SONODA & KOBAYASHI
INTELLECTUAL PROPERTY LAW

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Contents

- News about Sonoda & Kobayashi -

1. Sonoda & Kobayashi holds webinar "*Handling Trademark Squatting in Japan and China*"

On Thursday, November 20, Sonoda & Kobayashi hosted the final installment in a webinar series, "Handling Trademark Squatting in Japan and China." Yoko Sasaki and Eric Zhao, trademark specialists from Sonoda & Kobayashi, discussed common issues with trademark squatting that international companies commonly face in Japan and China. Topics included effective strategies to deal with squatters in each jurisdiction as well as previous cases involving squatters and bad-faith filers.

If you missed the webinar but are interested in learning more, or if you have suggestions for a future webinar topic, please feel free to send an email here.

- JPO and CNIPA News -

1. JPO updates its page on filing trends of AI-related applications

On October 31, the JPO updated its page with information on filing trends for AI-related applications in Japan. Specifically, the page has been updated with data for applications filed in 2023.

An important piece of data in this update relates to the overall filings for AI core inventions, as well as the broader category of AI-related inventions. In 2023, AI-related inventions increased significantly—from 9,334 applications in 2022 to 11,445 in 2023. However, core AI applications decreased slightly, from 2,512 in 2022 to 2,397 in 2023. Interestingly, the JPO describes the expansion of AI-related applications as a "4th AI boom," with earlier booms occurring in 2019 and 1991.

The JPO's page also shows in which subfields these changes occurred. From 2022 to 2023, there was particularly strong growth in AI technology related to information and communications technology adapted to business (IPC: G06Q). The JPO attributes this rapid increase to the development of technologies and services for generative AI.

Furthermore, the page provides data trends for applications in deep learning technology and offers an international comparison of AI core inventions filed in the five major IP jurisdictions as well as WIPO.

The updated information is currently available only in Japanese, but it is expected that the English page will be updated in the near future.

Further information can be found here. (Japanese)

2. JPO reports on revisions to guidelines for accelerated trademark examination

The JPO has updated its page on accelerated trademark examination. As of October 1, 2025, several minor changes to the guidelines have come into effect. Three types of trademark applications are eligible for accelerated examination in Japan. To qualify,

applicants must meet the eligibility criteria for the relevant category.

The recent changes include:

- Trademark applications that include another person's name are now eligible for accelerated examination, provided these applications meet the other requirements.
- From criteria "c", for category 2 and category 3, references to "licensee" have been removed. The rule now covers cases where the applicant is asked to grant a license to another party, as well as cases where an applicant has already granted a license.
- For criteria "c", for category 1, when the application has multiple applicants, the Declaration of Intention to File International Registration must be signed by all applicants.
- If the user of the trademark is effectively under the control of the applicant, then from now on the former's use will be considered as use by the applicant.
- The guidelines now describe the procedures for notifying the selection results in cases where the normal examination start date arrives before issuance of the early examination selection result.

Further information can be found here. (Japanese)

3. Explanation on amendments to the CNIPA Patent Examination Guidelines

In order to improve the quality and efficiency of patent examination, the CNIPA has revised the *Patent Examination Guidelines*.

The main content of the revision includes:

1. **Improve the protection system for new fields and new business formats to further incentivize industrial innovation**
    A. *Plant varieties*: Clarifies the definition of plant varieties, expands the scope of patentable subject matter, aligns with the plant variety protection system, and strengthens intellectual property protection in the seed industry.
    B. *Artificial intelligence*: Incorporates AI-ethics considerations, provides examples for inventive-step examination, and clarifies requirements for drafting application documents to address the needs of AI technology development.
    C. *Bitstream patents*: Adds regulations for examining bitstream patent applications and clarifies circumstances under which patent rights may be granted, reflecting developments in the streaming media industry.

