

Japan Patent & Trademark Update



Contents

1. New Aid to Collect Evidence in Patent Infringement Lawsuit
 2. Current Circumstances Regarding Intellectual Property Activities at Universities in Japan
 3. Recent Revisions in the Design Examination Guidelines
 4. Recent Developments Concerning 3D Trademarks in Japan
 5. About TMI
-
1. New Aid to Collect Evidence in Patent Infringement Lawsuit



Daisuke Inaba
Attorney-at-law
dinaba@tmi.gr.jp

Introduction

The “Act of Partial Revision to the Patent Act,” had been promulgated on May 17, 2019, and this Act will come into force within a year from the date of promulgation. In light of the changes deriving from the digital revolution, it has been determined that revisions to the Patent Act and the Design Act

and other measures shall go into effect. One of the key points of the revisions to the Patent Act is the “creation of a system under which neutral technical experts conduct on-site investigations (inspections)”. This report will proceed by outlining the systems for collection of evidence under the current Patent Act, and then giving an overview of the new system.

(1) Systems for Collection of Evidence under Current Law

A significant problem in patent infringement litigation in Japan is the difficulty for patentees to collect evidence. If the product at issue is a type of product which does not enter the market (such as a B-to-B product), it would be a huge burden for a patentee to obtain evidence. Moreover, if the patent is a process patent or a program patent, it is rare for there to be countermeasures available whereby the patentee can enter the alleged infringer’s plant to see the manufacturing process or obtain the source code of the program. Furthermore, the litigation system in Japan does not have anything equivalent to the discovery system in U.S. civil procedure. Hence, the collection of evidence will be a serious problem for the patentee. On the other hand, the alleged infringer’s position may suffer irremediable damage if it has to disclose its trade secrets without proper protection in the name of collecting evidence. Accordingly, taking into consideration the burden of proof and demand for protection of trade secrets, there are several systems allowing the patentee to collect evidence under the current Japanese laws.

(A) Systems for Collection of Evidence Prior to Filing

“Inquiries” and “Dispositions on the Collection of Evidence” (Code of Civil Procedure, Articles 132-2 and 132-4) are systems enabling the collection of evidence prior to filing a patent infringement lawsuit. In these systems, by providing a written notice in advance of the filing of an action to the

potential defendant, the potential plaintiff can direct a written inquiry so as to elicit a written response with regard to particulars that will clearly be necessary for preparing allegations, or can petition the court to order the person in possession of a document to send the document or make another disposition.

Another example of such system is “Preservation of Evidence” (Code of Civil Procedure, Article 234). If the court finds the existence of circumstances such that, unless the examination of evidence is conducted in advance, it will be difficult to use the evidence, the court may, upon receiving a petition, conduct an examination of the evidence held by the party who possesses the same.

Unfortunately, because of the absence of any legal obligation requiring evidence possessors to abide by inquiries or dispositions, it is uncommon for patentees to utilize such measures.

(B) Systems for Collection of Evidence After Filing

One system for collection of evidence in litigation procedures is the “Petition for an order to submit documents and objects for finding infringement etc.” (Patent Act, Article 105). In this system, the court may, upon receiving a motion from one party, order the other party to produce documents or objects that are required to prove the act of infringement; provided, however, that this shall not apply where there are reasonable grounds for the person possessing the documents or objects to refuse production. In this regard, the “reasonable grounds to refuse production” are determined by taking into consideration the importance of the documents or objects for finding infringement and the balance of damage suffered by the person possessing the documents if the petition is

