

Japan Patent & Trademark Update



Contents

1. Patents and Designs have been added to the scope of simplified Identification Procedures at Customs
2. Newly introduced Letters of Consent
3. Recent Statistical Data Related to Patent Disputes in Japan
4. This Year's Promotion to Partner
5. About TMI

1. Patents and Designs have been added to the scope of simplified Identification Procedures at Customs



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Introduction

Japan Customs suspends the import of products that infringe intellectual property (IP) rights. When Customs finds suspicious products that may infringe IP rights, Customs initiates an Identification Procedure. As a result of the Identification Procedure, if Customs determines that the products infringe Japanese IP rights, Customs may confiscate the products. In the Identification Procedure, the simplified procedure was limited to trademark and

copyright cases, etc., but has been expanded to include patent and design cases, etc., as of October 1, 2023. In this article, focusing on patents, we introduce the simplified procedure.

Statistics

As shown in the table below, the number of import seizures increased drastically in 2019 and has been gradually increasing since then.

[Number of Import Seizures based on Patents]

Year	2018	2019	2020	2021	2022	2023 Jan-Jun
Cases	6	83	116	174	280	113

Source:

https://www.mof.go.jp/policy/customs_tariff/trade/safe_society/chiteki/

Overview of Procedures

There are the following two (2) procedures to have Customs suspend the import of products.

(1) Application Procedure

A patent owner submits a suspension application to Customs, which 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.

If Customs approves the application, the application will be valid for four (4) years at the most and may be renewable.

(2) Identification Procedure

The Identification Procedure is triggered once Customs detects suspicious products. In the Identification Procedure, Customs decides whether suspicious products

infringe upon a patent.

A) General Procedure

Customs notifies both importers and patent owners of the initiation of the Identification Procedure. The importers and the patent owners can submit their opinions and evidence to Customs within ten (10) business days. The importers may argue non-infringement and/or the invalidity of the patent. The opinions and evidence submitted by both parties may be exchanged to give both parties an additional opportunity to submit a counterargument. Customs then makes a decision whether the suspicious products infringe upon the patent. The decision is generally made within one (1) month.

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 patent. In typical cases, however, expert opinions are rarely sought.

If Customs determines that there is no patent infringement, the import of the products is granted. In contrast, if Customs determines that there is a patent infringement based on opinions / evidence submitted by patent owners, Customs may confiscate the infringing products, provided that no measures of voluntary disposal have been taken during the period for protest.

B) Simplified Procedure

In the simplified procedure, Customs can proceed to make a decision whether the suspicious products infringe upon the patent without asking patent owners to submit opinions and evidence, if importers do not submit any written objections to Customs within the designated period.

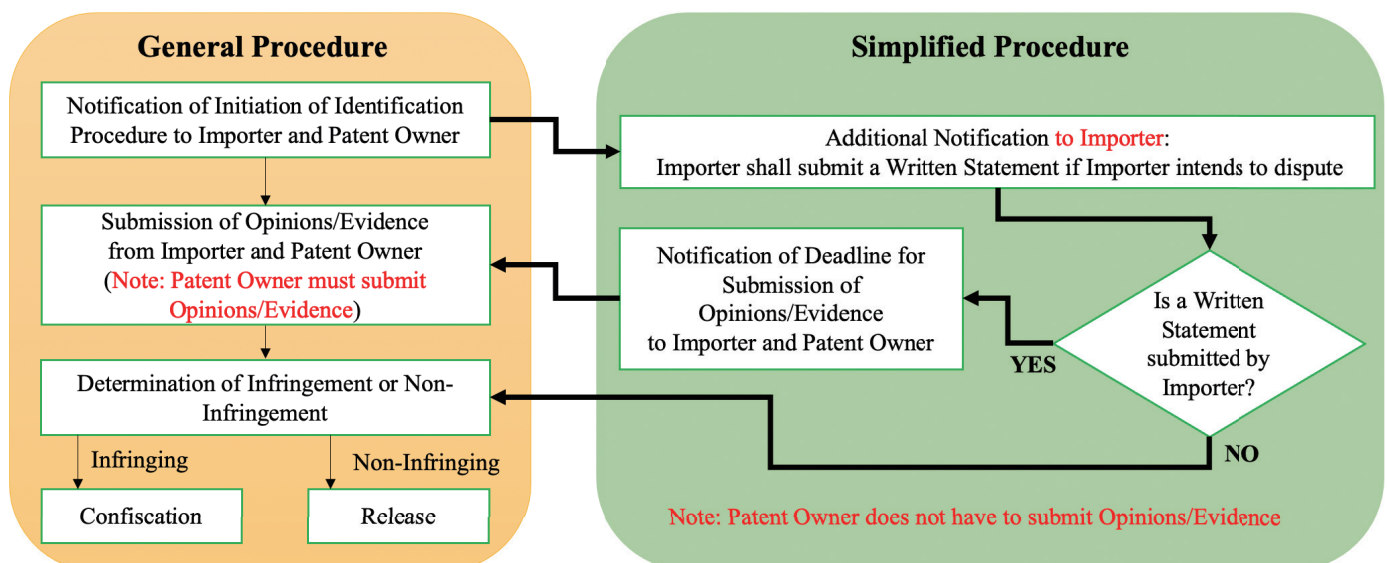
Specifically, as shown in the chart above, in the Notification of Initiation of Identification Procedure, importers are additionally notified to submit a Written Statement within ten (10) business days if the importers intend to dispute whether or not the products fall under infringing products.

