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SONODA & KOBAYASHI
INTELLECTUAL PROPERTY LAW

Japan IP News Bulletin



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1. Internal News

Sonoda & Kobayashi in 2021

Sonoda & Kobayashi hopes that all our clients and contacts have been off to a good start in this new year. While in many countries, the Covid19 pandemic is far from over, we like to be optimistic over some improvement later in this year.

In Japan and Tokyo in particular, the situation has worsened compared to the final months of 2020. On the 7th of January 2021, the state of emergency was declared for Tokyo and other regions in the country. Despite the name, the present measures are not as strict as those that many of our clients around the world may be facing right now. In practice, Sonoda & Kobayashi has shifted even further to working from home, prompting our staff to only make use of the office when really necessary.

Over the past year, Sonoda & Kobayashi has made significant improvements to its IT infrastructure to allow for remote working for all its employees, while safeguarding its systems. In 2021, we are continuing to streamline our procedures for remote work while also improving efficiency.

Finally, in an effort to improve our service offer for our clients, we have reduced our prices for English to Japanese translation, while also expanding our general translation services to other areas outside of the realm of IP. Therefore our experts in translation and technology are now performing translation of legal, technical and marketing materials as well as interpretation and assistance in communication between HQ and local entities.

Feel free to reach out for more information and we are looking forward to a fruitful cooperation in this new year.

- JPO News -

1. JPO Releases Handbook for Trial and Appeal in Japan

The JPO released in January the English version of the Handbook for Trial and Appeal in Japan, which provides information on the Trial and Appeal Department of the JPO ("TAD").

Specifically, the TAD serves two major roles. First, the TAD handles appeals to determine the appropriateness of a JPO Examiner's decision of refusal with respect to various forms of intellectual property. Second, the TAD handles various intellectual property disputes between parties (Oppositions, Nullity Actions, etc.), reviewing the validity of certain IP rights.

Specific information on this topic can be found here:

<https://www.jpo.go.jp/resources/report/sonota->

[info/document/panhu/shinpan_gaiyo_e.pdf](#) (English)

2. JPO Announces Formation of Support Team for AI-Related Patent Examination

On January 20, 2021, the JPO established an AI examination support team which works across relevant examination divisions and their respective technical fields in order to accumulate and share knowledge and examination examples of the latest AI-related technology, and to study related patent examination measures. The purpose of this support team is to improve the quality and efficiency of examination for AI-related applications.

The responsible members of the AI examination support team will serve as a "hub" for the prosecution of AI-related inventions, consolidating the knowledge of each prosecution division and providing consultation to Examiners, thereby helping to realize efficient and high-quality prosecution.

Specific information on this topic can be found here:

https://www.jpo.go.jp/system/patent/gaiyo/sesaku/ai/ai_shutsugan_seibi.html

(Japanese)

3. Seals and Signatures of all Applicants no Longer Needed for Exception of Loss of Novelty Submissions

In Japan, inventions that have been made public before a patent application is filed cannot be patented. However, Article 30 of the Patent Law allows for an exception to the loss of novelty for applicants if they file for the exception within one year of the disclosure.

On December 16, 2020, the JPO announced that seals and signatures of all applicants will no longer be required in the initial submission for the loss of novelty exception which must be made within 30 days of filing of the initial patent application. Specifically, no seals will be required, but the written name of at least one individual (the name typed on a computer suffices) associated with one applicant will still be necessary.

The JPO's announcement also includes a warning for practitioners. Even though the exception for loss of novelty generally covers disclosures made by an applicant within one year of the filing of a patent application, the JPO notes in an example that where (1) the applicant discloses an invention in a paper presented at an academic conference, and (2) a third party discloses the invention following the applicant's disclosure at the conference, the applicant may not obtain a patent for the invention even if it files a patent application for the loss of novelty exception within one year of academic conference.

Specific information on this topic can be found here:

https://www.jpo.go.jp/system/laws/rule/guideline/patent/hatumei_reigai.html (Japanese)

- Japaese IP News -

1. Nissan providing license free thermal imaging sensor technology to support fight against COVID-19

Japan Today, 5 January, 2021

On the 5th of January 2021, Japan Today wrote that Nissan is providing free licenses for its thermal imaging sensor technology.

