation. The 2020 Intellectual Property Strategic Program

should then be in line with the increased importance of intellectual property of digital technologies.

Prime minister Ab also proposed to revise the Cool Japan strategy and tie it closer to the theme of regional revitalization. Japan will also actively promote the overseas expansion of its digital content and in order to do so changes must be made to systems such as the copyright system.

The full text in Japanese can be found here:

<https://www.kantei.go.jp/jp/singi/titeki2/kettei/chizaikeikaku20200527.pdf>

- IP Law Updates in Japan : Insights from Sonoda & Kobayashi -

Insight on the JPO Status Report 2020

By [Nicole Bigler](#)

Every year in April the Japanese Patent Office publishes an extensive report on developments and trends regarding IP protection at the Japanese Patent Office and beyond.

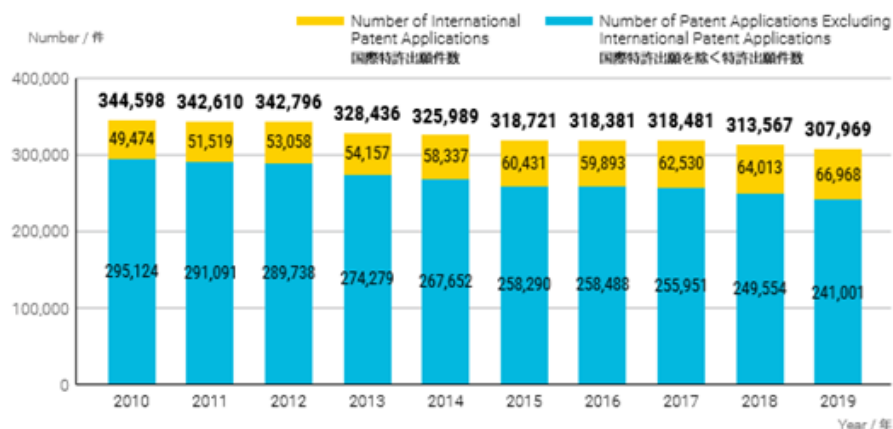
The report includes various topics, starting with trends in intellectual property protection in Japan and worldwide, to reports on examinations, trials and appeals, to international initiatives and ending with a short explanation of JPO support measures and a summary of recent law amendments. We summarize nine important and interesting updates and lessons learned from the report.

The full report can be accessed by the following link:

<https://www.jpo.go.jp/e/resources/report/statusreport/2020/index.html>

1. The trend of decreasing newly filed patent application in Japan continues

Patent applications filed in Japan slightly decreased for the second time in a row, which can be understood as a continuation of a trend which started back in 2001.



Last year patent applications filed in Japan slightly decreased by 1.8% from 313,567 newly filed applications in 2018 to 307,969. Compared to 2001, when the number of filed patent applications in Japan was at its peak, the number of filed applications has shrunk by roughly

30%. [1]

The source of this decrease can be found in the number of patent applications filed by domestic Japanese companies, which have decreased consistently over a period of 10 years. We believe that this trend is caused by many Japanese companies changing their IP strategy in regard to two aspects: 1) they are focusing increasingly on quality instead of quantity [2] and 2) with continued globalization of markets are allocating their budgets more for filings outside of Japan to strengthen their position in a global market [3].

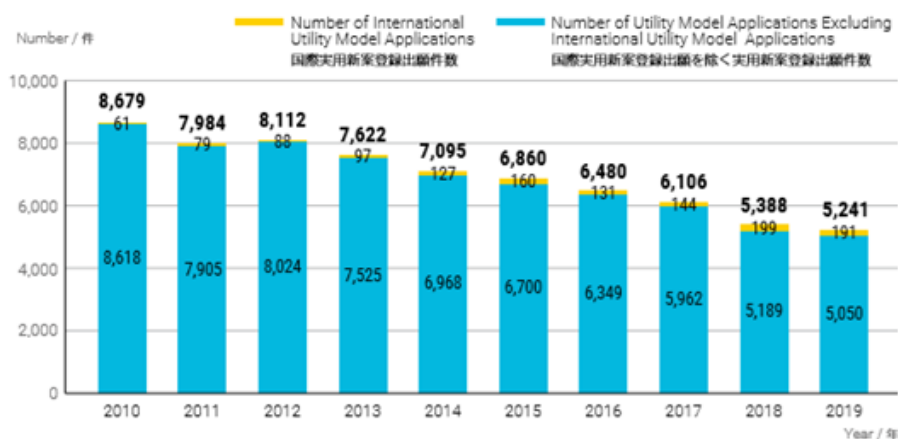
2. International applications filed in Japan have slightly increased

