

ESAKI & ASSOCIATES

TOKYO

TORANOMON DENKI BLDG.,
8-1, TORANOMON 2-CHOME,
MINATO-KU, TOKYO 105-0001, JAPAN
TEL: 81-3-3502-1476
FAX: 81-3-3503-9577
81-3-3503-0238
E-mail: reception@esakipat.co.jp

K. ESAKI (Patent Attorney)
Y. SAKUMA (Patent Attorney)
Y. KAMINISHI (Patent Attorney)
E. TAZAKI (Patent Attorney)
H. KAZAMA (Patent Attorney)
Y. KOIZUMI (Patent Attorney)

M. KAJISAWA (Patent Attorney)
J. SHINOHARA (Patent Attorney)
I. TORAYAMA (Patent Attorney, Ph. D)
S. NAKAMURA (Patent Attorney, Ph. D)
T. TOMIYASU (Patent Attorney)
Y. SEITA (Patent Attorney)

Newsletter

This Newsletter contains summaries of the following:

- Statistics for Patent Oppositions, etc.
- Dealing with Decisions of Rejection (Patent)
- Recent Trademark Trends
- Revisions to the Design Examination Guidelines
- Regarding Seizures by Japanese Customs

May 2017

Circular No. E-198

1 Statistics for Patent Oppositions, etc.

The JPO has recently released data regarding patent oppositions gathered in the two years or so since the introduction of the Opposition system in April 2015. In addition, we will also present a selection of data released by the Japan Patent Office (JPO) and the Intellectual Property High Court (IPHC) regarding patent applications and examinations.

(The following graphs and tables are based on information given on the JPO and IPHC websites.)

