

Japan Patent & Trademark Update



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1. The Suspension of Products Infringing Patents by Japan Customs



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Introduction

Japan Customs regularly suspends the import of products infringing intellectual property (IP) rights. Trademark cases have traditionally accounted for a great number of such suspensions; however, in recent years, the number of

suspensions based on the infringement of patents has increased. Another recent change is that suspensions have been granted in relation to patents not related to the visible configurations. In this article, we discuss the recent status and procedures for Japan Customs border suspension in relation to patents.

Statistics

As shown in the table below, in 2019, Customs appears to have become a useful forum to halt the import of products that infringe upon patents and has continued to act in such capacity in 2020.

[Number of Import Seizures based on Patents]

Year	2017	2018	2019	2019 Jan-Jun	2020 Jan-Jun
Cases	18	6	83	43	47

Source:

https://www.mof.go.jp/customs_tariff/trade/safe_society/chiteki/cy2020_1/20200911b.htm

Examples of cases in which Customs suspended the import of products due to patent infringement are provided via the links and in the photos below. The links include cases that the TMI team, including the authors of this article, are currently handling on behalf of the patent holder.

[Camera battery]



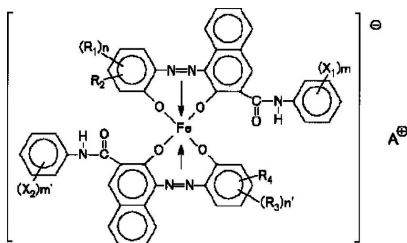
[Ink cartridge]



Source:

- https://www.mof.go.jp/customs_tariff/trade/safe_society/chiteki/cy2020_1/20200911a.htm
- https://www.mof.go.jp/customs_tariff/trade/safe_society/chiteki/cy2017/20170908a.html
- https://www.mof.go.jp/customs_tariff/trade/safe_society/chiteki/cy2019/20200306a.htm

Most of the cases in which Customs has granted a suspension relate to patents pertaining to visible configurations. However, in 2016, Customs suspended the import of charge control materials for which a chemical analysis was required to determine whether patent infringement existed. The charge control materials are used for producing toner, and claim 1 of the patent at issue includes elements specified by the following chemical formula.

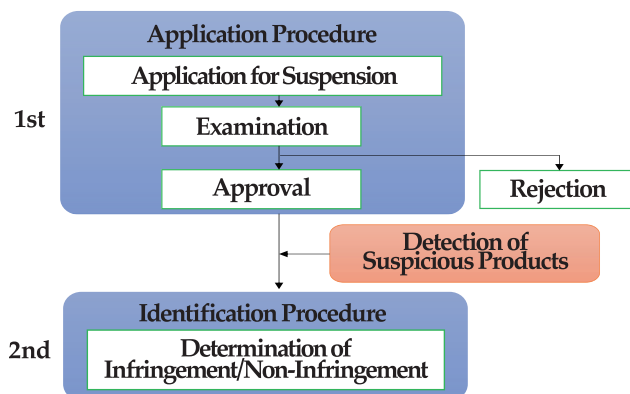


Source: JP Patent No. 4627367

In this chemical patent case, the patent owner followed advice from Customs to provide the office with sufficient information, including documents explaining the charge control materials and describing the background of the import of infringing products. When Customs found the suspicious charge control materials, the patent owner was permitted to inspect samples of the suspicious materials. The patent owner successfully proved that the suspicious materials were identical to the patented invention in terms of chemical configuration.

Overview of Procedures

In general, there are following two (2) procedures to have Customs suspend the import of products.



(1) Application Procedure

► Application Requirements and Flow

The suspension application that a patent owner submits to Customs must include the following:

- A) Statement that the patent owner owns the patent;
- B) Statement that the patent is valid;
- C) Statement that the patent has been infringed or is likely to be infringed;
- D) Prima facie evidence of infringement of the patent; and
- E) Information that enables Customs to identify products subject to the application.

Surprisingly, submitting an application to Customs incurs no official fees.

Once the application is submitted, Customs states that the application has been submitted on their website, gives interested parties an opportunity to file arguments against the application within 10 business days, and then determines whether to approve the application. If opinions are filed by interested parties and Customs finds it difficult to make a decision, Customs may seek opinions from a panel of three (3) expert advisors (lawyers, patent attorneys, or scholars) with sufficient knowledge and experience in the technical area of the patent.

