



**May 2022**

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**- News about Sonoda & Kobayashi -**

**1. Sonoda & Kobayashi attended the Nordic IPR Summit in Stockholm**

On April 26<sup>th</sup> and 27<sup>th</sup>, Sonoda & Kobayashi attended [the Nordic IPR Summit in Stockholm](#). It was a good occasion to listen to the interesting views of a various IP experts in real life for the first time in a long while. Moreover, we were able to engage more deeply with innovative companies from the Nordic region and beyond. Looking to the future, we hope to be able to direct interact with many of our clients and business partners in the coming months and years.

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**- JPO and CNIPA News -**

**1. JPO releases 2022 Status Report**

Every year in April the JPO publishes an extensive report on developments and trends regarding IP protection at the JPO and beyond.

This year's report includes various topics, starting with trends in intellectual property protection in Japan and worldwide, to reports on examinations, trials and appeals, to international initiatives and ending with a short explanation of JPO support measures and a summary of recent law amendments.

The report notes that patent applications filed in Japan increased slightly from 288,472 applications in 2020 to 289,200 in 2021, perhaps reflecting a partial recovery from the impact of the novel coronavirus crisis. A similar slight increase was also seen in the number of requests for examination for patent applications, as well as for patent registrations.

For more information, please click [here](#). (in English)

**2. JPO announces 2022 Subsidy for Overseas IP litigation Cost Insurance for Japanese SMEs**

In July 2016, the JPO established the Overseas Intellectual Property Litigation Expense

Insurance Program to cover the expenses incurred by Japanese small and medium-sized enterprises (SMEs) when they are sued for damages related to intellectual property rights in foreign countries. For 2022, SMEs may purchase various packages providing insurance in the event of overseas litigation, and ½ of the cost of the insurance would be covered by the government.

For more information, please click [here](#). (in Japanese)

### 3. New fees for patents, trademarks, and utility models applied beginning April 1, 2022

In accordance with the 2021 revision of the Patent Law, a number of fees have been revised beginning April 1, 2022. This includes an increase in patent registration and trademark registration and annuity fees as follows.

For patent registration/annuities:

	Revised fee (after 4/1/22)	Previous fee (before 4/1/22)
1 <sup>st</sup> –3 <sup>rd</sup> annuities (in lump sum as patent registration fee)	4,300 JPY + 200 JPY per claim	2,100 JPY + 200 JPY per claim
4th – 6th year annuities, per year	10,300 JPY + 800 JPY per claim	6,400 JPY + 500 JPY per claim
7th – 9th year annuities, per year	24,800 JPY + 1,900 JPY per claim	19,300 JPY + 1,500 JPY per claim
10th – 25th year annuities, per year	59,400 JPY + 4,600 JPY per claim	55,400 JPY + 4,300 JPY per claim

For trademark registration/annuities:

	Revised fee (after 4/1/22)	Previous fee (before 4/1/22)
Registration fee	32,900 JPY per class	28,200 JPY per class
Amount of partial payment (for the first and second half of the term)	17,200 JPY per class	16,400 JPY per class
Renewal fee	43,600 JPY per class	38,800 JPY per class
Amount of partial payment (for the first and second half of the term)	22,800 JPY per class	22,600 JPY per class
Registration fee for defensive mark	32,900 JPY per class	28,200 JPY per class
Renewal fee for defensive mark	37,500 JPY per class	33,400 JPY per class

For more information, please click [here](#). (in Japanese)

### 4. The Hague Agreement concerning the International Registration of Industrial Designs entered into force in China

On the 5<sup>th</sup> of May 2022, CNIPA announced that the *Hague Agreement Concerning the International Registration of Industrial Designs* entered into force in China.

This means that Chinese industrial designers will now be able to apply for design registration and protection abroad through the Hague System in a cost- and time-effective manner. At the same time foreign rights holders can now also apply for design registration in China through the Hague System.

