

# Japan Patent & Trademark Update



## Contents

1. Important IP High Court Decision on Infringement of Program Patents by Transmission from Foreign Countries
2. Plant Variety Protection and Seed Act & Plant Variety Protection System
3. Examples of Design Registrations under the Revised Design Act in Japan -Part 4-: Buildings
4. Consumer Survey to Prove Acquired Distinctiveness for Color Marks
5. About TMI

## 1. Important IP High Court Decision on Infringement of Program Patents by Transmission from Foreign Countries



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### Introduction

In recent times, companies have often begun to provide their customers with computer programs through the Internet. These companies transmit their computer programs from a server to their customers' computers. However, there has been controversy as to whether the transmission of a computer program from an overseas server to Japan constitutes an infringement of a Japanese patent. On July 20, 2022, the Intellectual Property High

Court (the IPHC) rendered a decision ruling that a defendant's transmission of a computer program from a server located in the U.S. to Japanese customers (the "transmission") may constitute an infringement of a Japanese patent (*Dwango Co., Ltd. v. FC2, Inc.*; Heisei 30 (Ne) No. 10077). Although there were a wide range of issues relating to this case, the focus here is on whether or not the transmission in such a manner can be found to infringe upon a Japanese program patent.

### Summary of Facts

Dwango is the patentee of JP Patent No. 4,734,471. Dwango's patented invention relates to a computer program that enables a computer's display device to display comments together with a video in a certain way. The IPHC found that FC2's computer program fell within the technical scope of the patented invention and that FC2 was transmitting the program from a server located in the U.S. to Japanese customers.

### Protection of Computer-Program-Related Inventions under the Japanese Patent Act

The Japanese Patent Act provides for the protection of "inventions." An "invention" is categorized into three types: product, process, and process for producing a product. Conventionally, it had been debatable as to whether a computer program can be found to constitute patentable subject matter. However, in 2000, the Japan Patent Office revised the "Examination Guidelines for Patent and Utility Model in Japan" and initiated the operation of a system in which they treated the invention of a computer program as the invention of a product. Finally, the Patent Act was revised in 2002 and clarified that a computer program is patentable as an invention of a product. In the same revision, it was also clarified that "providing [a computer program] through a telecommunications line" may constitute a patent infringement.

## Territoriality Doctrine

However, it has still been unclear as to whether or not the “provision” of a computer program includes the transmission of a computer program from an overseas server to Japan because the territoriality doctrine is employed in Japan, under which a Japanese patent right is effective only in the territory of Japan (see Supreme Court judgment of July 1, 1997 (Heisei 7 (1995) (O) No. 1988), and Supreme Court judgment of September 26, 2002 (Heisei 12 (2000) (Ju) No. 580)). In *Dwango*, since FC2’s server was located in the U.S., the issue was whether or not the transmission infringed upon Dwango’s Japanese patent even after considering the territoriality doctrine.

## IP High Court Decision

In *Dwango*, the IPHC first pointed out that “from a formal and analytical viewpoint, it is impossible to deny the fact that some aspects of the Transmission may not be completed within Japan” but continued to state that “if it is deemed necessary for an alleged act of provision to be completed within Japan in its entirety even in a formal viewpoint in order for the provision to constitute an infringement of a patent right relating to an invention that can be transmitted through networks, . . . those who want to implement such an invention could easily be exempted from their liability for patent infringement by means of, for example, transferring part of the equipment, such as servers, to a location outside Japan. However, allowing such circumventing acts in the current digital society which exists with many useful network-related inventions, would clearly be contrary to justice. In the meantime, if an act that implements a patented invention is formally analyzed such that every element thereof is not completed within Japan, but if the act can be assessed as being performed within Japan from a substantial and comprehensive viewpoint, then allowing the effect of a Japanese patent right to extend to the act would not go against the territoriality doctrine.” The IPHC then ruled that “an alleged act of provision should be analyzed in light of various circumstances, such as: whether the provision can clearly and easily be separated into portions performed in Japan and portions performed outside Japan; whether control of the provision is performed within Japan; whether the provision is directed to customers, etc. located in Japan; and whether the effect of the patented invention obtained through the provision is realized within Japan, and if the provision can be assessed as being performed within Japan from a substantial and comprehensive viewpoint, it is appropriate to determine that the act of provision corresponds to a ‘provision’ as specified in the Japanese Patent Act.”

