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SONODA & KOBAYASHI
INTELLECTUAL PROPERTY LAW

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- News about Sonoda & Kobayashi -

1. Sonoda & Kobayashi continues to include Chinese IP news in this newsletter

In this first newsletter of the 2022, Sonoda & Kobayashi would like to wish all its readers the best for this new year. We hope to continue to inform you about relevant intellectual property news in Japan and China, and also share our own analyses on important IP matters.
We thank you for reading our newsletter and your continued interest in our firm.

- JPO and CNIPO News -

1. JPO provides FAQ regarding patent prosecution examiner interviews

On December 21st, 2021, the JPO updated its webpage regarding examiner interviews, including a link to a new list of frequently asked questions on the topic.

In addition to other topics, the webpage notes that if there is a request for an interview from the agent of the applicant, the examiner will, in principle, accept the interview once. However, following consultation within the JPO, the examiner may refuse an interview request due to the risk of the interview deviating from the stated purpose of examiner interviews. If it is determined that the interview will not be accepted, the examiner will inform the agent of the reason for not accepting the interview, and will create a record of response stating the reason for this.

In addition, the frequently asked questions document clarifies that if an applicant wishes to conduct an interview in a foreign language, the applicant may be asked to provide an interpreter, even if the language is English.

For more information, please click here for article 1 and article 2. (in Japanese)

2. JPO to provide published patent information online on a daily basis

On January 12, 2022, the JPO announced that the gazette of published patents would be provided on a daily basis rather than a weekly basis. Users can find the published patents in PDF form on the Japan Platform for Patent Information（J-PlatPat）.

For more information, please click here. (in Japanese)

3. JPO to forbid multiple dependent claims depending on other multiple dependent

claims

On December 23, 2021, the JPO announced proposed amendments to the Ordinance for Enforcement of the Patent Act, which would forbid multiple dependent claims depending on other multiple dependent claims as a violation of Article 36(6)(iv) of the Patent[1].

A multiple dependent claim is a dependent claim that refers to more than one claim. An example of a multiple dependent claim depending on another multiple dependent claim is as follows:

Claim 1: A device comprising A.
Claim 2: The device of claim 1, where A comprises material X.
Claim 3: The device according to any one of claims 1 and 2, where A comprises material Y. [multiple dependent claim]
Claim 4: The device according to any one of claims 1 to 3, where A comprises material Z. [multiple dependent claim depending on another multiple dependent claim (claim 3)]

In summarizing the proposed amendments, the JPO provides two explanations for the change. First, multiple dependent claims which depend on other multiple dependent claims greatly increase the burden upon examiners in a manner disproportionate to the total number of claims, because the number of combinations of claimed features in such claims can increase exponentially. Second, of the major patent offices, the USPTO, KPO, and CNIPA do not allow multiple dependent claims depending on multiple dependent claims, and banning such claims would be beneficial from the viewpoint of harmonizing international standards.

At present, it is anticipated this change will apply to applications filed on or after April 1, 2022.

For more information, please click here for article 1, article 2 and article 3. (in Japanese)

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[1] Requirements regarding technical rules on the statement of claims to Regulations under the Patent Act Article 24ter

4. CNIPA releases new guidelines for trademark examination and trial

CNIPA released the Guidelines for Trademark Examination and Trial (hereinafter referred to as “new Guidelines”) on November 22, 2021. The new Guidelines are effective from January 1, 2022, and the original “Standards for trademark examination and trial” (hereinafter referred to as “original standards”) were repealed at the same time.
The purpose of formulating the new Guidelines is to standardize the procedures for trademark examination and trial and ensure uniform application of laws and the consistent implementation of standards in all links of trademark examination and trial.
If you want to know more about the new Guidelines, below are some differences between the new Guidelines and the original standards for your information.

- In terms of structure, the original standards include only the section of "trademark examination standards" and the section of "trademark trial standards", while the new Guidelines include the 2 sections above and add five new sections:
  1) Form examination of trademark applications,
  2) Classification of goods and services and trademark retrieval elements,
  3) Examination of other trademark business,
  4) Examination of Madrid international trademark registration
  5) Handling of trademark application affairs.

