

# Japan Patent & Trademark Update



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## 1. Supreme Court Ruling in DWANGO v. FC2 Case—Network-Related Inventions and Territoriality



Yoshiyuki Takanashi  
Attorney-at-law  
[ytakanashi@tmi.gr.jp](mailto:ytakanashi@tmi.gr.jp)

### Introduction

On March 3, 2025, the Supreme Court rendered two judgments in two patent infringement lawsuits between DWANGO and FC2 (Cases No. 14 and 15 (ju), 2023, in which our firm represented DWANGO; hereinafter referred to as “Case I” and Case No. 2028 (ju), 2023; hereinafter referred to as “Case II”), in which the appeals by the appellant FC2 were both dismissed. These judgments are of extremely significant practical importance as they represent the Supreme Court’s first ruling on the applicability and criteria of Japanese patent rights to

cross-border acts of implementing network-related inventions. An overview is provided below.

### 1. Case I

#### <Summary of Facts>

The Appellee DWANGO (plaintiff in the first instance, patent holder; hereinafter referred to as “DWANGO”) holds a patent right (hereinafter referred to as “Patent Right 1”) relating to a program that controls comment displays. DWANGO filed a lawsuit before the Tokyo District Court against FC2, Inc., a U.S. corporation, and Homepage System Co., Ltd., a Japanese corporation (collectively, “FC2 et al.”), alleging that FC2 et al.’s act of transmitting a program that controls comment displays from servers located in the United States to users within Japan infringes Patent Right 1.

The Tokyo District Court dismissed DWANGO’s claim, ruling that FC2 et al.’s actions did not implement the inventions of Patent Right 1.

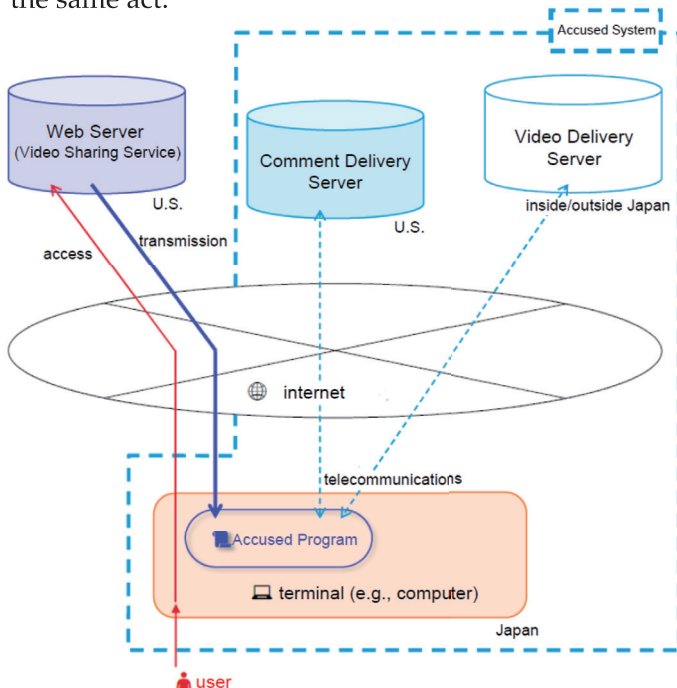
The Intellectual Property High Court (“IPHC”) overturned the decision, acknowledging that FC2 et al.’s program fell within the technical scope of the invention pertaining to Patent Right 1. Furthermore, the IPHC provided the following interpretation: “Even if, formally, not all elements of the implementation of a patented invention are completed within the territory of Japan, if, substantially and comprehensively, it can be evaluated as having been carried out within the territory of Japan, extending the effect of Japanese patent rights to it does not contradict the aforementioned principle of territoriality.” Based on this interpretation, the IPHC concluded that FC2 et al. infringed Patent Right 1.

#### <Issue before the Supreme Court>

It is generally understood that the effect of Japanese patent rights are only valid within the territory of Japan (Supreme Court Judgment of July 1, 1997, Minshu Vol. 51, No. 6, p. 2299; Supreme Court Judgment of September 26, 2002, Minshu Vol. 56, No. 7, p. 1551; the so-called principle of territoriality).

In this case, because FC2 et al. were transmitting a program that controls comment displays from servers located in the United States to users located in Japan, the issue arose as to whether the effect of Japanese patent rights extends to this act, in relation to the principle of territoriality. The issue was whether FC2 et al.’s act of

transmitting the program constitutes “provision through a telecommunications line” under Article 2(3)(i) of the Patent Act and “transfer, etc.” under Article 101(i) of the same act.



Outline of FC2's Program Transmission  
(Quoted from the Supreme Court Website)

## <Summary of Supreme Court Judgment>

The Supreme Court dismissed FC2 et al.'s appeal, providing the following judgment.