If there is no submission of a Written Statement, Customs proceeds to make a decision whether the suspicious products infringe upon the patent. Therefore, there is no need for patent owners to submit opinions and evidence. Given that Customs finds the products to be possible of patent infringement when initiating Identification Procedures, we expect that Customs is highly likely to decide that the products infringe upon the patent.

In contrast, if there is a submission of a Written Statement, Customs notifies both the importers and patent owners of the deadline to submit opinions and evidence to Customs. Subsequent procedures are the same as the general procedures.

Conclusion

The owners of patent rights and design rights have become able to enjoy the benefits of the simplified identification procedures for imports of products before Customs. Thanks to the simplified identification procedures, patent owners and design owners are expected to utilize Customs as a useful means to enforce their rights while they benefit from a reduced labor and economic burden. Given that Customs procedures are simple, speedy, and cost-effective, not only patent right owners but also other IP right holders should consider Customs as a forum to seek an injunction on infringing products in addition to district courts.



2. Newly introduced Letters of Consent



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1. New Article 4(4) as an exception to Article 4(1)(xi)

The amended Trademark Act went into effect on April 1, 2024. A new Article 4(4) has been added to the amended Trademark Act as an exception to Article 4(1)(xi), which rejects trademarks similar to prior registered trademark. The new Article 4(4) provides that Article 4(1)(xi) does not apply if:

- (1) the consent of the holder of the previous registered trademark has been obtained; and
- (2) there is no likelihood of confusion with the goods or services of the holder of the prior registered trademark.

Therefore, under the new Article 4(4), the applicant not only needs to obtain a letter of consent from the owner of the prior registered trademark but must also prove that there is no likelihood of confusion now or in the future by submitting additional documents.

2. Proving “No Likelihood of Confusion”

The JPO also published new examination guidelines for determining “no likelihood of confusion.” The new

examination guideline for Article 4(4) requires the JPO to comprehensively consider almost the same factors as those set forth in [the Article 4\(1\)\(xv\) examination guidelines](#), which state that a trademark application is to be refused if the trademark is likely to cause confusion, considering various factors such as the degree of similarity between the trademarks, the goods and services relationships, and the trademark’s reputation. The new examination guideline also states that in addition to the above factors, the JPO also considers how the trademark is to be used and the state of the transactions.

Brand owners expect the JPO to be flexible in applying these guidelines. If the JPO strictly applies the examination guidelines, brand owners may be forced to return to the complicated, time-consuming “assign-back” procedure, which would not be a desirable outcome for either the JPO or the brand owners.

3. Q&A by the JPO

The JPO published a Q&A on the expected general questions.

4. Future Prospects

Examinations of trademark applications filed after April 1, 2024, are expected to begin around September 2024. The JPO states that trademark applications that claim Article 4(4) are to be examined at the same time. Therefore, under the newly introduced Article 4(4), the expected examination results may take a year. After that time, we will know which trademark applications were accepted under this new letter of consent examination guideline.

1. General Questions

Q1-1 When does the revised law regarding the Letter of Consent System become effective?

