

Japan Patent & Trademark Update



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1. Message



Yoshiyuki Inaba
Senior Partner
Patent/Trademark Attorney

Since our establishment on October 1, 1990, TMI Associates has grown rapidly to become a full-service law firm that offers valuable and comprehensive legal services of the highest quality at all times. Among TMI's practice areas, intellectual property (IP) – including patents, designs and trademarks – has been a vital part of the firm from the beginning, and our firm boasts an unrivalled level of experience and achievement in this area.

TMI has approximately 70 patent/trademark attorneys (Benrishi) as well as around 330 attorneys-at-law (Bengoshi). Currently, among the “Big Five” law firms in Japan, TMI has by far the largest number of Benrishi, a fact which backs up our reputation as being a firm famous for its strong IP practice in all technical fields, as well as in trademarks.

TMI's practice covers all aspects of IP, including patent/trademark prosecution, transactions (e.g., patent sales, acquisitions and licensing), litigation, invalidation trials, oppositions, due diligence activities and import suspension at Japan Customs.

The firm handles over 3,000 patent/trademark/design applications and over 20 IP lawsuits per year. The firm's patent team covers all technical fields, including electronics, computer software, telecommunications, semiconductors, chemicals, biotechnology, pharmaceuticals and mechanical fields. Today, we are pleased to issue the first edition of our newsletter focused on Patent & Trademark practices and topics in Japan as part of the 25th year anniversary of our firm. We sincerely hope that the information we provide you will help you understand recent developments in the fields of patents, designs and trademarks in Japan and what the best strategies are to obtain useful patents/designs/trademarks and utilize those rights. TMI will continue providing world-class IP services for the benefit of our clients in Japan and throughout the world.

2. Revision of IP Laws

As of April 1st, 2015, the legislation surrounding patents, trademarks and designs in Japan were partially revised. Here are some of the important aspects of those revisions which we believe will be useful for our clients.

2.1 Patent Law Post-Grant Opposition System revived



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Previously, in Japan, there was a Post-Grant Opposition System; however, this system was abolished in 2003 and the post-grant review procedures were unified with the Invalidation Trial system. However, Invalidation Trials involve a plurality of oral proceedings between both parties and this takes time, resulting in a decrease in the number of persons filing for such Trials. It is vital for business to have an alternative system through which others' patents can be invalidated in a timely manner. For the reasons above, the Post-Grant Opposition System ("Opposition") has been revived, while the Invalidation Trial system has been maintained.

Summary of Opposition

The following is a summary of the Opposition. Anyone may file a petition under the Opposition (Art. 113). A petition under the Opposition needs to be filed within 6 months from the date of patent publication (Art. 113). A petition under the Opposition may be filed based on any reason related to public interest, for example, novelty, inventive step, description, etc. (Art. 113). The Opposition is based on a written statement, for example, a petition,

an argument, a correction of patent (Art.118). A petitioner under the Opposition may file an argument when a patent owner files a correction of patent (Art. 120-5(5)).

In contrast, under the old Opposition, a petitioner could not file any documents even if the patent owner filed a correction of patent.

Below is a table showing the differences between the Opposition and the Invalidation Trial.

	New Opposition	Invalidation Trial
Who	Anyone	Interested Parties
When	Within 6 months from publication of patent	Any time after issuance of patent
Grounds	Novelty Inventive Step Description	Novelty Inventive Step Description Ownership
Procedures	Written statement	Oral proceedings
Fees	Relatively low	Relatively high

Process of Opposition

The following is an explanation of the process under the Opposition. After a patent is published, once a petition has been filed, a copy of the petition will be forwarded to the patent owner from the Japan Patent Office (JPO), and the JPO will start a trial under the Opposition based on the petition. If the JPO does not find any reasons for cancellation of the subject patent, it will make a Trial Decision maintaining the patent. If the JPO does find reasons for the cancellation of the subject patent, the JPO will inform the patent owner of such reasons and give them an opportunity to file an argument. Additionally, the patent owner may file a correction of patent (claims/specification). The JPO proceeds with the trial under the Opposition, taking into consideration the petition/argument from the petitioner and the argument