First, the Supreme Court, citing the 2002 precedent, affirmed the principle of territoriality, which recognizes the effect of Japanese patent rights only within the territory of Japan. However, it stated, “In the modern era, where the cross-border distribution of information through telecommunications lines has become extremely easy, if programs, etc., are provided within the territory of Japan by being transmitted from outside the territory of Japan through telecommunications lines, simply because of the transmission from outside the territory of Japan, the effect of Japanese patent rights should not always be excluded, and if the above provision does not fall under ‘provision through telecommunications lines’ (Article 2(3)(i) of the Patent Act), it would not align with the purpose of the Patent Act, which is to contribute to the development of industry through the protection and encouragement of inventions, such as by granting patent holders the exclusive right to commercially implement patented inventions. Therefore, even in such cases, if, considering the act in question as a whole, it is evaluated as substantially falling under ‘provision through telecommunications lines’ within the territory of Japan, there is no reason to prevent the

effect of Japanese patent rights from extending to that act. This principle is also understood to apply without difference to ‘transfer, etc.’ mentioned in Article 101(i) of the Patent Act.”

Furthermore, regarding the distribution of programs by FC2 et al. (referred to as “Distribution” in Case I), the Supreme Court ruled, “The distribution in this case is carried out as part of the information processing process when providing each service in Japan, and it is intended to naturally produce the effects of each program invention at terminals located in Japan. In relation to the production of these effects, the location of the aforementioned servers outside the territory of Japan has no particular significance. Furthermore, in relation to the appellee’s possession of the patent rights in this case, there is no indication of circumstances suggesting that the distribution in this case, carried out in the manner described above, does not have an economic impact on the appellee. Therefore, it is reasonable to evaluate that the appellants, through the distribution in this case, are substantially providing each program through telecommunications lines within the territory of Japan.”

Additionally, this judgment provided a similar ruling regarding “transfer, etc.” in Article 101(i), stating, “It is reasonable to evaluate that the appellants, through the distribution in this case, are substantially transferring, etc., within the territory of Japan, as a provision through telecommunications lines of each program in this case, which is a product used solely for the production of the aforementioned device.”

## 2. Case II

### <Summary of Facts>

The underlined facts were almost the same as Case I, but the claims asserted in Case II were system claims. The Tokyo District Court determined that FC2 et al.'s system fell within the technical scope of the invention. However, based on the principle of territoriality, it ruled that the act did not constitute “production” under Article 2(3)(i) of the Patent Act. The IPHC reversed the Tokyo District Court’s decision.

### <Issue before the Supreme Court>

In this case, the issue was whether FC2’s act of creating a system that includes servers outside the territory of Japan and terminals within the territory of Japan constitutes “production” under Article 2(3)(i) of the Patent Act.

### <Summary of Supreme Court Judgment>

The Supreme Court dismissed FC2’s appeal, providing the following judgment.

First, the Supreme Court, while also presupposing the

principle of territoriality and the same general principles regarding the characteristics of network-related inventions as Case I, rendered the following judgment: “if, considering the act of constructing the system and the system constructed by it as a whole, it is evaluated that the act substantially falls under ‘production’ within the territory of Japan, there is no reason to prevent the effect of Japanese patent rights from extending to it.”

Furthermore, regarding the distribution of files by FC2 (referred to as “Distribution” in Case II), the Supreme Court ruled, “The construction of the system in this case by the distribution in this case is carried out as part of the information processing process when providing each service in Japan, and after configuring the system in this case, which includes terminals located in Japan, it is intended to naturally produce the effects of each invention in this case at terminals located in Japan. In relation to the production of these effects, the location of the aforementioned servers outside the territory of Japan has no particular significance. Furthermore, in relation to the appellee’s possession of the patent rights in this case, there is no indication of circumstances suggesting that the distribution in this case, carried out in the manner described above, or the system in this case constructed as a result, does not have an economic impact on the appellee. Therefore, it is reasonable to evaluate that the appellant, through the distribution in this case and the construction of the system in this case as a result, is substantially producing the system in this case within the territory of Japan.”

## Conclusion

Regarding the issue of whether Japanese patent rights extend to cross-border acts of implementing network-related inventions, the Supreme Court held that the effect of Japanese patent rights extends to the act in question when, considering the act as a whole, for both “provision through telecommunications lines” of programs, etc., and “production” of systems, if it is evaluated as substantially falling under “provision through telecommunications lines” / “production” within the territory of Japan. Although the Supreme Court did not generalize specific requirements or factors, it can be said that the important factors are whether the effect of the patented invention is manifested within the territory of Japan and whether there are circumstances that suggest that the act does not affect the economic interests of the patent holder. It is noteworthy how the Supreme Court’s reasonings will be applied to various types of inventions and acts as lower court precedents accumulate.

Lastly, it should be added that legislative amendments to the Patent Act are currently being considered that are taking into account the Supreme Court’s rulings.