A1-1 **The revised Trademark Act provisions relating to the Letter of Consent System came into effect on April 1, 2024 (the “effective date”), and the Letter of Consent System applies to all applications filed on or after the effective date. With regard to coexisting trademarks that are concurrently registered at the time of the revised law’s entry into force through the “assign-back” procedure, the provisions of request for indicating the prevention of confusion and cancellation trials for unfair use are also to be applied from the effective date.**

Q1-2 What happens if a trademark application filed before the effective date is claimed to be subject to the Letter of Consent System after the effective date?

A1-2 **The Letter of Consent System does not apply to any trademark application filed before the effective date, even if the application is still pending after the effective date.**

Q1-3 If a divisional application is filed after the effective date but the original application was filed before the effective date, does the Letter of Consent System apply to the new application?

A1-3 **Article 10(2) of the Trademark Act states that when a trademark application is divided, the new application date is retroactive to the original application date. Therefore, if the original trademark was filed before the effective date and the divisional application is legally filed after the effective date, the Letter of Consent System does not apply to the new application.**

Q1-4	Does the Letter of Consent system apply if priority under the Paris Convention, etc., is claimed after the effective date on the basis of the first-country application that was filed before the effective date?
A1-4	Even if the first-country application on which the priority is based was filed before the effective date, it is still possible to claim priority under the Paris Convention, etc., and apply for the Letter of Consent System after the effective date, as long as it is claimed for within the priority period provided for in Article 4 of the Paris Convention.
Q1-5	Why does the newly introduced Letter of Consent System require both the consent of the prior registered trademark owner and consideration of no likelihood of confusion between the two trademarks?
A1-5	Article 1 of the Trademark Act states that the purpose of such legislation is to protect the "interests of consumers." To fully ensure this purpose, the "Conditionally Acceptable type of Letter of Consent System" does not allow for the registration of two trademarks if there is still a likelihood of confusion between them, even if the consent of the owner of the prior trademark registration has been obtained.

2. About Examination

Q2-1	What documents do I need to submit to apply for the Letter of Consent System?
A2-1	If you wish to apply for the Letter of Consent System, you need to submit documents that demonstrate that: (a) you have the consent of the owner of the prior registered mark and, (b) there is no likelihood of confusion between the two trademarks.
Q2-2	Is it possible to submit the documents relating to the Letter of Consent System when filing the trademark application or at some other time before the Notice of Reason for Refusal?
A2-2	Generally, the documents relating to the Letter of Consent System are submitted in response to a Notice of Reasons for Refusal claiming that the mark falls under Article 4(1)(xi). However, if the applicant is aware of a similar prior registered mark in advance, it is possible to submit the required documents when filing the trademark application or at some other time before the Notice of Reasons for Refusal is issued. Please note, however, that there may be cases where a prior trademark application that was not recognized at the time of filing is cited during the examination.
Q2-3	In assessing the Letter of Consent System application, the goods or services used, rather than the designated goods or designated services, are judged. Is it possible to use the Letter of Consent System even if a prior registered trademark is not in use?
A2-3	Yes, it is possible to use the Letter of Consent System even if the prior registered trademark is not in use. Article 4(4) determines the likelihood of confusion between the goods or services for which both trademarks are being used. If the trademarks are not being used, the fact that they are not currently used and whether or not they will be used in the future are factors considered when determining the likelihood of confusion.
Q2-4	If a trademark is registered under the Letter of Consent system in a foreign country, does the Letter of Consent system also apply in Japan?
A2-4	Because the JPO examines the likelihood of confusion between the two trademarks when making decisions, even if the trademark is registered under the Letter of Consent system in a foreign country, it does not necessarily apply to the Letter of Consent system in Japan.
Q2-5	Is it possible to argue that Article 4(4) applies and Article 4(1)(xi) does not apply?
A2-5	Yes, it is possible to argue that Article 4(1)(xi) does not apply and then argue that Article 4(4) does apply. If the trademark application is registered in consideration of the Letter of Consent System by applying Article 4(4), the applicant is notified to that effect when receiving the decision of registration.
Q2-5	Will signatures and seals be required on documents related to the use of the Letter of Consent System?
A2-5	We do not expect the JPO Examiner to actively ask for signatures and seals; however, if there is any doubt about the document's contents, the applicant may be asked to provide additional material.

3. International applications for trademark registration

Q3-1 Can the Letter of Consent system be used for an international trademark registration designating Japan?