In the application, the Court found that: “[t]he transmission starts and is also completed upon users who are located in Japan accessing a website related to [FC2’s] services . . . ; it is difficult to clearly and easily distinguish portions of the transmission that are performed in Japan from portions performed outside Japan; the transmission is controlled by users located in Japan; the transmission is directed to users in Japan who want to see videos; and, only through the transmission, users located in Japan can see video with comments according to [the patented inventions at issue], and the effect of [those inventions] resulting from the transmission is realized within Japan. In light of these circumstances, it is appropriate to assess that the transmission, when viewed in a substantial and comprehensive manner, is performed within Japan even if some part of the transmission is performed outside Japan.”

## Conclusion

As stated above, the IPHC has found that the transmission of a computer program from an overseas server to Japanese customers may constitute an infringement of a Japanese patent. Further, the IPHC has indicated the aforementioned factors to consider. Although these factors have been illustrated in accordance with the present case, they will be of great help in other future cases as well. This decision is important in practice under the circumstances in which transmissions of programs across national borders have become commonplace.

Lastly, there is another case involving Dwango and FC2 which is pending at the IPHC (2022 (Ne) 10046). In this pending case, the IPHC decided to utilize the “Amicus Brief” procedure under Article 105-2-11 of the Patent Act. *See*

[https://www.ip.courts.go.jp/eng/Guidelines\\_for\\_Proceedings/thirdparty/index.html](https://www.ip.courts.go.jp/eng/Guidelines_for_Proceedings/thirdparty/index.html)

This procedure was newly added by way of the revision of the Patent Act in 2021, and the pending case is the first one to utilize such new procedure. The matters on which the IPHC is seeking comments are as follows: (i) “[i]n terms of a ‘system’ invention comprising a server and a plurality of terminal devices as components, when the server is provided and exists outside Japan, may it constitute ‘producing’ as a working act of the invention?”; and (ii) “[i]f it may constitute ‘producing’ in the question 1 above, what requirements should be met to constitute ‘producing’?” Unlike the present case discussed in this article, the patented invention at issue in the pending case is related to a system and not to a computer program. However, in terms of the extraterritorial application of patents on network-related inventions, it involves similar issues to those of the present case, and future developments warrant close attention.

## 2. Plant Variety Protection and Seed Act & Plant Variety Protection System



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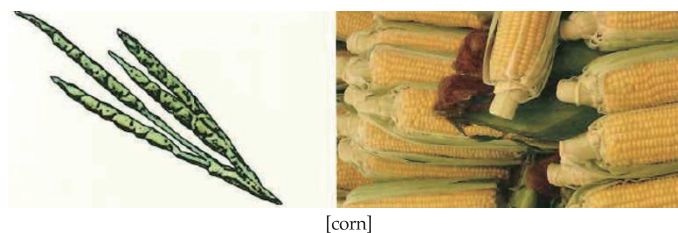
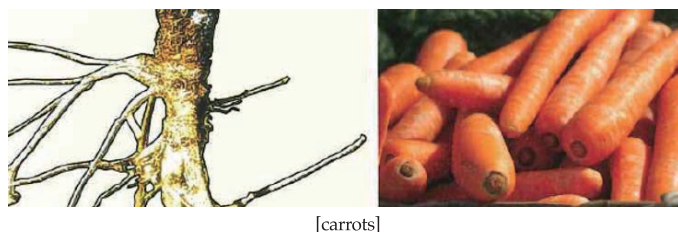
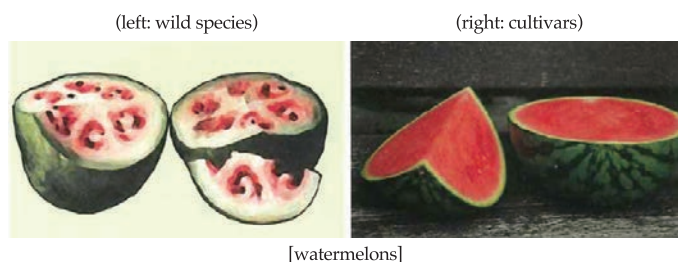
### Introduction

The Plant Variety Protection and Seed Act (“PVP Act”) provides for a plant variety protection (“PVP”) system with the aim of contributing to the development of agriculture by promoting the breeding of varieties. The PVP Act was significantly amended in 2020 and came into effect in April 2022.