The contactless sensor uses infrared rays from an object or area to measure its temperature. It can display the temperature distribution in an image of about 2000 pixels and can be manufactured at a lower cost than conventional technologies.

The licenses were made available as part of the IP Open Access Declaration Against COVID-19, which Nissan joined in May 2020. By joining this declaration, Nissan promised not to strive for compensation or assert patent or other IP claims against companies that use the invention for the fight against COVID-19.

So far, Japanese companies such as Chino Corp. and Seiko NPC Corp. are already using these free licenses from Nissan in developing products such as non-contact temperature measuring devices.

These measuring devices are then used to measure people's temperature in places such as schools, airports and medical facilities.

For more information, please see:

<https://japantoday.com/category/tech/nissan-licenses-technology-free-of-charge-to-support-covid-19-fight>

2. Japan comes in 2nd worldwide in number of AI and big data applications

Sankei Biz, 31 December, 2020

On the 31st of December 2020, Sankei Biz reported on a global survey conducted by the European Patent Office. The survey concluded that in 2018 Japan ranked 2nd in the world in the number of patent applications in advanced IT-related fields, such as Artificial Intelligence (AI).

With a total of 6679 applications Japan ranked behind the United States that filed a total of 11927 applications. Meanwhile, as the number three, China had filed 6307 applications. While the survey shows that Japan holds an edge in R&D in this highly competitive field, it also highlights that Japan has an issue converting this research into commercial services. After all, most of the world's biggest international IT companies are from the US and China.

The survey examined IP applications that were filed in 2 or more countries between the year 2000 and 2018 in the fields of AI, 5G, big data and the internet of things. When comparing 2013 to 2018 we see that Japan has increased its filing number by about 1.9 times, whereas China increased its filings by 5.3 times.

Having a look at individual company applications, South Korea's Samsung was the biggest applicant in the period between 2010 and 2018. US company Qualcomm ranked 3th and China's Huawei was 5th. The highest Japanese entry was Sony at number 4.

Over the same period, cities and regions like Seoul, Tokyo, San Jose in Silicon Valley, Osaka, and Shenzhen ranked highest as areas where patent filings were concentrated.

For more information please see:

<https://www.sankeibiz.jp/business/news/201231/bsc2012310620001-n1.htm> (Japanese)

Or read the report by the EPO here:

[http://documents.epo.org/projects/babylon/eponet.nsf/0/06E4D8F7A2D6C2E1C125863900517B88/\\$File/patents_and_the_fourth_industrial_revolution_study_2020_en.pdf](http://documents.epo.org/projects/babylon/eponet.nsf/0/06E4D8F7A2D6C2E1C125863900517B88/$File/patents_and_the_fourth_industrial_revolution_study_2020_en.pdf)

3. Brazil-Japan Patent Prosecution Highway further improved in 2021

METI, 4 January, 2021

On the 4th of January, the Japanese Ministry of Economy, Trade and Industry (METI) reported on the further improvement of the Brazil-Japan Patent Prosecution Highway.

What started as a trial between the Japanese and Brazilian patent offices in 2017 has since become a more developed patent prosecution highway that has significantly helped Japanese companies speed up the process of acquiring patent rights in Brazil.

However, there was a limit to the number of applications that could be filed through this highway.

As of the 1st of January 2021, each applicant can now file 1 application per week through this system, instead of the previous maximum of 1 application per month.

Also, there is an upper limit for the total amount of applications (from both Japan and elsewhere) that can be filed through a patent prosecution highway in Brazil each year. This maximum number will now be increased from 400 to 600 applications per year.

Because of these changes, Japanese companies will be able to obtain the necessary IP rights in Brazil to do business more swiftly.