- In terms of content, in addition to the five new sections as described above, the differences in trademark examination and trial are mainly due to their adaptations to different versions of the trademark law. The original standards were adapted to the Trademark Law of 2014, and the new Guidelines are adapted to the Trademark Law of 2019. For example, the fourth section of the new Guidelines describes in detail the requirements for Madrid international trademark registration and follow-up business, but this was not described in detail in the original standards.
  Furthermore, the new Guidelines distinguish the absolute grounds and relative grounds of trademark registration grounds, which better allows attorneys/ lawyers to choose a more reasonable route when filing objections, revocation or invalidity for different reasons, rather than filing them haphazardly for inappropriate corresponding reasons. The original standards did not distinguish these, but simply listed them.

For more information, please click here for article 1 and article 2. (in Chinese)

- Latest IP News in Japan -

1. Mitsui & Co. sued by Nippon Steel, as patent infringement suit continues

Asia Nikkei, December 23, 2021

Asia Nikkei reported, on the 23rd of December 2021, on the patent infringement lawsuit that Nippon Steel filed recently against Mitsui & Co.

A few months prior, in October 2021, Nippon Steel had already filed lawsuits against Japanese car maker Toyota, and Chinese steel producer Baosteel, for infringing on their patents for non-oriented steel sheets. These sheets are needed in the production of Toyota's electric cars sold in Japan, and Nippon Steel claims that Baosteel supplies Toyota with such sheets in violation of its patents.

Now, Nippon Steel says that Japanese general trading company Mitsui & Co. has been involved in the deal between Toyota and Baosteel. Nippon Steel itself did not give any further comments on the lawsuit it has filed, while Mitsui & Co. mentioned that it had received the bill of complaints, but did not have anything else to add. It is likely the Japanese steelmaker believes that Mitsui & Co may trade in said products which are allegedly violating its patents.

While it is rare in Japan for a manufacturing company like Nippon Steel to take its principal

customers to court, the additional claim against Mitsui & Co. is not wholly unexpected. Already back in October, Nippon Steel's president Eiji Hashimoto pointed out that aside from Toyoto and Baosteel the company would likely sue others as well. With the new move against Mitsui, this statement has become a reality.

Nippon Steel is seeking 20 billion Japanese Yen (about 200 million USD) from both Toyota and Baosteel. While the amount has not yet been revealed in regard to Mitsui, Asia Nikkei expects that it is probably a bit lower.

For more information, please click here.

2. Clothing giants Uniqlo and GU settle legal dispute over self-service checkout machines

NHK, December 24, 2021

NHK published an article on the 24th of December 2021 about Japanese clothing retail giants Uniqlo and GU. Both companies had been engaged in a legal battle with an IT-company over the patent rights for the self-service checkout machines they use in their stores.
Both UNIQLO and GU were in the process of introducing a self-checkout system in their shops using a technology whereby price text would be read, and a total price displayed, after all items are put together in a small area.

The aforementioned IT-company "Asterisk" had developed and patented a technology to read information on price tags. As the machines were installed in the stores, Asterisk filed patent infringement suits against both these companies.

Fast Retailing, the holding company operating UNIQLO, had said that Asterisk's patents were invalid and started an invalidation procedure at the JPO.

On the 23rd of December a settlement was reached between all parties. The details of the deal have not been revealed, though it seems that continuing the legal disputes could hinder the business of all parties.

For more information, please click here. (in Japanese)

- Latest IP News in China -

1. Huawei and Buffalo reached Wi-Fi 6 patent license agreement

On December 21, 2021, Huawei (a leading global provider of information and communications technology (ICT) infrastructure and smart devices) announced that it reached a patent license agreement with Buffalo Inc.
Buffalo is a leading provider of award-winning networking, storage and memory solutions for the home and small business environments as well as for system builders and integrators.
The agreement provides Buffalo coverage for certain Wi-Fi 6 enabled products under Huawei's portfolio of Wi-Fi 6 standard essential patents (SEPs). Buffalo joins the growing

list of global vendors authorized to access and implement Huawei's Wi-Fi SEPs and technologies.
"We are pleased to reach this license agreement with Buffalo, which is our first overseas Wi-Fi 6 focused license," said Fan Zhiyong, Global Head of Intellectual Property at Huawei.

For more informaioin, please click here.