Generally, it takes about one (1) month for Customs to make a decision, unless Customs seeks expert opinions. Customs may defer their decision if any legal proceedings related to patent infringement or patent validity are pending before a court or the Japan Patent Office.

If Customs approves the application, the office proceeds with the second-stage identification procedures, which are triggered by Customs' detection of suspicious products. An approved application is valid for four (4) years at the most and may be renewable.

► Tips for Filing a Suspension Application

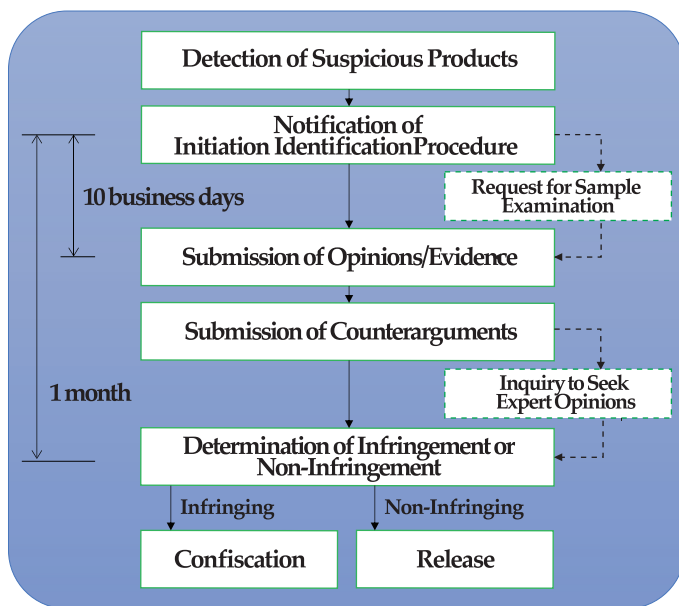
It is highly recommended that patent owners consult with Customs regarding conditions D and E (described above) before officially submitting an application. The mission of Customs is to keep infringing products out of the Japanese market and Customs cooperates with patent holders to this end. Typically, evidence, such as the actual infringing products, catalogues or photos thereof, and written opinions of attorneys, are submitted. In addition, documents outlining the contents of the relevant patent and explaining points for

identifying infringement (for example, photo comparisons of infringing and genuine products) are crucial.

(2) Identification Procedures

In identification procedures, Customs decides whether suspicious products infringe upon the relevant patent.

► Outline of Identification Procedures



The identification procedure is initiated when Customs finds the suspicious products in the course of physical inspection on imports of general cargoes or postal items. Customs notifies both importers and the patent owner of the initiation of the identification procedure to provide the both with an opportunity to submit their opinions and evidence to Customs within 10 business days.

Upon request, Customs will send the patent owner photos of the suspicious products via email. The importer(s) may submit arguments regarding the lack of infringement and/or the invalidity of the patent. The opinions and evidence submitted by both parties are exchanged, and both parties have an additional opportunity to submit a counterargument. Customs then determines whether the suspicious products infringe upon the relevant patent. A decision is generally made within one (1) month.

After receiving a notice that the identification procedures have revealed suspicious products, a patent owner may ask to examine a sample of the suspicious products that the patent owner can inspect, such as by dismantlement or analysis. As the importer can observe the inspection on site,

ensuring the security of confidential information is vital if such inspection is conducted at the patent owner's offices or factory.

Customs may also seek opinions from a panel of three (3) expert advisors, if Customs finds it difficult to determine whether the suspicious products infringe upon the relevant patent. In this case, a decision is generally made within two (2) months from the initiation of the identification procedures.

In typical cases, however, the identification procedures proceed without sample inspections or expert opinions. Further, in our experience, in most cases, the patent owner is not required to prepare additional evidence at this stage, and it may be sufficient for a patent owner merely to assert that the suspicious products constitute patent infringement in response to the notice that the identification procedures have been initiated.

If Customs determines that patent infringement has occurred, Customs may confiscate and destroy the infringing products, provided that the products have not been disposed of voluntarily (e.g. destruction, abandonment, reshipment, obtaining the consent of the patent holder, or removal of infringing parts). The importer can still appeal Customs' decision within three (3) months.