## Topic1

### Attendance Report INTA 2025 Annual Meeting

The 2025 INTA Annual Meeting was held in San Diego, California, USA, from May 17 to May 21, bringing together more than 10,000 intellectual property professionals from around the world. A total of nine members from TMI participated in the event (seven patent/trademark attorneys: [Yoshiyuki Inaba](#), [Shunji Sato](#), [Toyotaka Abe](#), [Gen Yamaguchi](#), [Seiji Kurishita](#), [Haruka Iida](#), and [Nahoko Ryobu](#); and two attorneys-at-law: [Seiro Hatano](#) and [Tomohiro Kuribayashi](#)), actively engaging in discussions and networking with practitioners from various jurisdictions. As a global law firm, TMI routinely works with numerous overseas clients and partner law firms, however, many of these interactions are conducted online. The Annual Meeting provided a rare and valuable opportunity to meet many of our overseas contacts in person, allowing us to engage in meaningful, face-to-face discussions. Through these in-person meetings, we were able to deepen mutual understanding and further strengthen our existing relationships. Additionally, the conference afforded us many new encounters with legal professionals and in-house counsel from around the world. Through the exchange of insights on local IP practices and current industry trends, we were also able to explore possibilities for future collaboration. The event provided significant opportunities for our firm to further expand its international network. As a new initiative this year, we also hosted our first-ever reception, called “TMI Drinks.” The event was met with an enthusiastic response, drawing a large number of attendees from law firms and companies around the world. It was a true pleasure to welcome so many friends, old and new, and to engage in warm, candid conversations over food and drinks. The reception not only celebrated our existing relationships but also marked the beginning of many promising new connections. We are grateful to everyone who took the time to join us and made the event a memorable success.



## 2. The Latest Grand Panel Decision of the IP High Court: Discussion on Patentability and Article 69(3) Exemption for a Breast Augmentation Composition Patent



Sayaka Ueno  
Attorney-at-Law  
[sueno@tmi.gr.jp](mailto:sueno@tmi.gr.jp)

### Introduction

This Grand Panel decision of the IP High Court, Case No. 2023 (Ne) 10040, rendered on March 19, 2025, concerns a patent infringement suit filed by the patentee claiming a composition for breast augmentation, comprising three components. The defendant was an individual physician operating a cosmetic surgery clinic.

This case is particularly noteworthy for both its legal issues and procedural aspects. The key legal discussion included:

- (i) whether the claimed invention is valid in view of the industrial applicability requirement under Article 29(1) of the Patent Act,
  - (ii) whether the alleged infringement acts were exempt under Article 69(3), and
  - (iii) how to locate the act of “production” of the patented composition within the process from preparation, injection, to possible mixture of the components in recipient’s body.
- Procedurally, the case also attracted attention because the IP High Court invoked the third-party opinion system, a relatively new evidentiary tool that was introduced in recent amendments to the Patent Act. Ultimately, the IP High Court overruled the first instance and held that the defendant had infringed upon the patent.

### Case Summary and the Decision in the First Instance

The plaintiff (also the appellant-plaintiff) (the “Plaintiff”), a company holding the subject patent, filed suit against the physician (the defendant, also appellant-defendant) (the “Defendant”) seeking damages, alleging infringement of its patent through the production of pharmaceutical agents used in breast augmentation surgery offered at the Defendant’s cosmetic clinic.

The patent invention at issue (the “Invention”) is the following:  
*“A composition for promoting increase of subcutaneous tissue, comprising autologous plasma, b-FGF, and a lipid emulsion.”*

In the first instance, the Tokyo District Court found that there was insufficient evidence to establish that all three claimed components (i.e., autologous plasma, b-FGF, and a lipid emulsion) were simultaneously present in the mixture injected to the recipient, accordingly, denied the infringement. The Plaintiff appealed this judgment.

### Factual Disputes Between the Parties

The Defendant’s clinic conducted breast augmentation procedures that involved injecting autologous plasma, b-FGF, and a lipid emulsion, along with other agents. However, there was a dispute between the parties as to whether these three components (the “Three Components”) were prepared into a single composition before injection, or instead administered as two separate preparations in sequence.

### Key Legal Issues

The primary legal issues in the appeal were:

- (1) Whether the Invention, which involves certain medical procedures such as blood collection from the recipient (for the autologous plasma), and subsequent injection process satisfies the industrial applicability, a patentability requirement under Article 29(1) of the Patent Act.
- (2) Whether the alleged infringing acts fall within the scope of the exemption under Article 69(3) of the Patent Act.
- (3) If the Three Components were administered separately and only mixed once within the recipient’s body, does that constitute a “production” of the claimed composition, as an exploitation of the Invention?