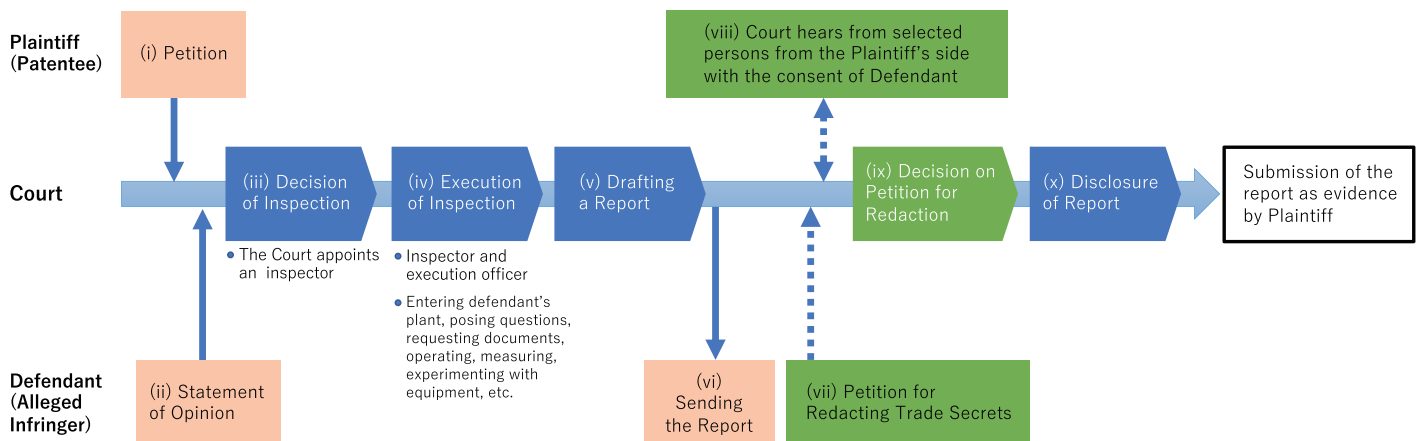
granted and the damage suffered by the petitioner if the petition is not granted. Regrettably, there are not many cases which have utilized this system at this point.

2) Creation of a System Enabling Neutral Technical Experts to Conduct On-Site Investigations (Inspections)

In such situation as mentioned above, the revisions to the Patent Act provide a new system under which neutral technical experts are able to conduct on-site investigations (“inspections”). Article 105-2.1 of the revised Act stipulates that “The court may, in litigation concerning the infringement of a patent right or exclusive license, upon the motion of a party, for determining whether there exists the facts to be proved, regarding documents, equipments or other objects in the possession or control of the other party (the “Documents”), where the court finds that it is necessary to collect evidence by confirming, operating, measuring, experimenting or performing other measures, and where there exist justifiable reasons sufficient to allow a suspicion that the other party is infringing upon a patent right or exclusive license, and where it is likely that it is impossible for petitioners to collect such evidence by itself or by other means, after hearing the opinions of the party, order the inspector to conduct an inspection; provided, however, that this shall not apply if the court finds that doing so would be inappropriate due to the time that would be required for the collection of evidence or the unreasonable burden that it would place on the person who would receive the inspection or other circumstances”. Firstly, the motion must be filed while the case is pending, and this system will not be open prior to the filing of a case.

Flow of the Inspection

Referenced from “Direction of Review on IP Dispute Resolution System” by JPO dated 12.11.2018



Regarding the other elements, such as “sufficient justifiable reasons for the court to suspect that the other party is infringing upon a patent right or exclusive license” and “inspection would be inappropriate due to the time that would be required for the collection of evidence or the unreasonable burden that it would place on the person who would receive the inspection or other circumstances”, the future operation of this system will clarify what circumstances meet these elements.

In the process of the inspection, the inspector can enter the other party’s plant or office, request the submission of documents, and operate, measure, experiment with the equipment or conduct other measures under the court’s permission (105-2-4.2). The inspection is conducted by an inspector who is appointed by the court, and the court execution officer can provide necessary assistance to the inspector only if the court finds the necessity to do so upon a petition from a party (Revised Article 105-2-2 and 105-2-3). If the other party subject to the inspection disobeys the instructions of the inspector without a justifiable reason, the court may find that the petitioner’s allegations concerning the facts to be proved are true (105-2-5).