2. **Optimize examination standards and rules to address urgent issues in examination practice**
    A. *Same-day applications*: Improves the handling of same-day filings by allowing invention patent authorization only when the applicant renounces the corresponding utility model patent, restoring the original legislative intent.
    B. *Inventive step*: Clarifies that claim features unrelated to solving a technical problem generally do not contribute to inventiveness, thereby improving examination efficiency and raising the quality of patent applications.
    C. *Invalidity requests*: Specifies that invalidity requests will not be accepted if they do not reflect the requester's genuine intent, helping to regulate

malicious invalidity actions.

3. **Consolidate mature practices in examination to better serve innovators**
    A. *Examination on demand*: Clarifies the concept of examination on demand and related fast-track procedures to meet practical needs of innovators.
    B. *Divisional applications*: Specifies examination rules for divisional applications that do not claim priority, protecting applicants' rights to request priority.
    C. *Priority transfer documents*: Clarifies requirements for submitting documents proving the transfer of priority, helping applicants understand the applicable examination standards.

The second amendment to these guidelines should be noted. Before the amendment, it was possible to obtain an invention patent by modifying the claims of an invention patent. After the amendment, this approach is prohibited, so applicants should be mindful of this when formulating their patent application strategies.

Further information can be found here. (Chinese)

- Latest IP News in Japan -

1. Cygames settles patent infringement suit with Konami

Famitsu, November 14, 2025

On November 14, as reported by Famitsu, CyberAgent released its financial report for the fiscal year ending September 2025, showing that it recorded a loss of 727 million JPY. This loss is related to a settlement of a patent infringement lawsuit involving Cygames, a subsidiary of CyberAgent, and Konami Digital Entertainment pertaining to the game *Umamusume: Pretty Derby.*

Although Cygames had maintained there was no infringement and sought invalidation of the 18 patents in question, Konami filed a lawsuit against Cygames on March 31, 2023. The two parties reached an out-of-court agreement on November 7, 2025. The actual financial terms of the settlement were not disclosed due to confidentiality, and the 727 million JPY figure reflects the recorded special loss. Despite this, *Umamusume* continues to be extremely popular both domestically and abroad, with Toyo Keizai reporting in 2023 that the series has brought in over 100 billion JPY (~643 million USD) per year even before its international release. As such, the reported loss may reflect a substantially large settlement in the infringement case.

Much like the recent lawsuit involving Nintendo and Pocket Pair over the game *Palworld*, this case demonstrates the increasing occurrence of patent rights being utilized in infringement suits involving software.

Further information can be found here. (Japanese)

2. Fukuoka's famous persimmons at the center of a trademark infringement case

Japan Agricultural News, November 19, 2025

On November 19th, the Japan Agriculture News reported that Fukuoka Prefecture has issued a warning after discovering dried persimmons being sold on an overseas website

using the name of its trademarked persimmon variety “Akioh.” Although the prefecture has never authorized the use of the “Akioh” trademark for persimmons in their dried form, such products claiming to be “Fukuoka Developed Akioh” were found on a site operated by a company based in Guangzhou, China. The prefecture has not been able to confirm whether the items sold here use the variety but notes that some posted images are clearly not “Akioh” persimmons. Some photos resemble other branded varieties, even showing an unissued GI mark.

Fukuoka continues investigating and advises consumers to consult the Cross Border Consumer Center.

Further information can be found here. (Japanese)

- Latest IP News in China -

1. Sentence given in CASETIFY case

China Intellectual Property Lawyers Network, October 30, 2025

On October 30, 2025, it was reported in the China Intellectual Property Lawyers Network that the Changning District People's Court in Shanghai recently issued a judgment in a case involving the sale of counterfeit “CASETIFY” phone cases. The defendant received a three-year prison sentence with a three-year probation period and a fine of 20,000 CNY (~2,800 USD) for selling goods bearing counterfeit registered trademarks. The case involved nearly one million yuan in sales.

