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Newsletter

The Japan Patent Office has published a general outline of revisions to the Patent Law, Trademark Law, and other relevant laws.
The revisions are scheduled to go into effect on April 1, 2012.

March 2012
Circular No. E-188

Patent Law

Part of the Patent Law has been revised in three aspects.

1 Protection of Right Holders

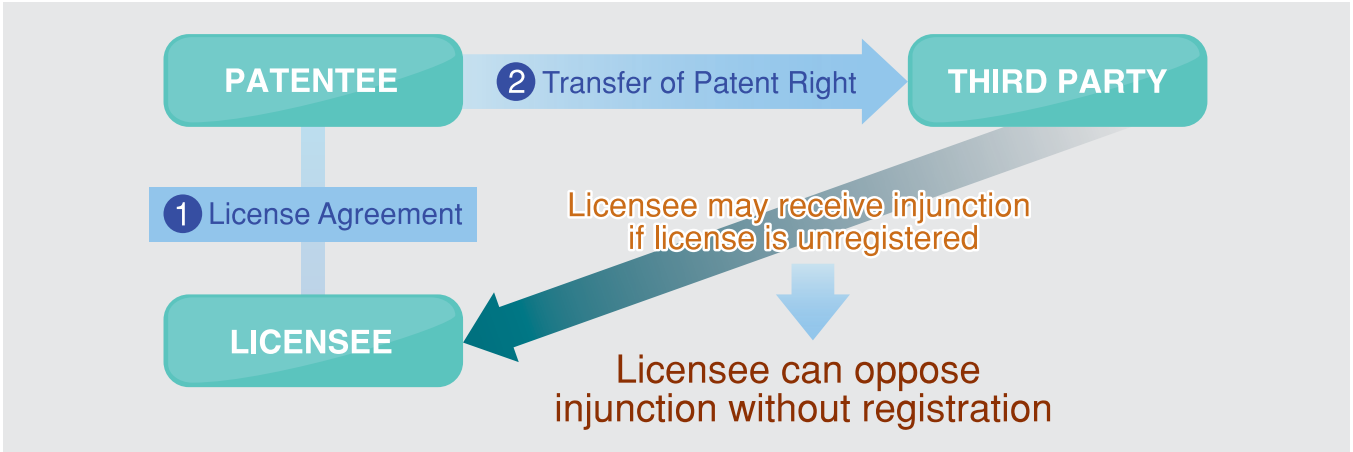
1) Strengthened Protection for Non-exclusive Licensees

Existing Law

Under the existing law, the holder of an unregistered non-exclusive license cannot appropriately oppose a third party despite the lack of user-friendliness of the system for registering non-exclusive licenses with the Japan Patent Office. For example, in the case where a patent right is assigned to a third party after establishment of a non-exclusive license, the licensee cannot oppose a demand for seeking injunction from the third party if the license is not registered.

Revised Law

The revision abolishes the non-exclusive license registration system, which has virtually no practicability. The revised law enables a holder of an unregistered non-exclusive license to oppose a third party on the basis of the non-registered license. (The Utility Model Law and the Design Law will also undergo the same revision.)



(excerpts from the website of the Japan Patent Office with some modifications)

2) Proper Protection of True Right Holders

Existing Law

Under the existing law, even if a party other than the true right holder (e.g., inventor(s), an assignee of the right to obtain a patent) or only some of the inventors obtain a patent right, an adequate means is not provided for the true right holder or the rest of the inventors to claim back the patent right.

Revised law

The revised law introduces a system for allowing the true right holder to demand restoration of the patent right through a court. (The Utility Model Law and the Design Law will also undergo the same revision.)

