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- News about Sonoda & Kobayashi -

1. Sonoda & Kobayashi: Meet our members

Following graduate school, [Wataru OTANI](#) worked in the IP departments of a major electrical machinery manufacturer and a baby product manufacturer. In those positions, his duties included performing and/or overseeing searches, preparing patent, design, and trademark applications, acquiring rights for patents, designs, and trademarks in Japan and overseas, developing filing strategies, handling litigation (mainly in China), negotiating licenses, conducting monetization of IP, reviewing contracts, and engaging in organization management.

He also has experience working in IP in China (Beijing) and the US (Washington, D.C.). He joined Sonoda & Kobayashi in February 2022.

Q1: What brought you to Sonoda & Kobayashi?

A Japanese patent attorney who is my friend highly recommend Sonoda & Kobayashi, saying that there are many opportunities to be involved in inventions of global companies. So I joined the company.

Q2: What do you enjoy about working here?

We can handle the various inventions of global companies. It is very interesting and important for me.

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

When I was stationed in US, I visited Bermuda. I was fascinated by the scenery in Bermuda.

Q4: What is your most memorable moment here?

My colleague's language skills are very high. I think the fact that all our staff members have high language skills is a feature not found in other patent law firms.

Q5: Pick a Japanese word to describe the office and explain why.

丁寧 (Teinei) means polite, courteous. All our staff members work in a "丁寧" manner and show sincerity towards our clients.

1. Extension of the Japan-U.S. Joint Trial Search Program and simplification of application procedure

The Japan-U.S. Collaborative Examination Pilot Program (Japan-U.S. Collaborative Examination) is an initiative under which Japanese and American patent examiners conduct their own searches of inventions for which patent applications have been filed in both countries. After sharing their findings and opinions, the respective patent examiners send their initial examination results earlier and at the same time. This initiative is expected to enable companies to improve predictability in the timing of examination and provide for the acquisition of stronger and more stable rights for inventions for which patent applications have been filed in Japan and the U.S., based on the results of the searches by Japanese and American examiners.

The first phase (two years) began in August 2015, and the third phase is currently underway. The third phase was scheduled to end on October 31, 2022, but has been extended for two further years.

Until now, to apply for a Japan-U.S. cooperative search, it was necessary to file an application with the other office within 15 days of submitting the application to one office. At the Japan-U.S. Director-General's Meeting held on November 8, 2022, the JPO and USPTO agreed to introduce a unified application form, which will make it possible to use the Japan-U.S. cooperative search by submitting a unified application form to only one of the two offices.

[Specific information on this topic can be found here.](#)

(Japanese)

2. JPO publishes trends in design registration applications following revised design law

On April 1, 2020, the Design Law was amended, providing for the protection of designs for images, buildings, and interiors. The design system has also been expanded, allowing related design applications to be filed after the publication of the design gazette of the principal design (before the date on which 10 years have elapsed since the filing of the basic design).

Following these revisions, the JPO published design registration application trends. As of November 1, 2022, there were 3,366 design registration applications filed for images, 925 for buildings, and 925 for interiors. Of these, 1,817, 538, and 336 were registered, respectively.

[Specific information on this topic can be found here.](#)

(Japanese)

3. JPO sets deadline for the abolition of pre-payment of official fees by revenue stamps to March 31, 2023

To date, the JPO has allowed pre-payment of patent fees and other fees to be made exclusively by patent revenue stamps (e.g., physical stamps). However, as the administrative burden under this system is heavy for both the applicant and the JPO, prepayment will be made in cash (e.g., by bank transfer) instead of patent revenue stamps

from now on.

That said, the JPO has decided that pre-payment by patent revenue stamps will still be accepted until March 31, 2023.

[Specific information on this topic can be found here.](#)

(Japanese)

4. CNIPA issued promotion plan to strengthen IP protection

On November 4th, 2022, CNIPA issued the "Promotion Plan for the In-depth Implementation of the Opinions on Strengthening the Protection of Intellectual Property Rights" (hereinafter referred to as the "Promotion Plan"), in which a timetable for each task was proposed, and some key tasks and timetables are listed as follows:

