



SONODA & KOBAYASHI
INTELLECTUAL PROPERTY LAW



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- News about Sonoda & Kobayashi -

1. Sonoda & Kobayashi ranked among world's leading patent professionals 2021 by IAM

Sonoda & Kobayashi IP Law are happy to announce that we have been ranked among the top firms in Asia for the prosecution and enforcement of IP rights and recommended by IAM Patent 1000 for offering a unique combination of professional expertise and cosmopolitan awareness.

Dr. Yoshitaka Sonoda, Managing Partner and founder, is also ranked among the top Patent Prosecutors and recommended by IAM Patent 1000.

Further information on the firm and Dr. Sonoda can be found [here](#), and [here](#).



JPO News

1. JPO publishes its Annual Report 2021

On the 14th of July, the JPO published its Annual Report 2021. This report is exclusively available in Japanese and is distinct from the Status Report which was published in April of this year.

The Annual Report contains three parts preceded by a long opening feature.

Regarding this opening feature, it covers the 3 types of technologies that are expected to become more and more widespread as people's lifestyle changes. These are 1) Family robots that provide emotional healing 2) AI learning systems for education in which people and AI collaborate 3) Unmanned delivery robots, that help solving labour shortages in logistics.

In the first part, the Annual Report provides some information on patent and other IP trends, similar to that which can be found in the Status Report. However, it adds several statistics that were not yet available at the time of publication of the Status Report, such as the grant rate (74.4% in 2020, compared to 74.9% in 2019). Another section focuses on matters such as IP policies within companies, activities of SMES or universities with regards to IP, and more.

In the second part, the report covers the initiatives at the JPO itself. It highlights new initiatives regarding patents, designs, trademarks, and litigation as well as matters such as its information systems or user support.

The third and final part covers international developments regarding intellectual property, and the JPO's initiatives on the global scene.

More information can be found [here](#) (in Japanese)

2. JPO held an online symposium on WIPO Green's activities

On the 18th of June, the JPO organized and participated in an online symposium to highlight WIPO Green's initiatives for the advancement of sustainable technologies worldwide.

WIPO Green is an online platform run by the World Intellectual Property Organization (WIPO) to encourage the usage and licensing of green technologies. Its online platform allows users to match green-tech seekers with green-tech providers

During the webinar the JPO mentioned that Japan has the greatest number of WIPO Green users and partners. It believes that appropriate protection of IP rights can accelerate innovations and solve social issues, rather than being an obstacle. Therefore, increasing effective use of the WIPO GREEN platform is important. The JPO aims to work together with industry to encourage the use of green technologies owned by Japanese companies.

More information can be found [here](#).

3. JPO further revises the usage of hanko-stamps in official procedures

On the 11th of June, a news release by the JPO announced that the usage of the hanko-stamp, a stamp that is widely used in Japan instead of a signature, will be eliminated from several more official procedures.

The current Covid-19 crisis and the increase of employees working from home led to an issue in which workers would still need to come to the office to stamp physical documents. In response, the Japanese cabinet created a plan to further digitize society and reduce the usage of hanko-stamps. The JPO has been reviewing its procedures for which citizens and businesses were required to use their stamps in the past.

As a result of this review, the JPO has judged that a hanko-stamp can be eliminated in about 764 of its 797 procedures. While many of these changes were already carried out at the end of 2020, several new adjustments were made in June of 2021.

In general, these involve stopping the use of hanko-stamps for certain procedures that concern the registration of the transfer of patent rights.

In practice, for international companies filing in Japan, this would also sometimes eliminate the need for a signature on physical documents. This then eases the burden on law firms and their clients in sending these documents back and forth by post.

More information can be found [here](#) (in Japanese)

- Latest IP News in Japan -

1. Analyzing Japanese patents that contribute to SDGs

Nikkei, June 8th, 2021

Nikkei reported on the 8th of June about a methodology for different patents that contribute to the Sustainable Development Goals (SDGs). Written by Yoshiyuki Osabe, the Director at the AI Research Center of the Japan Patent Information Organization (JAPIO),

the article looks at patent filings in Japan through the lens of the SDGs.

