

**Issue #4 May 24, 2016**

IP PROSECUTION AND PROCEDURES

JPO Status Report 2016 [Other Matters](#)

The JPO has published the “JPO Status Report 2016”, which is available in PDF format [here](#). This annual report aims to quickly convey JPO statistical information and results of its policies to the public.

The number of patent applications filed at the JPO has been gradually decreasing since 2006 (318,721 in 2015), while the ratio of patent registration by filing year has been increasing. This suggests that applicants are filing patent applications in a more careful and selective way. In 2015, 43,097 PCT international applications were filed with the JPO as their receiving office, while around 2.68 million patent applications were filed worldwide in 2014, both of which marked record highs.

[[Original Announcement](#): JPO Website, Apr. 14, 2016]

Information Provision System for Trademark Registration Applications

Trademarks

The JPO accepts information provided by any party in order to improve the accuracy and expeditiousness of examinations.

Anyone can provide useful information for examinations such as a trademark of an application

for trademark registration not satisfying the requirements for registration of trademark or falling under the grounds being unregistrable. Providing information anonymously is also possible. For more details, see [here](#).

[[Original Announcement](#): JPO Website, Apr. 8, 2016]

New Procedures with Accession to the STLT Trademarks

The following procedures, effective from April 1, 2016, have been implemented pursuant to Japan's accession to the "Singapore Treaty on the Law of Trademarks (STLT)". Details [here](#).

(A) Time Extension for Procedures after Expiration of Time Period

(1) Extension of Time Period for Responding to an Office Action (except those under appeal)

(a) The time period for response to an office action can be extended by one month with a request (official fee: JPY2,100) made *before* the expiration of the time period.

(b) The time period for response to an office action can be extended by two months with a request (official fee: JPY4,200) made within two months from the day after the last day of said time period. *NEW

Even if a request for extension as in (a) above has been filed, a two-month extension as in (b) above can also be filed *after* the expiration of the extended time period (three-month extension in total). Requests (a) and (b) cannot be filed at the same time.

(2) Other Matters

The following documents can now be filed even after the deadline has passed. Such documents must be filed within two months after the expiration of the time period together with a request for extension (official fee: JPY4,200).

(a) a certificate to apply for the special provisions concerning time of filing of application

(b) a priority certificate

(c) a document for payment of registration fee (including first installment payment of registration fee and payment of defensive mark registration fee)

(B) Restoring Rights after Time Period for Procedures has Passed

The following procedures can be used to restore rights that have expired, even after the deadline has passed, if there is a "valid reason" for the failure to comply with the time period. The owner of the right must perform such procedures and file a Statement of Grounds for Recovery within two months from the date on which the "reason" ceased to apply *and* within six months after the expiration of the following time period for the procedures.

(a) **Trademark** Request for registration of renewal of duration for the trademark right (if after the expiration of the 6-month time period for late payment)

(b) **Trademark** Delayed payment for the last installment payment of registration fee (if after the expiration of the 6-month time period for late payment) *NEW

(c) **Defensive Mark Registration** Application for registration of renewal of duration for a defensive mark registration (if after the expiration of the duration)

[[Original Announcement](#): JPO Website, Apr. 5, 2016]

Employee Invention System as per 2015 Reforms Patents Utility Models Designs

Effective April 1, 2016, Japan's employee invention system has undergone sweeping revisions.

The following three points concerning the revisions are particularly salient:

(1) Concerning the right to receive a patent (a utility model registration or a design registration) for employee inventions, by drafting a contract in advance, the original assignment to the employer is now recognized.

(2) In cases in which the employer obtains the right to receive a patent (a utility model registration or a design registration), the employee now has the right to request “reasonable remuneration” from the employer (this including other economic profits not limited to monetary considerations).

(3) Guidelines for internal procedures of companies for determining “reasonable remuneration” have been promulgated.

[[Original Announcement](#) (in Japanese): JPO Website, Apr. 22, 2016]

Notification concerning Search Information at the time of Design

Registration Decision Designs

As a part of providing information concerning design examinations, from April 2016, the JPO started attaching a notification including information concerning Japan’s Design Classification as performed in the previous design search during the examination of the design registration application to the Decision for Registration. In the design examination in Japan, in addition to previous design registration applications, a search of foreign Design Gazettes, published patent applications/registered utility models, as well as foreign and domestic magazines, catalogues, and internet websites for information of new products is performed. Finally, it is not possible to submit opinions concerning the content of this notification.