1. Implement the revision of "Rules for the Implementation of the Patent Law of China" , "Guidelines for Patent Examination Guide" revision by the end of December 2022.
This means that the implementation rules documenting the PTE and PTA are expected to be implemented within the year.
2. Draft amendments to the "Regulations of China on the Protection of New Varieties of Plants" will be formulated by the end of December 2022.
3. Reform of the utility model system will be promoted by December 2025, introducing the examination of obvious lack of inventiveness.
Before that, the utility model could be granted without substantive examination, but the CNIPA proposed improving the quality of utility models by including the examination of obvious lack of novelty since 2009, and this time, the examination of obvious lack of inventiveness will be further included by December 2025. It is predicted that the grant rate of utility model in China will further decrease in the coming years.
4. By December 2022, the examination cycle for invention patents will be reduced to within 16.5 months, the examination cycle for trademark registration in general cases will be stabilized at 7 months.
5. By the end of December 2022, prepare the examination guidelines for the protection of new varieties of agricultural plants, complete the acceptance of more than 7,000 cases and the grant number of more than 3,000 cases of new varieties of agricultural plants, and shorten the examination cycle by 15 days. Establish a management system for the protection of new varieties of forest and grass plants. This is an important initiative for China to begin to attach importance to the protection of new varieties of animals and plants.

[Specific information on this topic can be found here.](#)

(Chinese)

5. CNIPA published 2nd consultation on its draft examination guidelines

On November 1, 2022, the CNIPA issued the 2nd draft of the examination guidelines for public consultation. This draft was first published on November 10, 2020, and the first

public consultation was held on August 3, 2021.

One of the more interesting aspects of this draft amendment is that it stipulates the exclusion of the grant of patent rights in the following circumstances:

- Fabrication of data, technical effects and other relevant technical contents, or the realization of simple functions with complex structures, etc. which obviously do not conform to the common sense of technical improvement;
- Falsification of documents to prove that the grace period for novelty is not lost;
- Copying or piecing together prior art and existing designs;
- Those that submit multiple applications with apparently identical content in bad faith.

In such circumstances, applications will be rejected as breaching the principle of good faith, which is taken as an important basis as a means of improving the quality of patent applications.

[Specific information on this topic can be found here.](#)

(Chinese)

- Latest IP News in Japan -

1. IP in the virtual space: Japan sets up council to discuss trademarks, designs and more in the metaverse

Nihon Keizai Shimbun, November 20th 2022

On the 20th of November, the Nihon Keizai Shimbun reported that Japan's government will soon start to consider how laws can be made to protect intellectual property rights in virtual spaces, or the metaverse.

From 21st of November, the government of Japan set up a council where experts from the private sector, universities and other organisations can discuss IP issues.

The metaverse is a virtual space, that exists on the internet, that users can use to communicate and interact with others using alter egos. As it is expanding into gaming and business in general, the ambiguous handling of IP in this space has become important. Virtual spaces can feature the trade of goods that are branded or designed like in the real world. The question then is how trademarks and design rights are applied in such a situation.

For trademarks it is currently not clear if their power to protect a brand image can be exercised in a metaverse. So far, there have been cases where companies filed for their trademark as a program existing in a virtual space to assert its rights even there.

For designs, issues exist too, as the present law in Japan covers articles and architectural structures, which are tangible objects. While matters like a selection screen of a cell phone, which is less physical in nature, can be protected, not everything in a virtual space seems to be covered.

Yet there is a concern that expanding the scope of rights into the virtual space may put the brakes on creative activities by the users of a metaverse. The question is then to what extent there should be free reign for creative activities and to what extent protection should be expanded.

The newspaper expects that a sub-committee will be set up under the council to discuss separate issues. Additionally, matters like portrait right for avatars, problems with sexual

harassment, as well as slander and libel are set to be discussed.

More information can be found [here](#). (Japanese)

2. Unusually high damages in Japanese infringement suit for massage chairs

Nihon Keizai Shimbun, October 21st 2022

On October 21st, the Nikkei Keizai Shimbun reported on the outcome of a patent infringement law suit between Fuji Medical Devices and Family Inada. The companies hold respectively the largest and 3rd largest share of Japan's massage chair market, and the case centered on the infringement of several patents related to the structure of the massage chair.

The companies have been facing off in several lawsuits, switching roles between plaintiff and defendant. On the 15th of December, the Osaka District court first ruled on the lawsuit filed by Family Inada. In its ruling, it decided that 2 out of the 3 patents in question were infringed, and ordered Fuji Medica Devices to pay over 2.77 billion yen (or over 20 million USD) in compensation to Family Inada. As neither party appealed, the ruling became final in early October.