With respect to issue (1), in Japanese practice, methods of surgery, treatment, or diagnosis of the human body, that are typically performed by medical doctors (or under their instructions), so-called medical practices, are usually denied patentability on the ground that they lack industrial applicability. A method involving the processing of a substance collected from a human for the purpose of returning it to the same individual for treatment (e.g. hemodialysis) is mentioned as a typical example of such medical practices in the JPO guidelines. As exceptions to this, even if a method involves processing a substance collected from a human for the purpose of returning it to the same person, industrial applicability may still be recognized if the method is used to manufacture a pharmaceutical product (e.g., a blood product or vaccine), a medical material (e.g., a cultured skin sheet), or an intermediate product thereof.

In the present case, the Defendant argued invalidation of the Invention due to lack of industrial applicability, by addressing that the Invention includes the process involving drawing blood from the recipient to obtain autologous plasma and an injection following of a composition containing such plasma back into the same person.

With respect to issue (2), unlike in the U.S., the Japanese



Patent Act does not provide a general shield of patent infringement immunity for medical practitioner's performance. However, Article 69(3) provides that the effect of a patent right for "an invention of a medicine to be produced by mixing two or more medicines" does not extend to the "dispensing act based on a physician's prescription." "Medicine" herein refers to an article used for diagnosis, treatment, procedures, or prevention of human disease. Thus, the legal issue in issue (2) of the present case involved two sub-questions: (i) Whether the Invention constituted an "invention of a medicine to be produced by mixing two or more medicines"; and (ii) Whether the Defendant's act of having nurses prepare the mixture inside the clinic, without issuing a formal prescription, constituted "dispensing act based on a physician's prescription" under the meaning of Article 69(3).

To address these complex legal issues (1) through (3), the IP High Court sought third-party opinions through the Third-party opinion solicitation system.

### **What Is the Third-party opinion solicitation system?**

This system was introduced on 1 April 2022 under the recent amendment of the Patent Act, as a new evidence-gathering mechanism in patent litigation. Under this system, if a party requests it and the court finds it necessary, the court may request the public submit documents stating public opinions on the application of the Patent Act of Japan or any other necessary matters after hearing the other party's opinion. The requesting party must justify the necessity requirement for third-party input by, for instance, explaining that the ruling may have broad industry-wide implications or that no established case law or academic consensus exists.

Opinions submitted by third parties under this system are not automatically treated as evidence. The parties need to review the submitted opinions and then submit the relevant portions as supporting evidence to be considered by the court.

This IP High Court case was the second and latest case where this system was used since its introduction. The court's decision to call for third-party opinions in this case indicates that it recognized the potential impact in the industry as well as the importance of the interpretation of the relevant rules under the Patent Act to justify the necessity requirement.

### **IP High Court's Ruling**

(0) In the fact finding, in contrast to the first instance, the IP High Court found that all Three Components had been prepared in one formulation for injection to the

recipient. Therefore, the intriguing legal discussion on issue (3), namely, "production" of a claimed composition in case of sequential injections, was not addressed.

(1) With respect to industrial applicability, the Court stated that: "Manufacturing of pharmaceutical products using substances collected from the human body as raw materials are not necessarily performed by physicians... often greatly contributed to by research and innovation in the industries. Since such technologies can be used to maintain or restore human life and health, patent protection is necessary to encourage further advancement of these technologies." Based on this reasoning, the Court held that the fact that the Invention claims a composition intended for injection into a human, using substances obtained from the same person as raw materials, does not automatically render it unpatentable.

(2) Regarding the exemption under Article 69(3), the Court held that: "According to the patent specification, the claimed composition is intended for breast augmentation, and the primary objective of which is aesthetic. Furthermore, in light of current social norms, the composition of the Invention cannot be recognized as "an article used for the diagnosis, treatment, procedures, or prevention of human disease." "... a disease generally means a condition in which a part or entire body undergoes abnormal physiological changes, resulting in the loss of normal function and the manifestation of various symptoms or pain. ... In this sense, a condition requiring breast augmentation mainly for aesthetic purposes cannot be regarded as a disease." The Court therefore concluded that the Invention does not fall under an "a medicine to be produced by mixing two or more medicines," and hence, the Defendant's acts were not exempt under Article 69(3), without the need to examine whether the Defendant's conduct constituted a "dispensing act based on a physician's prescription."

### **Conclusion**

The purpose of the Invention was found to be aesthetic, not "medical", and therefore, the Article 69(3) exemption was denied. Yet, room for debate remains regarding the scope of this judgment. For example, if the Invention were performed as a breast reconstruction for a cancer patient with national medical insurance coverage (i.e., a medical treatment as regulatory category), would it be exempt?

At least, this ruling clarifies that medical or surgical conduct can be subject to infringement liability, concerning an invention involving a composition to be administered into a human that contains a substance collected from the same person, which provides substantial implications for the industry.

