

Japan Patent & Trademark Update



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1. Japan Finally Ready to Welcome Letters of Consent



Shunji Sato
Trademark Attorney
ssato@tmi.gr.jp

Introduction

On December 23, 2022, the Trademark System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council, under Japan's Ministry of Economy, Trade and Industry (METI) (the "Sub-committee") published a draft report titled, "*Review of the Trademark System for the Development of Brand Strategies Utilizing Trademarks*" ([in Japanese](#)), which summarizes the last three (3) months of discussions on the introduction of a consent letter system to Japanese IP law practice.

Over 50 years of discussion

Although trademark practitioners have been discussing the necessity of implementing a consent letter system for over 50 years, such system has yet to be introduced in Japan. This is mainly because it has often been considered by critics that the mere indication of consent between the parties does not eliminate the risk that consumers may confuse the origin of the goods or services when similar marks co-exist in the marketplace. As the Japan Patent Office ("JPO") does not accept letters of consent to overcome the citation of prior marks, trademark applicants instead have to go through cumbersome "assign-back arrangements" (see our article titled "[Quasi-Consent System under Article 4-1-11 of the Trademark Act – How to Overcome Trademark Conflicts Between Parent Companies and Subsidiaries, etc.](#)" in Issue 10 of our Japan Patent & Trademark Update), which often result in additional costs in time and money until registration compared to the situation in which an applicant could simply obtain a consent letter from the holder of the prior trademark registration.

JPO Commissioner's strong initiative

An advisory panel to the JPO Commissioner, known as the round-table conference on policy promotion, began discussions last April on how to address and implement changes in several areas of concern related to the current Japanese IP system in order to promote the utilization of IP. Such areas of concern included: (i) The current IP system's ability to meet modern demands; (ii) Support for SMEs, universities, and ventures; and (iii) Digitization. Of the 16 topics discussed, "introducing a consent letter system" was among the topics related to the current Japanese trademark system. After 3 months of discussions, on June 30, 2022, the JPO published its report ([in Japanese](#))

outlining basic guidelines for the introduction of a consent letter system. Considering the ongoing resistance toward such practice throughout the past 50 years, the JPO choosing to act so quickly is quite surprising, and this rapid change was only made possible by the courage and initiative displayed by the JPO Commissioner, which has now finally opened the way for the introduction of a consent letter system in Japan.

Sub-Committee’s Report

The Sub-Committee’s Report (“Report”) concluded that, although there are still opposing views toward the introduction of a consent letter system, considering that: (i) the protection of consumers’ interests is already sufficiently ensured by the design of the consent letter system; (ii) applicants’ needs have been increasing in recent years; and (iii) there is an increasing demand for international harmonization, the majority of the committee members agreed that it is appropriate to introduce a consent letter system in Japan.

The Report proposed that consent letters should only be allowed on a conditional basis, i.e., even if a letter of consent is submitted to overcome the citation of a prior trademark registration in an Office Action, the Examiner still has the discretion to reject the trademark application if he/she believes that confusion would be likely to occur, thereby ensuring that the interests of consumers are adequately protected. This type of consent system is widely adopted by many countries, such as the U.S., Canada, China, Hong Kong, Taiwan and Singapore. The Report also proposed the implementation of remedial measures such as Cancellation Actions, if confusion actually does occur as a result of the co-existence of similar trademarks, as well as the implementation of requests for an indication to prevent confusion from arising due to the co-existence of similar trademarks.

Conclusion

After 50 years, this is truly a big step forward for brand owners and Japanese trademark practitioners alike, as, once the system is implemented, it will become far simpler for trademarks to be registered and co-exist when the parties do not believe that consumers may confuse the origin of their goods or services, thereby bringing the Japanese system closer to international harmonization. Discussions on the criteria or specific factors to be considered in assessing the likelihood of confusion will commence later this year through another Working Group on Examination Standards, based on the guidelines outlined in the Report.

i The draft report is finalized and released on March 10, 2023 (please see [here](#)).

2. Details of the New Rights-Restoration System in Japan



Jun Tomita
Patent Attorney
jtomita@tmi.gr.jp

Introduction

Starting April 1 of this year, the Japan Patent Office (“JPO”) will begin enforcement of the latest revisions to the Japan Patent Act of 2021 (the “Patent Act”). In the 2021 Patent Act revisions, there are seven articles related to the purpose of relaxing the current restoration requirements, shifting from a “substantial care” standard (the “due care standard”) to an “intentional” standard (the “intentional standard”). After these revisions come into force, the requirements for restoration of rights in Japan will be similar to those in the US. Given such a significant relaxation of the standards, patent applicants and patentees, especially those from overseas, will now have expanded opportunities to reinstate their lapsed patent rights through relatively simple procedures within a predetermined rights-restoration period.

