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- News about Sonoda & Kobayashi -

1. Meet our members

In charge of the International Affairs Department, [Nicole Bigler](#) has been with the firm since 2013. She is applying her experience in dealing with differences in regulations and her understanding of Japanese language and culture to expand Sonoda & Kobayashi's client

base and foster its relations with existing customers.

Q1: What brought you from banking to Sonoda & Kobayashi?

It had always been my dream to live and work in Japan one day. 9 years ago, I finally made the big step, giving up my career in Swiss banking and starting in IP, which was a completely new field for me. Not only was the culture gap between Switzerland and Japan big, but also between IP and banking there were many differences which I had to get used to first.

Q2: What do you enjoy about working at here?

That everyone can speak their minds and is given opportunities to develop new skills and take on new challenges, disregarding seniority, titles, or nationality.

Our flex-time system is another great advantage allowing us to adapt our working schedule according to individual needs most efficiently.

Q3: Tell us one thing about yourself many people do not know?

My main reason for coming to Japan had been Martial Arts and my first years in Japan centered on the study and practice thereof.

Q4: How do you feel about being a female working at a Japanese Intellectual Property Firm?

I feel treated no differently from my male colleagues at the office. 50% of both our top and mid management are female, and the firm generally is putting high importance on diversity. I think I am lucky to work in this kind of environment which has benefitted my career a lot.

Q5: What challenges do you face in your everyday work?

Working mostly remotely has impacted the way we interact with each other. While I think it works well within departments where periodic meetings are held, communication across departments has become more difficult as we lose the chance for spontaneous interactions at the office. While we are not planning on returning to a full-time work from office set-up, I expect the situation will get better once the state of emergency in Japan is lifted and we can return to our office more freely.

JPO News

1. Conclusion of State of Emergency in Four Provinces (Tokyo and Surrounding Provinces)

On March 22, 2021, the JPO released a statement regarding the end of the state of emergency that had been in effect in 4 provinces in and around Tokyo (Saitama Prefecture, Chiba Prefecture, Tokyo, and Kanagawa Prefecture).

Along with announcing the immediate reopening of the main entrance of the JPO (which had been closed since January 21, 2021), the JPO stated that it would continue to be flexible with respect to granting relief to applicants who seek relief from the passage of

deadlines.

Specific information on this topic can be found here:

https://www.jpo.go.jp/news/koho/info/covid19_shutsugan.html

(in Japanese)

2. Subcommittee on Patent System Issues Report Regarding the Patent System in the “With Corona/Post Corona Era”

In February 2021, a subcommittee on the patent system in Japan issued a summary report on a wide range of issues that have become apparent due to the spread of the novel coronavirus infection, in order to ensure that the future patent system will be able to respond to the corona/post corona era.

The summary notes that, as a result of the spread of the novel coronavirus infection, Japan's economic growth rate for the current fiscal year is expected to be -5.4%, which is lower than the -3.4% after the Lehman shock. During the Lehman shock, investment in R&D stagnated and Japan's innovation capability declined. The number of patent applications also declined significantly following the Lehman shock and still has not recovered, and the present time period appears similarly challenging.

The subcommittee notes 3 challenging trends with respect to patent prosecution: (1) an increase in the work associated with examination of patent applications based on the search of foreign-language technical documents (a trend substantially impacted by the recent increase in Chinese language technical documents); (2) responding to changing and diverse user needs; and (3) managing limited resources allocated for patent prosecution. The summary report also discusses plans to meet these challenges, including continual implementation of AI related technology to make patent prosecution more efficient at the JPO.

Specific information on this topic can be found here:

[https://www.jpo.go.jp/resources/shingikai/sangyo-](https://www.jpo.go.jp/resources/shingikai/sangyo-kouzou/shousai/kihonmondai_shoi/210203torimatome.html)

[kouzou/shousai/kihonmondai_shoi/210203torimatome.html](https://www.jpo.go.jp/resources/shingikai/sangyo-kouzou/shousai/kihonmondai_shoi/210203torimatome.html) (in Japanese)

- Latest IP News in Japan -

1. Partial revision of patent law, related to online hearings and payment of patent fees

METI, March 2nd, 2021

On the 2nd of March, Japan's Ministry of Economy, Trade and Industry (METI) announced that the Japanese Cabinet approved a bill to revise the Patent Act and other acts regarding intellectual property (Trademark Act, Utility Model Act, etc.).

These changes were triggered by the spread of the novel corona virus and the subsequent change to the nature of economic activities to become more digital and focused on remote work and social distancing.