## Topic2

### #9 Foreign Filing Restriction in Japan



We have released a new episode on our podcast channel *TMI Podcast - Intellectual Property in Japan*. This episode is now available on [Apple Podcast](#) and [Spotify](#). In it, for our international listeners, we focus on Japan's newly implemented Foreign Filing Restriction, which is part of the broader Non-Disclosure System for Patent Applications that came into force in May 2024. This "First Filing Obligation" requires that certain inventions, particularly those involving sensitive technologies, be filed in Japan first before any foreign filings are permitted. We provide an overview of the background and key elements of this restriction, including what types of inventions are covered, the penalties for non-compliance, and practical compliance strategies for inventors and companies operating in Japan. We also discuss the two main pathways to navigate this restriction in order to file in countries outside Japan too: filing first in Japan or seeking prior confirmation from the Japan Patent Office. With this information, listeners will be better equipped to protect their inventions while remaining compliant with Japanese law. Stay informed about these important developments in Japanese patent practice.

## 3. Three-Dimensional Character Trademarks: The Shin Godzilla Case

IP High Ct., Oct. 30, 2024, Rei 6 (Gyo ke) No.10047



Tomohiro Kuribayashi  
Attorney-at-Law  
[tkuribayashi@tmi.gr.jp](mailto:tkuribayashi@tmi.gr.jp)

### Introduction

In general, it is difficult to obtain a three-dimensional trademark for the shape of a product in Japan. However, a recent Intellectual Property High Court ("IPHC") decision granted registration of a three-dimensional trademark for the shape of a toy product, which I would like to introduce here.

### High Hurdles for Acquired Distinctiveness

Applications for three-dimensional trademarks for products such as plush toys and figurines are often refused in Japan due to a lack of inherent distinctiveness. Even unique shapes are typically viewed as functional or aesthetic choices, making distinctiveness difficult to establish. However, if a shape acquires distinctiveness through use, registration may be granted. To prove this, the shape must generally match the applied mark and be used on the designated goods. While some minor discrepancies may be allowed under the Japan Patent Office's [Trademark Examination Guidelines](#), they must not impair the identity of the mark or goods. In this context, the court's decision to grant registration for the 3D shape of Godzilla is particularly noteworthy, as it highlights an exceptional case within the current legal standards.

### Facts

Toho Co., Ltd. ("Toho") filed an application for a three-dimensional trademark on September 29, 2020 ([the "Application"](#)), seeking protection for the shape of the character "Godzilla" as it appeared in the film "Shin Godzilla."



As cited in the judgement





The designated goods were “plush toys, action figures, dolls, and other toys” in Class 28. Godzilla is a fictional monster that appears in Toho’s long-running Godzilla film series, which began with the first installment in 1954 and, by 2023, had expanded to 30 films. Shin Godzilla was released in 2016 as part of this series and became a blockbuster hit in Japan. Although the design of Godzilla has changed over time, the shape at issue in the Application (the “Applied-for Mark”) differed significantly from previous designs. The Japan Patent Office Trial and Appeal Division (“TAD”) rejected the application, finding that the Applied-for Mark merely represented a shape chosen for functional or aesthetic reasons and thus lacked distinctiveness. The TAD also found that acquired distinctiveness had not been proven, noting that although approximately 64.4% of respondents to Toho’s consumer survey recognized the figure as Godzilla or Shin Godzilla, the survey did not include questions regarding the connection between the Applied-for Mark and Toho. Furthermore, the TAD pointed to a sales period of only seven years and a low market share as insufficient to establish acquired distinctiveness. Toho filed suit before the IPHC, seeking to overturn the TAD’s decision.

### IPHC Court Decision

The IPHC agreed with the TAD that the Applied-for Mark lacked inherent distinctiveness, as it was merely a shape likely chosen for its function or aesthetic appeal. However, the Court ultimately held that the Applied-for Mark had acquired distinctiveness through use.

First, the IPHC stated that it was necessary to define the scope of products that could be regarded as using the Applied-for Mark. It found that the Shin Godzilla version of the Godzilla shape was materially different from previous versions, and thus only products featuring the Shin Godzilla design could be considered as evidence of use. However, the Court also ruled that in assessing acquired distinctiveness, it was appropriate—and even necessary—to consider the impact of the entire Godzilla franchise on consumer perception, despite limiting the “use” to the Shin Godzilla version.

Applying this reasoning, the IPHC found that the Applied-for Mark had acquired distinctiveness through use, based on the following factors:

- Shin Godzilla, released in July 2016, became a massive hit in Japan, ranking 22nd in all-time domestic box office revenue. Products featuring the Applied-for Mark alone recorded sales of approximately 1.02 million units and approximately 2.65 billion yen in revenue over a span of eight years, leading up to the TAD’s decision.