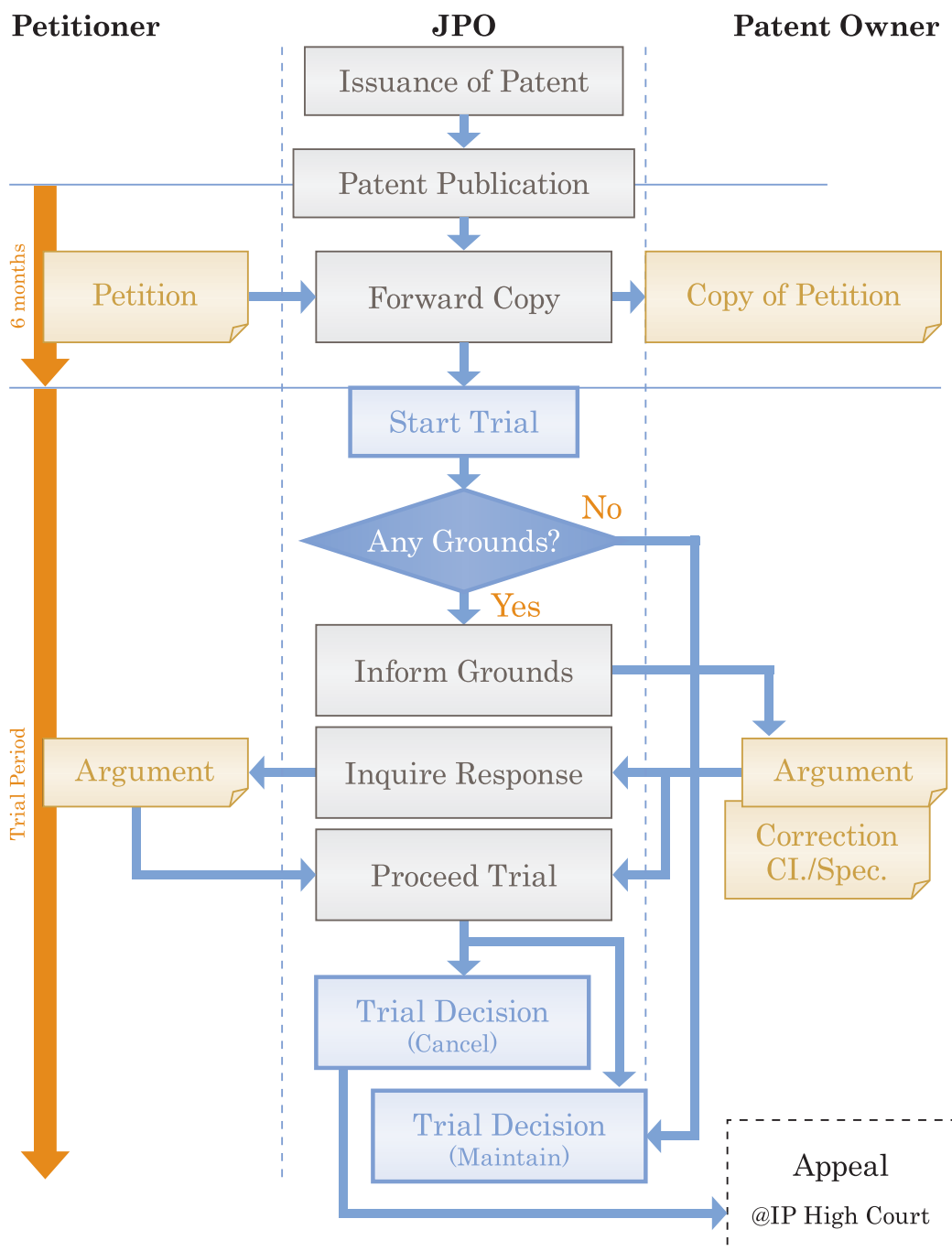
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(correction) from the patent owner, and makes a Trial Decision maintaining or cancelling the patent. If a Trial Decision cancelling a patent is made, the patent owner may then file an appeal against such Decision before the IP High court. In contrast, when a Trial Decision maintaining a patent is made, the petitioner is not entitled to file such appeal. Instead, the petitioner may file a request for an Invalidation Trial based on the same grounds.