A3-1 Yes, under Article 68-9(1) of the Trademark Act, the Letter of Consent System may be used for international trademark registration when the trademark registration application date (the international registration date or subsequent designation date) is on or after April 1, 2024.

Q3-2 Is it possible to submit documents relating to the Letter of Consent System before the Notification of Provisional Refusal for an international trademark registration designating Japan?

A3-2 In general, the documents for the application of the Letter of Consent System are submitted in response to a Notification of Provisional Refusal under Article 4(1)(xi); however, it is possible to submit the documents even before the Notification of Provisional Refusal has been issued, as long as the Notification of Provisional Refusal has been sent to the JPO by the WIPO. In such cases, it is also necessary to appoint a domestic agent to deal with the proceedings.

4. Public Notice

Q4-1 Is it possible to search for trademarks registered under the Letter of Consent System?

A4-1 Yes, it is possible to search for trademarks registered under the Letter of Consent System on the Patent Information Platform ("J-PlatPat"). The search methods and other details will be updated as they become available.

Q4-2 Can a trademark registered under the Letter of Consent System be confirmed in the Trademark Gazette, etc.?

A4-2 Yes, trademarks registered under the Letter of Consent System are to be available in the Trademark Gazette and the International Trademark Gazette.

Q4-3 Is it possible to refer to the documents submitted under the Letter of Consent System on J-PlatPat?

A4-3 While it is, in principle, possible to view the documents for domestic applications on J-PlatPat, it is also possible to hide some submitted documents. If some documents are hidden from view, or if a document is submitted as a supplementary document, etc., that part and the supplementary document are not subject to a query on J-PlatPat. However, in principle, they are subject to a request for a file wrapper inspection. International trademark applications and some other documents cannot be viewed on J-PlatPat; therefore, please use the Madrid Monitor instead.

Topic1

Examination procedure on Multi-Multi Claims in Japan

We have released a new episode of our Podcast, titled "TMI Podcast - Intellectual Property in Japan." It is available on [Apple Podcast](#), [Google Podcasts](#), and [Spotify](#). In this episode, we talk about the examination procedure for Multi-Multi Claims (i.e., claims that depend on another set of multiple dependent claims) in Japan. Regulations on Multi-Multi Claims vary from country to country. From April 2022, we saw quite a radical change in the examination procedure for such multiple-multiple dependent claims in Japan, moving from a relatively lenient approach to a stringent stance on Multi-Multi Claims, that align with U.S. standards. In this episode, we will provide brief explanations on the examination procedure of Multi-Multi claims in Japan, as well as on how to best handle Multi-Multi Claims in order to avoid unnecessary obstacles.



3. Recent Statistical Data Related to Patent Disputes in Japan



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Introduction

In the event that you become involved in patent disputes, it is helpful to keep in mind statistical trends, such as how much time it takes to go through the procedures and what decisions are frequently made. In order to make it easier to understand the statistical information considered useful, we regularly provide statistical data related to patent disputes and the source of such information on our firm’s website. The following is a brief summary of such statistical data on patent litigation in district courts, the IP High Court, and the Supreme Court. For more detailed information, please also refer to the article on our website: [“Statistical Data Related to Patents \(October 2023\) \(English Translation\)”](#) where we also provide statistics for procedures other than litigation, including invalidation trials, patent oppositions or hantei (advisory opinions).

District Courts

(i) Number of Patent Lawsuits and Average Trial Period for IP-related Cases

Patent litigation in the first instance is subject to the exclusive jurisdiction of the Tokyo District Court or the Osaka District Court. The number of patent lawsuits filed before these district courts in Japan is approximately 110 to 150 per year (152 in 2020, 118 in 2021, and 112 in 2022). The average trial period for IP-related civil cases, including patent lawsuits, in district courts in Japan is approximately 15 months (14.6 months in 2020, 15.2 months in 2021, 15.2 months in 2022).