► Tips for Identification Procedures

An approved suspension application is registered in the central system of Customs, which consists of nine (9) regional Customs offices in Japan. All regional Customs offices must then supervise and control imported products based on the registered application. The regional Customs office to which the infringing products will be imported is unpredictable, and some regional Customs officers may not be familiar with patents. In view of this, it is advisable that patent owners or their attorneys provide training to Customs officers at as many Customs offices as possible so that they can easily identify infringing products or differentiate infringing products from genuine products.

Conclusion

Japan Customs has increased both the number of suspensions of products infringing upon patents and the breadth of the technical fields of the patents subject to suspension orders. Japan Customs is willing to cooperate with patent owners and utilize evidence and information provided by patent owners to detect infringing products. Japan Customs procedures are simple, speedy, and cost-effective. Patent owners should consider Japan Customs to be a useful forum to enforce their patent rights.

2. Design Act Update



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Introduction

Six (6) months have passed since the revised Design Act (the “Revised Act”) came into effect. Under the Revised Act, the subject matters have been largely expanded, and designs related to the GUI, building, and interior designs are now registrable. As the Japan Patent Office (JPO) recently released the number of applications filed for these new types of designs, in this article, we introduce the latest updates after the Revised Act came into effect.

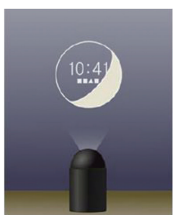
Expansion of Articles Protected under the Revised Design Act

Before introducing the latest updates, we first provide the general overview of the newly protected GUI, building, and interior designs.

1. GUI (Graphical User Interface)

The Revised Act provides protection for GUI images that are not pre-installed (e.g. images provided via the internet) and that are projected onto non-display devices (e.g. roads or walls). Therefore, under the Revised Act, it is possible to register the comprising elements of a GUI, such as the icon image itself, VR (Virtual Reality), and AR (Augmented Reality) images, without specifying the entire display screen.

[Newly protectable images]



[Non-display image]



[Icon image]

Source: Design Examination Guidelines

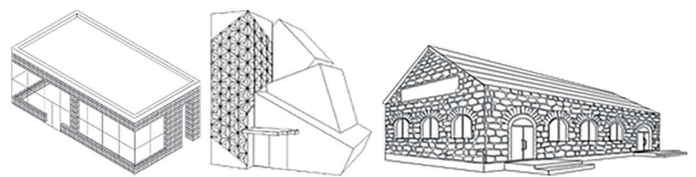
It should be noted, however, that protection may not be sought for images that have no functional relationship to the article of the design, such as wallpaper, painting, character designs, etc., which are created/ designed for aesthetic purposes only.

2. Building and Interior Design

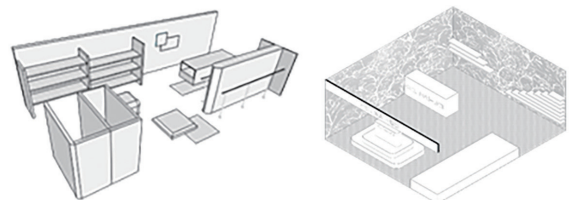
Under the Revised Act, building designs may be registrable as a design. The Revised Act redefines a protectable “design” as “the shape, patterns, or colors, or any combination thereof, of an article... the shape, etc. of a building... or an image... which creates an aesthetic impression through the eye.” Accordingly, buildings are also registrable under the Revised Act.

Further, the Revised Act includes a new provision for interior designs, stipulating “in the case of a design for an article, a building, or an image constituting equipment and decorations... in a store, office, or other facilities, an application may be filed and a design registration may be granted for such design as one design if the interior as a whole creates a uniform aesthetic impression.” Thus, if an interior design creates a uniform aesthetic impression as an interior and meets the other registration requirements, the interior design is eligible for protection under the Revised Act.

[Newly protectable building and interior designs]



(Building designs)



(Interior designs)

Source:

<https://www.jpo.go.jp/system/laws/rule/guideline/design/document/kenchiku-naiso-joho/kenchiku-naiso-text.pptx>

Latest Updates after the Revised Act Came into Effect

1. Number of Design Applications for Newly Protected Subject Matter

The JPO released the number of design applications as of October 1, 2020, for newly protected subject matter filed after the effective date of the Revised Act as follows:

	GUI	Building	Interior
Number of design applications	450	204	132

https://www.jpo.go.jp/system/design/gaiyo/seidogaiyo/document/isyou_kaisei_2019/shutsugan-jokyo.pdf

In just half a year after the Revised Act became effective, more than 400 applications were filed for GUI designs, more than 200 applications were filed for building designs, and more than 100 applications were filed for interior designs.