2. ZKTeco accused of infringement by Hanwang, indemnities of 109 million CNY claimed

IPR Daily, December 24, 2021

On December 23, 2021, Hanwang Technology Co., Ltd. (hereinafter referred to as Hanwang Technology), active in the field of character recognition technology and intelligent interactive products worldwide, disclosed a lawsuit announcement. In the announcement, it said that it recently filed a lawsuit with the Beijing Intellectual Property Court regarding the infringement of the invention patent named "a slope image acquisition device and face recognition system" (CN101615243B). The defendants are ZKTeco Co., Ltd (hereinafter referred to as ZKTeco), a global enterprise with biometric verifications as its core technology, and its wholly-owned subsidiaries, and Beijing Jingdong Century Trade Co., Ltd. Hanwang Technology received 9 "Notices of Acceptance of Civil Cases" issued by the Beijing Intellectual Property Court on December 21, 2021, with indemnities of 109 million CNY (about 17.21 million USD) claimed.
It should be pointed out that one of the defendants, ZKTeco, is currently aiming to be listed on the Growth Enterprise Market (GEM), and had just passed the IPO (Initial Public Offering) stage in December 2021, though it had not yet submitted for registration. The issue of whether the above-mentioned infringement case will affect ZKTeco's IPO progress had also attracted market attention.

For more information, please click here. (in Chinese)

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

Brief analysis of new reference document on drug-related lawsuits in China

At the time of writing, it has been over 7 months since the 4th revision of China's patent law officially came into effect. One of the important parts of this revision is the way in which disputes are settled between drug companies applying for marketing authorization and the patent-holder of specific drugs or an interested party.

In the process of the marketing review and approval of new drugs, either of these two entities may file a lawsuit when the Chinese authorities are in the process of reviewing and approving new drugs. They can request a judgment on whether the technical solutions related to the drug for which registration is being applied fall within the protection scope of the other party's drug-related patent right. For such disputes, the court of first instance is the Beijing Intellectual Property Court.

Recently, on the 4th of January 2022, the court issued a reference document to help parties involved in such drug-related patent disputes understand the relevant requirements for filing a lawsuit.

This article will brief the reader on this reference document, which is officially called the “Reference for Case Filing in Civil Cases involving Patent Disputes Related to Drugs of Which Applications for Registration are Filed (Trial Implementation)" as well as on official interpretation of the document.

1. The introduction of the main contents of the reference and its interpretation

The reference document or “Reference” consists of 8 articles. These are summarized briefly below.

Article I of the reference document discusses “The Cause of Action”. This is the cause of action for civil cases that involve patent disputes related to pharmaceutical drugs. In particular, it refers to patented drugs for which a registration is filed at the Chinese National Medical Products Administration (NMPA), and for which a dispute has arisen over whether the subject of the filed registration falls within the scope of patent protection.

Article II and Article III of the reference document respectively stipulate “*Subject qualification materials to be provided where the patentee or interested party files a lawsuit*” and “*Subject qualification materials to be provided where the applicant for the marketing of a drug files a lawsuit*”.

The content of Article II is especially important to mention here as it stipulates the requirements for patentees and for interested parties, which are companies with various types of licensing contracts. Without meeting these requirements, it is not possible to file a lawsuit against a company that is applying for marketing authorization.

For the patentee, Article II asks them to provide copies of several documents to prove its identity and to show that the patent involved is valid. These required documents include a copy of the patent register, the change records of the bibliographic data on the patent right, and the receipt for the annual patent fee.

For a license holder, the reference asks them to provide the above documents as well as some additional ones. These are necessary to prove their status as patent licensees.

Such materials include the patent licensing contract, the filing record of the patent licensing contract, or potentially other materials that enable the license holder to prove they are a licensee.

Each licensee has somewhat different rights and obligations depending on their licensing contract (Exclusive, Sole, General).

- A party with an exclusive license contract may file a lawsuit independently, by simply providing the documents above.
- A party with a sole licensing contract also may file a lawsuit independently. It needs the materials mentioned above, but in addition it needs to submit materials to prove that the patentee does not file a lawsuit him or herself.
- A party with a general licensing contract needs to provide the previously mentioned documents, and also present proof that the patentee authorizes this general licensee to file a lawsuit in its own name.

For the holder of the permit for the marketing of a drug, Article II asks them to provide the drug registration certificate and other approval documents.

Regarding the contents of Article III, the main point of note is that where the applicant for the marketing of a drug files a lawsuit as the plaintiff, he or she shall provide the application form for the drug marketing authorization and notification of acceptance of the

drug registration application issued by the medical products administration of the State Council.
In the interpretation document, further clarification is provided on the materials licensees need when they want to apply to get a court order to stop the infringement of intellectual property before litigation.
In much the same way, exclusive licensees may separately file such an application.
Sole licensees may file an application for a court order separately, but need to show that the rights holder is not filing one as well.
General licensees can file an application in their own name, but only upon specific authorization from the rights holder.