Closing

Although the new Opposition system has just started, we expect that the number of persons filing for Oppositions will be larger than that filing for Invalidation Trials. According to a recent survey, over 3,000 cases were filed per year under the old Opposition, whereas the Invalidation Trial system only saw approximately 300 cases filed per year. It is important to pay attention to how heavily the new Opposition will be used.



2.2 Trademark Law

Introduction of Non-Traditional Marks (NTMs) in Japan - 624 NTM applications filed during the first month



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In line with the global trend of providing brand owners with broader protection for NTMs, Japan has finally amended its trademark legislation to accept NTMs other than 3D marks, which have been registrable in Japan since 1997. These NTMs include color and sound marks, along with position marks, moving marks and hologram marks.

The new law came into force on April 1, 2015 and the JPO has begun accepting applications for NTMs since then. According to the JPO website, the JPO received 624 applications for NTMs in April. The breakdown thereof and some samples are as follows.

■ Number of applications filed in April

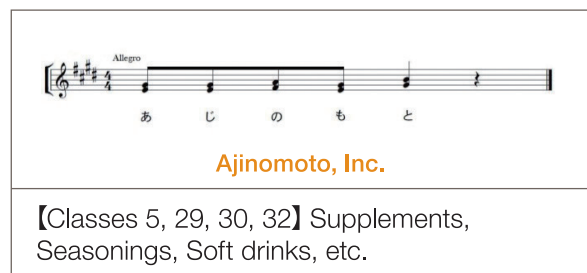
Type of NTMs	Applications
Color marks	257
Sound marks	192
Position marks	126
Moving marks	46
Hologram marks	3
TOTAL	624

■ Examples

Color marks (App. No. 2015-29911)



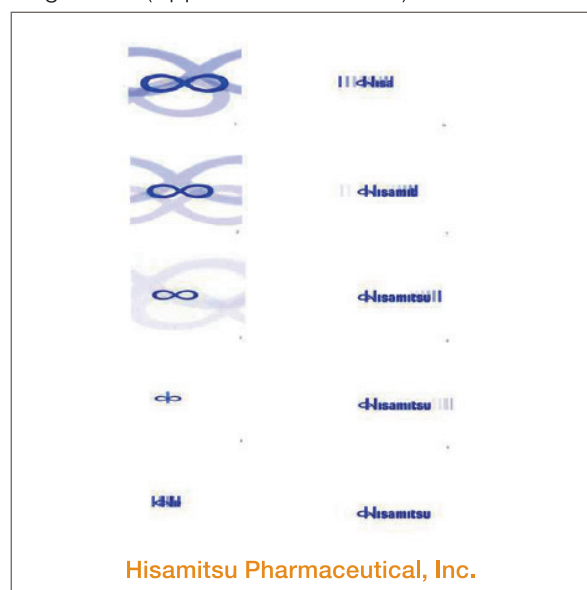
Sound marks (App. No. 2015-29817)



Position marks (App. No. 2015-29808)



Moving marks (App. No. 2015-29833)



【Classes 3, 5 and 10】

Soaps, Cosmetics, Supplements, Adhesive plasters, etc.

Hologram marks (App. No. 2015-30199)



VJA Kabushiki Kaisha

【Class 36】 Issuance of gift cards

The JPO has officially expressed their position that color marks are generally considered descriptive, although applicants may establish distinctiveness through use. Thus, it was surprising to see such a high number as 257 color marks filed among these NTMs, although it should be noted that these applications include combinations of colors as well as single colors. There were also a higher number of sound mark applications filed, although this was expected.