Contrary to domestic patent applications, international patent applications filed in Japan have once again increased, this time by 4.6% from 64,013 filed applications in 2018 to 66,968 applications filed in 2019 (see graph above). This is a continuation of an over ten-year-old trend of increasing numbers of filed patent applications by international corporations in Japan. Despite this continued increase, Japan has lost second place to China in the ranking of countries with most filed PCT applications in 2017 [4] and is ever since losing more ground.

The increase of PCT applications filed in Japan is partly due to a general increase in globally filed applicants from where Japan gets its share but should also be accredited to the JPO's measures to make Japan a more attractive jurisdiction for international applicants by shortening the time of prosecution, reducing the cost for getting a patent and simplifying examination standards.

3. Newly filed utility model applications are decreasing

That utility models have lost most of their popularity was proven one more time by declining numbers of newly filed applications from 5,388 applications filed in 2018 to only 5,241 applications filed in 2019.



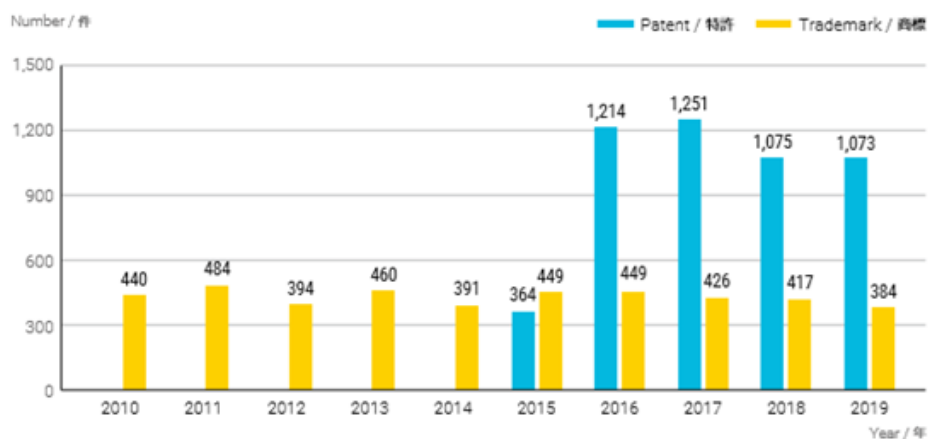
Utility model applications, which at one point were filed more than twice as often as patent applications in Japan, lost their popularity after two law amendments in 1993 and 2004. The law amendments resulted in raising the inventive step requirements and abolishing substantive examination, through which utility models lost some of their original purpose of protecting small inventions. Nowadays, utility models are used by few companies with a specific purpose in their IP strategy like for example saving costs or getting fast protection of their rights [5].

As for the origin of utility model applications, the vast majority of cases (3,693 applications) are filed by Japanese companies followed by companies from Taiwan (770 applications) and companies from China (501 applications).

4. The number of filed oppositions against patents has stabilized at around 1,000 per year

The system of patent opposition was reintroduced to Japan in 2015 after having been abolished in 2003 due to the opinion that one system for invalidation patents (nullity action proceedings) was sufficient. This opinion has however proven problematic as the number of filed nullity actions stayed below expectations even well after abolishment of the opposition system. It is believed the reasons why nullity action proceedings did not become more commonly used in Japan are 1) that the use of a straw man is not allowed (which is allowed under opposition proceedings), and 2) the cost for filing a nullity action is comparatively high compared to oppositions.