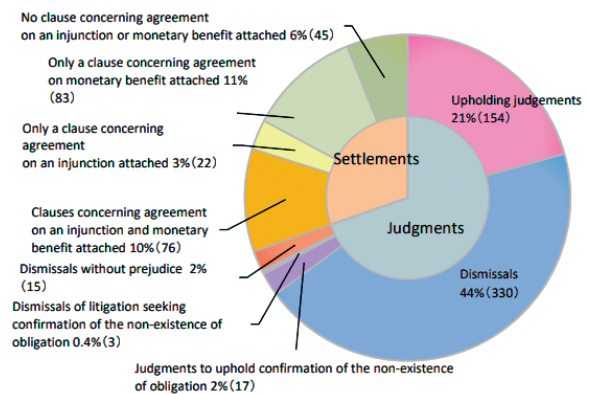
(ii) Results of Patent Infringement Cases at District Courts

The following table is a summary of judgments on patent infringement lawsuits rendered by district courts in the last five years, according to our research using the court case search function on the court’s website. The number of cases in each column includes actions for confirmation of non-existence of obligation, and the figures in parentheses indicate the number of actions for confirmation of non-existence of obligation among them. “Claim Upheld” in the table below

	Claim Upheld	Claim Dismissed	Others	Total
2018	18(1)	25	3(3)	46(4)
2019	18(1)	26	0	44(1)
2020	12	18	0	30
2021	18	26(1)	1	45(1)
2022	13	28	1(1)	42(2)

includes cases where claims were partially upheld. According to our research, the upholding rate of patent infringement lawsuits in district courts from 2018 to 2022 is 76 cases / 199 cases = approx. 38% (calculated excluding lawsuits seeking confirmation of non-existence of obligation).

In this regard, “Statistics Regarding Patent Infringement Cases (Tokyo District Court, Osaka District Court: 2014-2022)” compiled by the courts shows that the percentage of upholding judgements is approx. 30% (154 cases / 519 cases). Comparing such data with the above table, it is possible that the number of upholding judgements has been increasing in recent years. However, it should be noted that, unlike our research, the statistics compiled by the courts may include unpublished judgements, and that the counting method for lawsuits seeking confirmation of non-existence of obligations is different.



Source: <https://www.ip.courts.go.jp/eng/vc-files/eng/2023/2022-sintoukei-eigo.pdf>

(iii) Settlements

As shown in the pie chart above, 30% of patent infringement cases in district courts end in settlement. Only 20% of the settlements do not include an injunction or monetary award clause, and 80% of the settlements do include an injunction and/or monetary award clause. Therefore, the percentage of cases in which the patentee has substantially realized its rights is likely to be higher than the percentage of upholding judgments described in (ii) above (i.e., 38% or 30%).

(iv) Amount Approved in Judgments / Amounts Agreed to be paid in Settlements

The number of judgments and settlements in patent infringement lawsuits during the period from 2014 to

2022 by the amount of money awarded in judgments and the amount of money to be paid in settlements are summarized as follows.

Amount(JPY)	Judgments	Settlements
<1M	22	18
1M-<10M	18	56
10M-<50M	34	38
50M-<100M	11	15
<100M	35	29

IP High Court

(i) Number of Patent Lawsuits and Average Trial Period for IP-related Cases

The number of patent lawsuits filed before the IP High Court in Japan is approximately 40 per year (38 in 2020, 47 in 2021, and 56 in 2022).

The average trial period for IP-related civil cases, including patent lawsuits, in the IP High Court in Japan is approximately 7 to 9 months (9.0 months in 2020, 7.0 months in 2021, 9.2 months in 2022).

(ii) Results of Patent Infringement Lawsuits at IP High Court

The following table is a summary of judgments on patent infringement lawsuits rendered by the IP High Court in the last five years, according to our research using the court case search function on the court's website.

	Overruling Original Judgment	Dismissal	Dismissal w/o Prejudice	Total
2018	10	33(1)	0	42(2)
2019	5	21(2)	0	26(2)
2020	8	20	0	28
2021	6	19(1)	0	25(1)
2022	11	31(1)	1	43

Supreme Court

With respect to patent infringement lawsuits, about 10 to 30 appeals and petitions for acceptance of appeals are filed every year. However, most of them are dismissed or rejected without a hearing, and only about one case is heard by the Supreme Court each year on average.

Conclusion

For parties involved in patent litigation in Japan, having objective statistical information about patent litigation is essential to developing an effective litigation strategy. We hope that readers involved in patent litigation can use the statistical information as needed to achieve a more favorable outcome. If you have any questions regarding the statistical information provided here or other articles regarding the statistics on our website, please do not hesitate to contact us.