According to the court, between 2022 and 2024, the defendant, using another person’s identity, registered a Pinduoduo store named “CASETIFY Han Zhu.” Without authorization from the trademark owner, he sold large quantities of counterfeit “CASETIFY” phone cases and related products. He labeled items with the brand name, used images of genuine products for promotion, and generated fake orders to increase visibility. Each case cost about 13 yuan to produce and sold for about 25 yuan, significantly below the official retail price. The total value of the illegal sales exceeded 900,000 CNY (~127,200 USD).

Further information can be found here. (Chinese)

2. China's first standard for protecting trade secrets in the online gaming sector has been released

China Intellectual Property Lawyers Network, October 22, 2025

On October 14, China Intellectual Property Lawyers Network reported that the Standards for the Management of Trade Secrets in Online Game Companies was officially released and implemented, becoming China’s first standardized technical guideline for managing trade secrets in the online gaming sector. The standard was drafted by various industry related organizations, in particular the Xuhui District Market Supervision Bureau, the Shanghai Standardization Association, the Xuhui District Game Enterprise Copyright Protection Alliance, and the Shanghai Municipal Administration for Market Regulation.

The standard, developed specifically for online game enterprises, addresses the distinctive characteristics of the industry. It provides the first systematic definition of trade secrets in this field. Business information covered under the standard includes unreleased character names, skill effects, dynamic animations, and other development-related content.

Technical information includes game development technologies, core design documents, source code, and version control data.

The standard introduces a classification framework and a dynamic adjustment mechanism and will serve as a reference model for trade secret management within related industries.

Further information can be found here. (Chinese)

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

1. An overview of the trademark application process in China

Eric Zhao, Chinese Trademark Attorney, Sonoda & Kobayashi Beijing

Trademarks serve not only as vital business assets, but also as core elements of legal protection. China's trademark application is relatively complex, involving multiple critical stages, such as trademark application, examination, rejection, reexamination, opposition, invalidation, cancellation due to non-use in three consecutive years, etc.

1. Searching before filing

A professional trademark availability search is fundamental to the application process, but it is often overlooked, leading to potential risks. It is advised to conduct an availability search before filing a trademark application.

The China National Intellectual Property Administration (CNIPA) receives about 7 million trademark applications every year. Many well-known brands, both in Chinese and in foreign languages, often get squatted by others first.

In this situation, if availability searches are not conducted prior filing and actions are only taken against similar marks after rejection, this will significantly prolong the examination process - extending both the review period and the time to get trademark registered.

2. Trademark Application

China follows the first-to-file principle in relation to the trademark application. This makes timely application crucial for securing trademark rights.

In practice, delays in filing often lead to trademark squatting, forcing companies to incur high dispute resolution costs or even rebranding. A proactive trademark registration strategy can effectively avoid such risks, clearing obstacles for brand development.

3. Trademark Examination

The trademark examination consists of two stages: formality examination and substantive examination.

Formality Examination

The formality examination typically takes 10-30 days. Examiners will verify the completeness of application documents, accuracy of classification, and standardization of

description of goods/services.

If serious deficiencies are found, the application will not be accepted, and the application date will not be retained. For minor issues, examiners will issue a "Notification of Amendment," requiring the applicant to make amendments within 30 days. If the applicant fails to make the amendment in time or the amendment is not accepted, the application will not be accepted.

If there are no defects in the application documents or the minor issues are corrected, the CNIPA will issue a filing receipt and then the application proceeds to the substantive examination stage.

Substantive Examination

After passing the formality examination, the application will proceed to the substantive examination. It usually takes the CNIPA 3-5 months. Examiners will conduct comprehensive assessments based on absolute grounds (e.g., prohibited elements, lack of distinctiveness) and relative grounds (e.g., conflict with prior rights) under the Trademark Law.

Common reasons for the rejections include similarity to prior trademarks, containing prohibited elements such as national names and/or merely directly indicating product characteristics.