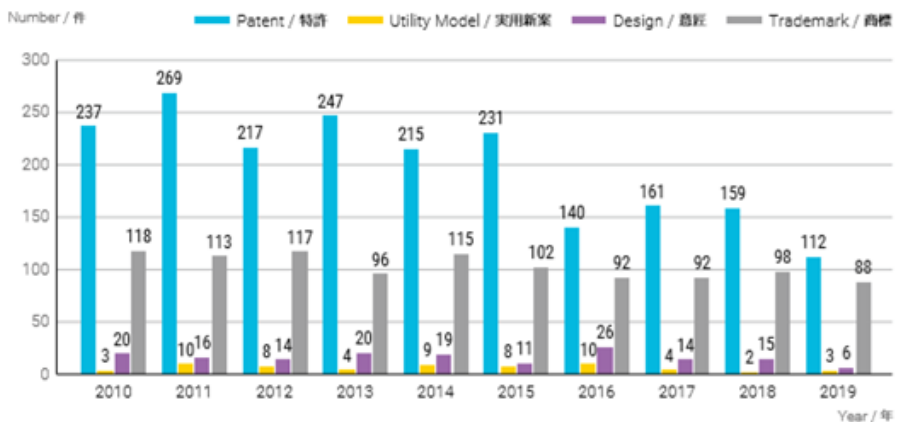
Five years after reintroduction of oppositions the number of filed oppositions has stabilized at around 1,000 cases per year.



This is slightly smaller than in the first years after reintroduction where more than 1,200 cases were filed each year and substantially less than what was common under the old system, which saw an average of 4,450 cases filed per year. The reason for this is believed to be the surprisingly low success rate of oppositions: in recent years, below 10% of opposed patents ended up being invalidated after opposition proceedings were concluded [6].

5. The trend of decreasing numbers of filed nullity actions continues

Filed Nullity Actions (Trials for Invalidation) have continued their decreasing trend and reached a new low with only 112 cases filed in 2019. This is less than half compared to 2011, when 269 nullity actions were filed.



We can see two reasons for this trend. One is the reintroduction of the opposition system in 2015 (see paragraph above), which allowed opponents to request invalidation of a patent without disclosing their identity. Companies therefore shifted a portion of the invalidation

attempts away from nullity action proceedings to opposition proceedings. Another reason for the low number might be the declining success rate. Though the success rate for filed nullity actions used to be quite high over a decade ago with for example 62.3% of attacked patents ending up at least partially invalidated in 2008, the success rate has dropped over time to only 12.0% in 2018 [\[7-1\]](#) [\[7-2\]](#). Considering the high cost of nullity action proceedings, demandants might be more reluctant to commit to the big investment despite the uncertain outcome.

6. The JPO keeps No 1 position regarding speed

The JPO has been aiming for several years to achieve the “world’s fastest and utmost quality patent examinations” and therefore introduced several initiatives since 2004 (e.g. increasing number of patent examiners, outsourcing searches etc.) to speed up patent prosecution. As a result, the JPO is now the fastest patent office within the IP5, reducing the pendency of a first action (from requesting examination until the JPO sends the first notice of result of examination) from 29.3 months in 2008 to only 9.3 months in 2019. The total time of pendency (from requesting examination to final disposition) also dropped to a record low of only 14.1 months.

If a 9.3 months pendency for the first action should still be too long, applicants can opt for the accelerated examination system, which offers a pendency of only 2.5 months until first action in average. Patent applications filed in at least one more jurisdiction besides Japan and patent applications filed by a SME can qualify for this fast route at no additional official cost [\[8\]](#).

7. The JPO is providing English Translations of selected Trial/Appeal Decisions

Not yet known by many but very useful, the JPO is providing manual English translations of trial/appeal decisions on its website since 2016 with the goal to support the understanding of the law and its practices in Japan. 87 trial/appeal decisions were translated in 2019 and can be retrieved [here](#).

8. Increase in AI related inventions

The JPO studied the development of patent applications for AI technology-related inventions and published a report thereof in July 2019. The report shows a huge increase in such patent applications and goes as far as to naming it the “third AI boom”. Whereas filings for AI related inventions were stable at around 1,000 applications per year from 1996 to 2014, they have experienced an increase which peaked in 2017 with over 3,000 filed AI related patent applications (data for 2018 and 2019 is not available yet).