He describes that, in recent years, the number of patent applications in Japan has been declining strongly. According to the World Intellectual Property Organization (WIPO), the number of applications to the JPO has decreased as much as 30% in 19 years: from 440,000 in 2001 to 308,000 in 2019. Yet at the same time, according to JAPIO's analysis, the number of Japanese characters in a patent specification (the part which describes the detailed content of an invention) is on an upward trend. In 2001, the average number of characters per patent was about 7,600, whereas in 2019 it had increased by 2.1 times to about 16,000 characters.

By further analyzing the collective knowledge contained in patent specifications, Mr. Osabe found that it is possible to clarify the status of patent applications in the field of advanced technologies, and to elucidate the latest R&D trends in companies and universities.

With regards to the SDGs, JAPIO has employed a method based on Google's AI, where they create a model that can estimate to which of the 17 SDG goals the technology described in the patent specification belongs.

On JAPIO's website, rankings and reports are published regarding the contribution of patents to the SDGs, according to their AI's estimation.

For 2020, they found that an estimated 55% of Japanese patents contributed to a sustainable development goal, and about 62% of US total applications did. The results per development goal are as follows:

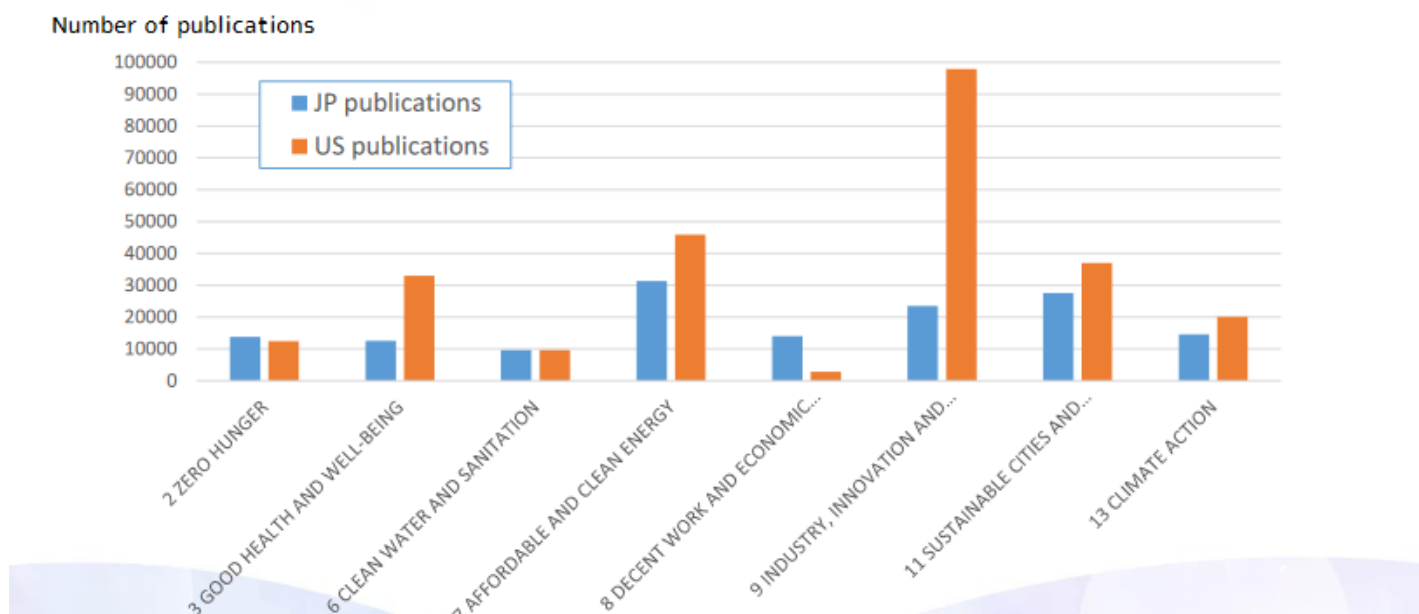


Figure 1: AI estimated results of contribution of total published applications to several SDGs in 2020

Source: JAPIO's Visualisation of the SDGs-Tech report, found [here](#).

According to the article in the Nikkei, data on the SDGs can be used as a decision indicator when promoting ESG (Environmental, Social and Corporate Governance) investments, and will also motivate companies and universities to promote research and development related to the SDGs.