After the inspection, the inspector writes a report and submits it only to the court (105-2-4.1). The court then sends the report to the party who is subject to the inspection, and, upon the party’s petition not to disclose the report in whole or in part to the other party, the court may choose not to disclose it to the other party in whole or in part (105-2-6). No persons other than the parties would be able to see the report (105-2-7.2). Any inspector who breaches the duty of confidentiality shall be punished by imprisonment with labor for a term not exceeding one year or a fine not exceeding 500,000 yen (200-2). Thus, the trade secrets of the party subject to the inspection will also be protected. And after following these processes, the report will finally be admitted as evidence in the case.

Conclusion

This inspection system will come into force within a year. We expect this system to be a breakthrough for resolving the issues involved with the difficulty for patentees to collect evidence.

2. Current Circumstances Regarding Intellectual Property Activities at Universities in Japan



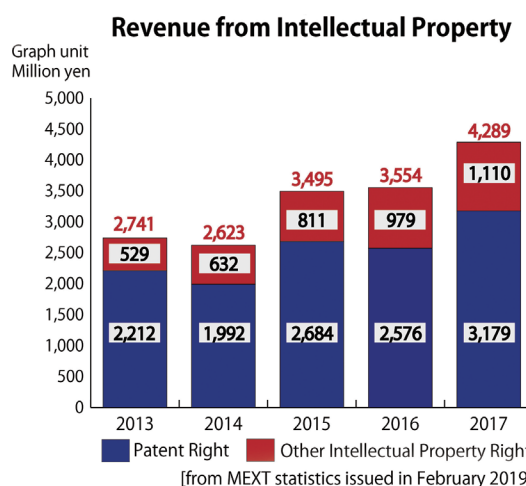
Koichi Sawai
Counsel/Patent Attorney
ksawai@tmi.gr.jp

Introduction

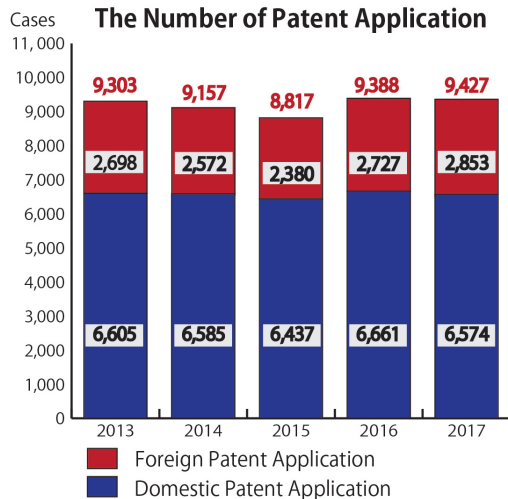
Compared to the U.S., partnerships between industry and the academic fields have been relatively sluggish; however, in recent times the utilization of intellectual property rights has been receiving increasing attention. Moreover, there has been an increase in the amount of revenue yielded through the utilization of intellectual property rights at universities across Japan. In this section, we would like to introduce the current circumstances regarding intellectual property activities at universities in Japan, as well as the supporting measures for universities provided by the Japan Patent Office (“JPO”).

Revenue from intellectual property rights and trends in the number of patent applications

The amount of revenue attained through intellectual property rights at universities in Japan has been increasing since 2013, and such amount saw a significant jump of 150% in the five years from 2013 to 2017. In 2017, the amount of annual revenue from such rights exceeded four billion yen, with the revenue from patent rights accounting for 75% of such amount. The number of licenses or assignments of patent rights in Japan is now approximately 16,000, constituting a 15% increase since 2016. Also, there has been an increasing collaboration between university and industry.