In another infringement suit at Japan's IP High Court, Fuji Medical Devices was the plaintiff and Family Inada the defendant. Here the court ruled in favour of Fuji Medical Devices and on the 20th of October ordered Family Inada to pay 390 million yen (or about 2.8 million USD).

Commenting in particular on the first case, the newspaper quoted several patent attorneys stating that this is an exceptionally high amount of compensation for a case where a judgement became final without a settlement being reached.

In their rulings, the courts calculated the damages looking the estimated profits of the infringing party and adding an amount assuming that the patent would have been licensed. It is believed to have been based on a 2019 amendment of Japanese patent law, which stipulated that in damage calculations the amount equivalent to the license fee can be added to the profit that the patentee would have earned.

More information can be found [here](#). (Japanese)

- Latest IP News in China -

1. 18 Chinese universities among the 100 universities with most patents granted in the U.S.

Tencent News, September 8th, 2022

On September 8, Tencent News reported that the National Academy of Inventors (NAI) and the Intellectual Property Owners Association (IPO) jointly released a list of the top 100 universities who gained the largest number of patents granted by the United States in

2021. Having been published continuously since 2013, this data is based on statistics from the United States Patent and Trademark Office (USPTO).

The top 100 highlights the important role of patents in university research and innovation.

The 2021 Report shows that a total of universities from 11 countries or regions are in the top 100 of the U.S. patent grant list. A total of 63 universities from the United States made the list, followed by China (18), South Korea (6), Japan (4), Israel, Saudi Arabia, and Singapore (2) each, and the United Kingdom, Switzerland, Canada, and the United Arab Emirates (1) each. In the TOP 10 list, Tsinghua University tied for ninth place with 146 granted patents.

More information can be found [here](#). (Chinese)

2. Huawei suing major US and EU companies for patent infringement of its Wi-Fi/WLAN-related patents

Tencent News, November 9th, 2022

On November 9th, Tencent News published an article on Huawei recently suing car maker Stellantis, U.S. e-commerce company Amazon, router maker Netgear and Internet router provider AVM in a German court for infringement of its patent rights.

Huawei has filed lawsuits against Stellantis in Mannheim and Munich, Germany, accusing Stellantis of infringement by using its patents for car navigation or software update functions, according to German media outlet Wirtschaftswoche. The report noted that Stellantis produced 6 million cars a year and that the dispute could involve up to hundreds of millions of euros in compensation.

Separately, Huawei filed a lawsuit against Netgear in Germany's Düsseldorf District Court, accusing the company of infringing on two Wi-Fi patents for its routers. Meanwhile Huawei has also accused Amazon of infringing its four WLAN patents used on the Echo speaker and Kindle in the district courts of Munich, Düsseldorf and Mannheim, Germany.

Furthermore, Huawei accused AVM of infringing two of its WLAN patents in the German District Court of Munich, and filed a lawsuit. AVM is reviewing the lawsuit examination. Huawei stressed that the company is in constructive negotiations with most companies, such as the German automaker, and looks forward to reaching amicable agreements.

More information can be found [here](#). (Chinese)

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

International filing activity in Japan: a 10 year overview

As a country featuring companies comprising both size and innovation, Japan has long been among the top 5 jurisdictions where companies have chosen to protect their intellectual property. It boasts impressive numbers of annual filings of patents, trademarks, designs and utility models, and relatively fast examination procedures.

Given its importance for IP, it is interesting to cast some light on a specific subcategory:

foreign filings into Japan.

This article will provide you with an overview of the patent filings by international companies into the country, showing their numbers and countries of origin and revealing trends along the way.

General country-level trends

Japan is a jurisdiction that sees just under 300,000 total patents filed per year. While this number has been decreasing over the long term, foreign companies have steadily increased their filing activity in Japan: Over the 10 year period from 2012 to 2021, filing by international applicants increased by nearly 20%, reaching over 66,000 applications in 2021.

Japan's international filings mainly come from 10 jurisdictions, that have remained steady over the decade. The table below shows these and displays the percentage by which filing has changed from 2012 to 2021. The numbers include both PCT and Paris route filing^[1].