Topic2

Overseas Intellectual Property Seminar held by Beijing Municipal Intellectual Property Office

Iho Hojo (Counsel / Attorney) and Takako Ito (Patent Attorney) gave a presentation titled "Latest Changes in Japanese Intellectual Property Rules and Their Impacts" in the seminar held by Beijing Municipal Intellectual Property Office at Park Plaza Beijing Science Park Hotel on November 7th, 2023.



Topic3

High-Level IP Talent Training Seminar in Hangzhou, China

Gen Yamaguchi (Partner, Trademark Attorney) and Takako Ito (Patent Attorney) were invited to deliver a lecture on Japanese IP laws and current practices before an audience of legal practitioners on November 29, 2023, as part of the High-Level Intellectual Property Talent Training Seminar in Hangzhou, held by the Administration for Market Regulation of Zhejiang Province in the People's Republic of China. This was the second time following 2022 for Gen and Takako to present a lecture at this event. Gen participated online and spoke about Japanese trademark laws, including recent amendments thereto, and Takako also participated



online and focused her discussion on Japanese patent laws and practices, as well as the recent amendments to Japanese design laws.

This Year's Promotion to Partner



Kazumune Takamura

Partner
Patent Attorney | Japan

- Mechanical Engineering
- Electrical engineering

[Visit our website for more details](#)

For more than two decades, Kazumune Takamura has devoted a significant amount of his practice to both patent prosecution and patent litigation. Since joining TMI in 2007, Kazumune has assisted domestic and foreign clients in developing global IP

portfolios and analyzing IP-related risks and opportunities. His practice encompasses a broad range of technologies, including semiconductors, industrial manufacturing, batteries, medical devices, the automotive field, and consumer electronics.

From 2012, Kazumune dedicated two years to learning U.S. IP practice in Washington D.C., with the first year spent studying at the George Washington University Law School and the second year working for a U.S. law firm as an international trainee.

Kazumune also has significant experience in patent litigation and patent invalidation before the courts and the Japan Patent Office ("JPO"). From 2016 to 2019,

Kazumune served as a Judicial Research Official at the IP High Court upon recommendation by the Japan Patent Attorneys Association, where he actively supported judges in numerous patent-related cases, including patent infringement appellate and legal actions against the JPO's Appeal Board decisions. Closely working with judges in this manner has provided him valuable insight into patent litigation in Japan. With such intensive experience in litigations, Kazumune evaluates client/competitor products and patents and provides infringement, validity, freedom-to-operate, and patentability opinions.

With a background in Industrial and Management Systems Engineering, Koji Yoshida began his IP career at the IP department of Panasonic Corporation in 2005. Following his time at Panasonic, he entered a large-scale international patent office in 2008. Since joining TMI Associates in 2013, Koji has been providing legal services including patent prosecution, litigation, freedom-to-operate, opinions, invalidation actions, and client consultations.

Koji specializes in software, Artificial Intelligence (AI), image and speech processing, information and communications technology, electrical devices,

business models, and mobile terminal devices. He has recently been assisting several startups in building an intellectual property strategy and developing their patent portfolios through patent prosecution as a Chief Intellectual Property Officer.

Koji 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 his time in the U.S. law firm, Koji contributed to assisting clients in patent prosecution matters, such as by conducting telephone interviews with U.S. Examiners and drafting responses to office

actions. He was also heavily involved in a U.S. arbitration case where he helped in communications between U.S. attorneys and Japanese client.



Koji Yoshida

Partner
Patent Attorney | Japan

- Software
- Information and Communications Technology
- Artificial Intelligence
- Image Processing

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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 1,200 employees worldwide, including over 700 IP/Legal professionals, comprised of 575 attorneys (Bengoshi), 93 patent/trademark attorneys (Benrishi), and 55 foreign law professionals.

Attorneys (Bengoshi)	575
Patent / Trademark Attorneys (Benrishi)	93
Foreign Law Counsels	7
Foreign Attorneys	48
Advisors	14
Management Officers	2
Patent Engineers, Staff	467
Total	1,206

(As of March 1, 2024)

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 9,000 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	31	Chemical	21
Mechanical	16	Bio, Pharma	6
Design	6	Trademark	19

overlap included

IP Lawyers 110

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 **MIP IP STARS – Tier 1 / Patent disputes, Patent prosecution and Trademark, Highly Recommended/ Copyright, 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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