◆ What types of rights can be restored under the 2021 Patent Act revision?

The aforementioned seven articles are related to the five types of rights shown in the following table:

	Types of Rights Able to be Restored	Related Articles of the Japan Patent Act
i	Right to submit translations of applications in foreign languages	36-2(6),184-4(4)
ii	Right to priority claims	41(1)(i),43-2(1)
iii	Right to request the examination of an application	48-3(5)
iv	Right to special provisions for notification of patent administrator for overseas residents (Right to choose a patent administrator in Japan)	184-11(6)
v	Right to additional payment of patent fees (Right to recovery of lost patent rights due to inability to pay patent fees)	112-2(1)

Accordingly, items (i)-(iv) are rights falling within the application stage, while item (v) is concerned with rights after the patent has been granted. Former patent applicants or former patentees can submit rights-restoration applications for all of these five types of rights within a designated rights-restoration period.

Please note, however, that the new intentional standard will only apply to applications for rights-restoration submitted on or after April 1, 2023, whereas those submitted on or before March 31, 2023 will still be subject to the old “substantial care standard.”

◆ What is a “rights-restoration period”?

A rights-restoration period is a time slot during which former patent applicants or former patentees can submit rights-restoration applications after patent rights have lapsed. In principle, the rights-restoration period is a two-month period from the date on which the unintentional reason leading to the five types of rights to be lapsed no longer exists, occurring within one year from the date of lapse of a certain right. On the other hand, if the last day of such two-month period exceeds the one-year period, the rights-restoration period will be the period from date on which the unintentional reason no longer exists to the last day of the one-year period. In this situation, the rights-restoration period will be shorter than the normal two months.

In summary, the rights-restoration period ends on the last day of either the two-month period or the one-year period, whichever ends first. If a former patent applicant or former patentee (the “rights-restoration applicant”) is able to submit a compliant application for rights-restoration by the “last day” of the rights-restoration period, their lapsed rights can be restored.

◆ Is there any need to submit documentary evidence?

No, rights-restoration applicants do not need to submit documentary evidence in the new rights-restoration system (the “new system”), in principle. Before the present revisions to the Patent Act, rights-restoration applicants had to submit documentary evidence showing that they had taken substantial care to avoid the lapse of their patent rights. However, once the revisions come into effect, applicants can simply submit a statement of reasons for restoration of their rights rather than being required to provide the JPO with documentary evidence. This will generally be an easier and simpler procedure for applicants to follow.

◆ Is a rights-restoration fee required?

Yes, rights-restoration applicants need to pay a rights-restoration fee. Rights-restoration fees were introduced in the 2021 Patent Act revisions and will come into effect on April 1, the purpose of which is to prevent potential abuse of the new system. Applicants seeking restoration of their rights will need to pay JPY 297,000 per restoration application, with respect to each of the five types of rights, in principle.

However, the rights-restoration fee can be waived in instances

where the reasons for the applicant’s failure to complete the necessary procedures to maintain these five types of rights within the time limit cannot be attributed to the applicant (hereinafter, “unattributable reasons”). In such a case, applicants seeking restoration of their rights must submit documentary evidence to the JPO, proving their unattributable reasons. Please note that only when the JPO approves the documentary evidence, the fee can be waived. We see, however, the Office would apply a very strict approval standard the same as the current one.

In addition, such unattributable reasons necessary to waive the fees include situations such as where: (i) applicants or patentees overseas were unable to contact their Japanese patent attorneys to direct them to proceed with maintenance procedures for their rights due to falling ill from COVID-19; (ii) the failure to complete necessary procedures for maintaining their rights was caused by a large-scale disaster (such as a pandemic); or (iii) applicants or patentees overseas had problems due to equipment malfunction that prevented them from contacting their Japanese patent attorneys.

Furthermore, in the U.S., the waiving of the rights-restoration fee payment after the lapse of rights due to “extraordinary circumstances” includes the spread of the current coronavirus pandemic. In Europe and China, the waiving of surcharge payments after the lapse of the payment period due to the spread of coronavirus was also accepted by special decision and public notice. Therefore, the waiving of rights-restoration fees to be implemented by the JPO is similar to the systems practiced by the USPTO, the EPO and the CNIPA.