2 System Improvement for Quick and Appropriate Dispute Resolution

1) Limitation on Filing a Demand for Correction Trial

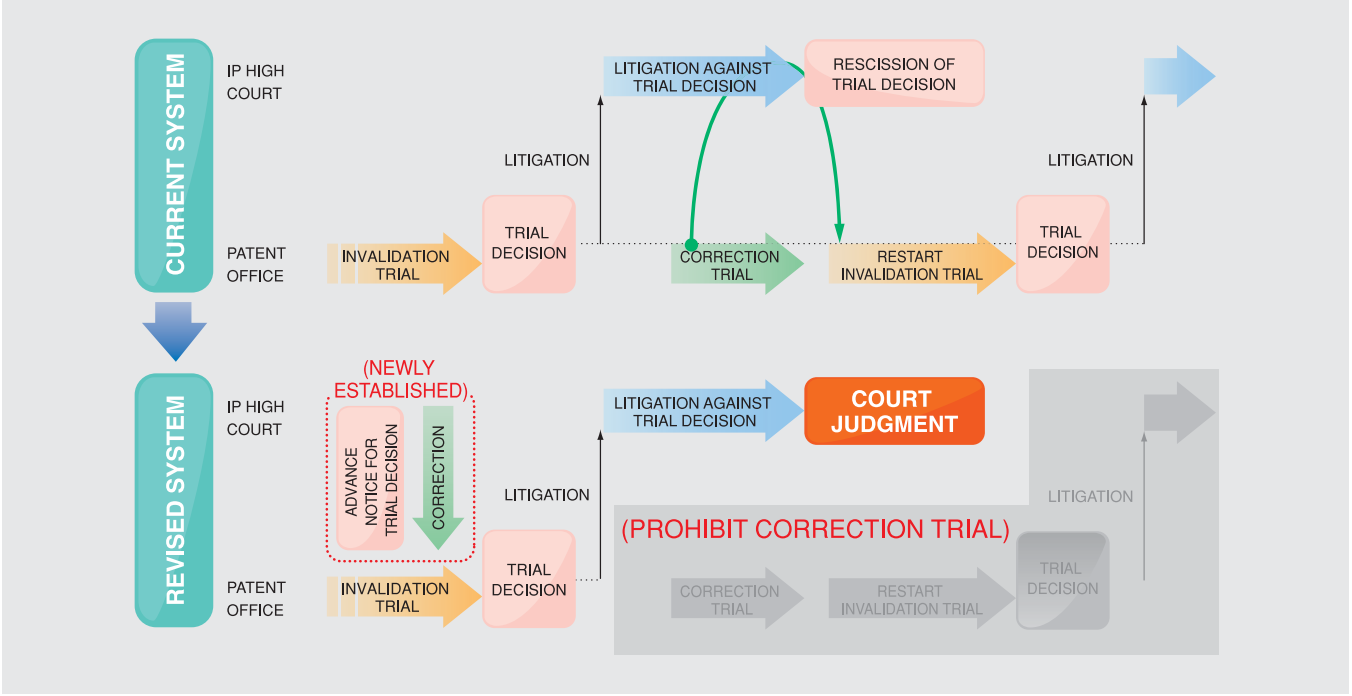
Existing Law

Under the existing system, a correction trial can be filed within a predetermined period after filing of a litigation against a trial decision of an invalidation trial. The court is then allowed to send the case back to the Patent Office by a court decision without going through substantive court proceedings.

Revised Law

For speedy resolution of disputes, the revised law prohibits filing a demand for a correction trial after filing a litigation against a trial decision of an invalidation trial in order to avoid the occurrence of any change in the content of the patent right after filing the litigation. According to the revised law, however, an advance notice is sent to the patentee or his attorney during the invalidation trial proceedings, before the actual issuance of the trial decision, and the patentee can file a demand for correction to the claim(s) and specification within a certain period after receiving the advance notice.

The existing law will be applied to trials that are actually pending at the time of the enforcement of the revised law until the trials become final and binding.



(excerpts from the website of the Japan Patent Office with some modifications)

2) Limitations on Claiming a Demand for a Retrial and the Like

Existing Law

Effects from invalidation and correction trial decisions are retroactive. Therefore, a final and binding invalidation and correction trial decision that involves changes to the content of a patent right, made after the court decision on a related patent infringement litigation has become final and binding, also retroactively changes the content of the patent right on which the litigation was based.

It has been pointed out that the Code of Civil Procedure of Japan can allow filing a demand for a retrial against the court decision of such a litigation, and the demand may then hinder a speedy solution of the dispute.

Revised Law

The revised Patent Law introduces a provision that, even if an invalidation or correction trial decision concerning a patent involving changes in the content of the patent right becomes final and binding, after a patent infringement litigation concerning the patent has become final and binding, a demand for a retrial on grounds of the trial decision is not allowed to be filed. (The Utility Model Law, the Design Law, and Trademark Law will also undergo the same revision.)

3) Reform of Provisions Relating to Scope of Trial Decision

Existing Law

Under the existing law, an invalidation trial judges patentability on a “per-claim basis”, while a correction trial deems claims as an "inseparable unity" and hence is conducted on a “per-patent-right basis”.

Revised Law

The revised law prescribes that examination on whether correction demanded during in a patent invalidation trial should be accepted and its decision be on a “per-claim basis (or a per-claim-group basis)”. The same revision will also be applied to correction trials.

4) Repeal of Third Party Effect of Final and Binding Decision from a Patent Invalidation Trial

Existing Law

Once the final and binding decision of an invalidation trial is reached, even a party other than the parties concerned, and intervenors, cannot newly request an invalidation trial on the basis of the same facts and evidence (i.e., third party effect of a final and binding trial decision, or so-called "ne bis in idem").