The number of patent applications at universities in Japan remained at slightly below 10,000 in each of the five years from 2013 to 2017, whereas the total number of patent applications nationwide was in the level of approximately 320,000 in each of such five years. Thus, the number of patent applications by universities has been maintained to a certain extent. Meanwhile, the level of patent applications filed by universities overseas is generally around the level of 30%.



[from MEXT statistics issued in February 2019]

Looking at the number of PCT applications filed in 2018, we can see that there were four Japanese universities ranked in the top 20 (namely, Osaka University, University of Tokyo, Tohoku University and Kyoto University). There has also been an increasing amount of global technology transfer activities conducted by Japanese universities.

Applicant's Name	Origin	2018
UNIVERSITY OF CALIFORNIA	U.S.	501
MASSACHUSETTS INSTITUTE OF TECHNOLOGY	U.S.	216
SHENZHEN UNIVERSITY	China	201
SOUTH CHINA UNIVERSITY OF TECHNOLOGY	China	170
HARVARD UNIVERSITY	U.S.	169
UNIVERSITY OF TEXAS SYSTEM	U.S.	158
TSINGHUA UNIVERSITY	China	137
SEOUL NATIONAL UNIVERSITY	Republic of Korea	137
LELAND STANFORD JUNIOR UNIVERSITY	U.S.	121
CHINA UNIVERSITY OF MINING AND TECHNOLOGY	China	114
OSAKA UNIVERSITY	Japan	105
JOHNS HOPKINS UNIVERSITY	U.S.	99
KOREA ADVANCED INSTITUTE OF SCIENCE AND TECHNOLOGY	Republic of Korea	94
UNIVERSITY OF TOKYO	Japan	92
HANYANG UNIVERSITY	Republic of Korea	89
TOHOKU UNIVERSITY	Japan	87
KYOTO UNIVERSITY	Japan	86
UNIVERSITY OF MICHIGAN	U.S.	81
UNIVERSITY OF ARIZONA	U.S.	79
UNIVERSITY OF FLORIDA	U.S.	79

[from WIPO statistics issued in March 2019]

JPO Efforts to Support Intellectual Property Activities at Universities

In order to promote intellectual property activities at universities across Japan, the JPO has been engaged in developing comprehensive support measures from the creation of inventions through the utilization of rights. Some of such measures are described below.

(1) Utilizing Advisors

The JPO dispatches intellectual property advisors to universities to help enable appropriate intellectual property management systems to be established within the universities.

(2) Reducing and Exempting the Payment of Annual Patent Fees and Examination Request Fees

The JPO provides support for cooperation between industry and academia, as well as in relation to the technology transfers, by reducing annual patent fees, examination request fees and filing fees for PCT applications to half-price.

(3) Accelerated Examination System

The JPO allows universities to use the accelerated examination system wherein the examination for the subject application is accelerated so as to begin 2 to 3 months after the request is granted, instead of the usual delay of approximately 9 months seen in the regular prosecution of an application.

Conclusion

As described above, the utilization of intellectual property rights at universities in Japan has been increasingly promoted in recent times. Further, the JPO has provided universities with various forms of supporting measures in order to enhance cooperation between industry and academia. In terms of promoting innovation in Japan, it is important to further develop and improve industry-academia partnerships in Japan and to utilize research outcomes achieved by universities.

3. Recent Revisions in the Design Examination Guidelines



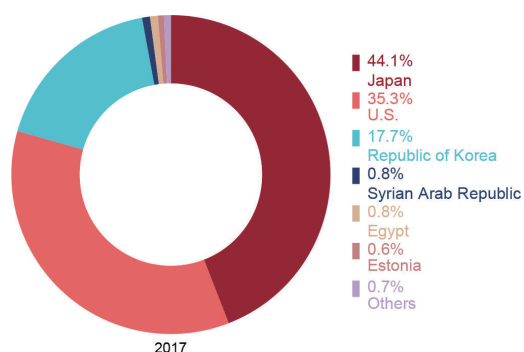
Miwa Hayashi
Patent & Trademark Attorney
mhayashi@tmi.gr.jp



Koji Akanegakubo
Patent & Trademark Attorney
kakanegakubo@tmi.gr.jp

Introduction

Among examining countries under the Hague System, the refusals issued by the Japan Patent Office (“JPO”) accounted for approximately 45% of all refusals issued against international registrations in 2017, as shown on the following graph.