The earliest version of the Hague Agreement was adopted nearly 100 years ago, on

November 6, 1925, while the latest version (which is from 1999) was implemented on April 1, 2004. In recent years, the number of parties to the Hague Agreement has increased: as of 24 January 2022, there were 76 parties to the Hague Agreement, while in 1999 there were only 67 parties, comprising 65 States and 2 intergovernmental organizations. As a result of China's newly amended Patent Law officially coming into force last year on June 1<sup>st</sup> 2021, the protection period of design was extended from 10 years (before the amendment) to 15 years, and the legal obstacles to joining the Hague Agreement were thus eliminated. Then in January of this year, with the approval of the State Council, China officially joined the the Hague Agreement.

From May 5, 2022, applicants have been able to use the system to register users and handle the international application business of design. It has been reported that on May 5, a total of 49 Chinese designers already submitted 108 international applications for design through the Hague System.

For more information, please click [here](#). (in Chinese)

## **5. CNIPA reveals the state of China's IP development in 2021**

On April 27th 2022, CNIPA reported on their website about the press conference organized by China State Council Information Office. During the press conference, the information office presented the state of intellectual property development in China in 2021.

Among others, it was revealed that throughout 2021 a total of 696,000 invention patents were granted.

Furthermore, the number of applications submitted by Chinese applicants through the Patent Cooperation Treaty (PCT) reached 69,500, meaning it ranks first in the world for the third consecutive year.

Moreover about 7.74 million trademarks have been registered and 5,928 international registration applications have been received from Chinese applicants following the Madrid treaty.

The examination cycle of invention patent was reduced to 13.3 months, and the average examination cycle of trademark registration was stable at 4 months.

For more information, please click [here](#). (in Chinese)

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## **- Latest IP News in Japan -**

### **1. What are the damages for copyright infringement by "fast films" ? Toho, Nikkatsu and other Japanese movie studios filed a lawsuit**

*NHK News Web, May 19 2022*

On the 19<sup>th</sup> of May, NHK News Web published a news article on a recently filed lawsuit by a group of 13 companies, among which were several major movie studios.

The companies sued 3 different individuals claiming that their copyrights have been infringed and asking for 500 million yen (about 4 million USD) in damages.

The individuals had already been found guilty by the courts last year for violating Japan's copyright act by releasing the so-called "fast films". These movies are 10 minute videos with narration and subtitles that use footage from original full length films to reveal the plot of the movie.

Now, the group of 13 companies, which includes major studios Toho and Nikkatsu, revealed that they filed a case with the district court in March of this year. At the press conference in May, the attorney for the group, Mr. Hiroyuki Nakajima, indicated that people should not be able to profit unfairly from the hard, creative work done by others. They want to show that there is a serious penalty for doing so, and thereby deter future cases.

For more information, please click [here](#). (in Japanese)

## **2. University start-ups in Japan to receive government help to apply for patents abroad**

*Nikkei, May 11 2022*

On the 11<sup>th</sup> of May, Nikkei reported on Japanese university start-ups and their patent filings abroad. In particular, as of this year a new governmental program will be established to subsidize overseas patent applications of universities that want to commercialise their products. It is hoped that this promotion of new industries will have continuous and positive effects for the economy.

From an international perspective, the ratio of PCT applications filed abroad by universities in Japan is low. Over the past 20 years, only 2.3% of Japan-originated PCT-filings abroad came from universities. By contrast, in the USA universities make up 8%, in South-Korea 7.8% and in Singapore as much as 13.7%.

The article recognizes that applying for patents overseas could impose a heavy financial burden on universities. It may be hard for smaller universities or start-ups to spend several million yen (tens of thousands of dollars) on patent applications overseas.

Accordingly, the new subsidy will be targeted at paying half of the fees for patent application and translation abroad. Starting in summer 2022, the JPO will select about 100 eligible cases.

Earlier this year in March, Japan's Ministry of Economy, Trade and Industry already released a model contract for start-ups that want to use technology from universities. This model contract would offer a university stock acquisition rights and a framework for repayment, in exchange for handing a technology over to the start-up. Mr. Tomoki Sawai, director at WIPO's Japan office, pointed out that "The more technology that originates from a university, the more inventions that lead to subsequent applications, the more likely it is to have an impact on the world. Technology that is widely used around the world requires rights protection from a global perspective."