Article IV of the Reference discusses “The Definite Defendant”. Namely, where the patentee or interested party files a lawsuit as the plaintiff, the applicant for the marketing of a drug shall be listed as the defendant. Where the applicant for the marketing of a drug files a lawsuit as the plaintiff, the rights holder of the patent shall be listed as the defendant.
In the Interpretation of this article, further explanation is given regarding the question of who is the defendant. Considering the common characteristics between the type of lawsuits in question and the lawsuits on the confirmation on non-infringement, the same principle is established: the patentee shall be listed as the defendant where the applicant for the marketing of a drug files a lawsuit as the plaintiff.

Article V of the Reference is concerned with “The Specific Claims, Facts and Grounds”. In particular, where the patentee or interested party files a lawsuit, it needs to provide materials to prove its claims, facts, and grounds. These materials are the following:
1. Relevant patent information disclosed in the Patent Information Registration Platform for Drugs Marketed in China (hereinafter the Platform), including the name and number of the patent, and relevant claims, among others;
2. Relevant information of the drug for which an application for registration was filed and which is disclosed in the Platform, including the name, type and registration category of the drug, and the relationship between the drug and the involved drug on the market, among others; and
3. Four types of declarations made by the applicant for the marketing of a drug in accordance with the Implementation Measures for the Mechanism For Early Settlement of Drug Patent Disputes (Trial Implementation) and the basis for making such declarations.
Where the applicant for the marketing of a drug files a lawsuit, they too may refer to the above paragraph and provide evidence to prove their specific claims, facts, and grounds.

Article VI of the Reference relates to “The Limitation of Action”. It specifies the situation where the patentee or interested party fails to file a lawsuit within 45 days from the date on which the national drug evaluation institution (CDE) discloses the application for drug marketing authorization on its platform. In these circumstances, the applicant for the marketing of a drug may file a lawsuit. When doing so, the applicant for the marketing of a drug shall provide evidence demonstrating that the patentee or interested party has indeed not filed a lawsuit within 45 days. Should this applicant be unable to provide the said evidence, they are allowed to provide a relevant explanation.

Article VII of the reference documents informs the reader of the “Notarization and Authentication Documents”. Particularly important to note here is that where the plaintiff is a foreigner, a foreign enterprise or organization, they will need to provide legally notarized

and authenticated subject qualification materials when filing a lawsuit.
Should the plaintiff be a resident, enterprise or organization of the Hong Kong Special Administrative Region (SAR) or the Macao SAR, and therefore does not have a domicile in Mainland China, the said party would also need to provide the notarized and transmitted subject qualification materials when filing a lawsuit.
Where the plaintiff is a Taiwan resident, enterprise, or organization, who does not have domicile in Mainland China, they shall provide subject qualification materials that have been legally notarized and have been certificated by the China Notary Association or Beijing Notary Association when filing a lawsuit.
In addition, in the Interpretation, further details are given about the notarization and authentication. Namely, in accordance with the Answers to the Questions on the Application of Law in Administrative Trials (III) issued by the Beijing High People's Court, law firms or relevant agencies that represent foreign natural or legal persons in administrative litigations have specific rights. Within the limitation of actions, such agencies may provide the court with an indictment and a fax or e-mail of the power of attorney signed by the client. Moreover, if they can provide a notarized and authenticated power of attorney to the court within three months after the litigation, then the limitation of action is considered to not be exceeded. Considering that cases involving patent disputes related to drugs of which applications for registration are filed belongs to a civil case, the above provisions are not applicable. Thus, where the plaintiff is an entity of a foreign state or the Hong Kong and Macao Special Administrative Region, or the Taiwan region, it shall provide the required notarization and authentication documents in their entirety upon filing a lawsuit.

Finally, Article VIII of the reference documents stipulates “Other requirements of case filing shall be implemented in accordance with relevant laws, regulations, and provisions.”.

2. Our advice

Based on the information in the reference document and interpretation, there are several important points to be aware of:
1) The national drug evaluation institution publishes information on drug application on its platform. Thereafter, a patentee or licensee has 45 days to decide whether to file a suit and to prepare all the documentation. Therefore, it is recommended to monitor the platform regularly.
2) In particular, cases involving foreign patentees or licensees preparing the relevant documents are time consuming because of the notarization requirements.
It may even be difficult to prepare the documents during the set time. Therefore, if a foreign company is expecting to file a lawsuit of the type in question, we advise this company to make sure in advance that it knows what documents it needs and how to obtain them as quickly as possible.

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

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