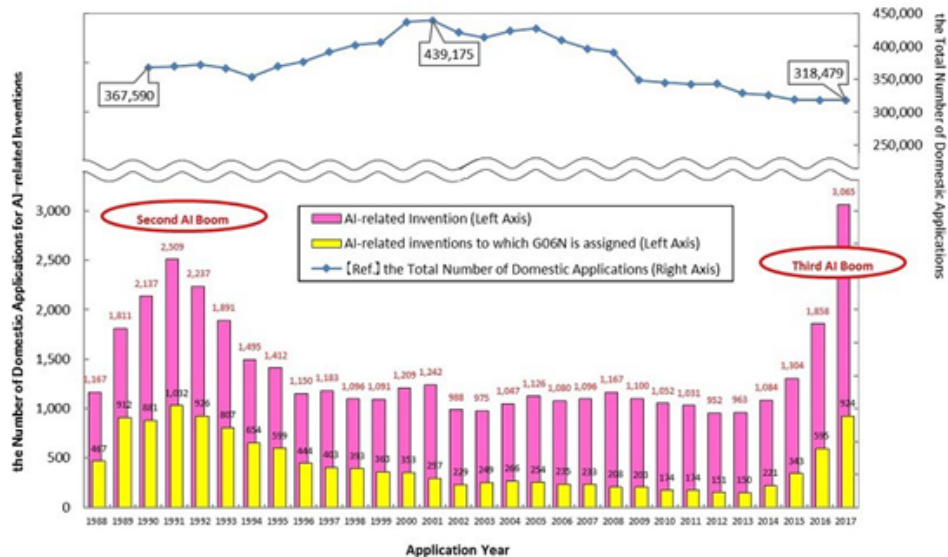


Figure 1 The number of domestic applications for AI-related inventions

The detailed report can be accessed [here](#).

9. Summary of Law Amendments 2019

The report includes a simple overview and summary in English on all IP related law amendments which took place in 2019 in Japan.

As a reminder, 2019 law amendments were:

1. Enhancement of Patent Litigation System by

- a) introduction of inspection system and
- b) revision of damages calculation methods.

2. Enhancement of Design System by

- a) introduction of protection for graphic image, building exterior and interior design;
- b) extension of related design protection;
- c) change in the duration of design right and
- d) simplification of registration procedure.

3. Enhancement of Trademark protection by

- a) allowing non-exclusive licenses of trademark belonging to public interest bodies
- b) allowing submission of goods amendments after notice of rejection is sent.

Sonoda & Kobayashi IP Law

[Nicole Bigler](#)

Quoted from

[1] Nikkei Shinbun 2016/3/29:

https://www.nikkei.com/article/DGXLASDF29H16_Z20C16A3PP8000/

[2] https://system.jpaa.or.jp/patents_files_old/201410/jpaapatent201410_001-003.pdf

[3] 特許行政年次報告書2019年版:

<https://www.jpo.go.jp/resources/report/nenji/2019/ebook/book.pdf>, page 2

[4] <https://www.nippon.com/ja/features/h00317/>

[5] Webinar-"Utility Models-Overview of Requirements, Procedures and Tactical Use in Europe and Japan"

<https://www.youtube.com/watch?v=F4VYFDrtoc>

[6] Webinar-Patents:Oppositions proceedings and nullity actions-a comparison between Europe and Japan

<https://www.youtube.com/watch?v=Edh2rlrF2Ug>

[7-1] JPO Statistics Report 2015:

<https://www.jpo.go.jp/resources/report/henji/2015/document/index/dai-1.pdf>

[7-2] JPO Statistics Report 2019:

<https://www.jpo.go.jp/resources/report/henji/2019/document/index/0107.pdf#page=3>

[8] <https://www.jpo.go.jp/e/system/patent/shinsa/jp-soki/>

About

SONODA & KOBAYASHI is a law firm offering dependable legal services for intellectual property. Our multinational team of about 90 experts in technology, law, languages and international communication has served companies worldwide and gained a reputation for thoroughness and reliability.

Contact

Shinjuku Mitsui Building Suite 3401
2-1-1 Nishi-Shinjuku, Shinjuku-ku,
Tokyo, Japan
〒163-0434

Main Line: +81-3-5339-1093

newsletter@patents.jp



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