[Source: WIPO Statistics Database, May 2018]

One of the major reasons for this is that the JPO holds strict formality requirements.

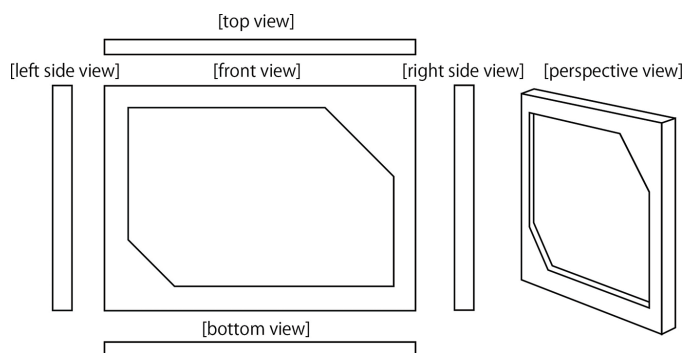
In order to solve this situation, the JPO revised the Design Examination Guidelines in May 2019, relaxing the formality requirements for the following:

- 1) Six views of the article are no longer mandatory;
- 2) Including other objects for illustrative purpose may be permitted; and
- 3) Requirements for omitted portions of an article are eased.

Revisions Relaxing the Drawing Requirements

1) Six views of the article are no longer mandatory
The JPO previously in principle required six (6) views of articles, namely, front, back, top, bottom, right-side and

left-side when filing a design application. Since May 2019, however, it is no longer strictly necessary to submit six (6) views, and one (1) view alone may be sufficient, if it suitably identifies the design. The following is an example provided in the JPO’s Examination Guidelines wherein the back view is not submitted (the article is “frame”).



2) Including other objects for illustrative purpose may be permitted

In the past, pursuant to the Japanese Design Law, stipulating that one application may contain only one design or embodiment, the JPO rejected applications for containing the objects other than the article for which the applicant seeks protection. As such, for example, a torso (mannequin) supporting a dress in the position as it is worn could not be included in the application.

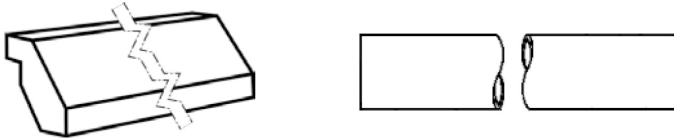
Under the revisions, the JPO allows to include an object such as a torso to be displayed in the drawings in addition to the article that requires a support member (e.g. a dress, an accessory, etc.) as shown in the figure below as long as the support member is specifically distinguished from the article in the drawings.



[RCD004867000-0003, “Costumes, Dresses”]

3) Requirements for omitted portions of an article are relaxed

The JPO accepts to use the dashed lines or wavy lines to indicate that a certain length is omitted such as shown below if the length omitted from the drawing is specified in the application.



Under the revisions, the JPO no longer requires specification of the length omitted in the drawing as long as the design is identified.

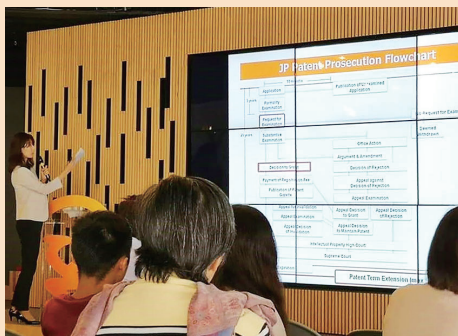
Conclusion

As a result of these May 2019 revisions, it is expected that the number of refusals issued relating to the formality requirements for drawings will decrease and also that designating Japan under the Hague System will be more attractive for foreign applicants who are not familiar with these local formality requirements.

