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SONODA & KOBAYASHI
INTELLECTUAL PROPERTY LAW



Japan IP News Bulletin

February 2020

Dear Valued Clients and Colleagues,

A brand new year, a fresh starting point, and many opportunities ahead!
We want to take this opportunity to thank you for your support and trust and wish you
prosperity and success in 2020.

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- News about Sonoda & Kobayashi -

1. Welcoming our Newest Addition to the Engineer Team

We would like to introduce our new addition to the Electronics, Machinery & Software Department, David Wynne.

David worked as an examiner at the United States Patent and Trademark Office for four years before joining Sonoda & Kobayashi. He also obtained three bachelor's degrees from the University of Colorado at Boulder.

See David Wynne's profile [here](#).

- Latest IP News in Japan -

1. Muji Lost Trademark Appeal to Chinese Firm

South China Morning Post, December 11, 2019

Japanese retailer Muji has lost on appeal, a Chinese court ruling that the company infringed on a trademark owned by a Chinese company. China's Supreme People's Court in Beijing upheld the ruling, ordering Ryohin Keikaku to pay 626,000 yuan, or about 90,000 dollars, to the plaintiff.

Muji registered its international brand name "MUJI" in block Roman alphabet letters when it entered the mainland China market in 2005. It also registered a local trademark, "Mujirushi Ryohin", in four Chinese characters which are pronounced "Wuyinliangpin" in Mandarin.

However, Chinese company Hainan Nanhua had already registered the Chinese character “Wuyinliangpin” trademark for some of its woven fabric products, including bed covers and towels, in 2001. The trademarks of the two companies in Chinese character are substantially similar: 無印良品 (Muji) vs 无印良品 (Natural Mill).

The Chinese company sued Muji for breach of the trademark. An intellectual property court in China ruled in the plaintiff’s favor in 2017.

The ruling has been finalized as China has a two-trial system for cases involving trademarks. It bans Muji from using its Mujirushi Ryohin brand name for certain products in China.

Muji is far from the first global brand to fall victim to China’s “first come, first serve” system of trademarks. In 2016, a Chinese company won the right to sell leather products labeled “IPHONE” via a similar technicality, where a Chinese company won the right to sell leather products labeled “IPHONE”.

[Read the full article here](#)

2. Fujifilm Weighs Buying Hitachi's Medical Equipment Business

The Japan Times, January 20, 2020

The Japanese photocopier and camera manufacturer Fujifilm is reportedly considering buying Hitachi’s diagnostic imaging business. The value of the deal would be around 170 billion yen (\$1.56 billion), according to the Reuters.

Fujifilm has been expanding into healthcare as its legacy photocopy business is stagnating. It recently bought a drug-making business from U.S.-based Biogen Inc and two biotechnology units from compatriot JXTG Holdings Inc.

A Fujifilm spokeswoman has confirmed that the company is exploring the deal.

[Read the full article here](#)

3. Japan Strengthens IP Protection for Wagyu

The Japan Times, January 20, 2020

According to The Japan Times, the agriculture ministry will propose legislation to protect the genetic material of Japanese cattle as intellectual property, preventing the smuggling to other countries of genetic materials, such as fertilized eggs and semen, related to wagyu cattle.

Wagyu refers to the premium Japanese beef produced from four Japanese cattle breeds, including Kobe, which has grown popular in the United States, Europe and Asia.

As breeding outside Japan will harm exports by Japanese breeders, the envisioned law will define the genetic features of wagyu as IP and will allow injunctions against reselling, siphoning and breeding them without proper contracts.

The ministry plans to submit a bill to an ordinary session of the Diet.

[Read the full article here](#)

4. New Digital Filing System for Industrial and Product Safety Laws Introduced

Ministry for Economy, Trade and Industry (METI), January 6, 2020

The Ministry of Economy, Trade and Industry (METI) introduced its newly developed digital application filing system, called "Safety Portal Website" on its website.

The new digital application filing system will enable users to file applications online for completing procedures under the laws and regulations for industrial and product safety involving electricity, liquefied petroleum gas, city gas, explosives, mining and product safety.