- The three-dimensional shape of Shin Godzilla largely followed the basic form of earlier Godzilla characters (the specific features are omitted here for brevity, but the form can be considered a relatively common shape for monster figurines). In light of the following and other relevant facts, it can be concluded that this basic form was already widely recognized by general consumers as the shape of a character provided by Toho even before the release of Shin Godzilla.

- o The Godzilla film series has spanned over 60 years, with 30 installments and a cumulative audience of 120 million viewers in Japan.

- o Promotional materials for the films clearly indicated that Toho was responsible for production and distribution.

- o Revenues from video products and Godzilla figures exceeded JPY 10 billion, each.

- The word mark “Godzilla” is famous as the name of the monster character in Toho’s films, and all Godzilla franchise entries—including Shin Godzilla—consistently use the name “Godzilla” for the character.

- In a consumer survey, 64.4% of respondents identified the Applied-for Mark as a figure modeled after Godzilla or Shin Godzilla, demonstrating the fame of the three-dimensional shape.

Accordingly, the IPHC overturned the TAD’s decision, and the Applied-for Mark was subsequently allowed to proceed to registration.

### Analysis

The decision of the IPHC raises several concerns. Among them, the IPHC’s reasoning with respect to the identity of the mark is especially problematic. Although the IPHC acknowledged that the shape of Shin Godzilla differed from earlier Godzilla forms, it nevertheless relied on the fame of the broader Godzilla franchise in assessing the acquired distinctiveness for the Shin Godzilla shape. This reasoning poses the risk that use of a non-identical shape may be accepted as evidence of use, as long as it falls under the umbrella of a well-known character or series. Furthermore, the Court justified its reliance on the fame of earlier Godzilla works by citing the continuity of a “basic form” shared between Shin Godzilla and its predecessors. However, accepting such reasoning could lead to an overly expansive interpretation of the similarity between trademarks, by treating a basic shape that evokes the Godzilla series as sufficient to broaden the scope of distinctiveness or likelihood of confusion.



## Conclusion

This case concerns the shape of an extremely famous character—Godzilla—and involves reasoning that raises several questions. As such, it should not be considered highly precedential. When assessing three-dimensional trademarks for character shapes, practitioners should avoid overestimating registrability based on use of a variant within the same character family. Instead, it is essential to carefully examine whether there is sufficient use of the exact shape for which protection is sought.

### Topic3

#### Highlights from IP Counsel Cafe 2025

From May 6–8, 2025, [Yoshio Murai](#), [Yoshiyuki Takanashi](#) attended IP Counsel Cafe, an international conference focused on intellectual property, featuring in-house counsel from leading Silicon Valley tech companies. The event offered a valuable opportunity to hear practical insights directly from those managing IP strategy on the front lines.

This year's discussions covered critical topics such as recent developments in inter partes review (IPR) and the growing role of AI in IP operations. Especially striking were real-life examples of AI being used for drafting provisional applications and patent specifications, modifying claim language for foreign filings, and even generating claim charts. These sessions offered clear insights into the evolving best practices of leading in-house IP teams.

Beyond that, the chance to build genuine connections with in-house counsel was a major benefit. The open, collaborative atmosphere encouraged meaningful exchange of experiences and strategies.

IP Counsel Cafe continues to be an essential forum for staying informed and engaged in the IP field. We left with fresh ideas, useful contacts, and a deeper understanding of the challenges and innovations shaping today's IP landscape.

### Topic4

#### TMI Attends BIO International Convention 2025 in Boston

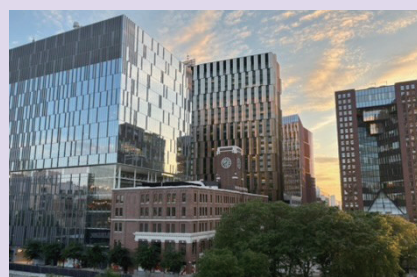
From June 13 to 19, 2025, IP attorney [Sayaka Ueno](#) and healthcare regulatory expert attorney [Hitoshi Fujimaki](#) from TMI Associates attended the BIO International Convention 2025 in Boston, Massachusetts, U.S.A.

BIO is one of the largest international gatherings for the healthcare and life sciences sectors, where global players showcase their innovations, engage in partnering discussions, and exchange the latest insights. It also serves as a key networking hub for legal professionals supporting the healthcare industry across borders.

Sayaka and Hitoshi had a productive week meeting with existing and potential clients, while exchanging views with fellow attorneys from around the world. They also had the opportunity to visit local laboratories and innovation-focused facilities, where they engaged in conversations on topics ranging from biotech venture creation to policy trends.

Sayaka, who holds a master's degree in pharmaceutical sciences and is a licensed pharmacist, also reconnected with alumni from her graduate lab, many of whom are now active in biotech startups and pharmaceutical companies. With its vibrant ecosystem and innovation hub centered around Kendall Square, Boston offered an inspiring backdrop. The experience reaffirmed our commitment to supporting clients at the forefront of the life sciences industry.