Topics

Makoto Shiraishi (Patent Attorney) was a speaker and panelist at a seminar entitled “Business Venture Into Japan” in **Singapore**. Ms. Shiraishi gave a presentation on “**IP consideration for expanding into Japan.**” This seminar was co-organized by **IP Academy Singapore*** and Japan’s National Center for Industrial Property Information and Training (**INPIT**) and was supported by **IP ValueLab** and the Japan External Trade Organization (**JETRO**).

*IP Academy Singapore: the education and training arm of the Intellectual Property Office of Singapore (IPOS).



4. Recent Developments Concerning 3D Trademarks in Japan



Haruka Iida
Trademark Attorney
hiida@tmi.gr.jp

Introduction

On January 23, 2019, the Japan Patent Office (the “JPO”) issued a decision that the shape of this cocktail can without any words or distinctive elements (the “Cocktail Can” as shown below) has acquired a secondary meaning for “canned cocktails” in Class 33. This is similar to the Coca-Cola bottle case ((Gyo-ke) 10215/2007, Intellectual Property High Court, May 29, 2008) and the Yakult mini bottle case ((Gyo ke) 10169/2010, Intellectual Property High Court), wherein the Japanese Intellectual Property High Court (the “IPHC”) recognized the acquired distinctiveness of the shape of a container for such products. Unlike these prior cases, however, the decision in this case was issued at the JPO Appeal Board.



Reg. No.: 6127292
Goods: “Canned cocktails” in Class 33
Owner: Kirin Company Ltd.



Cocktail Cans sold in the actual marketplace¹

Acquisition of Distinctiveness

In Japan, as in many other countries, a 3D-shape of a product is considered as being devoid of distinctive character. However, an applicant can register a 3D-shape of a product if it is able to successfully prove and convince the JPO and/or the IPHC that the 3D-shape in question has acquired distinctiveness through actual and extensive use in Japan.

The chance of being able to successfully establish the acquisition of distinctiveness depends upon a number of different factors,

¹ https://www.kirin.co.jp/company/news/2019/0221_06.html

such as the length and extensiveness of the actual use, the level of fame and reputation associated with the product built up by such use, the volume and quality of the evidence of use, how arbitrary or unique the 3D-shape in question is, and whether or not competitors' goods of a similar shape are available in the marketplace.

In this case, the applicant, Kirin Co., Ltd. ("Kirin") successfully established the acquisition of distinctiveness of its 3D trademark based on the facts that: (i) the Cocktail Can has been continuously used for canned cocktails since July 2001; (ii) more than 10 billion cans of the cocktail had been sold by 2015; and (iii) the goods in question have been continuously featured in newspapers, TV commercials and websites. In addition, Kirin submitted the results of a consumer survey showing that more than two-thirds of the respondents answered that they identified Kirin and/or its cocktail products when they saw the Cocktail Can in question. Further, the JPO judged that no other entity has used the same design of the can in the field of alcoholic beverages.

Other Recent 3D Trademarks

Other than the above Cocktail Can case, there have been some other interesting 3D marks registered in recent times in Japan, which we would like to introduce below:

(1) Shape of Chocolate Snack



Reg. No.: 6031305
Goods: "Chocolate confections" in Class 30
Owner: Meiji Co., Ltd.

This is one of the most famous chocolate confections in Japan and is manufactured and sold by Meiji Co., Ltd. ("Meiji"). It is a type of a confection with a mushroom shape and chocolate on top. The application for the 3D mark was initially rejected based on lack of distinctiveness, but was finally registered due to the acquisition of distinctiveness being approved during the examination process. Based on this success, Meiji is now trying to obtain another 3D trademark registration for their famous chocolate confections in the shape of a bamboo shoot:



Application No.: 2018-71264
Goods: "Chocolate confections" in Class 30
Applicant: Meiji Co., Ltd.