### ■ Variety and Plant Breeding

A variety means a group of different characteristics within the same item (tomatoes, cabbages, potatoes, roses, etc.), each classified as a separate group. Plant breeding means the act of improving the genetic characteristics of plants by crossbreeding varieties of different characteristics to create superior varieties.

### ■ History of Plant Breeding



(Source: “Zukai de yoku waku tane/nae no kihon”)

### ■ PVP System and Plant Breeders’ Rights

Plant breeders’ rights become effective upon variety registration.

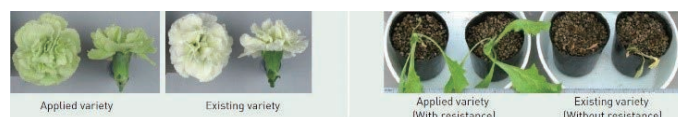
- (1) The holder of the plant breeders’ rights has an exclusive right to exploit propagating materials, harvested products, and certain processed products of the registered variety.
- (2) The duration of plant breeders’ rights is 25 years, or 30 years for woody plants, from the date of variety registration.

### ■ Procedures for PVP

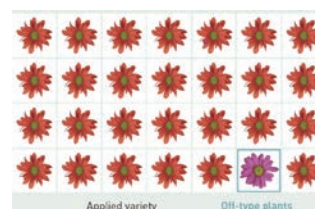
- (1) Application
- (2) Publication of Application
- (3) Provisional Protection  
-After the variety is registered, applicants can claim compensation from those who infringed upon the variety during the provisional protection period.
- (4) Examination
- (5) Notification of Identified Characteristics  
-If the applied-for variety passes the examination, the applicant will receive a “Variety Description,” which records the characteristics of the variety (color and shape of flowers/leaves, etc.).
- (6) Registration as Protected Variety

### ■ Requirements for PVP

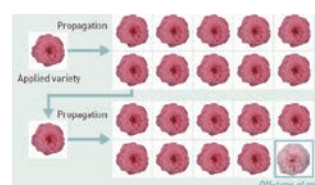
- (1) Distinctiveness: The variety should be clearly distinguishable from any other varieties of common knowledge at the time of the application by way of the relevant characteristics.



- (2) Uniformity: Within the same generation, all relevant characteristics must be sufficiently uniform (i.e. the same plants are grown from the seeds or seedlings).



- (3) Stability: After propagation, all relevant characteristics must remain stable (i.e. the same plants are grown after repeated propagation for several generations).



(Source: <http://www.hinshu2.maff.go.jp/en/about/leaflet.pdf>)

(4) Novelty: The applied-for variety has not been transferred in the course of business in Japan earlier than one year before the date of application (in foreign countries, earlier than four years, or earlier than six years for woody plants).  
 (5) Suitability of denomination: The denomination of the variety must not be similar to any other existing varieties or registered trademarks.

■ **Points to Note in the 2020 Amendment of the PVP Act**  
 Breeding of new plant varieties requires long-term effort and substantial financial cost. However, once a new plant variety is bred and sold on the market, the seeds and seedlings of such variety can be easily propagated. As registered varieties with excellent characteristics are traded at high prices, there is a high risk of unauthorized cultivation and outflow abroad. In recent years, breeders in Japan have suffered enormous losses due to the outflow of registered varieties such as fruits and vegetables. The PVP Act has been amended with the aim of preventing the outflow of registered varieties abroad and to enable the holders to exercise their rights effectively.

- (1) Prevention of outflow abroad
  - Applicants can prohibit the export of seeds and seedlings of registered varieties.
- (2) Promotion of production areas by registered varieties
  - Applicants can prohibit the production of the harvest of registered varieties outside designated areas.
- (3) Measures to enable the holders to exercise their plant breeders' rights effectively
  - In order to conduct countermeasures against infringement, a new system has been established that enables the presumption of infringement by comparing the characteristics of the allegedly infringing varieties with the "Variety Description" of the registered variety.
- (4) Licenses for self-propagation
  - Farmers are required to obtain a license from the holder of the breeder's rights in order to conduct self-propagation (using the harvest of a registered variety as seeds and seedlings for the next production).

## Conclusion

The 2020 amendment is expected to prevent the outflow of registered varieties of Japanese breeders abroad, as it is now illegal to take a registered variety out of the designated country or to cultivate it outside the designated production area. For foreign breeders who register varieties in Japan, the "Variety Description" described in section (3) will make it easier to file breeder's rights infringement suits. Furthermore, the licenses for self-propagation described in section (4) are an advantage in registering varieties in Japan. Development of variety-specific DNA markers for rapid and accurate identification of suspected infringing varieties would be beneficial for variety registration in Japan.

