SONODA & KOBAYASHI
INTELLECTUAL PROPERTY LAW

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- News about Sonoda & Kobayashi -

1. Sonoda & Kobayashi invites you to its webinar “Trademark Infringement in China: Solutions and Advice for International Firms” on September 25

Thursday, September 25, 22:00 JST/21:00 China ST/15:00 CEST/09:00 EST

Sonoda & Kobayashi will hold a webinar on "Trademark Infringement in China: Solutions and Advice for International Firms." Eric Zhao, trademark specialist from Sonoda & Kobayashi Beijing IP Group, and Ryan Huizing, member of the International Affairs Department, will help you understand common trademark enforcement issues faced by international companies in China and give practical strategies and actions to safeguard and defend against infringement.

To learn more and sign up, please see our application form here.

- JPO and CNIPA News -

1. JPO releases its Patent Administration Annual Report

This July, the Japan Patent Office released its Patent Administration Annual Report.

This report, that is released on a yearly basis, is different from its Annual Status Report. In this report you can now read about domestic and international trends as well as about the various actions and measures taken by the JPO.

Notable from this year's report are:

1. For the year 2024, there were more patent and design applications than in the year before. On the other hand, there were fewer trademark applications than in 2023.
2. The grant rate for patent applications filed in 2019 was 60.7%, which fits in with the rising trend of recent years.
3. The grant rate of design and trademark applications examined in 2024 was 89.4% and 88.4% respectively. This is an increase from the previous year.
4. In financial year 2024, the period from requesting examination to the first examination result (First Action pendency) was 9.1 months. The period from requesting examination until the acquisition of a patent right was on average 13 months. Both of these were shorter compared to financial year 2023.

Further information can be found here. (Japanese)

2. Report on Global AI patent filing trends published by JPO

The JPO regularly monitors and reports on the various patent filing trends related to AI applications in Japan.

In addition, they have now conducted a survey of the status of AI-related applications across the globe. In the report on this survey, readers can learn more about what types of AI-related patent applications are being filed, and where they are being filed.

Further information can be found here. (Japanese)

3. China: patent authorization rate continuing to decline, number of granted patents decreased by 28%

From January to June 2025, the invention patent authorization rate in China was 55.32%, and the invention patent authorization rate in June was 57.98%. On the whole, the grant rate of invention patents is still stable between 54% and 55%. Note that the invention patent authorization rate is equal to the number of authorizations divided by the number of trials.

The number of domestic invention patents authorized decreased by 27.75% compared to the same period last year, and all 5 types of patentees showed a downturn, including a 21.66% decrease in the number of patentees from scientific research institutions and a 26.65% decrease in the number of patentees from colleges and universities. The number of patents granted to individuals decreased by 46.98%, and the number of patents granted

to enterprises decreased by 28.32%.

So far, the number of invention patents and utility model authorizations has decreased compared to the previous year for four consecutive months, and the rejection rate of invention patent authorizations has reached the highest rate this year.

According to the recent policy of the CNIPA, the grant rate of inventions and utility models will continue to decline.

Further information can be found here. (Chinese)

- Latest IP News in Japan -

1. Nintendo modified patent wording during Palworld lawsuit

Gadget Gate, July 19, 2025

On July 19, Gadget Gate reported on a development in the ongoing lawsuit between Nintendo and Pocketpair. For context, in September 2023, Nintendo and The Pokémon Company filed a lawsuit in Japan against Pocketpair, the developer of Palworld, alleging infringement of three patents related to gameplay mechanics. The patents, granted in 2024, cover systems such as capturing creatures and switching between riding creatures. These were divisional applications from the original application filed in 2021, likely in preparation for future enforcement.

Notably, the lawsuit focuses solely on patent infringement and avoids copyright claims, likely due to the legal difficulty. During the litigation, in a correction from June 19 of this year, Nintendo revised the wording of one patent's claims, particularly regarding the ride-switching function, without altering the core technical content. The revised language became unusually complex and vague, suggesting an effort to reinforce the claim's legal defensibility.

Pocketpair responded by frequently updating Palworld's mechanics to stay ahead of potential infringement accusations, making it harder for Nintendo to tie any specific version of the game to its patents. This approach complicates the lawsuit, especially regarding damage assessment and proof of violation.

The case highlights the strategic use of narrow patents and the risks of ambiguous or overly technical claim language, as well as the difficulty of enforcing patents against rapidly evolving software products.