The METI also mentioned the following advantages brought by the new filing system:

- Users are able to submit documents on this website and cut traveling time, postal fees and other costs.
- Using their own gBizID, they are able to skip the affixing of seals on paper documents and skip the exchange of such documents.
- Using the guide functions, they are able to easily enter their information and reduce the burden from formality checks.
- They are able to timely confirm on a screen the progress in processing the notifications and applications that have been submitted or filed.
- They are able to smoothly submit and file new notifications and applications using their submission histories.
- They are able to confirm notices of approval soon after METI has issued them and download and print out the notices in PDF format.

It is noted that users will need to obtain a gBizID account in advance in order to access the portal website. The relevant information can be found on the [gBizID website](#).

[Read the full article here](#)

5. New Support Page Opens on JPO Website to Assist Personnel in Charge of IP

Ministry for Economy, Trade and Industry (METI), January 14, 2020

The Japan Patent Office (JPO) opened a “Supportive Website” on its website on January 14th, aiming to assist personnel in charge of intellectual property (IP) who are struggling with IP procedures or with little experience in filing applications.

In particular, this webpage provides information on how to advance IP procedures if the users receive a notification from the JPO. Applicants will receive various notifications, such as notification of reasons for refusal and a decision to grant. The Supportive Website explains the details of notifications, and describes the next step that they should take in addressing such notifications in an easy-to-understand manner.

Another handy feature is that users can easily access the webpage through their smartphones. In addition, the JPO will also add a QR code* to the Note section attached to the notification of reasons for refusal and the decision to grant from April 2020, which will help applicants access the webpage smoothly.

[Read the full article here](#)

6. IP5 Hold Joint AI Response Meeting

European Patent Office, January 17, 2020

Representatives of the five largest intellectual property offices, known as the “IP5”, met in Berlin in order to better coordinate their response to AI and emerging technologies.

The “IP5” are the European Patent Office (EPO), the Japan Patent Office (JPO), the Korean Intellectual Property Office (KIPO), the China National Intellectual Property Administration (CNIPA) and the United States Patent and Trademark Office (USPTO). Together, they handle about 85% of the world’s patent applications.

The meeting explores the “legal, technical and policy aspects of new technologies and AI, their impact on the patent system and on operations at our five offices,” an official statement noted.

“The aim is to pinpoint which areas can most benefit from joint IP5 responses, ranging from employing AI to improve the patent grant process, to applying the patentability requirements to inventions in the field of AI, and handling applications for inventions created by machines”, according to the EPO statement.

[Read the full article here](#)

7. Japan to Develop 6G Strategy

The Japan Times, January 21, 2020

The government said Tuesday it will draw up a comprehensive strategy by this summer on future 6G wireless communications networks and set up a panel to discuss the matter later this month, according to The Japan Times.

Japan is reportedly planning to introduce 6G ultra-fast communications networks around 2030. As some other countries have already started discussions on how to utilize 6G

technology, Tokyo aims to draft the strategy and lead standardization efforts.

“The smooth introduction of standards for next-generation wireless communications networks is indispensable to boosting Japan’s international competitiveness,” communications minister Sanae Takaichi said at a news conference.

Compared to 5G networks, 6G networks will have faster data transmission speeds, the ability to connect to multiple devices simultaneously on a larger scale, as well as extensive security measures and reduced power consumption.

The panel on 6G technology, composed of representatives of the private sector and university researchers, will discuss technological development, potential utilization methods and policies, according to the Internal Affairs and Communications Ministry.

[Read the full article here](#)

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

1. Patent Term Adjustment (“Extension of Patent Term as Compensation for the Curtailment of the Term”) in Japan

January 17, 2020

Author: [Toshiyasu Ishioka](#)

1. Background

In accordance with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP11), a patent term extension system to compensate for patent term curtailment was introduced in Japan (Japanese Patent Law Articles 67 (2) and (3)).

For convenience, this particular type of patent term extension will be referred to as “patent term adjustment (PTA)” in this newsletter, after the style of the similar patent term extension system at the USPTO.