We can easily conduct searches for these NTMs by using the JPO's recently released "J-Plat Pat" database:

https://www3.j-platpat.inpit.go.jp/cgi-bin/ET/TM_AREA_E.cgi?1431967734442

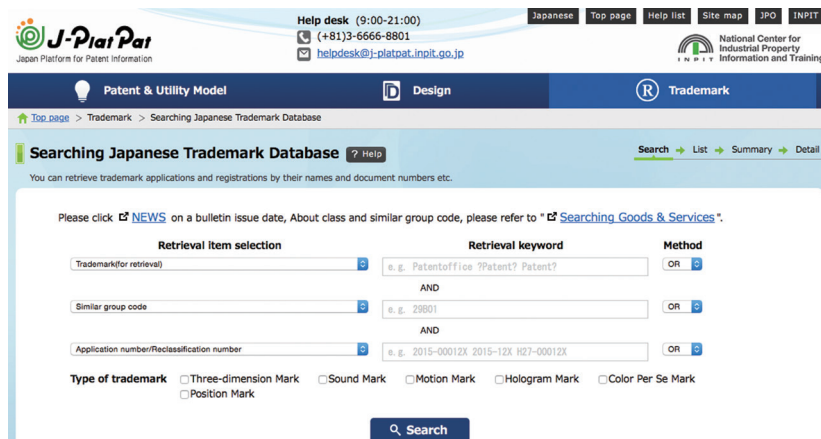
It is expected that the examination of these NTM applications will commence during August 2015. The JPO has stated that the accelerated examination system will not be applied to NTM examination. We will make sure to keep readers updated on how the JPO is examining these new NTM applications.

Topics

Shunji Sato served as co-chair of INTA's major regional conference "Trademarks in Japan" held in Tokyo on March 26-27, 2015. The conference was a great success and was very well-attended. Over 186 participants from 28 different countries covering most of East and South East Asia, as well as the USA, Canada, Europe and Mexico gathered for two days to share the latest developments related to Trademarks in Japan. - See more at:

http://www.inta.org/Programs/Pages/2015Japan_Overview.aspx

Shunji also served as a moderator on the topic of "Nontraditional Trademarks."



2.3 Design Law

Japan Joins the Hague System of International Industrial Designs



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After years of consideration, Japan has now joined the Geneva Act of the Hague Agreement for the International Registration of Industrial Designs (“the Act”). As the reader may be aware, Japan’s Design Act stipulates that one application can only cover one design (or embodiment), and therefore, if one application contains two or more designs, such application will be rejected by the Examiner and the applicant will be required to select one specific design to be maintained from among those designated in such application and must delete or divide all of the other designs. Under the revision of the Design Act upon joining the Act, one international registration containing two or more designs will automatically be treated as two or more “applications” for each design and each such application will be examined separately. Thus, there will no longer be any need for applicants to divide international registrations.

However, as the substantive examinations will still be conducted at the JPO and the examination standards in Japan (e.g., novelty, inventive step) will not change even after joining the Act, it has been said that applicants are still likely to receive Office Actions from the JPO.

The advantages and disadvantages of the new system will start to become clear as more and more users utilize the Act.

2.4 Trade Secrets

A revision of the law is now being examined in order to bring about an enhancement of the protection of trade secrets.



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Background

On March 13, 2015, the Cabinet decided to approve the Bill for the Act for the Partial Revision of the Unfair Competition Prevention Act (“UCPA”), and has submitted such bill to the ordinary session of the Diet which will continue until June 24, 2015.

The UCPA is the major legal source for the protection of trade secrets in Japan. Recently, several incidents involving the misappropriation of trade secrets have been reported (for example, in April 2012, Nippon Steel Corporation filed a civil action with the Tokyo District Court seeking damages in the amount of around JPY 100 billion and an injunction under the UCPA against POSCO). The bill aims to revise part of the UCPA so as to address such incidents involving huge amounts of damage due to leakages of trade secrets and sophisticated methods associated with infringement in cyberspace, as well as to enhance the deterrence against infringement of trade secrets by both criminal and civil remedies.