Click [here](#) for the details of the article (in Japanese)

Click [here](#) for the data by JAPIO

2. Yahoo Japan buys trademark rights for all of Yahoo brand

The Mainichi, 6 July 2021

On the 6th of July, the Mainichi reported on a deal regarding the acquisition of trademark rights by Yahoo Japan Corp. from a subsidiary of Verizon Media in the United States. According to this deal, Yahoo Japan will purchase the trademark rights for the use of the Yahoo brand in Japan for 178.5 billion yen, or about 1.6 billion US dollars.

Thanks to this deal, Yahoo Japan, which is an internet and e-commerce giant in the country, does not have to pay royalties anymore for the brand and licensed technologies. Yahoo Japan's owner Z Holdings Corp. will also have more flexibility in business development and in general brand usage.

As Verizon Media is being acquired by Apollo Global Management Inc. it is expected that a new license agreement will be in place in the second half of 2021, when the acquisition will be complete.

The Japanese Z Holdings Corporation is a subsidiary of the SoftBank Group, and merged with Line Corp. in March of 2021. They want to expand their global online services to better compete against tech giants from China and the United States.

Click [here](#) for more details

3. Mitsubishi licensing bio polyester patent to Kuraray

Fibre2Fashion, 6 July 2021

Market portal Fibre2Fashion reported on the 6th of July about a licensing deal between the Japanese Mitsubishi Chemical Corporation and Kuraray, a manufacturer of chemicals and fibres, also from Japan. Under the licensing deal fall several products that use renewable biomass resources, such as polyethylene terephthalate (PET).

In detail, the licensed patent is a biomass-based, high-quality polyester and is a basic patent needed for operations such as manufacturing and selling of this material. The patent has been registered in Japan, the US, the EU and China.

Mitsubishi Chemical Corporation owns many other patents for products based on biomass, and it plans to expand its own business for these products, while also promoting collaboration and licensing with others so as to increase adaptation of materials with a lower environmental load.

Click [here](#) for more details

4. Japan expert committee considering whether service Providers should pay product licensing fees

Nikkan Kogyo Shimbun, July 9th, 2021

On the 9th of July, the Nikkan Kogyo Shimbun reported that the Japan Patent Office (JPO) is considering designing a system for the payment of licensing fees. In particular, it would require businesses that provide services using a final product, such as a car or smartphone, to also pay licensing fees for the patents used in said automobiles, smartphones, and other products. There have been complaints about the current system in which the licensing fees are borne solely by the manufacturer, despite the fact that service providers are profiting from the same patent. Based on the results from an expert panel, the JPO will consider whether the patent law should be revised. As the next generation of businesses, such as in-vehicle communication services, are developing,

these issues are becoming more and more important.

In total, three meetings of experts will be held by March 2022. Their findings will be compiled in a report, together with interviews with both domestic and foreign companies, patent attorney offices, and universities. Depending on the discussion by the panel, there is a possibility that delivery apps for food, drinks and other products and services would be covered by a future system.

Further, the expert panel will also discuss the development of a legal system which would ensure that patent holders are paid legitimate license fees suitable for market value. Should such a system be realised, it is expected to create a virtuous cycle for the companies and universities to which the inventors belong, as they would be able to use the licensing income from patents to fund the next wave of research and development.

Click [here](#) for the detail (in Japanese)

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

1. Recent trends on plastic recycling technologies

As more and more attention is drawn to the problem of marine plastic waste, and as import restrictions on waste are being put in place by many Asian countries, it is relevant to look at the technologies for building a resource recycling system. Following a study^[1] published by the JPO in February this year, this article will provide a brief look into the patent landscape from plastic recycling technologies in Japan and around the world.

Outline of the study

The study by the JPO drew on information from databases on patents filed between 2005 and 2018. Using keywords and specific search codes, data was gathered on patent filings in Japan, China, South Korea, the United States, and European countries.

The JPO identified 4 specific technological areas within the field of plastic recycling technologies.

These are:

- 1) Biodegradable plastics and biomass plastics
- 2) Paper materials and natural materials substituting for plastic
- 3) Technologies for recycling waste plastic
- 4) New plastic obtained from recycled plastic

Based on these areas, an analysis was conducted to uncover trends in patent filing across the key jurisdictions and the specified time period.