## 3. Examples of Design Registrations under the Revised Design Act in Japan -Part 4-: Buildings



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### Introduction

Almost two-and-a-half years have now passed since the revised Design Act (the "Revised Act") came into effect, and many applications for subject matter newly protected by the Revised Act have been registered, such as GUIs, buildings, and interior designs. Following the last issue, in this article, we continue to introduce some examples of design registrations under the Revised Act, focusing especially on buildings.

### Number of Applications and Registrations for Buildings

The Japan Patent Office ("JPO") continually updates statistics on the number of design applications and registrations for buildings filed under the Revised Act and released the latest statistics on October 11, 2022:

Number of design applications for buildings	Number of design registrations for buildings
865	498

(Source: [https://www.jpo.go.jp/system/design/gaiyo/seidogaiyo/document/isyuu\\_kaisei\\_2019/shutsugan-jokyo.pdf](https://www.jpo.go.jp/system/design/gaiyo/seidogaiyo/document/isyuu_kaisei_2019/shutsugan-jokyo.pdf))

Since October 1, 2021, the number of applications and registrations for building designs has increased by about 300 and 200, respectively, which indicates that applicants continue to apply for and register designs for buildings under the Revised Act.

### Expansion of Protection for Buildings by the Revised Design Act

Before the revision, the Design Act stipulated: “‘Design’ in this Act means the shape, patterns or colors, or any combination thereof, of an article...” Therefore, under the former Act, buildings were registrable if applied as movable prefabricated houses that can be traded as articles (or goods).

In the Revised Act, buildings that are regarded as estate and immovable property became protectable due to the redefinition of a protectable “design” under Article 2(1) as “the shape, patterns, or colors, or any combination thereof, of an article... the shape, etc. of a building...”

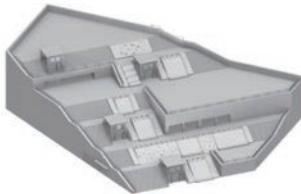
It should be noted that interior designs are registered as a set of articles, buildings, or graphic images under Article 8-2, which is an exception to the “one application per design” rule, as explained in the last issue.

### Examples of Registrations for Interior Designs

We present examples registered as buildings in the following section:

#### (1) JP1671773 for “Building for commerce” by FAST RETAILING CO., LTD.

[Perspective view]



[Reference image corresponding to the perspective view]

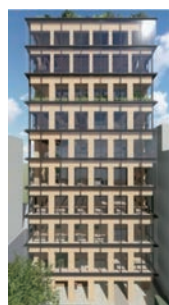


#### (2) JP1674140 for “Office” by ODAYASHI CORPORATION

[Front view]



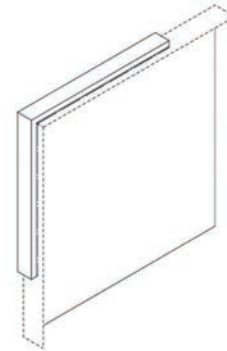
[Reference image showing state of use]



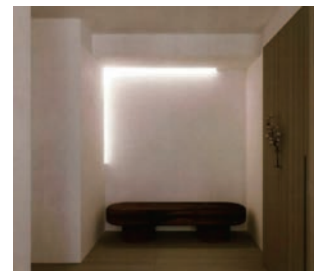
#### (3) JP1723013 for “House” by GOODLIFE CO.

This design relates to an indirect lighting fixture on a wall of a house.

[Perspective view]



[Reference image showing state of use]



### Conclusion

Under the revised Act, various types of building designs, including not only exteriors but also interiors, can now be registered. Therefore, design registrations as building and/or interior should be considered to properly protect creative building/interior designs that should lead to enhance brand value and also increase the value of the products or services provided in the building. As stated above, interior designs are registered as a set of articles, buildings, or graphic images under Article 8-2 while the exteriors and interiors of the building are also registrable as building. In a subsequent issue, we will elaborate difference in the conditions for registration between “building designs” and “interior designs” under the Revised Act and how the protection for these designs may be sought.