This system will apply to applications (internationally) filed on or after March 10, 2020.

2. Procedures and System

To request PTA, patentee(s) need to calculate the term to be extended and file a PTA application at the JPO within three months from the patent registration date. This is different from the PTA system at the USPTO, in which the term is calculated and extended automatically.

Patents eligible for term extension under this system are those registered after the “**reference date**” , i.e., either the date five years after filing or the date three years after request for examination, whichever is later (Japanese Patent Law Article 67 (2)).

The extension is calculated on the basis of the reference date² and the patent registration date, i.e., the period therebetween, from which several periods defined by the patent law are deducted (Japanese Patent Law Article 67 (3)). In particular, the following deductible periods are of practical importance:

- From the issuance date of an Amendment Order or an order to correct a defect to the date of filing of a response thereto. (Art. 67 (3) i)
- The extended period to file a response to an office action. (Art. 67 (3) ii)
- From the issuance date of a Decision of Rejection to the issuance date of a Decision to Grant, in the case of allowance during appeal examination or during preliminary examination prior to regular appeal examination. (Art. 67 (3) vii)

Once a PTA application is filed, the JPO will, upon examination, issue an office action or allowance. In response to the office action, the PTA applicant can file Remarks and/or Amendments of the PTA application (e.g. changing the requested term to be extended). If the examiner thinks the rejection remains applicable, the examiner will issue a Decision of Rejection, against which an appeal can be filed. This examination process is completely the same as that for a regular patent application.

Reasons for rejecting PTA applications are as follows:

- (1) The registration date is before the reference date².
- (2) The requested term is longer than the legally allowed term.

(3) The applicant(s) of the PTA application are not completely identical to the patentee(s).

3. Expected frequency and length of extensions

How frequently (and of what duration) can extensions be obtained under this PTA system?

Unfortunately, the answer is **almost never** in view of the current statistics which will be explained below

Taking into account the deductible periods (i) to (iii) explained in Section 2, allowable extensions can be expressed roughly with the following equations:

- In the case of allowance during non-appeal regular examination, after the reference date²:

$$\text{Extension} = (\text{period from the reference date to the patent registration date}) - [(\text{period to respond to an Amendment Order}) \text{ and } (\text{extended period to respond to an office action})]$$

- In the case of allowance during preliminary examination prior to appeal or during appeal, after the reference date²:

Extension =

$$(\text{period from the reference date}^2 \text{ to the issuance date of the Decision to Grant, given that the Decision of Rejection was issued after the reference date}^2) + (\text{period from the issuance date of a Decision to Grant to the patent registration date}) - [(\text{period to respond to an Amendment Order}) \text{ and } (\text{extended period to respond to an office action})]$$

In the case of (A), a first office action is issued about ten months on average from request for examination, according to the JPO statistics. The statutory response period for an office action is three months (for overseas applicants). The remaining 23 months are sufficient for the JPO to issue a second or even a third office action. That is, situation (A) would be very improbable.

In fact, among the 4,360 patented cases we handled in which a request for examination

was filed after 2013, only three cases would fall under (A), the extensions being 26 days, 1 month 10 days, and 4 months 1 day.

Next, case (B) is also very rare. Among the 4,360 patented cases above, only one case would fall under (B), the extension being 20 days.

In summary, out of the 4,360 patented cases in which a request for examination was filed after 2013, only four cases could be extended, by 20 days, 26 days, 1 month 10 days, or 4 months 1 day. The frequency is 0.09%, and the average and the mean extension is 52 days and 33 days, respectively.

In two of the four cases, office actions were issued four times (three non-final and one final), and in the other two cases, office actions were issued three times, during the non-appeal examination stage (which are very rare).

Finally, the JPO will likely take the necessary precautions so as not to delay examination to allow patent term extension under this PTA system in the future. Examiners may issue fewer office actions. In reality, if the JPO accelerates the examination of delayed cases by only about one month (the allowable extension in three of the four cases above is about one month at most), almost no cases will be eligible for this system.