Concerning digitization procedures the changes are the following:

- The head Judge may decide at his or her discretion to allow parties to conduct oral hearings via web conferencing systems instead of having them appear before the court.
- For the payment of patent fees and other fees, it will now be possible to make these in advance using bank transfer or by payment with credit card at the counter.
- The JPO may now electronically send notifications that designs or trademarks filed as international applications have been registered.
- Right holders who due to the COVID-19 pandemic, natural disasters or other reasons failed to meet the due day for paying their patent fees, can now receive an exemption of paying surcharges for a predetermined period.

Concerning the protection of rights in the light of changing corporate activities due to the advancement of digitization and other technologies:

- The act is revised to recognize that the sending of counterfeit products to Japan by postal mail or otherwise is an infringement of trademark rights. This from the time when those products enter Japan's territory.
- The removal of the requirement for licensors to gain consent from licensees that have received their non-exclusive licenses when patent rights are corrected.
- Relaxing conditions on which right holders can restore their patent and other rights that had been forfeited because of the expiration of the timeframe for the required procedures.

Finally, some changes are set to be made to strengthen the foundations of the IP system. After a final examination by the Diet, the new law is likely issued:

- Courts are planned to be able to broadly call for opinions from third parties in litigation concerning the infringement of patent rights. Patent attorneys could provide consultation services under this system.
- The fee structures for patent and other IP rights are set to be reviewed to address the increasing burden on examinations and digitized procedures.
- Consultation and other services related to IP rights for agriculture, forestry and fisheries would be officially added to the list of businesses that a patent attorney may conduct.

[Specific information on this topic can be found here:](https://www.meti.go.jp/english/press/2021/0302_002.html)

https://www.meti.go.jp/english/press/2021/0302_002.html

2. Mitsubishi electric largest Japanese filer, 3rd globally

Businesswire, March 2nd, 2021

Businesswire reports on Mitsubishi Electric's announcement on its global patent filings. According to the ranking made by the World Intellectual Property Organisation (WIPO), Mitsubishi Electric filed the most international patent applications of any Japanese company in 2020.

In total, it filed 2810 PCT applications in 2020, which is an increase from its 2019 figure of 2661 applications.

As its business has globalized, Mitsubishi Electric has been active to file international

patent applications. Over the past 6 years, the company has held the number 1 spot among Japanese companies, while also ranking among the top 5 companies with most international filing activity for the past 7 years. In the year 2020, it ranked 3rd place just below Huawei Technologies and Samsung Electronics, whereas in 2019, it ranked 2nd place just below Huawei.

Mitsubishi Electric has been focusing in particular on the fields of IoT and AI-supported solution, which have contributed to its increased patent filing.

Specific information on this topic can be found here:

<https://www.businesswire.com/news/home/20210302006215/en/Mitsubishi-Electric-1st-Among-Japanese-Firms-and-3rd-Globally-in-International-Patent-Applications-Filed-in-2020>

<https://www.mitsubishielectric.com/news/2021/0303.html>

3. Changes to copyright act to allow for simultaneous distribution of tv shows

IT Media, March 8th, 2021

IT Media described the Japanese government's changes to the copy right act to simplify procedures for so-called "simultaneous distribution" as well as "chase distribution" and "missed distribution". The former means broadcasting TV shows on the internet at the same time as they are being broadcasted on TV, while the second term refers to viewers watching a program from the start after it has already begun. Finally, the latter word means that viewers can still watch a show after it has ended.

Under the present law, one needs separate permissions for broadcasting on TV and for other types of distribution. Therefore, sometimes shows broadcasted on TV could not be distributed in another way because procedures weren't completed in time. The new amendment now assumes that if no specific intention was expressed when obtaining permission for broadcasting on TV, the permission for internet broadcasting will also be granted.

Moreover, the amendment also simplifies the use of sound records in broadcasts. Presently, there is no prior permission necessary for TV broadcasting, while for internet broadcasting permission is needed. In the new situation, sound records not under centralized control can be used without prior consent as long as normal royalties are paid. A similar rule has been made for the distribution of visual performances.

Specific information on this topic can be found here:

<https://www.itmedia.co.jp/news/articles/2103/08/news061.html> (in Japanese)

4. Number of counterfeit goods stopped at customs rose by 26%

Chunichi shimbun, March 5th, 2021

The Chunichi Shimbun wrote an article on the announcement by the Japanese ministry of finance. In 2020, customs stopped 30,305 imports of counterfeit branded goods and other types of goods infringing on intellectual property rights. This is an increase of about 26.6% compared to 2019 and the third highest level since the counting started in 1987.