Topics

Episode3

Recent Amendments to the Patent Law in Japan – Reinstatement of Rights



We have released a new episode of our Podcast channel “TMI Podcast - Intellectual Property in Japan” which is available on [Apple Podcast](#), [Google Podcasts](#), and [Spotify](#). This episode is part of our recent series on the amendments to the Patent Law and focuses on various aspects of recent law revisions from the viewpoint of Japanese agents. In this episode, Ms. Mayo Komiyama, a patent attorney at TMI, talks about one of the key advantages of these amendments for patent applicants; namely, the relaxation of the requirements for reinstatement of rights (e.g., priority claims, requests for examination, and patent rights) in Japan. In particular, she explains that the Japanese restoration system has changed from the “Due Care Standard” to the “Unintentional Standard.”

2022 AIPPI World Congress - San Francisco

Yoshiyuki Inaba, Mitsuko Miyagawa, Hiroshi Nemoto, and Masaya Tsuno of TMI Associates traveled to San Francisco to attend the AIPPI World Congress 2022 from September 10 to 13, 2022. The AIPPI World Congress is known as one of the biggest global gatherings of IP experts around the world. This is the first time the off-line meeting has been held since the London congress in 2019. In 2020 and 2021, the meeting was held online due to the COVID-19 pandemic. This year, more than 1,000 IP experts from different countries and regions attended the gathering, including about 50 from Japan, and again held a number of meetings in person. The attendees exchanged insights on various areas of IP. Ms. Miyagawa took part in the making of AIPPI’s resolutions for topic Q281 “Trademarks, and the Internet and Social Media”. Mr. Tsuno, a member of directors of the AIPPI-Japan, attended this conference as one of delegates of the Japan group. The next AIPPI World Congress will take place in Istanbul, Turkey, in 2023.

4. Consumer Survey to Prove Acquired Distinctiveness for Color Marks



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Introduction

In recent times, an increasing number of trademark applications have been submitted together with customer surveys as evidence to prove the acquired distinctiveness of the mark in question, not only in court cases but also in matters before the Japan Patent Office (“JPO”). However, a high level of recognition in such surveys does not necessarily mean that the evidence is considered to be highly probative, and there is still no established practice in this field. In this article, we would like to introduce some recent decisions and judgments on color marks in which consumer surveys were submitted and consider how the submitted consumer questionnaires were evaluated.

1. Seven Eleven’s stripe color mark

The first case involves Seven Eleven’s corporate color mark shown below. Seven Eleven filed a trademark application for a combination color mark designating retail services or wholesale services for food and beverages in Class 35 on April 1, 2015, the very first day on which the color mark system was introduced in Japan. This application received a Provisional Refusal due to lack of distinctiveness during the examination process and Seven Eleven therefore submitted a consumer survey to strengthen its argument that the mark had obtained acquired distinctiveness. As a result, the mark was successfully registered in the examination stage.

Mark:



Application No. 2015-30037  
Services: “retail services or wholesale services for food and beverages” etc. in Class 35

The survey was conducted nationwide, excluding Okinawa, among 500 men and women aged 20 to 60 who shop at convenience stores. Respondents were presented with a rectangular drawing of the applied-for trademark, similar to an actual store sign, and asked for the name of the retail store. As a result, 90.6% of the respondents answered the name “Seven Eleven”. In addition to this, to increase the credibility of the questionnaire, the same question was asked to another 500 respondents by presenting a drawing of the same rectangle with a “different color.” In this case, only

1.8% of them answered the name "Seven Eleven". Through this result, the JPO judged that 88.8% of the consumers recognized that the color combination of orange, green, and red functioned as a source of origin.

## 2. Japan Post's single-color mark

The second case involves Japan Post's single-color mark. Japan Post also filed a trademark application on April 1, 2015, for a red color mark, which has long been used as their corporate color, for their letter services in Class 39. This application was rejected due to lack of distinctiveness in the examination stage, and a final decision of rejection was issued. Japan Post filed an appeal against the decision and submitted a consumer survey in an attempt to overturn the rejection. However, the survey was unsuccessful, and the registration was finally rejected.

Mark:



Application No. 2015-30540  
Services: Service of letters provided at uniform nationwide rates in Class 39

The survey was conducted nationwide among 3,000 general consumers between the ages of 20 and 69. The respondents were shown a red-colored square shape and asked for the name of the company or organization they recalled from the color. As a result, 64.1% of the respondents answered the name "Japan Post". However, the JPO Appeal and Trial Board found that this figure was not sufficiently high considering the fact that Japan Post has monopolized the postal service business for many years. In addition, 35.9% of the respondents answered the names of other companies, some of which were closely related to Japan Post's business field. Therefore, the JPO Appeal and Trial Board concluded that the results of the consumer survey did not necessarily indicate that the red color by itself was recognized as the source of the services provided by Japan Post.