Revised Law

For the sake of appropriate handling of disputes, the third party effect of a final and binding decision of a patent invalidation trial is repealed. The revision allows an invalidation trial to be filed anew on the basis of the same facts and evidence as used in another previously filed invalidation trial, by a party excluding the parties concerned and intervenors of the latter. (The Utility Model Law, the Design Law, and Trademark Law will also undergo the same revision.)

3 Improved Convenience for Users

1) Extension of Application of Exception to Loss of Novelty of an Invention

The applicability of exception to loss of novelty of an invention is extended as follows (except for a case where an invention is published in a patent gazette or the like).
The new standard will start to be applied to patent applications filed on and after 1 April 2012.
(The Utility Model Law will also be revised.)

Criteria of application under the existing law
(limited public disclosure by person having the right to obtain a patent)

- ○ conducting a test
- ○ presentation in a printed publication
- ○ presentation at an academic conference designated by the Commissioner
- ○ display at a specific exposition
- × presentation at an academic conference not designated by the Commissioner
- × show at an exposition other than specific exposition
- × sales or distribution
- × press conference
- × presentation on television or radio
- × description in a patent publication

Criteria of application according to the revised law
(non-limited public disclosure by person having the right to obtain a patent)

- ○ conducting a test
- ○ presentation in a printed publication
- ○ presentation at an academic conference designated by the Commissioner
- ○ presentation at a meeting
- ○ display
- ○ sales or distribution
- ○ press conference
- ○ presentation on television or radio, and so forth
- × description in a patent publication

2) Expansion of Applicant's or Patentee's Remedy

The revision relaxes the conditions for remedy for expiration of the time limit to file a translation for a PCT patent application in a foreign language or a non-PCT application in a foreign language, and expiration of the time limit for late payment of an annual fee. The following are exemplary cases shown in the guideline provided by the Japan Patent Office.

The provision on remedy relating to the time limit to file a translation will be applied to applications for which the original time limit of filing a translation has not been reached as of 1 April 2012. The provision on remedy relating to the time limit for late payment of an annual fee will be applied to patents for which the original time limit for late payment has not been reached as of 1 April 2012.

Exemplary cases to which remedy for time limit expiration is not applicable

- Absence of an attorney due to planned hospitalization
- Demolition of office premises for construction of a new office building
- Absence of a person in charge of proceedings due to mandatory retirement when the applicant is a corporation
- Unavailability of online proceedings owing to planned outage

Exemplary cases to which remedy can be applicable if certain conditions are met

- Absence of an attorney due to unplanned hospitalization
- Absence of a person in charge of proceedings due to an accident when the applicant is a corporation
- Collapse of an office building due to an earthquake
- Unavailability of online proceedings due to outage caused by a lightning strike
- Notice of a wrong time limit resulting from a system failure

3) Fee revisions

- The fee for requesting substantive examination is reduced.
- Annual fee reduction and exemption are expanded.
- Design registration fee is reduced (revision of the Design Law).

Trademark Law

1 Abolishment of provision for registration preclusion within one year after extinguishment of a trademark right (Article 4, paragraph 1 (13) of the Trademark Law)

Article 4, paragraph 1 (13) of the Trademark Law prescribes that registration is not allowed for an application of a trademark that is identical with or similar to a trademark of another party, the right to which has been extinguished for a period shorter than one year from the date of its extinguishment if the application designates goods or services that are identical with or similar to designated goods or services pertaining to the trademark right of the other party.

This provision is abolished in order to enable early right acquisition.

2 Abolishment of designation of exhibitions by the Commissioner of the Patent Office (Article 4, paragraph 1(9) and Article 9, paragraph 1 of the Trademark Law)

Article 4, paragraph 1(9) of the Trademark Law provides that a trademark cannot be registered that is composed of a mark identical with or similar to a prize awarded at an exhibition held by the government, or an exhibition held by a party other than the government and designated by the Commissioner of the Patent Office.

Article 9, paragraph 1 of the Trademark Law provides that if an application for registering a trademark that was used in connection with goods or services displayed or presented at an exhibition held by the government, or an exhibition held by a party other than the government and designated by the Commissioner of the Patent Office is filed within six months from the date of the display or presentation, the application is deemed to have been filed at the time of the display or presentation.

To facilitate the application of these provisions, the revised law eliminates the need for designation by the Commissioner of the Patent Office and allows for application of the provisions to exhibitions that meet criteria prescribed by the Commissioner.

3 Application of Nice International Classification 10th Edition

With the revision of the ninth edition of the international classification pursuant to the Nice Agreement, the tenth edition of the international classification has also been applied to Trademark registration applications filed on and after January 1, 2012 in Japan. (In case of International Registrations under the Madrid Protocol, the tenth edition has been applied for all the international applications received by the office of origin on and after January 1, 2012.)

4 Other

The Trademark Law will maintain the non-exclusive license registration system from the viewpoint of consumer protection.