Further information can be found here. (Japanese)

2. Tokyo District Court halts Google sales due to patent infringement, criticizes lack of cooperation in settlement

Nikkei, June 23, 2025

On June 23, Tokyo District Court ruled in favor of South Korea's Pantech Corporation in a patent infringement lawsuit against Google, finding that Google violated a standard essential patent (SEP) related to 4G wireless communication. The court issued an injunction to halt sales of Google's Pixel 7 smartphone, marking the first known case in Japan where an SEP violation resulted in an injunction.

SEPs are patents necessary to comply with standardized technologies and are typically licensed under "fair, reasonable, and non-discriminatory" (FRAND) terms. Because of this, injunctions for SEP violations are more difficult to obtain than those for normal patents. SEP infringement cases have been rare for over ten years, especially in Japan.

The court, however, determined that Google did not demonstrate a genuine willingness to obtain a license. Although both parties initially agreed to court-led settlement negotiations, Google failed to disclose necessary information, such as unit sales, to calculate licensing fees and did not present any counterproposal, effectively undermining the negotiation

process.

The court concluded that Pantech's request for injunctive relief was not an abuse of rights. This judgment is seen as a significant development in Japan's SEP litigation landscape, aligning more closely with evolving international standards. Following the ruling, Pantech sought a provisional injunction against the Pixel 8 and newer models, intensifying pressure on Google to secure a license.

Further information can be found here. (Japanese)

- Latest IP News in China -

1. Pop Mart sues 7-Eleven store owners in US, alleging Labubu trademark infringements

South China Morning Post, July 24, 2025

On July 18, Chinese toymaker Pop Mart filed a complaint in a California district court against 7-Eleven Inc. and seven convenience store owners over allegations of selling counterfeit merchandise and trademark infringement. The suit seeks injunctions to stop the sale of these infringing products, as well as punitive damages and court fees.

The suit stems from Pop Mart's signature Labubu merchandise and from competing retailers attempting to capitalize on its global popularity, which has contributed to an expected 350 percent increase in Pop Mart's profits compared to last year. The company reported that the global launch of the Labubu series in April led to sales exceeding 43 million USD through May.

The lawsuit was confirmed by Pop Mart on July 24, though no details were provided regarding the timeline for subsequent proceedings. "Despite its rights and ability to control and exercise approval over franchisees, 7-Eleven has failed to utilize this control to prevent and stop the counterfeiting and infringement of Pop Mart's trademarks, trade dress, and copyrights," the company stated in its complaint. Pop Mart is seeking a jury trial in the case.

Further information can be found here. (English)

2. Micron seeks to revoke discovery protection order in infringement suit with YMTC

Tom's Hardware, June 10, 2025

On June 9, *Tom's Hardware*, a technology publication that focuses on computer products, reported a new development in the ongoing patent dispute between U.S. memory chipmaker Micron and Chinese rival Yangtze Memory Technologies Co. (YMTC). Citing the report from *PatentlyO*, Micron is seeking to overturn the previous discovery protection order agreement and court ruling on the grounds of national security.

The conflict began in November 2023, when YMTC filed a lawsuit in the U.S. District Court for the Northern District of California, alleging that Micron had infringed eight U.S. patents related to 3D NAND technology.

Discovery is required during court proceedings, but this is done by both parties under a mutually agreed protective order that restricts access to highly sensitive materials such as source code to outside legal counsel and experts. It also limits the total number of pages of printed copies to 1,500 pages, with no more than 30 consecutive pages allowed.

YMTC requested 73 pages from Micron's "150 Series Traveler Presentation," which contained details on current and future 3D NAND products. While the request met the page limit for a protective order, Micron objected, claiming that the request was excessive, unnecessary, and dangerous, given the nature of the information and YMTC's ties to the Chinese government.

Despite this, the court ruled that YMTC had access to the 73 printed pages. However, according to the court's protective order, only authorized individuals (in this case, YMTC's

external legal counsel and experts) could process the originals. In addition, reproduction of printed copies, scanning, photocopying, and electronic reproduction is not permitted.

Micron is now appealing to the Supreme Court in hopes of reversing the decision.

Further information can be found here. (English)

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

1. Exploring "Literal Translation" and "Addition of New Matter" in the context of the JPO Patent Examination Handbook revision

Hiroshi Arai, Technical Translator

Overview of the Handbook Revision

In Japanese patent examination, two key documents guide the process: the *Examination Guidelines*, which outline legal principles and interpretations, and the *Examination Handbook*, which provides practical procedures, examples, and case studies. On May 29, 2025, the *Examination Handbook for Patent and Utility Model* was revised to include a new section titled "Handling of Non-Word-for-Word (Non-Literal) Translations." This revision clarifies that translations of foreign-language applications need not be literal (i.e., word-for-word based on the original specification).