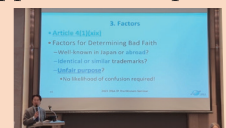
Conclusion

In conclusion, upon the 2021 Patent Act revisions coming into force, the previously unrestorable patent rights can be restored in principle. Given such a significant change, we believe that the new rights-restoration system will bring terrific advantages not only to patent applicants and patentees in Japan, but also those from overseas.

Topics

2023 JPAA IP Practitioners Seminar in Bangkok, Thailand

Shunji Sato (Partner/Trademark Attorney) gave presentations titled “Bad Faith Application in Japan” and led a workshop at the [JPAA IP Practitioners Seminar](#), held at Hotel Nikko Bangkok on February 28th, 2023.



Topics

Zhejiang Province Intellectual Property Seminar

Mr. Motohiro Yamane (Partner, Attorney-at-law, TMI Associates Shanghai Office Representative), Mr. Gen Yamaguchi (Partner, Trademark Attorney) and Ms. Takako Ito (Patent Attorney) were invited to deliver a lecture on Japanese IP laws and current practices before an audience of legal practitioners on December 7, 2022, as part of the Intellectual Property High-Level Human Resources Development Seminar held by the Administration for Market Regulation of Zhejiang Province in the People’s Republic of China. Motohiro Yamane began the lecture by giving an overview of Japanese IP laws before an audience of Chinese IP legal practitioners at the Relax Hotel in Hangzhou, Zhejiang Province. Takako Ito participated online from Japan and focused her discussion on Japanese patent laws and practices, while Gen Yamaguchi, also participating online from Japan, spoke about Japanese trademark laws and practices. A cumulative total of 13,000 participants attended the seminar in-person and online over the event’s five-day period lasting from December 5 - 9, 2022.



3. Building Designs and Interior Designs under the Revised Act



Miwa Hayashi
Patent Attorney
mhayashi@tmi.gr.jp



Koji Akanegakubo
Patent Attorney
kakanegakubo@tmi.gr.jp



Koji Miyake
Patent Attorney
kmiyake@tmi.gr.jp

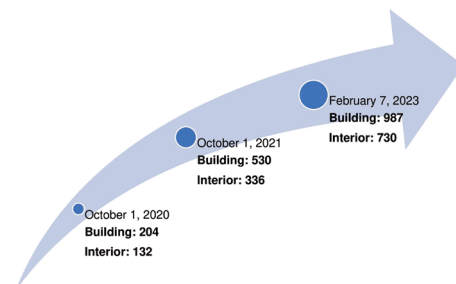
Introduction

Almost three years have now passed since the revised Design Act (the “Revised Act”) came into effect, and many applications for buildings and interior designs newly protected by the Revised Act have been registered. In this article, we will elaborate on the difference between building designs and interior designs under the Revised Act and which method of protection should be chosen to best protect the design of a building interior.

Number of Applications and Registrations for Building Designs and Interior Designs

The Japan Patent Office (“JPO”) constantly updates the statistics on the number of design applications and registrations filed under the Revised Act, which shows that the number of applications for building and interior are increasing as follows:

[Number of Applications Filed under the Revised Act]



(Source: https://www.jpo.go.jp/system/design/gaiyo/seidogaiyo/document/isyuu_kaisei_2019/shutsugan-jokyo.pdf)

The statistics show that more design applications for building designs are filed than those for interior designs. However, the ratio of registrations is higher for building designs than for interior designs.

Difference between Building Designs and Interior Designs under the Revised Act

The Japanese Design Act stipulates protectable “design” under Article 2 (1).

In the Revised Act, buildings became protectable by redefining Article 2 (1) as “the shape, patterns, or colors, or any combination thereof, of an article... the shape, etc. of a building...which creates an aesthetic impression through the eye.”

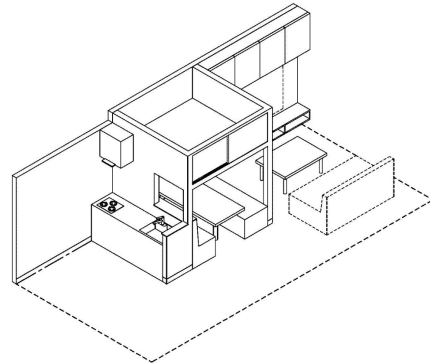
On the other hand, new protection for interior designs was provided by Article 8-2 stipulating “A design for articles, buildings or graphic images that constitute equipment and decorations inside a store, office and other facilities (hereinafter referred to as “interior”) may be filed as one design and obtain a design registration if interior creates a coordinated aesthetic impression as a whole.”