For more information, please see:

<https://www.meti.go.jp/press/2020/01/20210104003/20210104003.html>

4. JPO may enable online attendance for patent appeal cases

Nikkei, 23 December, 2020

On the 23rd of December 2020, Nikkei reported on a possible change regarding attending the JPO's patent appeal cases. The JPO may be going to allow parties to participate in the oral proceedings in patent invalidation actions online, instead of being obliged to go to a tribunal for a physical hearing.

Related to this, the Japanese government will submit a bill in 2021 to amend the patent law. The current law states that trials must be open to the public to ensure fairness. However the government is still deciding on whether to make this possible through the internet.

The JPO also plans to set up a system to solicit opinions from the general public when patent infringement suits are filed. The underlying reasoning for this is the growing possibility that judges lack the knowledge to make decisions in areas of cutting-edge technologies such as AI. A similar system has already been established in the US.

For more information please see:

<https://www.nikkei.com/article/DGXZQODF232UD0T21C20A2000000> (Japanese)

5. Hermès won a trademark cases in a Japanese court over the 3D shape of one of its iconic bags

The Fashion Law, 29 December, 2020

On the 29th of December 2020 The Fashion Law reported on a recent ruling in Japan's IP High Court regarding a trademark infringement case between French luxury goods manufacturer Hermès and the Japanese handbag seller Tia Maria.

The case concerned the 3D shape of Hermès' Birkin bag and the bag made and sold by Tia Maria that was allegedly infringing on Hermès' trademark.

Tia Maria had argued that there would be no potential confusion among customers, asserting that the shape of its bags differ from those of Hermès, as do the prices at which they are offered (10.000 US dollars vs 192-289 dollars). Tia Maria also claimed that Hermès' products are made of high-grade leather whereas its own are of synthetic leather, and that the product names and logos are clearly different.

The court held that Hermès's 3D Birkin bag trademark was valid and serves to indicate the source of the product and distinguish it from other brands. Given this, it found that Tia Maria's handbags consist of "almost the same three-dimensional shape as the [Hermès] trademark", and other features of the bag were also deemed to be similar.

Addressing Tia Maria's arguments about the price, quality and product logo, etc. being different, the court noted that to determine whether Tia Maria's products are likely to cause confusion and misunderstanding one needs to look at the "actual conditions of trade". This includes the existence of a resale market for Hermès's Birkin bags.

In these resale scenarios, the court held that "the origin and product name may not be as clear as [they are] for new products, and the transactions are conducted without sufficiently confirming the quality, product name, existence of logos, etc.", and because of this "it is difficult to say that [Tia Maria's] products and [Hermès'] products, etc. are clearly distinguished by price, product quality, product name, and logo, because there are many cases (especially in the case of transactions on the Internet) where transactions are conducted without sufficiently checking the quality, product name, and existence of logos, etc."

Ultimately then, the court ruled that that given the actual conditions of trade, the shape of Tia Maria's bags are likely to cause misunderstanding and confusion with the Hermès trademark.

Based on at least 100 sold bags between August 11, 2010 and February 14, 2018, Tia Maria now has to pay Hermès about 27973 dollars in damages including legal fees.

For more information, please see below:

<https://www.thefashionlaw.com/hermes-prevails-in-japanese-case-over-birkin->

[lookalikes-with-courting-pointing-to-resale-market-as-key-factor/](#)

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

1. Changes in Procedures at JPO triggered by COVID-19 Outbreak

In Japan, the COVID-19 outbreak was more or less under control last year. Recently, however, the number of new positive cases of SARS-CoV-2 is dramatically increasing (more than 5,000 positive cases are reported daily). Finally, the government declared a state of emergency due to COVID-19 in the metropolitan area, including Tokyo, on January 7, 2021.

In this article, I present a rough overview of the recent changes in procedures at the Japan Patent Office (JPO) due to the COVID-19 outbreak, and the current condition of the JPO and Intellectual Property High Court (IPHC).

Promotion of electronic procedures

The JPO has recommended filing documents electronically or by post, and not via the reception counter at the JPO, after the COVID-19 outbreak. In addition, the JPO has stopped consultation at the reception counter. During the emergency period, the JPO closes the reception counter, and we must file those documents that cannot be electronically filed, such as patent term extension applications, by post.