This update supplements both the current and former (now deleted) provisions of the *Examination Guidelines*. In this article, we examine the evolution from the "old Guidelines" (effective until September 30, 2015) to the "current Guidelines," and discuss how the latest Handbook revision reflects contemporary Japanese IP translation practices.

Origins of "Literal Translation" in the Old Guidelines

The old Guidelines explicitly required literal translation:

"*The translation as stipulated in Article 36, Paragraph 2, Number 2 must be a proper Japanese translation based on literal translation (translated word-for-word according to the context from the foreign language specification).*"

"*Specifications may not be literal translations only when the correspondence between the foreign-language documents and the specifications remains clear, and a non-literal translation better conveys the technical content.*"

This wording established the expectation of word-for-word translation, particularly in PCT applications. However, the requirement for "proper Japanese" emphasized that literal translation alone was insufficient. In practice, a one-to-one correspondence between languages was considered helpful for examiners and practitioners to verify content, making the requirement for "proper Japanese translation based on literal translation" seem reasonable.

"Assumed Translation" and "Addition of New Matter" in the Current Guidelines

The current Guidelines removed the literal translation requirement and introduced the concept of an "assumed translation":

"*The examiner assumes a translation ('assumed translation') from the foreign-language document into proper Japanese and determines whether an amendment introduces new matter based on this assumed translation.*"

While "proper Japanese" remains a requirement, the notion of one-to-one correspondence has been discarded. This shift broadens the acceptable range of translations beyond literal word-for-word renderings.

The revision likely reflects the challenges posed by overly literal translations that fail to meet clarity requirements or result in incomprehensible text. The JPO's intent appears to

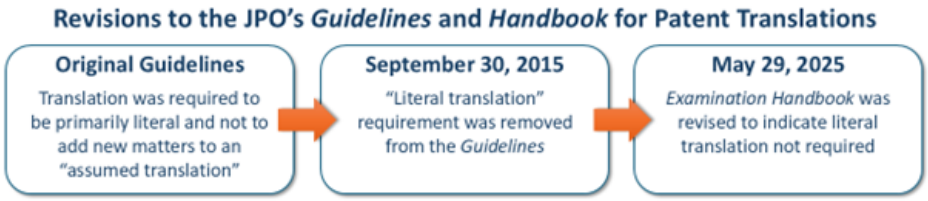
prioritize clarity and proper Japanese over strict literalness.

Clarifying "Addition of New Matter"
The Examination Guidelines define the determination of new matter as follows:

"The examiner shall determine whether an amendment introduces any new technical matter in connection with the originally attached description."

Three categories are outlined:
"1. Explicitly Stated Matters – Amendments to content clearly stated in the original description are permitted.
2. Self-Evident Matters – Amendments to content that is self-evident from the original description are also permitted.
3. Other Amendments – Even if not falling under the above, amendments are allowed if they do not introduce new technical matter."

Connecting Literal Translation and New Matter
The Handbook revision clarifies the relationship between literal translation and the addition of new matter. The progression can be summarized as:



This evolution suggests that the Handbook now supplements what was removed from the Guidelines. A key driver may be the rise of machine and AI translation, which often produces fluent but non-literal output. The revision advises examiners not to reject translations solely for being non-literal, while remaining cautious of misleading fluency.

Conclusion

Translating patent specifications inevitably involves some deviation due to linguistic differences. The Handbook revision reaffirms that the addition of new matter is independent of whether a translation is literal. This is particularly relevant in the context of machine and AI-assisted translation and post-editing.

The JPO has consistently emphasized that translations must be in proper Japanese and must not introduce new matter—regardless of literalness. While literal translation may facilitate prosecution, including communication with foreign counsels and applicants, excessive focus on it can hinder applicants. As automated translation becomes more prevalent, a shift toward smoother, more natural Japanese is expected. However, translators must avoid altering the original nuance or overelaborating. A precise understanding of JPO principles enables us, and applicants, to benefit from efficient and accurate translation practices.

Note: English translations of handbooks, guidelines, and other documents in this article may differ from official versions to ensure clarity without altering meaning.

About

SONODA & KOBAYASHI is a law firm offering dependable legal services for intellectual property. Our multinational team of about 120

Contact

Tokyo:
Shinjuku Mitsui Building, 34F
2-1-1 Nishi-Shinjuku, Shinjuku-ku,

experts in technology, law, languages and international communication has served companies worldwide and gained a reputation for thoroughness and reliability.

Tokyo, Japan
〒163-0434
Main Line: +81-3-5339-1093
newsletter@patents.jp

Beijing:
Beijing Fortune Bldg., Suite 804-805
5 Dong San Huan Bei Lu Chaoyang District
Beijing 100027, China
Main Line: +86-10-6592-4958