[[Original Announcement](#) (in Japanese): JPO Website, Apr. 8, 2016]

LITIGATION

Shimano vs Apple: Patent Infringement - Having Lost at the First Hearing, Shimano Manufacturing Files Appeal Patents

Shimano Manufacturing, a Japanese parts supplier, having lost its patent infringement lawsuit against Apple Inc. seeking a halt of sales and payment of damages in the first hearing at the Tokyo District Court ([Case No. 2014 \(Wa\) 20422](#) - see Japan IP News Bulletin [Issue # 3](#)), appealed the district court decision to the Tokyo High Court on March 30, 2016. We will inform you of the results as soon as they are available.

The IP High Court Overturns Invalidation of Parody Watch Trademark

Trademarks

Dinks Inc., a Japanese company that sells parody watches of upscale Swiss watchmaker “Franck Muller,” in a court case ([Case No. 2015 \(GyoKe\) 10219](#)) seeking to overturn the invalidation of its trademark, won, the IP High Court ruling the trademark for “Frank Miura” is valid, based on

the decision that there is no chance of confusing “Frank Miura” with “Franck Muller.” This case is a victory for providers of parody products concerning the validity of trademarks.

Franck Muller sought to invalidate the registered trademark “Frank Miura,” arguing that, on the whole, linguistically, the two are very similar, and the JPO, in response thereto, invalidated the registered trademark “Frank Miura.” In response thereto, “Frank Miura” appealed to the IP High Court.

While the main trademark of “Franck Muller” uses the Roman alphabet, the trademark “Frank Miura” uses a mixture of the Japanese writing system “Katakana” and Chinese characters, and in the present decision, it was determined that “while both trademarks are similar in pronunciation, their appearances can clearly be distinguished, and conceptually, they are quite different, so they are dissimilar. Further, taking into account the prices of these products, it is inconceivable that consumers would confuse the two trademarks, as Franck Muller products are much more expensive than Frank Miura products.”

[[Original Court Decision](#) (in Japanese): IP High Court Website, Apr. 12, 2016]

Enplas vs Seoul Semiconductor - Enplas Victorious in Litigation for Invalidating Decision Patents

Concerning Japanese Patent No. 3875247 for an LED light diffusing lens, belonging to the Japanese major precision plastic maker Enplas, the IP High Court dismissed the appeal ([Case No. 2015 \(GyoKe\) 10141](#)) made by Seoul Semiconductor Co. Ltd., upholding the decision of the JPO, thus upholding the validity of Enplas’ LED light diffusing lens patent.

Seoul Semiconductor, arguing it had previously developed this invention, sought to invalidate Enplas’ patent, but the JPO ruled that the technology was fundamentally different from the previous invention, dismissing Seoul Semiconductor’s suit. Accordingly, Seoul Semiconductor appealed to the IP High Court. The two companies have had repeated patent law disputes in various countries, with Seoul Semiconductor being victorious in America, Korea, and Europe.

The present decision can be considered a victorious battle for Enplas in this ongoing patent war. *[[Original Press Release](#) (in Japanese): Enplas Website, Apr. 25, 2016]*

OTHER IP-RELATED NEWS

Government IP Strategy Headquarters Considering IP System for AI-Created Property Other Matters

The government IP Strategy Headquarters is considering legislation for artificial intelligence (AI) creations such as music, novels, and databases.

Under the current intellectual property system of Japan, AI creations only receive IP rights when it can be determined that human beings, making use of AI as a tool, created the item in question.

However, it is normally difficult to distinguish creations made by human beings and those of AI based on said creations’ appearances, so excluding cases in which the creation is revealed to be an AI creation, it will be treated in the same way as creations made by human beings. As such, there will be an explosive growth in creations that, at first glance, appear to be “IP-protected

creations,” such as copyrights, this leading to the possibility of consumer confusion. The IP Strategy Headquarters posited that, “we must proceed with considerations for the appropriate state of an IP system for this new era.”

[[Original Report](#) (in Japanese): IP Strategy Headquarters Website, Apr. 8, 2016]

JPO - Experimental Use of AI in Examinations from this Year Other Matters

The JPO, from June 2016, plans to begin an experiment to demonstrate the usefulness of artificial intelligence in examinations.

As budgeted, an allotment of JPY 70 million (USD 640,000) for fiscal 2016 will be provided to determine what kind of processes, such as receipt of applications, formality examinations, application of classification, and substantive examinations for patents, utility models, designs, and trademarks, AI can be used for. The JPO, in the future, plans to introduce AI in an attempt to further increase work efficiency.

[[Original Announcement](#) (in Japanese): JPO Website, Mar. 29, 2016]

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Our Firm

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