TMI Associates, with its robust IP team and a diverse group of experts in our Healthcare Practice, remains dedicated to empowering the healthcare sector through legal excellence.



## 4. Protecting Designs in the Metaverse -Part 2-: Upcoming revisions for the Design Act



Miwa Hayashi  
Patent Attorney  
[mhayashi@tmi.gr.jp](mailto:mhayashi@tmi.gr.jp)



Koji Akanegakubo  
Patent Attorney  
[kakanegakubo@tmi.gr.jp](mailto:kakanegakubo@tmi.gr.jp)



Koji Miyake  
Patent Attorney  
[kmiyake@tmi.gr.jp](mailto:kmiyake@tmi.gr.jp)

### Introduction

In our previous newsletter (Japan Patent & Trademark Update Issue [29](#)), we introduced how the Design Act, particularly after the 2019 revision, opened the door to protecting graphic images in the metaverse. In response to the rapid development of technology and

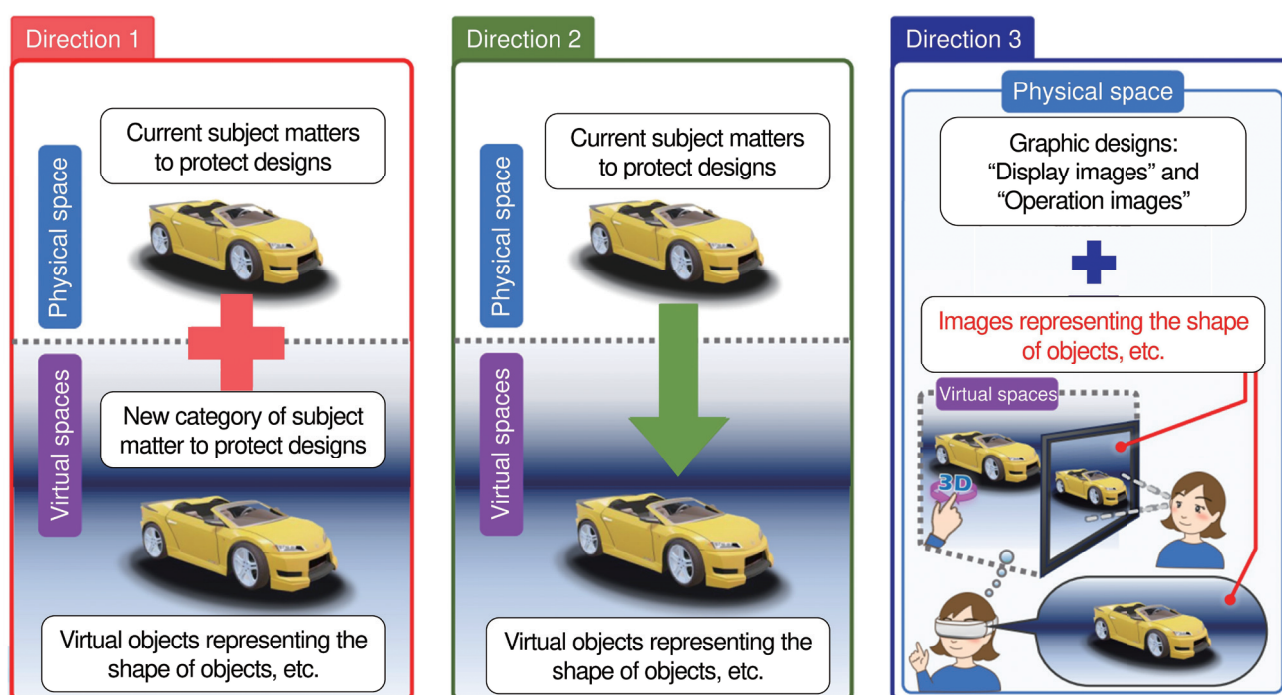
business regarding virtual spaces and the metaverse, the Design System Subcommittee (the "Subcommittee"), hosted by the Japanese government and discussed by experts, has been discussing on further possible revisions of the Design Act to protect designs in the metaverse. In this article, we outline the current direction of these discussions.

### Why Is Further Discussion Necessary?

The metaverse and virtual spaces provide a rich canvas for creative expression, far beyond the constraints of physical reality. These environments often include unique architectural elements, landscapes, avatars, and user interfaces - each of which can have substantial commercial or cultural value. For example, unique and creative virtual designs can serve as differentiators in business and entertainment contexts.

Though the 2019 revision to the Design Act has expanded protection to interior designs, architecture, and graphic images, the protection for graphic images were limitedly expanded only to those linked to the operation or function of a physical device, and therefore, graphic objects that exist purely in virtual spaces and have no connection to real-world devices are still not eligible for registration.