On applications filed between 2005 and 2018

Looking at the total applications for all 4 technological areas in this period, we see that over some 14 years, the total number of applications has tripled.

Figure 1 below reveals a peak in yearly applications in 2017, and a slight decrease in 2018. However, the contrast with the early 2000s is stark.

[1] Title of report (in Japanese): 令和2年度 特許出願技術動向検査 結果概要 プラスチック資源循環 令和3年2月 (Translation by Sonoda & Kobayashi: Financial year 2020, Examination of technological trends in patent applications, Outline of the results, Plastic resource recycling, February 2021).

Retrieved from https://www.jpo.go.jp/resources/report/gidou-houkoku/tokkyo/document/index/2020_04.pdf

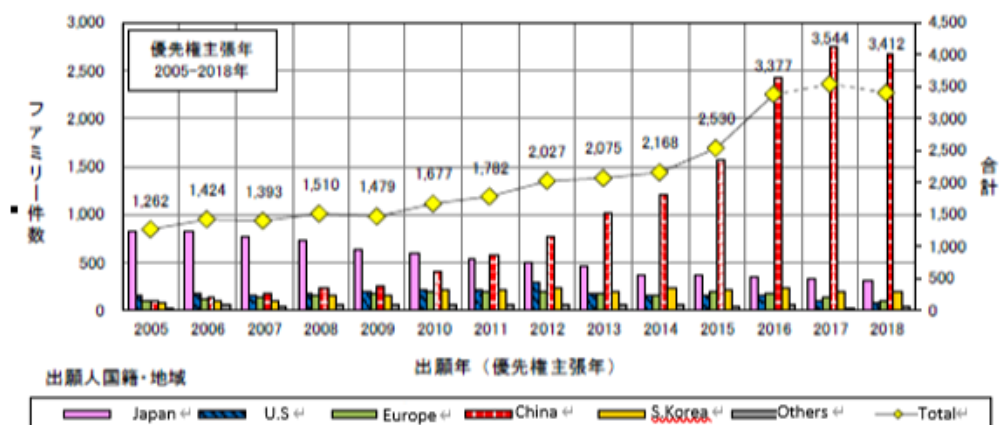


Figure 1: Number of applications (families) filed per country per year for all 4 types of plastic recycling technologies

Source: February 2021 JPO Report

However, we also see an important trend in terms of the countries where applicant companies and organisations are from. While Japan used to be the leader in global patent filing in these areas throughout the early 2000s, this trend started to reverse in 2011. It has in fact transformed into a landscape where Chinese applicants hold an overwhelming majority of patent families in the field of plastic recycling. In 2018, the contributions of the United States, European countries, or even South Korea are difficult to see on this relative scale.

If we do not look at the annual filing, but at the total patents filed since 2005, we learn that Japan is responsible for about 25% of total filings. This is good for a second place after China's 48%.

South Korea, the U.S. and Europe each make up about 8% of total filings for these technologies.

Summing up the data over this 14-year period, we see a long-established trend wherein Japanese companies and organisations have become a global number 2 in filings applications for these technologies, rather far behind China. It is however likely that Japanese applicants still hold a relatively sizeable part of the patents, as many have been granted before Chinese companies become dominant in filing.

On applications filed in specific jurisdictions

The JPO report also shows the number of applications filed in each individual jurisdiction.

In this regard it is relevant to consider table 1, that has been derived from data in the report:

	Amount applications in Japan	Amount applications in U.S.A.	Amount applications in Europe	Amount applications in China	Amount applications in South-Korea
	7762	6809	6584	14239	4333
Japanese applicants	79,6%	20,9%	14,8%	7,4%	17,7%
U.S.A applicants	7,8%	41,9%	20,8%	4,9%	10%
European applicants	7,4%	20,4%	53,4%	5,3%	10,8%
Chinese applicants	0,6%	1,6%	1,2%	78,8%	0,9%
South-Korean applicants	2,5%	5,6%	3,9%	1,7%	58,2%

Table 1: Share of applications per nationality per jurisdiction ((accumulated 2005-2018)

Source: Data extracted and modified from February 2021 JPO Report

From this data, we see that Japanese applicants make up nearly 80% of all applicants for these plastic recycling technologies in Japan. A similar situation is the case for Chinese applicants in China. However, Japanese applicants make up between about 15% and 20% of applicants in the U.S., Europe and South Korea, and well over 7% in China. On the contrary, Chinese applicants hardly filed in jurisdictions outside of China, as evidenced by the low share of Chinese applications in other countries.