Prior to the Revised Act, “design of a set of articles” consisting of multiple articles had been exceptionally protectable under Article 8. More specifically, Article 8 provides an exception for the one-application-for-one-design rule and allows a design for a set of two or more articles to be filed and registered if the set of articles has a sense of unity as a whole and meet certain conditions.

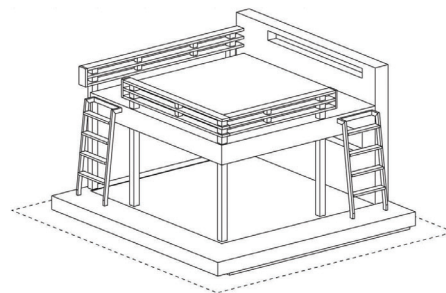
Article 8-2 in the Revised Act, also provides as an exception for the one-application-one-design rule, as interior designs are eligible for protection as a set of articles when “interior creates a coordinated aesthetic impression as a whole.” In other words, in order to be eligible for registrable interior designs, the application needs to be a set of articles, buildings or graphic images consisting of more than one fixture and fittings having a sense of unity as a whole.

While we introduced some typical examples of registrations for building and interior designs in previous newsletters (Japan Patent & Trademark Update [Issue 21](#) and [Issue 22](#) issued on July 25, 2022 and November 25, 2022, respectively), in this article, we present examples registered as building designs and interior designs which are both related to interior of the building as follows.

(1) JP1718819 for “Interior of housing” by Think Consulting K.K.



(2) JP1731401 for “Accommodation facility” by Cosmos Initia Co., Ltd.



Example (1) is registered as interior and (2) is as a building. The difference between these registrations is whether more than one movable fixture/fitting is included or not.

Example (2) is registered as a building (accommodation facility) though it specifically claims a “bed” to be installed in the accommodation facility. While Example (2) is registered as a building because it contains one single fixture (bed) and also a floor (depicted with a broken line), it is also possible to seek protection as a “bed” without floor. Incidentally, in that case, it is likely that they are considered to be similar whether the application is filed as a building or as the article “bed.”

Conclusion

When it comes to protection of special design involved with buildings and/or interiors of a building, the applicant can now choose whether it should be filed as building designs or interior designs, depending on whether the creative features are involved in the building itself or other parts of the building such as fixtures and fittings.

The Revised Act provides more options as to how special design can be protected and enables creations of designers to obtain protection in a more multifaceted way.

Topics

Location of Intellectual Property High Court Changed Japan's First Business Court Launches in Tokyo

The Business Court launched in Tokyo's Nakameguro district in November 2022.

The Business Court is Japan's bid to consolidate the relevant departments in one place in order to accumulate knowledge and know-how, as business-related litigation requires a high level of expertise. This is the first such initiative in Japan, and is expected to result in more streamlined, efficient and specialized proceedings.

Regarding intellectual property disputes, the Intellectual Property High Court and The Tokyo District Court's Intellectual Property Departments (Civil Divisions 29, 40, 46, and 47) have been relocated to the Business Court.

The Business Court is well equipped with facilities for digitalized litigation, allowing for web-based court hearing proceedings and online submission of trial briefs and other litigation documents, and is far ahead of other courts in Japan in this field. Furthermore, international symposia will be held at the Business Court with the aim of strengthening Japan's international presence and competitiveness in the field of intellectual property disputes.

Tokyo's Nakameguro district, where the Business Court is located, is blessed with a natural environment in the midst of the metropolis. The cherry blossoms in full bloom along the famous Meguro River in springtime are breathtakingly beautiful. Nakameguro is only a 10 to 15 minute drive from TMI's Tokyo office.



New Special Foreign Counsel

Toshiko
Takenaka, Ph.D.



- Admitted to New York Bar
- Professor of Law,
- University of Washington School of Law
- Of Counsel, Seed IP Law Group

My name is Toshiko Takenaka and I am very pleased to join TMI Associates last January. I am a tenured full professor at the University of Washington School of Law (UW Law) with the title of Washington Research Foundation / Hunter Simpson Professor of Technology Law.