[1] Data was retrieved from the JPO's annual report 2013, and 2014 and the JPO's status report 2015 to 2022. Subsequently the data was aggregated and analysed by Sonoda&Kobayashi. The reports can be found here:

<https://www.jpo.go.jp/e/resources/report/index.html>

Name	Total filings 2021	% change compared to 2012
United States of America	24,999	9%
China	9,369	363%
Germany	5,965	-13%
South Korea	5,936	4%
Switzerland	3,022	33%
France	2,508	-33%
United Kingdom	2,179	32%
Netherlands	1,847	-7%
Taiwan	1,563	14%
Sweden	1,206	3%
Others	8,154	34%

While this table is somewhat lacking in detail, it does display several important trends:

- 1) Chinese companies have dramatically increased their filing in Japan
- 2) The United States is by far the largest filer, and has been during this decade
- 3) There is a split among European countries: those that file clearly less in Japan like France, Germany and the Netherlands, and those that have increased their activity like Switzerland, the UK and Sweden.
- 4) Filing from countries other than these 10 has seen significant increases too.

Detailed analysis of country-level tendencies

We can examine these trends in more detail by looking at the data for each individual year and for each individual country.

The following graph of filing by Chinese entities is particularly instructive in

illustrating the first trend.

It shows that Chinese filing in Japan took off from 2014 and has seen strong growth since then. Particularly from 2017 to 2018 and from 2018 to 2019, filings grew by the 1000s.

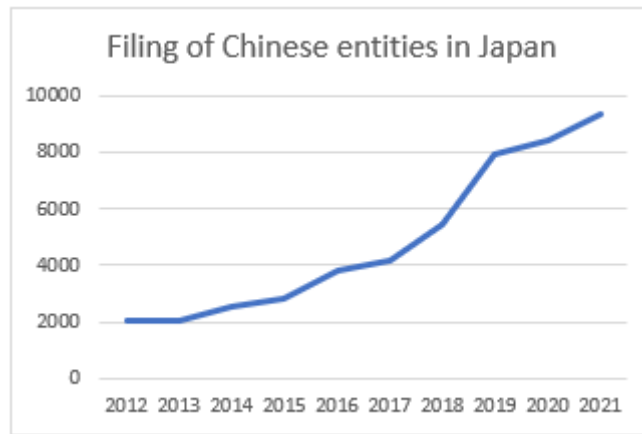


Figure 1: Filing in Japan by Chinese entities

Data retrieved from JPO reports and analyzed internally:

<https://www.jpo.go.jp/e/resources/report/index.html>

In that last year, 46% more patents were filed compared to 2018. During the entire period, total Chinese filing into Japan has not decreased once.

Diving deeper in the 2nd trend, we see that although US filing into Japan increased over 10% during this period. It did not grow consistently in each year, as the graph below reveals. We can see how much the filing increased or decreased compared to each previous year.

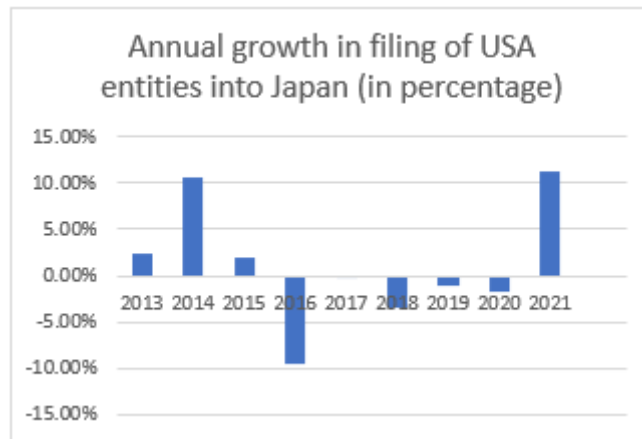


Figure 2: Annual Growth in filing of USA entities into Japan (in percentage)

Data retrieved from JPO reports and analyzed internally:

<https://www.jpo.go.jp/e/resources/report/index.html>

Looking closely, we find modest growth in 2013 (compared to 2012), and again from 2014-2015. Indeed, we also see double digit growth from 2013- 2014 and from 2020 - 2021. At the same time, we also observe one year without growth (2016-2017) and 4 years with decrease in filing activity.

What is interesting about 2021 is that it marked a strong increase in filing activity after 5 years of stagnation and slow decline. Overall, it is clear that US companies and organizations will continue to be the top filers in Japan, though sustained long-term growth of filing is perhaps less likely.

With regards to the 3rd trend, we can distinguish 2 groups among European countries. Those that increased their filing activity, such as Switzerland, the U.K and Sweden, and those that reduced it such as France, Germany and the Netherlands. Among the first group of countries, Switzerland and the U.K. saw strong growth of 33% and

32% respectively over the past 10 year period.