The ministry reported that due to the novel coronavirus there was a particularly sharp increase of injunctions against illegal imports of goods that people would buy through internet shopping, such as DVDs of popular anime series, and related merchandising. Looking at the injunctions per item, it becomes clear that bags and wallets make up the largest group with 29,2% of total injunctions. They are followed by clothing items at 27% and watches at 11.9%. Also of note was the influx of replica medals, infringing on the Tokyo Olympics' and Paralympics' trademarks.

Specific information on this topic can be found here:

<https://www.chunichi.co.jp/article/212970> (in Japanese)

5. International patent filing ranked: Japan maintains 3rd place, China on number 1 spot

Asia Nikkei, March 3rd, 2021

On the 3rd of March, Asia Nikkei reported on the country ranking for international patent applications or PCT applications.

This ranking, created by WIPO, lists China as number 1 among international patent applications. In total, Chinese companies submitted 68,720 PCT requests in 2020, which is 16% higher than in 2019. The second place went again to the United States, whose companies filed 59,230 applications, an increase of 3% compared to 2019.

Japan took third place once more with a total of 50,520 applications, but its total filings decreased by 4% from the year before. At a news conference, WIPO Director-General Daren Tang said that " It's not as if filings from the traditional parts of the world like the U.S. or Europe have decreased, it's just that the rate, the acceleration, has become a lot stronger in Asia".

Asia Nikkei continues by stating that Asia has become the center of technological innovation. The Chinese and Korean government have both created programs to modernize industry, and have seen their international patent filings go up. Japan maintains its number 3 spot, while Singapore and Saudi-Arabia have also gained momentum. Together, companies from China, Japan and Korea take up about 60% of the top 50 spots of most filing enterprises.

In total, worldwide international patent applications climbed by 4% in 2020 to reach an all-time high of 275,900 applications. Global trademark applications declined somewhat however to 63,800 filings. This likely reflects that fact that due to the global pandemic the output of new goods and services, otherwise protected by trademarks, slowed. At the same time, for patent applications, social distancing needs sped up technological developments for virtual and augmented reality and other audiovisual technologies.

Specific information on this topic can be found here:

<https://asia.nikkei.com/Business/Technology/China-beats-US-in-patent-filings-for-second-straight-year>

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

1. Infosheet on Artificial Intelligence and AI patent protection in Japan

Artificial Intelligence, or AI for short, is a rapidly emerging technological field that is defined by smart computer programs conducting tasks autonomously without the help of human intelligence.

The technology is bringing change to a large variety of industries from manufacturing to healthcare, and from security to education.

Given its transformative potential, this article summarizes the recent status of AI-related patents in Japan and highlights a number of points to keep in mind when applying for such patents in Japan.

AI-related patents in Japan and by Japanese companies

A 2020 study by the Japanese Patent Office (JPO) reported a dramatic rise in filed patent applications for AI-related inventions in recent years. From a historically average 1084 applications in the year 2014, numbers rose to 4728 applications in the year 2018.

This development has been characterized by the JPO as the “third AI boom”[\[1\]](#).

A similar trend can be seen across the USA, the EU, China and South-Korea, where the number of applications of AI-core technologies have all been rising. That said, for these core technologies, the increase has been specifically stark in the US and China.

Japan is not only a popular jurisdiction for filing AI-related patents, but Japanese companies themselves have been strong when it comes to AI inventions around the world. A study by the European Patent Office (EPO) from the end of 2020 looked at top global patent filing companies during 2000 – 2018 in the fields such as IoT, big data, cloud computing, 5G and AI. They found that 9 of the 25 top global patent filing firms in these fields were Japanese companies, including for example Sony, Panasonic, Fujitsu, Hitachi and Canon[\[2\]](#). Nevertheless, when comparing the 2000 – 2009 period to 2009 – 2018, it was found that both the Japanese and European top applicants had to give ground to firms from South-Korea, China, and the US.

Using AI within the JPO

The use of AI also extends to the work of the JPO itself. Following its 2017 plan, the organization has been carefully examining for what part of its operations AI can be used for and has been subsequently running tests. Important here is that the JPO recognizes that in some fields of application, the appropriate AI technology does not exist yet. In 2018, the JPO started trial implementation of AI technologies for answering questions by phone and converting paper applications to electronic formats for example, although the former has been discontinued since 2020 after evaluating the trial results. As of 2020 several areas are undergoing trials, or rather continued agile development where improvements are realized and subsequently evaluated. The operations subject to this process are the assignment of patent classifications, several steps of the prior art search for patents as well as the search for prior graphical trademarks and the investigation of designated goods and services.