When a trademark application is rejected, if the applicant wishes to file a re-examination against the rejection, they need to present arguments and evidence based on the specific reasons for the rejection. Below are some common arguments for filing a re-examination for reference:

For lack of distinctiveness:

- The applied-for trademark is an original design created by the applicant, possessing uniqueness and distinctiveness. Its registration would not cause confusion or misidentification among the relevant public.
- Through the applicant's extensive use and promotion, the applied-for trademark has gained widespread recognition and influence in China. Therefore, the trademark has acquired strong distinctive characteristics and serves to identify the source of goods. The applied-for trademark should be approved for registration.

For the existence of similar prior trademarks:

- The applied-for trademark is clearly distinguishable from the cited trademark(s) in terms of wordings, overall appearance, dominant parts, pronunciation, and/or meaning, etc. The co-existence of these marks would not cause consumer confusion. These marks do not constitute similar trademarks.
- The differences between the applied-for trademark and the cited trademark(s) can be elaborated in detail to persuade the examiners.
- Through long-term use and promotion, the applied-for trademark has acquired a certain degree of recognition and reputation. Due to the applicant's extensive use, the applied-for trademark has fulfilled the distinguishing function of a trademark.

Additionally, the applicant can take measures to remove the cited trademarks, such as non-use cancellation and/or invalidation. After the removal of the cited marks, the applicant's trademark can be approved for registration.

Preliminary Approval Publication and Opposition Period

After passing the substantive examination, the trademark application will be published in the Trademark Gazette for opposition purposes. It usually takes the CNIPA around 10 months to conclude an opposition case.

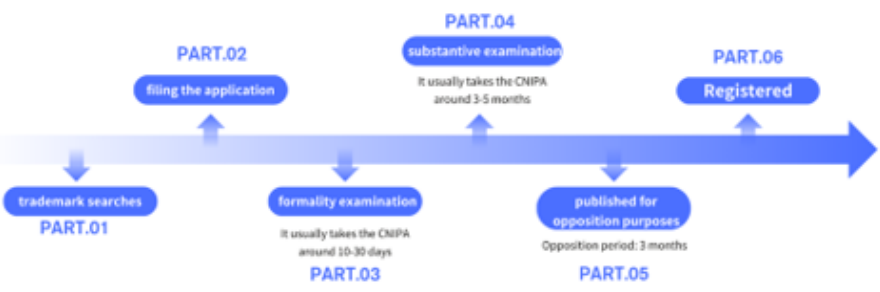
If no opposition is filed or the opposition is unsuccessful, the CNIPA will approve the registration and then issue a trademark registration certificate.

In recent years, CNIPA has consistently increased its efforts to combat malicious applications. According to official statistics, the success rate of opposition has shown a year-on-year upward trend, reaching 62% in 2024. This figure not only shows that CNIPA attaches great importance to opposition procedures but also reflects more efficient ways for trademark owners to protect their rights.

5. Registration Certificate and Rights Maintenance

After the registration, the exclusive right to a registered trademark is valid for 10 years, calculated from the registration date. Rights holders can establish a trademark monitoring mechanism, renew registration in a timely manner (to be processed within 12 months before expiration date), and maintain proper evidence of use to defend possible non-use cancellations.

For reference, we have prepared a trademark application flow chart below, illustrating the standard process and assuming everything is smooth during the examination:



Based on the above, we suggest

- *filing applications as early as possible to avoid preemptive filings by squatters.*
- *monitoring CNIPA gazettes and making full use of opposition mechanisms to prevent relevant applications from registrations.*
- *maintaining evidence of use in preparation for potential re-examination, opposition, invalidation, or cancellation proceedings.*

About

SONODA & KOBAYASHI is a law firm offering dependable legal services for intellectual property. Our multinational team of about 120 experts in technology, law, languages and international communication has served companies worldwide and gained a reputation for thoroughness and reliability.

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