For more information, please click [here](#). (in Japanese)

## **3. Japanese applicants rank third among EPO patent applications**

*Nippon.com, April 14<sup>th</sup> 2022*

On the 14<sup>th</sup> of April, news website Nippon.com reported on the patent filings at the

European Patent Office and particularly on the applications filed by Japanese companies.

In the year 2021, the EPO received a record 188,600 patent filings. Similar to previous years, Japanese applicants came in with the 3<sup>rd</sup> most filings, after applicants from the United States and Germany. The total number of filings by Japanese applicants stood at 21,681, marking a 1.2% drop from 2020 and being the 3<sup>rd</sup> year in a row that Japanese applications have dropped.

Japanese companies filed a relatively high amount in the fields of electrical machinery, apparatus and energy (1830 applications), digital communications (1417 applications) and finally transport (1379 applications).

According to the EPO, the steady drop in Japanese applications may be due to the fact that Japanese companies are generally strong in already established, more mature industries. By comparison, they are however less active in the fields of digital and healthcare technologies, which have been the main drivers of growth in patent applications at the EPO in 2021.

As for individual companies, the largest filer from Japan was Sony with 1465 applications filed with the EPO, followed by Panasonic (781) and Hitachi (774).

For more information, please click [here](#).

#### **4. Economic security law passed in Japan. Implementation of secret patents to happen within 2 years**

*Asahi Shimbun, May 11 2022; the Japan Times, May 11 2022*

On the 11<sup>th</sup> of May, the Asahi Shimbun, as well as the Japan Times, reported on Japan's parliament, the Diet, passing a new economic security bill.

As already discussed in our November 2021 newsletter, this bill features 4 pillars:

- strengthening supply chains for key materials and parts, such as semiconductors;
- government oversight in the installation of vital equipment and computer systems in core infrastructure to guard against cyberattacks;
- Encouraging research and technological cooperation between the private and public sectors;
- Securing sensitive technological information in patents.

These measures are aimed at making sure that Japan's domestic technology is well protected and that critical supply chains are reinforced. Japanese firms that are active in sensitive sectors or critical infrastructure would be subject to extra oversight.

In particular, a system of secret patents will be established whereby key technological discoveries can be kept secret, and are not revealed to the public as they usually are. This particularly concerns patents that could have applications related to developing nuclear weapons or military applications. The implementation of this section of the law will occur within the next 2 years after publication.

For more information, please click [here](#) or [here](#). (in English)

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## - Latest IP News in China -

### 1. Chinese courts handle more than 640,000 IPR cases in 2021

*Intellectual property court of the supreme people's court of China, April 22 2022*

On April 22, the Supreme People's court released a white paper on Chinese courts' IPR-related judicial protection in 2021.

The white paper contained information about China's IPR courts and the amount and type of cases they have been handling. According to the paper, the courts are seeing an increasing amount of IPR cases related to the internet, with more and more new and complicated legal issues involved.

As a result, the courts have been taking active measures to streamline the process of handling lawsuits and ease the burden of rights holders.

In total, all the courts across China handled 642,968 cases involving intellectual property rights (IPR) in 2021, of which 601,544 were concluded, said an official with the country's Supreme People's Court (SPC).

The number of cases handled has grown by 22.33 percent and the number of cases concluded by 14.71 percent in comparison to 2020. In total, there were 895 cases in which punitive compensation was given as part of the sentence

For more information, please click [here](#).

### 2. Huawei and SolarEdge sign a global patent licensing deal

*Huawei, May 20 2022*

On the 20<sup>th</sup> of May, Chinese telecom equipment giant Huawei announced that they had signed a global patent licensing deal with SolarEdge Technologies, a photovoltaics company headquartered in Israel.

The agreement is based on recognition of the companies' overall innovation capabilities and enables each party to use patented technology of the other side. The agreement includes a cross-license that covers patents relating to each company's products and grants certain other rights. Additionally, the agreement will mean that pending patent litigation between the companies will be settled, and Huawei and SolarEdge will end their litigation in Germany and China.