Pointers for AI patent applications in Japan

Given the rapid development of AI as described above, and its application internally within the JPO, it is no a surprise that the JPO issued guidance in 2018 on applying for a patent

for an AI technology.

Following the relevant patent law, the most important pointers are as below.

1. In general, it can be said the JPO is generous regarding the subject matter eligibility of AI or computer related inventions, but stricter when it comes to inventive step. For any invention to be patentable in Japan, it must utilize the laws of nature. For software, this means that if it directly drives an engine or machine, or processes sounds or images it is patentable. If this is not the case per se, and the invention relies on computer software, the question is whether the invention utilizes the cooperation of software and hardware resources (see figure 1). Given this approach that allows for combining hardware and software functions, subject matter eligibility for AI software is relatively easy to obtain in Japan compared to other jurisdictions.

[1] https://www.meti.go.jp/english/press/2020/0727_001.html

[2] [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)

JP Subject Matter Eligibility Flowchart

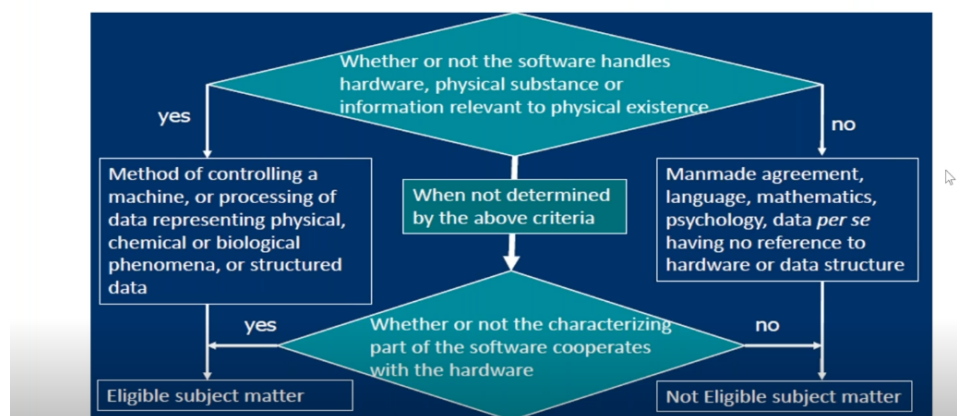


Figure1

2. Concerning inventive step, it is important to note that simply applying AI to a human operation where this was not done previously is generally not sufficient. In order to add an inventive step then, one could show that the selected training data or the preprocessing of training data of the AI leads to an advantageous effect.

3. Concerning the description of AI inventions, sufficient support and enablement are required even in the case of "black box" AI mechanisms. For AI an invention involving a correlation between input and output data, the rationale behind the correlation should ideally be disclosed explicitly, even though implicit support may be acceptable in some cases, for example, if the correlation is well known to a person skilled in the art.

If an AI tries to produce a model claiming to satisfy certain properties (such as a model for a material having a certain curing rate) it should be shown that the model has been verified experimentally and actually produces the claimed results. The

claims cannot be generalized or extended beyond the features and embodiments in the description. As such, it is valuable to describe the features and embodiments both in general and in detailed terms.

Sonoda & Kobayashi and AI prosecution

Naturally, given the fast-paced development of AI technology, Sonoda & Kobayashi has also made sure to further improve its own expertise. Over the years we have worked on cases involving for example:

- The use of neural networks having various subnets for improved image classification. Whereas neural networks are commonly used in image classification, this particular arrangement of the subnets was not disclosed in the prior art.
- Attribute-based hierarchical image classification. The examiner cited a prior art neural network image classification having related concepts and features, requiring us to distinguish the neural network system from the hierarchical system.

Among our staff handling such cases, we have extremely experienced patent attorneys holding PhDs and having years of experience developing system software as well as younger but thoroughly trained patent engineers with degrees in computer science. Our attorneys and engineers would gladly put their expertise to use in protecting your AI technologies in Japan and China.

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 and international communication has served companies worldwide and gained a reputation for thoroughness and reliability.

Contact

Shinjuku Mitsui Building, 34F
2-1-1 Nishi-Shinjuku, Shinjuku-ku,
Tokyo, Japan
〒163-0434

Main Line: +81-3-5339-1093

newsletter@patents.jp



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