Not surprisingly, the total number of design applications filed with the JPO is decreasing due to the Covid-19 pandemic. However, even in these difficult situations, the applications for the newly protected subject matter is filed at a steady pace, proving that users are highly interested in protecting these new subject matter proactively.

In particular, as non-display screen images, such as icons, can now be protected under the Revised Act, the number of the applications for these types of GUIs has been significantly expanded.

As the articles which have not be registrable as design in the past are now protectable under the Revised Act, it is also true that additional burden will be imposed on companies/individuals. It becomes more important to create an application strategy to avoid unnecessary restrictions of business activities in Japan due to the unexpected design registrations of other companies.

2. Examples of Design Applications for Newly Protected Subject Matter

The Culture Convenience Club Company ("CCC"), Limited, which operates "Tsutaya Bookstore," has reportedly filed three (3) interior design applications.

The first design is related to a bookshelf at a bookstore that opened in Nara City on April 4, 2020. The second design is related to the "Ehon no Yama" (mountain of books) bookshelf at the Wakayama Civic Library in Wakayama

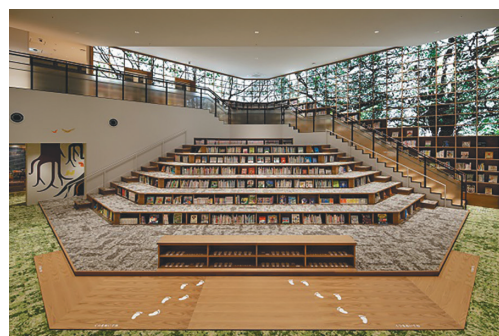
City. The third design is related to a bookstore that opened on March 29, 2020, at Haneda Airport in Tokyo.

[First design: Bookstore in Nara City]



<https://store.tsite.jp/nara/floor/shop/tsutaya-books/>

[Second design: Bookshelf at the Wakayama Civic Library]



<https://wakayama.civic-library.jp/node/1040>

[Third design: Bookstore at Haneda Airport in Tokyo]



<https://store.tsite.jp/haneda-airport/about/>

Summary

Including the above examples, many designs for newly protected subject matter have been filed. Since some of these applications have proceeded to registration and the examinations for many other currently pending applications are scheduled to be completed by the end of 2020, we will report the results of the examinations in the next issue of this newsletter.

3. No Single-Color Marks Registered Yet



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Introduction

Five years have already passed since the Japan Patent Office (“JPO”) started accepting applications for Non-Traditional Marks (“NTMs”). However, since such time, there has not yet been even one “Single-Color Mark” granted at the JPO or the JPO TAD (Trial and Appeal Department) level; although a few of the rejected cases have been brought to the IP High Court (“IPHC”).

First IPHC Decision Discusses Registrability of Single-Color Marks

Early this year, the IPHC issued its first decision regarding the registrability of “Single-Color Marks.” (Intellectual Property High Court, 2020.03.11, Administrative Litigation) https://www.ip.courts.go.jp/app/files/hanrei_en/702/002702.pdf

2019(Gyo-Ke)10119

 App. No. 2015-30535 (LIFULL CO., LTD) https://www.homes.co.jp/smp/chintai/itag/
Class 36 - Providing information on buildings or land [real estate affairs] in an internet portal site regarding real estate
Detailed description of mark: The applied-for mark was composed solely of an orange color (RGB combination of R237, G97 and B3)

Although the applicant, LIFULL, asserted the acquired distinctiveness of the claimed orange color, which LIFULL


has been using on real estate portal site, the IPHC agreed with the JPO TAD’s decision which rejected the application based not only lack of distinctiveness but also lack of acquired distinctiveness. The IPHC pointed out the fact that the claimed-for orange color is ordinary and commonly used in logos, or backgrounds of websites, etc. and the evidence of use submitted by LIFULL to prove its acquired distinctiveness, including TV commercials, was insufficient since the orange color itself was not used as a source identifier by LIFULL.