4. Conclusion

A new patent term adjustment system was recently introduced in Japan, however, the system will likely be of no practical use. The proportion of cases which can be extended is expected to be less than 0.1%, from test calculations based on cases we handled. Moreover, the JPO can easily (and will probably) accelerate examination (for delayed cases, in particular) to avoid this system entirely.

Thus, for now, we see **no need to be overly concerned about PTA in Japan.**

If the situation changes, we will update the situation in our newsletter.

For divisional applications, the filing date of the parent application will be used as the filing date of the divisional application.

Either the date five years after filing or the date three years after request for examination, whichever is later. **In most cases, the reference date will be the date three years after request for examination.**

Three years (using, as the reference date, the date three years after request for examination) minus ten and three months.

Note:

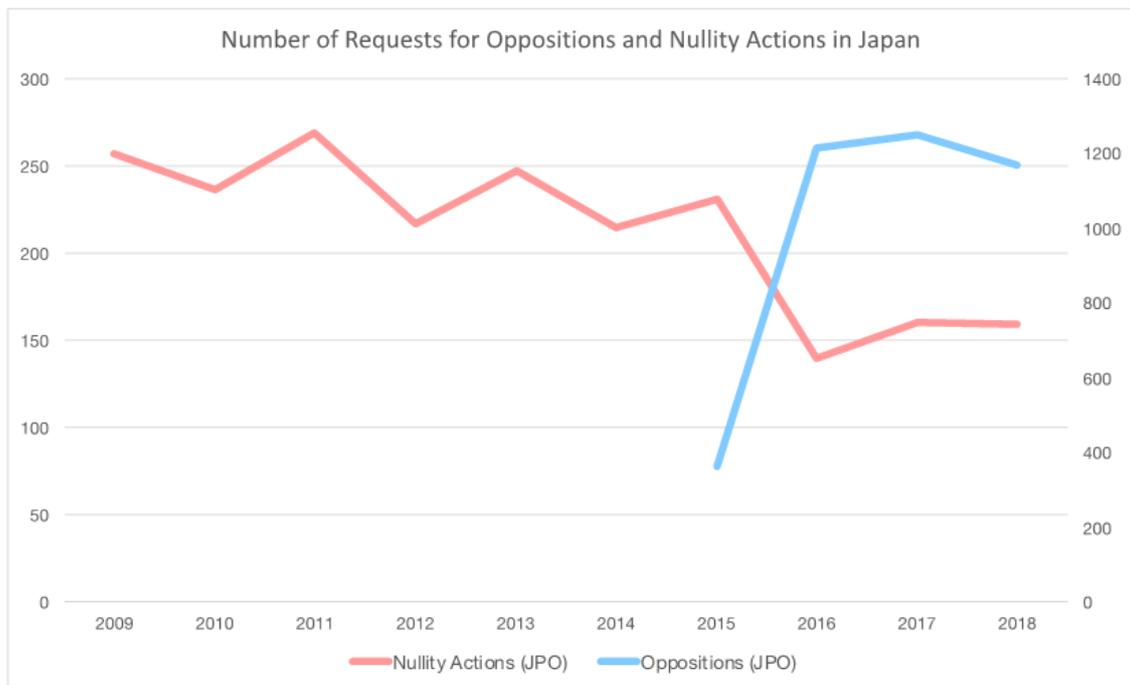
1. For divisional applications, the filing date of the parent application will be used as the filing date of the divisional application.
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3. Three years (using, as the reference date, the date three years after request for examination) minus ten and three months.