I have been teaching U.S. patent law and other types of intellectual property laws to both J.D. and LL.M. students at UW Law since 1993. My academic career began when Max Planck Institute for Innovation and Competition published my dissertation which examined the extent of patent protection under U.S., German and Japanese Patent Acts, which led to the current position to research on intellectual property system from the comparative law perspective and publish basic comparative patent law books and articles in various topics related to protection of cutting-edge technologies such as AI and biotechnologies. When I was younger, my goal was to become a circuit professor who visits to teach different universities. I achieved the goal by teaching US and European IP systems at Keio in Spring and UW Law in Winter through a joint appointment while teaching and presenting papers at German and French universities in Fall.

Because most of my academic activities are in English, I have been looking for an opportunity to share my knowledge and experience in Japanese. I am very excited because joining TMI Associates will give me such an opportunity. I look forward to working with lawyers, patent attorneys and staff members who provide high quality legal services and help them deepen their knowledge on US and European IP systems.

This Year's Promotion to Partner



Takashi Nakatsuka

Partner

Patent Attorney | Japan
U.S. Patent Bar
(limited recognition only)

- Mechanical Engineering
- Control Engineering
- Software
- Design

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With a background in mechanical engineering, Takashi Nakatsuka started his IP career at a boutique patent firm and joined TMI in 2003. Takashi has handled patent prosecution and litigation on

behalf of both domestic and foreign clients for more than 20 years. He specializes in mechanics and mechatronics, focusing primarily on a range of technologies, including the automotive field, robotics, semiconductors, medical devices, printers, vending machines, consumer products, software, databases, telecommunications, social networks, touch interfaces, haptic devices, and memory.

Takashi also has significant experience in freedom-to-operate and opinion work and invalidation actions before the court and the Japan Patent Office. His experience extends to design prosecution and disputes. Further, Takashi has been committed to assisting clients in bolstering their border

suspension solutions for patent-infringed products before Japan Customs.

Takashi has two years of U.S. IP experience in Silicon Valley, with the first year spent studying at law school and the second year working for a U.S. law firm as an international lawyer. During the law firm period, Takashi contributed to assisting clients to develop their patent folios through patent prosecution, such as by conducting telephone interviews with U.S. examiners and drafting responses to office actions. He was also involved in U.S. patent litigation cases where he analyzed the invalidity of subject patents. Takashi passed the U.S. patent bar examination in 2016.

Gen Yamaguchi ("Gen") is a trademark and design attorney and has over twenty years of experience in the trademark field. Gen started his career at one of the largest IP boutique law firms in Japan in 2001 and joined TMI in 2015. His expertise widely ranges from trademark searches, filings, oppositions, invalidation and cancellation actions to negotiations, licensing and litigation actions, around the world, for domestic and overseas clients.

Gen has experience in working in-house for the world's leading steel company in the IP department

for three years, where he managed the trademark portfolio and advised on brand protection and anti-counterfeiting. His extensive experience enables Gen to smoothly catch the point of problematic situations and provide practical, reasonable and strategic solutions from both attorney's and client's perspectives.

Gen is an active member of the Foreign Trademarks Committee of Japan Trademark Association (JTA). Gen is also an active member of International Trademark Association (INTA) and was invited as a speaker in the panel session "Asia Pacific Enforcement Strategy" at INTA

annual meeting in Seattle, where Gen spoke about civil actions in Asian countries.



Gen Yamaguchi

Partner

Trademark Attorney | Japan

- Trademark
- Design
- Unfair Competition
- Copyright
- Border Enforcement
- Brand Management

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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 555 attorneys (Bengoshi), 89 patent/trademark attorneys (Benrishi), and 49 foreign law professionals.

Attorneys (Bengoshi)	555
Patent / Trademark Attorneys (Benrishi)	89
Foreign Law Counsels	6
Foreign Attorneys	43
Advisors	9
Management Officers	2
Patent Engineers, Staff	439
Total	1,143

(As of March 1, 2023)

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	16
Mechanical	16	Bio, Pharma	6
Design	6	Trademark	21
overlap included			
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 - Patent Prosecution, Trademark**.



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, Kyoto, Fukuoka, Shanghai, Beijing, Yangon, Singapore, Ho Chi Minh City, Hanoi, Phnom Penh, Silicon Valley, London, Bangkok