When it comes to the most international jurisdiction, the United states leads the way with a large share of applications from Europe (20.4%) and Japan (20.9%). It is followed by Europe, and then by South Korea, which receives a relatively large number of applications from Japan.

On applications filed per technological area

Naturally the data can be segmented on the basis of the 4 technological areas to provide further insights into the relevant trends. Data from the report was used to construct table 2 and summarize the developments effectively.

Technology category	No. patents	Percentage total	Growth from 2005 to 2018
1) biodegradable plastics and biomass plastics	20872	64.10%	158%
<i>biodegradable plastics</i>	19225	59%	154%
<i>biomass plastics</i>	1647	5.10%	227%
2) Paper materials and natural materials substituting for plastic	4901	15%	584%
<i>Paper</i>	2880	8.80%	402%
<i>Other natural materials</i>	2021	6.20%	1200%
3) Technologies for recycling waste plastic	5178	15.90%	115%
4) New plastic obtained from recycled plastic	1620	5%	366%

Table 2: Number of applications between 2005-2018 per (sub)field, and total growth

Source: Data extracted and modified from February 2021 JPO Report

Over the years, the area of biodegradable plastics and biomass plastics has clearly been the focal point for most innovation. About

64.10% of all patent applications related to plastic recycling worldwide were found here between 2005 and 2018. At the same time, we can also see that this technological area has been popular since the early 2000s, as the amount of yearly applications in 2018 was 158% of that in 2005.

Much higher growth was achieved in the field of materials that are substituting for plastic, particularly for non-paper substitutes made of other natural materials. While only 6.2% of the total, annual applications in 2018 are 1200% higher than in 2005.

Refraining from individually addressing each category, it is worth examining the question of whether the surge in Chinese filing as seen in figure 1 is observed for each technological area, or whether another jurisdiction is still outpacing Chinese companies and organisations for certain types of technologies.

A detailed look reveals that for nearly all of these areas and sub-areas above, Chinese applicant filing has strongly increased over the years in a manner very similar to figure 1.

The main exception is patent filings for biomass plastics, i.e. polymer materials made with raw materials such as starch, sugar or cellulose.

In this sub-area we see that Chinese companies do indeed file the most applications on an annual basis, but Japanese companies maintain a much larger relative share than in other areas.

On industries most active in plastic recycling technologies

The JPO report also helps us find out what industries are driving patent filing for plastic recycling technologies.

Commonly around the world, most applications come from companies active in the automobile sector, those manufacturing packaging films, and building materials.

In Japan specifically, applicants from the building material sector are somewhat less active, but companies making optical films, food containers and display materials are instead responsible for the bulk of Japanese filing activity.

For China, companies manufacturing agricultural plastics were uniquely important, and in the U.S. many patents were filed by enterprises making biocompatible materials.

Since 2005, companies making packaging films and building materials have been filing more and more until 2018. From smaller industries, significant growth could still be observed for companies making garbage bags, reusable polymers, 3D printing materials, and agricultural films.

Summary of the main trends

While the JPO's study allows for much further in-depth analysis of the sector, the present article is sufficient to identify the main trends since 2005 as regards plastic recycling technologies.

Firstly, there has been a clear growth in the number of patent applications filed in this area over the past decade and a half, showing perhaps the global importance of finding ways to reduce plastic waste.

Secondly, we know that the first trend has been mainly the result of a rise in patent filing by Chinese companies and organisations. Japan remains an important jurisdiction in this regard, but both its absolute and relative positions have declined. Interestingly and importantly, most of Chinese filing activity has been solely in China, as relatively few Chinese companies file in other jurisdictions.

Thirdly, most technological development is concentrated around biodegradable plastics. However, this is not the area that has seen the most growth since 2005. This spot goes to non-paper plastic substitutes.

Lastly, companies active in the automobile sector, and those manufacturing packaging films, or building materials are the main forces in driving patent applications worldwide.

Global differences exist, and particular in Japan other industries are also important.

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.

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