2. Comparing Patent Validity Standards in Invalidation Actions at the EPO and JPO

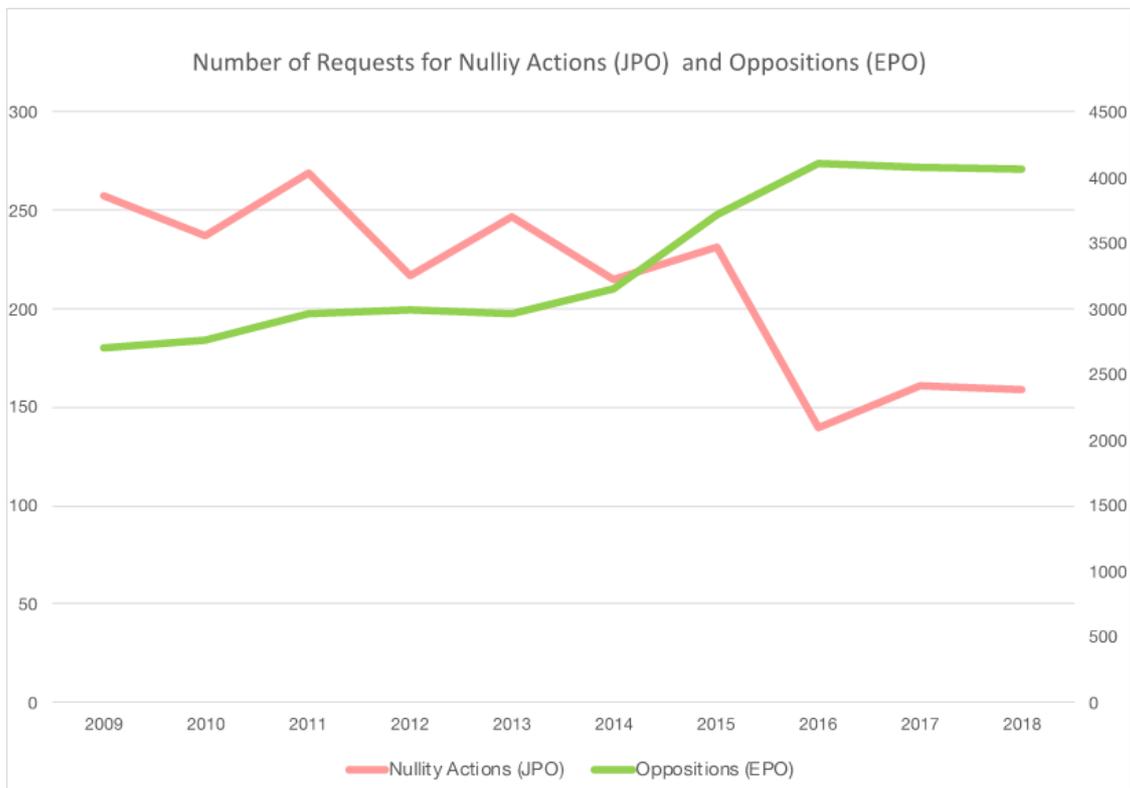
February 12, 2020

Author: [Alison Santino](#), [Paul Tokeshi](#), [Yoshitaka Sonoda](#)

In Japan, two ways are offered to interested parties seeking to challenge a patent. After being briefly abolished in 2003, the Japan Patent Office (JPO) reintroduced Patent Opposition Proceedings “異議申立” in 2015 to any third party interested in revoking a patent within 6 months following its publication. In parallel, Nullity Actions “無効審判請求” can be adopted as another procedural method to challenge a patent. This article will focus on the outcomes of Nullity Actions in Japan and Opposition proceedings in Europe filed against the same inventions.



According to the Japan Patent Office Status Report of 2019, since the reestablishment of Opposition proceedings in 2015, the number of Nullity Actions filed at the JPO has significantly dropped, from 231 Nullity Actions filed in 2015 to 159 filed in 2018. In other words, approximately 0,08% of granted patents in 2018 have been challenged through a Nullity Action. Conversely, according to the European Patent Office's Annual Report of 2019, the number of Oppositions increased over the last decade (from 2,695 challenged patents in 2009 to 4,061 in 2018), and the percentage of challenged patents at the EPO largely exceeded that of Japan with approximately 3,18% of granted patents opposed.



This significant difference in percentage of challenged patents may be explained by a number of factors. Firstly, some observers note a tendency to avoid conflict when observing the relatively non-litigious character of Japanese society. Moreover, Japanese industry is interconnected; competitors in one field may be partners in another distinct field leading to an avoidance of open conflict in order not to harm relations. Finally, the success rate of Nullity Actions in Japan is somewhat limited, which might partially explain why the number of Nullity Actions filed per year is relatively small.