The Subcommittee is actively examining how the design protection system should respond to these circumstances, which include comparative analysis of foreign systems, user demand, and evolving business practices in the metaverse.



## Current Direction of the Subcommittee Discussions

At present, based on the discussion and analysis conducted at the Subcommittee, the secretariat has proposed the following three potential directions for protecting designs in virtual spaces:

Direction 1: Introducing a new category of subject matter to separately protect designs that exist specifically within virtual spaces, independently from designs of physical-world objects.

Direction 2: Extending the scope of existing design rights for physical-world objects so that such rights would also apply to corresponding designs used in virtual spaces.

Direction 3: Reforming the current design protection framework for graphic image designs to also covers designs of virtual goods used in virtual environments. Among these three directions, the Subcommittee appears to regard Direction 3 as the most appropriate option and is currently gathering opinions from its members on this approach. Direction 3 involves expanding the scope of graphic image designs to include, in addition to the existing categories of “display images” and “operation images,” a new category: “images representing the shape of objects, etc.”

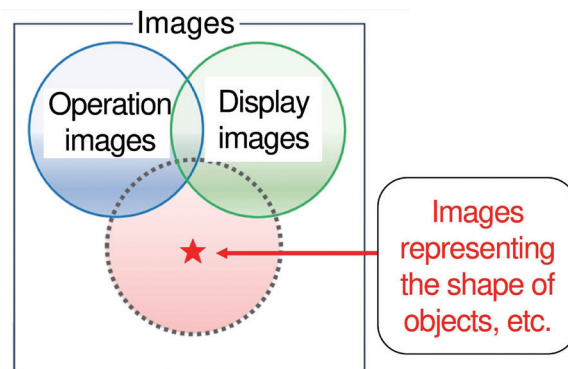
This proposal does not represent a radical overhaul of the Design Act but rather a “small start”—a carefully measured first step aimed at enabling protection for more types of virtual designs without causing disruption or overreach. Japan appears to be aiming to adapt its design system in a flexible and pragmatic manner by gradually expanding the scope of protection in line with social and technological developments.

## Conclusion

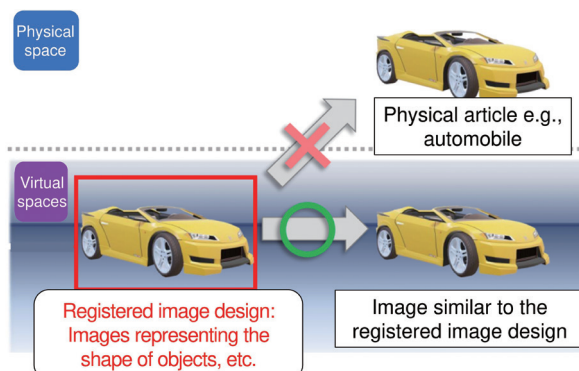
The advancement of virtual spaces and the metaverse is bringing to light a series of new issues that were not anticipated under the traditional framework of the Design Act.

Discussions within the Subcommittee are expected to continue, and it is anticipated that an effective legal framework will be explored through the exchange of opinions among a wide range of stakeholders, including businesses, practitioners, and academics. As the environment surrounding design law undergoes significant transformation, it is essential to continue paying close attention to these ongoing discussions.

Conceptual diagram for Direction 3



Scope of design rights for images representing the shape of objects, etc





## 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 1,300 employees worldwide, including over 750 IP/Legal professionals, comprised of 614 attorneys (Bengoshi), 102 patent/trademark attorneys (Benrishi), and 64 foreign law professionals.

Attorneys (Bengoshi)	614
Patent / Trademark Attorneys (Benrishi)	102
Foreign Law Counsels	8
Foreign Attorneys	56
Advisors	23
Management Officers	2
Patent Engineers, Staff	507
<b>Total</b>	<b>1,312</b>

(As of July 2025)

### 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	34	 Chemical	22
 Mechanical	17	 Bio, Pharma	7
 Design	6	 Trademark	22
overlap included			
 IP Lawyers	110		

### Awards

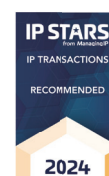
TMI, along with its attorneys, and its patent and trademark attorneys, has proudly received prestigious awards annually. Last year, TMI was named "Japan Firm of the Year – Patent Disputes" at the Managing IP Asia-Pacific Awards 2024, and "Patent Prosecution Firm of the Year" at the IAM and WTR Global IP Awards 2024. TMI and our attorneys have received the highest rankings in Japan - Domestic category of the ["IAM Patent 1000 2025"](#) published by Law Business Research, across the areas of litigation, prosecution, transactions and trade secrets."



TMI Associates  
Recommended Firm 2025



TMI Associates  
Recommended Firm 2025



### 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](mailto: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, Paris, Brussels, Kuala Lumpur (affiliated with SY Teo & Co.), Jakarta (partnering with Mataram Partners)