Outline of the bill

(1) Enhanced deterrence against infringement of trade secrets:

- 1) Fines will be increased and confiscation of criminal proceeds will be implemented.
- 2) The act of using a Japanese company's trade secret overseas country or of acquiring and leaking such a trade secret, intending to use it overseas, is to be subject to a heavier penalty.

Increased fines	
Individuals	10 million yen → 20 million yen (30 million yen in the case of infringement overseas)
Legal persons	300 million yen → 500 million yen (1 billion yen in the case of infringement overseas)

- 3) Crime of trade secret infringement will become a crime NOT requiring a formal complaint from the victim for prosecution to proceed.
- 4) To lessen the plaintiff's burden of proof in civil litigation, the revised UCPA will provide for the presumption of the use of the relevant trade secrets by the defendant.
- 5) The acts of assignment, import and export of products made from infringement of upon trade secrets will be added to the list of acts of unfair competition, and become subject to injunction, etc. as well as criminal punishment.

(2) Expanding the scope of criminal punishment:
 The revised UCPA will expand the scope of criminal punishment to add the act of acquiring a trade secret overseas, such as the act of acquiring a trade secret which is stored in servers overseas but under the management of a Japanese company. The revised UCPA will also expand the scope of criminal punishment to add "attempts" to infringe upon trade secrets.

Enforcement date

We expect that the bill for partial revision of the UCPA will pass during the current session of the Diet. The revised act will then come into effect as of the day specified by a Cabinet Order within a period not exceeding six months from the date of promulgation. However, some of the revisions will come into effect on the day of promulgation.

3. About TMI

TMI Associates is a full-service law firm headquartered in Japan and, of its practice areas, intellectual property has been an integral part of the firm since its establishment. We provide a full range of IP services, including patent/design/trademark prosecutions, litigations, transactions (licensing, sales and acquisitions), due diligence, etc.



Partners of Managing Committee

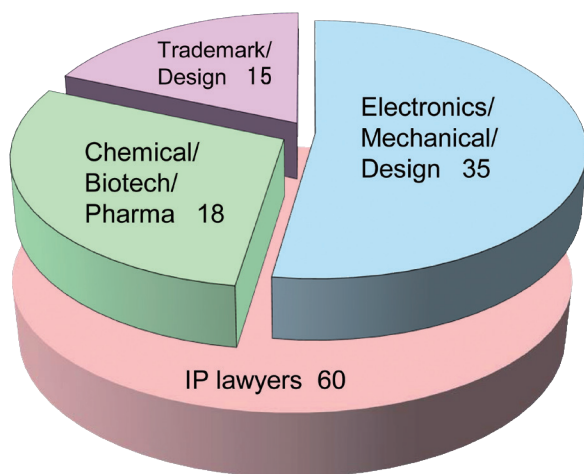
(Left) Katsuro Tanaka, Yoshiyuki Inaba, Eizo Matsuo, Ryosuke Ito, Kunio Namekata, Tomohiro Tohyama

Organizational Structure

Attorneys (Bengoshi)	327
Patent / Trademark Attorneys(Benrishi)	68
Foreign Law Counsels	4
Foreign Attorneys	21
Foreign Patent Attorney	1
Advisors	5
Management Officers	3
Staff	282
Total	711

(As of June 1, 2015)

Attorneys / Patent Attorneys' Areas of Expertise



Awards

- ✓ International Legal Alliance Summit & Law Awards (2014): “Best Japanese IP Firm 2014”
- ✓ ALB Japan Law Awards (2014, 2011, 2010 and 2009): “IP Law Firm of the Year”
- ✓ Ranked Gold for Trademark Practice by World Trademark Review (WTR) 2013,2014 and 2015

Contact and Global offices

If you have any questions or requests regarding our services, please contact our attorneys/patent attorneys who you regularly communicate with or use our representative address.



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Feedback

If you have any comments or requests regarding our newsletter, please contact Toyotaka Abe (tabe@tmi.gr.jp) , editor-in-chief.