## 3. Nissin Foods' combination color mark

The last case involves the color mark of Nissin Foods Holdings Co., Ltd. ("Nissin"). On July 12, 2018, Nissin filed an application for a color trademark for the orange border pattern used on the package of their "Chicken Ramen" products, designating the goods in Class 30 including "confectioneries, processed grain products, cooked noodles." The JPO issued a Provisional Refusal stating that such applied-for mark merely indicated the characteristics of the goods in a commonly used manner and was lacking in distinctiveness. In response to this refusal, Nissin made an argument including that it has been using a striped pattern on a white background for its packaging since its initial sales in 1958, and has never changed the number of stripes (17 stripes), which is the basic configuration of the

packaging. In addition, it pointed out that, as of the 45th anniversary of the launch, the cumulative sales had reached 4.5 billion servings, and the market share of "Chicken Ramen" with this trademark had remained stable at approximately 6-10% in the bagged instant noodle market from 1996 to 2018. Further, Nissin submitted the results of a consumer survey. As a result, the trademark managed to be registered during the JPO examination stage.

Mark:



Application no.: 2018-90378  
Goods: "cooked noodles" etc.  
in Class Class 30

The survey was conducted among 3096 men and women in their 20s to 60s living throughout Japan. In one group, where respondents were asked about their vague recollection of the trademark by presenting the trademark with "instant noodles" as the goods, 87.23% of respondents correctly recalled the source of the trademark. In addition, even in the group, where respondents were asked about the source of the trademark without specifying the goods, 65.69% of respondents correctly recalled the source of the trademark, indicating a high degree of recognition. Based on the results of this survey, the JPO made a determination as early as the examination stage that the applied-for trademark had acquired distinctiveness.

## Conclusion

As you can see from the results of the consumer surveys submitted in the above three cases, it is not necessarily true that a high level of number in questionnaires will be sufficient to constitute strong evidence, although it must also be said that the second unsuccessful case involved a single-color mark and the threshold for registration thereof is extremely high. Even if a high level of recognition is shown, there is still a possibility that the evidence may not be particularly persuasive if the range of consumers, geography, or purchasing experience is too limited. On the flip side, even if the resulting level of recognition is not extremely high, if the questionnaire results can be shown to prove the well-known nature of the mark throughout Japan, there is a good chance that it will be adopted as strong and compelling evidence. When submitting questionnaires as evidence, there is no set answer to the question of under what conditions and to what degree of recognition should be shown to prove that a mark is sufficiently well-known to be distinctive. In this sense, the design of the questionnaire is very difficult, and careful judgment is required as to whether the results obtained should be submitted as evidence. We will be keeping a close eye on future cases in this regard.

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

### Organizational Structure

TMI, has a total of more than 1,100 employees worldwide, including over 600 IP/Legal professionals, comprised of 523 attorneys (Bengoshi), 88 patent/trademark attorneys (Benrishi), and 48 foreign law professionals.

Attorneys (Bengoshi)	523
Patent / Trademark Attorneys (Benrishi)	88
Foreign Law Counsels	7
Foreign Attorneys	41
Advisors	9
Management Officers	2
Patent Engineers, Staff	443
<b>Total</b>	<b>1,103</b>

(As of November 1, 2022)

### 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 9,500 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	30	Chemical	15
Mechanical	16	Bio, Pharma	6
Design <small>overlap included</small>	6	Trademark	21
IP Lawyers	80		

### Awards

TMI, its attorneys, and its patent and trademark attorneys have been the proud recipients of prestigious awards every year. This year, TMI received again various awards, such as **Chambers Asia-Pacific - Band1/Intellectual Property**; **The Legal 500 Asia Pacific - Tier 1/Intellectual Property**; **WTR 1000 - Gold/enforcement and litigation, prosecution and strategy**; **IAM Patent 1000 - Gold/Patent Litigation, Prosecution, Transaction**; **Asia IP - Tier 1/Patents, Copyright/Trademarks**; and **Managing IP: Asia Pacific Awards winners / patent prosecution and trademark; ranking – Tier 1 / patent contentious and prosecution / trade mark contentious and prosecution, recommended / IP transactions**.



### 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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