For more information, please click [here](#). (in Chinese)

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

### 1. Improving patent prosecution through examiner interviews: how effective is it?

During the months-long period between filing and grant or rejection, it is the duty of a patent attorney to best represent the interests of their client in front of the patent office. Suggesting claim amendments, for example, is an important tool. Less commonly considered however, is the topic of examiner interviews: a direct oral communication (usually by phone) between the attorney and examiner, in which part of the examiner's

comments regarding a patent application are discussed.

In some jurisdictions, particularly in the United States, evidence exists that examiner interviews are correlated with reduced pendency time of an application, either by reducing the number of office actions or through swifter abandonment of the application by the applicant.

In Japan, calling the Japan Patent Office (JPO) examiner is certainly possible, though not exactly common practice. Could it nevertheless have beneficial effects for patent prosecution? In this article, we briefly review some older evidence and look at some more recent data.

### Evidence from academic literature

Looking at Japanese academic literature, one article clearly examines the impact of examiner interviews. Kou Higuchi's 2014 study[1] uses data from the early 2000s to search for effects of telephone interviews. At this time, of almost 10,000 cases which were analyzed, about 95% of those had no interviews, and about 5% did. Interestingly, he found that for cases granted at the examination stage, after the 1<sup>st</sup> office action, nearly 68% of non-interview cases were granted, whereas as only 58% of interview cases were granted. Consequently, more applications were granted after the 2<sup>nd</sup> office action.

This result, shown in detail in table 1, shows us that for this data set, examiner interviews do not show a correlation with reducing the number of office actions in Japan (and thereby speeding up the examination).

*Table 1: Data on number of Office Actions*

# of OAs	Total		Cases with interview/call		Cases w/o interview/call	
	Cases	Grant rate	Cases	Grant rate	Cases	Grant rate
1	6877	67.4%	304	58.2%	6573	67.9%
2	2814	27.6%	193	37.0%	2621	27.1%
3	453	4.4%	22	4.2%	431	4.5%
4	57	0.6%	3	0.6%	54	0.6%
5	6	0.1%	0	0.0%	6	0.1%
Total	10207	100%	522	100%	9685	100%

Looking at the prosecution process by adding the appeal stage into the mix yielded a somewhat different picture. Higuchi found that for applications that were eventually granted, only about 6.8% of applications where an interview took place received a decision of rejection at the examination stage, thus necessitating an appeal. Conversely, for those cases without a record of an interview, 13.1% received a decision of rejection at the examination stage prior to grant. This suggests that, comparatively speaking, interviews could help avoid a rejection at the examination stage, and reduce the number of unnecessary appeals.

Taking into account factors such as attorney fees for doing interviews and the estimated change in the number of office actions and appeals, Higuchi estimates that interviews can save the applicant about 8000 JPY per application in the prosecution process.

## More recent data

Japanese patent prosecution has, however, not stood still since the early 2000s which is from when the above study took its data. Laws have changed, waiting times were reduced and the JPO's grant rate overall increased from around 50% of applications to around 75% of applications.

We made a preliminary examination of nearly 1000 cases with an interaction record (応対記録) (which often, but not always, indicates an examiner interview) that were published in January 2019. We particularly looked at the grant at the examination stage and found that the applications with an interaction record had a grant rate of 89.25%. If we compare this to the general grant rate at examination stage of around 75% of applications, the difference is stark. It may imply a positive effect of interviews on the chances of an application passing the examination stage.

That said, we have to be careful not to read too much into this preliminary analysis. It is very possible that other factors other than the examiner interview itself could lead to this result.

In conclusion, interviewing a JPO examiner about your patent case is still relatively uncommon, but indications exist that while it may not speed up a case as seen in other jurisdictions such as the United States, it could have a positive effect on the examination stage grant rate.

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[1] *Concerning the Impact of Examiner Interviews and Telephone Correspondence on Patent Prosecution*

Kou Higuchi, February 2014, National Graduate Institute for Policy Studies.

For more information, please click [here](#). (in Japanese)

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## About

SONODA & KOBAYASHI is a law firm offering dependable legal services for intellectual property. Our multinational team of about 100 experts in technology, law, languages and international communication has served companies worldwide and gained a reputation for thoroughness and reliability.

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