This brings us to a second question: how similar are standards of the JPO and EPO when measured by the outcome of validity challenges? In order to answer this question, we summarized the main conclusions from the analysis comparing the standards for validity during invalidation proceedings in front of the Board of Appeals of the Japan Patent Office (JPO) and the European Patent Office (EPO) through the examination of three case studies of three patent families.

The purpose of this study is to compare the standards for invalidating a patent when counterpart patents (i.e., patents claiming priority to the same applications[1]) are challenged in front of the Board of Appeals of the Japan Patent Office (JPO) and the European Patent Office (EPO). According to the JPO Status Report 2019, two hundred Nullity Actions were filed in 2014 and twelve of their European counterparts were subject

to Oppositions at the EPO. In most cases, more than one patent application had been filed in the JPO or EPO for each invention studied and more than one Japanese Nullity Action/European Opposition (hereinafter Invalidation Action) had been filed in each jurisdiction.

Our general impression, from this above described studied population is that the outcome of Invalidation Actions at the EPO tends to be harsher for the patentee compared with the outcome at the JPO. More precisely, (1) in one case, the EPO invalidated a European patent while the JPO decided to maintain its counterpart patent without amendments; (2) in six cases, the EPO invalidated European patents while the JPO maintained their counterparts although after amendments; (3) in three other cases, the EPO maintained patents only after amendments while the JPO decided that their counterparts were valid even without amendments. There were only two cases wherein the EPO and JPO findings coincided in maintaining the patents, and there was no situation found where the JPO rendered a stricter decision than that of the EPO. Divergence in rulings appears to be primarily based on the variation regarding disclosure requirements and freedom to amend claims between jurisdictions.

Both the Japanese Patent Law and the European Patent Convention (EPC) are interpreted to require that the claimed invention be supported by the specification and to prohibit the introduction of new matter by the amendments in view of the original disclosure. Furthermore, the claimed invention must be supported directly and unambiguously for those skilled in the art having common general knowledge. However, the manner in which the rules are applied to actual cases seems to be more stringent in the EPO than in the JPO. This rule is also applied in the evaluation of the claim for priority wherein the EPO denied the claim for priority when the claimed invention is considered not to be supported directly and unambiguously by the prior application. In the case where the JPO maintained the patent without amendments and EPO revoked the counterpart, the EPO denied the effectiveness of the claim for priority and consequently decided that the patent lacked an inventive step in view of a publication which was published after the priority date but before the actual filing date in Europe of the patent.

The present study aimed to provide insight on the discrepancies between outcomes at the European Patent Office and Japan Patent Office during Patent Invalidation Trials. The research was conducted using data on Nullity Actions filed at the JPO in 2014 which had European counterparts which were also subject to Opposition Proceedings.

The overall trend is harsher decisions upon Invalidation Actions before the EPO than the JPO. Indeed, in seven cases out of twelve studied, the EPO issued an invalidation decision whereas the JPO decided to maintain the patent either with or without amendment. As can be seen on the below table, among the same population, the JPO never issued a decision less favorable to the patentee than the EPO.

The observed outcome from this study may be explained by the divergence in the interpretation and application of similar rules. It appears disclosure requirements along with the freedom to amend claims may differ between each jurisdiction, as significant variation can be observed in the treatment of claims for priority. The EPO seems more likely to deny claims for priority in the event that the claimed invention is not regarded as supported directly and obviously by the prior application. This reasoning can lead to the EPO to find a lack of inventive step in view of a publication which was published after the priority date but before the actual filing date in Europe of the patent

	JPO Decision to Maintain Without Amendment	JPO Decision to Maintain With Amendments	JPO Decision to Invalidate
EPO Decision to Maintain Without Amendment	2	0	0
EPO Decision to Maintain With Amendments	3	0	0
EPO Decision to Invalidate	1	6	0

[1] Accordingly, there is no one-to-one correspondence between the counterpart patents studied.

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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