Looking at the year-on-year trend we found that total U.K. filing only decreased from 2014-2015, otherwise steadily showing upwards movement. After China, the U.K. is most consistent in filing more each year.

Filing by Swiss companies is somewhat more uneven, as filing numbers experienced negative growth 4 times, though 2 of these were less than a 1% decrease. Worth noting is also the increase of 16.14% from 2020 to 2021, the strongest for Swiss companies in a decade.

Finally, Swedish filing did increase during the decade but only by 3%, and given Sweden's relatively modest total yearly filing, this amounts to some 36 cases. Over the 10 year period, Swedish filing has been more fluctuating with 4 instances of annual decrease, sometimes in the double digits, while also seeing double digit growth from 2016 to 2019.

France, Germany and the Netherlands form the second group. France's change has been the strongest, marking a 33% reduction, and indeed a consistent yearly reduction of filing in 7 out of 9 years. For Germany, relative decline is also clear (over 6 years) but the percentage by which filing is reduced is lower than that for France. The Netherlands too has also seen steady reduction in filing, in 6 out of 9 years, in particular since 2018.

Finally, it is worth paying close attention to the final group, the "other countries". As it includes a very large and diverse group of jurisdictions, it is hard to be specific. Nevertheless, it has grown 34% in 10 years and year-on-year filing was only negative in 2 years out of 9. Fundamentally this means that more inventions from countries other than the top 10 have been finding their way to Japan.

Overall yearly growth patterns

In addition to patterns of growth and decline among countries, it also worth analysing yearly growth trends among all applicants together.

As we know, annual foreign filing increased by nearly 20%: from 55783 cases filed in 2012 to 66748 in 2021. As we are also aware of the remarkable growth of Chinese applications in Japan, we should not be surprised that Chinese filings account for 67% of this increase. Yet we can look more broadly to see a pattern broadly shared across borders.

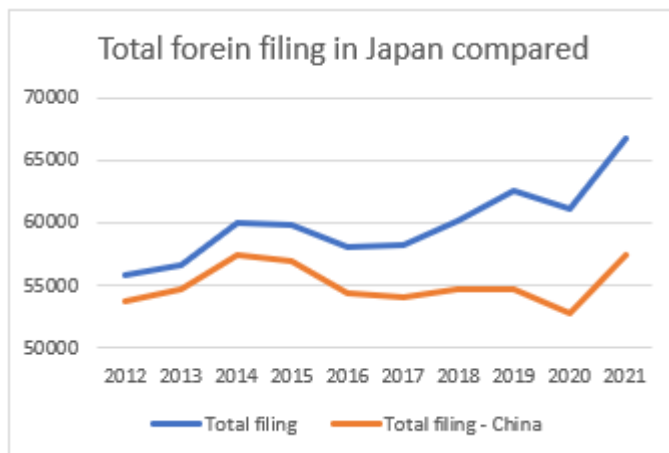


Figure 3: Total foreign filing in Japan compared

Data retrieved from JPO reports and analyzed internally:

The graph on the left hand side shows this most clearly. Zooming in to clearly see the yearly changes, total foreign filing in Japan is plotted against that total foreign filing minus Chinese filing. Overall, we notice an increase in filing from 2012 to 2014, and a period of some decline and relative stagnation afterwards. Particularly by excluding cases from China we notice

that the overall number did not change that much for a number of years.

The other pattern that is visible and which is shared across jurisdictions is the decline (or less strong growth) in filing from 2019 to 2020, followed by a strong rebound from 2020 to 2021.

The conclusion that the corona-virus pandemic has initially made companies hesitant to apply for patents appears clear. Among the 10 jurisdictions + the rest of the world, 8 of them filed less in 2020 than they did in 2019, while those that did file more mainly saw modest growth.

On a positive note, the rebound from 2020 to 2021 has been strong: in 7 out of 8 jurisdictions that had previously seen their numbers decline, filing activity rose again.

And for the 3 jurisdictions with positive growth during the pandemic, 2 of them filed even more in 2021. In fact, the United States, Germany, Switzerland, France and the U.K. all saw the highest percentage increase in a decade. It would not seem strange to speculate that some of the filing that did not happen in 2020, was eventually done in 2021.

Overall, Japan has maintained and even somewhat strengthened its position as a destination for global patent protection over the past decade. As filing by domestic Japanese companies has been on a downward trend for even longer, the share of foreign-owned IP among the total yearly applications is set to increase further.

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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