Before the COVID-19 outbreak, draft amendments and/or arguments were submitted to the JPO Examiners by facsimile, which probably looks to many like an obsolete method. The COVID-19 outbreak has pushed the JPO to switch their primary communication tool from facsimile to e-mail. Now, the JPO recommends using e-mail to send draft amendments and/or arguments to the Examiner.

Lastly, as you may know, in Japan, the use of a seal has long been the most credible authentication process. The JPO had (until recently) required a seal for 797 procedures performed by Japanese applicants. Now, the JPO requires a seal only for 33 procedures; in 74 procedures, a signature can be used as a substitute; and in 690 procedures, neither a seal nor a signature is necessary.

In addition, there is a change in the Exceptions to Lack of Novelty (grace period) procedure. Previously, documents signed or sealed by the representatives of all applicants were necessary, and the deadline was extremely tight. Now, signatures or seals have become unnecessary.

Online Interview or Meeting

The JPO has had its own online interview system, but before the COVID-19 outbreak, almost no one used it (because it is inconvenient for both the Examiners and applicants). After the outbreak, the JPO recommends an online interview. Moreover, the JPO recently has allowed the Examiners to conduct interviews by Skype for Business etc., which will make online interviews far more convenient. This may make it easier for foreign applicants to take part in the interview, though an interpreter may be needed in that case.

With respect to telephone interviews, it seems that the Examiners cannot communicate by

telephone when they work at home.

On the other hand, courts had coincidentally started to hold (preparatory) meetings online by using Microsoft Teams from the beginning of last February, before the COVID-19 outbreak. Now, the IPHC is holding online meetings more often.

Remedy of Lapsed Cases and Extension of Response Period

Under normal conditions, remedy of a lapsed case where the statutory deadline was passed is very rarely allowed and requires a complex procedure with evidentiary documents. In the current COVID-19 outbreak situation, remedy of a lapsed case where the deadline was passed due to COVID-19 is likely to be allowed, and only simpler arguments with no evidence are necessary in general.

Moreover, in a nullity action under normal conditions, extension of a period for responding to the other party or the JPO is rarely allowed. However, in the current COVID-19 outbreak situation, extension of a period due to COVID-19 is likely to be allowed.

Oral Proceedings at JPO and IPHC

In the first emergency period in 2020, both the JPO and courts postponed oral proceedings until the period ended. In this second emergency period in 2021, the JPO has postponed oral proceedings but the courts have maintained them. In any case, the COVID-19 outbreak has, directly or indirectly, delayed all the proceedings of nullity actions and court cases.

For oral proceedings in nullity actions, the JPO is instructing all the parties (1) to wear a mask, (2) to limit the number of the attendees to three on each side, and (3) to prevent any person who is sick and/or who has a fever, or any person who has had close contact with a COVID-19 patient within the last 14 days, from attending the proceeding.

The IPHC is more lenient, but it also requests the wearing of a mask and preventing any person who is sick and/or who has a fever, or a person who has been in close contact with a COVID-19 patient, from attending the proceeding.

Working Condition of Examiners

The JPO has had a work-at-home program before the COVID-19 outbreak, but almost no one utilized the program. After the COVID-19 outbreak, all the Examiners partly work at home; two days of home-working and three days of office-working in a week appear to be the most common pattern. During this second emergency period, the Examiners are working at home more often.

The JPO announced on October 6, 2020 that one employee has tested positive for SARS-CoV-2.

Less is known about the IPHC, but the judges are also working at home to some extent, which was uncommon before the COVID-19 outbreak.

Conclusion

The COVID-19 pandemic had the unexpected result of streamlining many procedures at the

JPO (and IPHC), while the same pandemic has caused catastrophic damage to society and many businesses.

I expect that the JPO will continue to streamline more and more procedures. If you are interested in more details of the abovementioned changes in the JPO procedures, you can find details at the JPO website or our website, or you could also ask us for more details.

Lastly, we hope that the COVID-19 pandemic abates and that things improve.



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