LIFULL also submitted survey evidence conducted during the JPO Appeal stage; however, the IPHC found that the questionnaire used for the survey was biased. LIFULL conducted another survey after filing this lawsuit; however, the results were not sufficient to establish the acquired distinctiveness of the orange color, as only 13.2% of the respondents recognized the orange color as being associated with “LIFULL HOME’S” and 41.8% of the respondents recognized the orange color as being associated with “HOME’S. Although almost 55% of the respondents recognized the orange color as being associated with the applicant, this was still insufficient to establish acquired distinctiveness; especially for a “Single-Color Mark.”

Another Orange Color Mark Also Rejected by IPHC

Coincidentally, after the LIFULL decision above, the IPHC issued another decision regarding an orange color mark, which also held that the applied-for single color mark lacked distinctiveness and also did not possess acquired distinctiveness.

Rei 1 (Gyo Ke)10147

 App. No. 2015-29999 (Hitachi Construction Machinery Co., Ltd.) https://japan.hitachi-kenki.co.jp/products/new/medium-excavators/
Class 7 - Hydraulic excavator
Detailed Description of mark: The applied-for mark was only composed of an orange color (Munsell value 0.5YR5.6/11.2)

Rei 1 (Gyo Ke)10146



App. No. 2015-30000
(Hitachi Construction Machinery Co., Ltd.)

<https://japan.hitachi-kenki.co.jp/products/new/medium-excavators/>

Class 7 - Hydraulic excavators

Detailed description of mark:
The applied-for mark was only composed of an orange color (Munsell value 0.5YR5.6/11.2)

Comments

Despite a total of 543 Color Mark applications having been filed between April 1, 2015 and April 30, 2020, only 20 applications were filed in 2018 and six (6) applications and three (3) applications were filed in 2019 and 2020, respectively. Such decreasing number of Color Mark applications indicates the high hurdle it is necessary to clear in order to show acquired distinctiveness of a “Single-Color Mark” and there are therefore fewer applicants currently trying to obtain “Single-Color Mark” registration. These recent IP High Court decisions may create a stronger tendency for the applicant to be reluctant to file “Single-Color Mark” trademark applications.

Topics01

TMI's Myanmar Trademark Desk

The Ministry of Commerce issued Order No. 63/2020 on 28 August 2020 pursuant to the new Myanmar Trademark Law, and it is now possible for trademark owners wishing to maintain trademark protection in Myanmar to apply with the IP Registry through a registered law firm or service provider for the registration of their trademarks via the new online filing system. This “Soft Opening” period is expected to last for six (6) months, starting on October 1st, 2020. TMI's Yangon Office has been recognized as one of the registered law firms and was given an online filing system account.

If you or your clients would like us to file any trademark applications based on existing trademarks in Myanmar via this new system during the “Soft Opening” period, please contact our Myanmar Trademark Desk (“Myanmar_ip@tmi.gr.jp”), ranked in the 2020 edition of World Trademark Review 1000.

<https://www.worldtrademarkreview.com/directories/wtr1000/rankings/myanmar>



Topics02

Shunji Sato speaks at the LAIPLA conference “Washington in the West” in Los Angeles

Shunji Sato (Partner, Trademark Attorney) attended as a panelist in the session “Strategies for Trademark Protection in Asia” at the LAIPLA (Los Angeles Intellectual Property Law Association) “Washington in the West” conference held at the L.A. Grand Hotel Downtown, Los Angeles, California, USA on Jan 30th, 2020.

4. 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 unrivaled level of experience and achievement in this area.

Organizational Structure

TMI, has a total of more than 950 employees worldwide, including over 530 IP/Legal professionals, comprised of 449 attorneys (Bengoshi), 85 patent/trademark attorneys (Benrishi), and 35 foreign law professionals.

Attorneys (Bengoshi)	449
Patent / Trademark Attorneys (Benrishi)	85
Foreign Law Counsels	7
Foreign Attorneys	28
Advisors	7
Management Officers	3
Patent Engineers, Staff	404
Total	983

(As of November 2, 2020)

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 8,500 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	28	Chemical	12
Mechanical	17	Bio, Pharma	7
Design <small>overlap included</small>	6	Trademark	21
IP Lawyers	80		

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.

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