(2) Soy Sauce Bottle



Reg. No.: 6031041
Goods: "Soy sauce, Soy" in Class 30
Owner: Kikkoman Corporation

Readers may easily recall the unique shape of this bottle which has been used for soy sauce sales worldwide for many years. As is the case with the chocolate snack case introduced above, the application for this 3D mark was initially rejected based on lack of distinctiveness, but was finally registered due to the acquisition of distinctiveness being approved during the examination process. This 3D trademark has now been registered not only in Japan, but also in the United States, Australia, the European Union, Ukraine and Norway.

(3) Robot



Reg. No.: 6081795
Goods: "Robots" in Class 9, etc.
Owner: Softbank Robotics Corp.

This robot named "Pepper" was registered as a 3D mark not only for "robots" but also for other goods and retail services. Unlike the above cases, although this application suffered an initial rejection based on lack of distinctiveness, this objection was successfully overcome by merely arguing that the mark was inherently distinctive, and the mark was duly registered without the need to prove acquired distinctiveness.

Conclusion

The JPO started to accept applications for 3D trademarks on April 1, 1996. As of the end of March 2018, 3,381 marks have been registered out of 6,734 applications regarding 3D marks, and the number of registrations has been increasing in recent times. Although it is still difficult to register the shape of a good as a 3D mark in Japan, our review of recent cases indicates that if the applicant can successfully prove the fact that the shape of the goods has been used in the same manner for a long period of time, the shape has been widely advertised with large amounts of advertising expenditure, and the shape is commonly recognized by consumers, there is a good chance of successfully obtaining a registration even at the examination or appeal board stage. In addition, consumer surveys appear to function as a key role in proving acquired distinctiveness since this has been common evidence in all of the recent cases wherein acquired distinctiveness was proven to exist.

5. About TMI

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 our firm from the beginning, and we boast an unrivalled level of experience and achievement in this area.

Organizational Structure

TMI, one of the “Big Five” law firms in Japan, has a total of more than 920 employees worldwide, including over 500 IP/Legal professionals, comprised of 419 attorneys (Bengoshi), 82 patent/trademark attorneys (Benrishi), and 30 foreign law professionals.

Attorneys (Bengoshi)	419
Patent / Trademark Attorneys (Benrishi)	82
Foreign Law Counsel	6
Foreign Attorneys	30
Advisors	6
Management Officers	3
Staff	376
Total	922

(As of Jun 3, 2019)

Areas of Expertise

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 Customs. TMI handles over 8,800 patent/trademark/design applications and over 20 IP lawsuits per year and TMI's patent team covers all technical fields, including electronics, computer software, telecommunications, semiconductors, chemicals, biotechnology, pharmaceuticals, and mechanical fields.

	Electronics	—	26 attorneys
	Mechanical	—	17 attorneys
	Chemical, Biotech	—	19 attorneys
	Design	—	6 attorneys overlap included
	Trademark	—	20 attorneys
	IP Lawyers	—	60 attorneys

Awards

In recent times, TMI and our attorneys/patent attorneys have been the proud recipients of awards every year. Here is a selected list of just some of the many awards and recognitions that TMI has recently received.



Contact and Global Offices

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

TMI Associates

23rd Floor, Roppongi Hills Mori Tower
6-10-1 Roppongi, Minato-ku,
Tokyo 106-6123, Japan
Email: IP-newsletter@tmi.gr.jp

Offices - Tokyo, Nagoya, Kobe, Osaka,
Shanghai, Beijing, Yangon, Singapore, Ho Chi Minh City,
Hanoi, Phnom Penh, Silicon Valley, London, Bangkok

Feedback

If you have any comments, questions or requests regarding our newsletter, please contact Toyotaka Abe at tabe@tmi.gr.jp, chief editor.