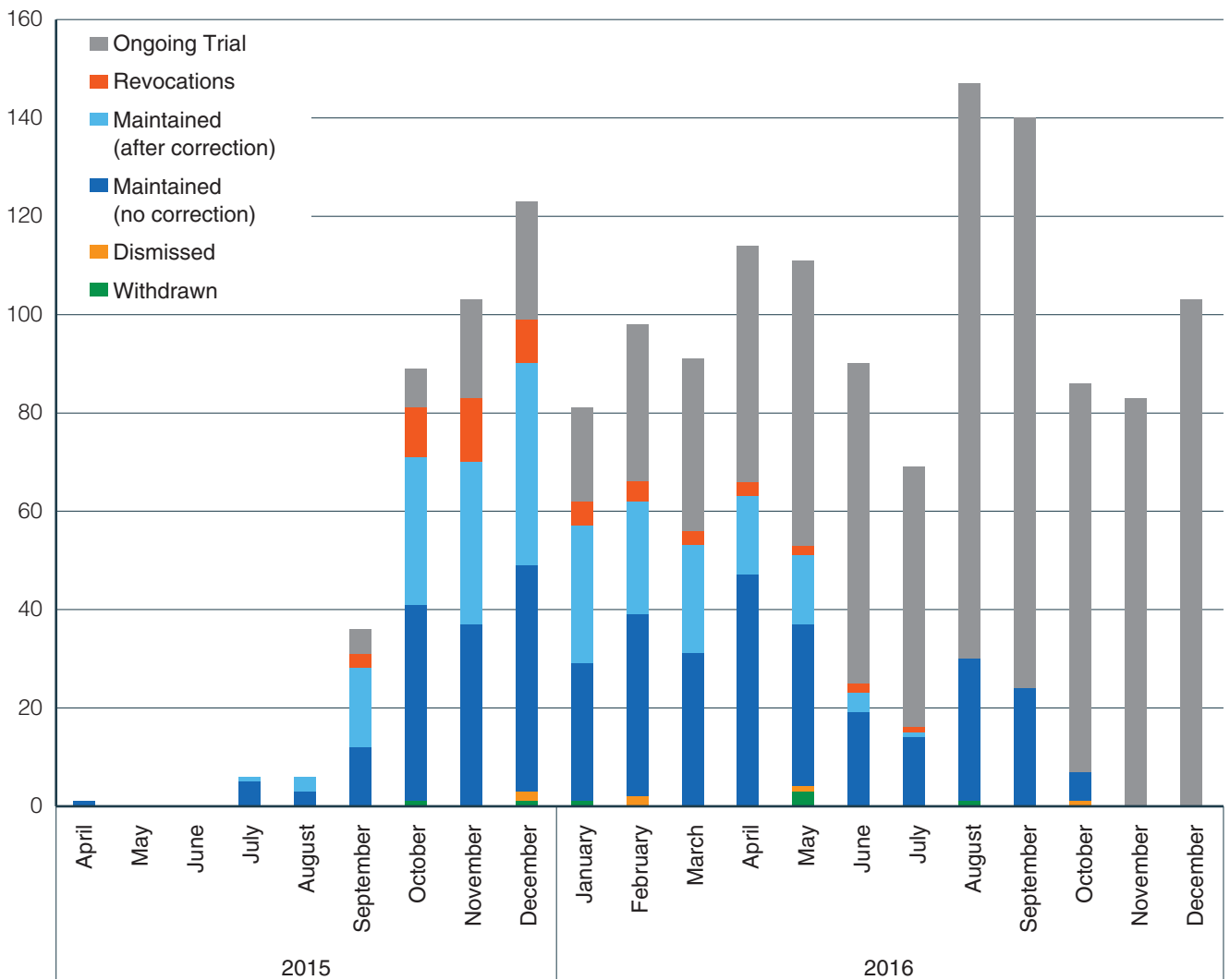
1. Patent Oppositions

The table and graph below show patent opposition statistics.

Opposition Cases April 2015 - December 2016						
Cases	Ongoing Trials	Revocations ^{*a}	Maintained (after correction) ^{*b}	Maintained (no correction)	Dismissals	Withdrawals
1585	865	55	232	412	6	7

^{*a} Cases resulting in a decision of partial or total revocation of the targeted claims

^{*b} Cases resulting in a decision of maintenance of patent after correction (e.g. restriction of claims, etc.)



From the above data, we can see that the number of revocations tends to be fairly low at present.

2. Patent Application and Examination Statistics

1. Patent Applications and JPO Examinations

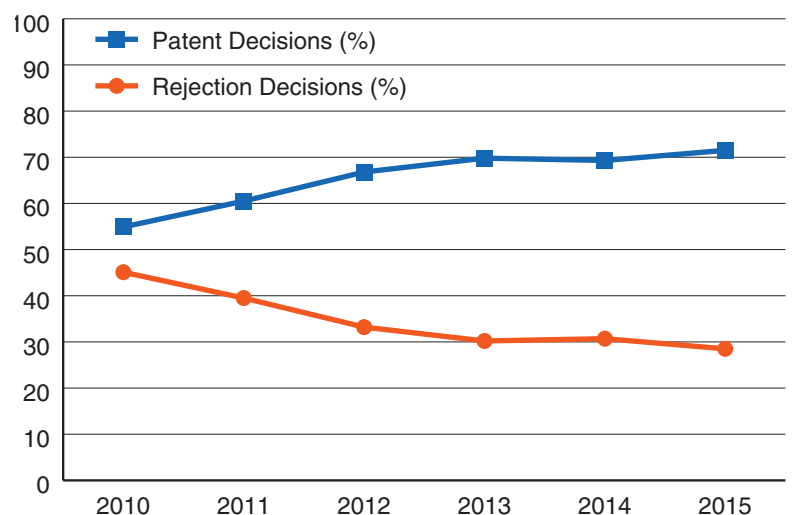
Patent Applications and Examinations (2015)

Number of Patent Application Cases	318,721
Number of Examination Cases	235,809

Decisions to Grant a Patent	173,015
Decisions of Rejection	66,599
(Decisions of Rejection due to lack of response)	30,173
Withdrawals/Abandonments after First Action	2,290

Decisions to Grant a Patent	71.5%
Decisions of Rejection	28.5%

Progress of Patent Decisions and Rejection Decisions



Appeal to a Decision of Rejection (2015)

Number of Appeals Claimed	Number of Cases Handled	Examination Results	
		Decisions of Rejection Overturned	Decision of Rejection Maintained
21,858	11,798	6,639	4,377

Examination Time (Average)

Examination (Waiting time for first O.A.)

Usual	Accelerated Examination	PPH
9.5 months	2.3 months	2.1 months

2015 data. 2014 data (PPH only)

Appeal Examination (Time to Appeal Decision)

Usual	Accelerated Appeal Examination
12.5 months	3.6 months

(2015 data)

Comparison of the Five Main Regional Intellectual Property Offices' Average Examination Times (2014)

	Time to 1st O.A.	Time to Final Decision
JPO	9.3 months	15.2 months
USPTO	18.1 months	27.0 months
EPO	9.1 months	22.8 months
SIPO	12.5 months	21.8 months
KIPO	11.0 months	16.7 months

2. Suits Against JPO Decisions (IPHC)

Suits Against JPO Decisions of Rejection (2015)

Number of Suits	Ruling	
	Decision Overturned	Decision Maintained
73	18	49

(This includes suits against JPO decisions regarding trials for correction)

Trial Time (2015)

Average Trial Duration*
8.7 months

* covers rulings regarding patent invalidation trials and rulings concerning trademarks and designs

2 Dealing with Decisions of Rejection (Patent)

The 2006 revision to the Patent Law (implemented on 1 April 2007) offered new options for dealing with Decisions of Rejection. In particular, it became possible to file divisional applications independently of Appeal (see 1.(2) below) and, since April 2016, it has also been possible to file patent applications (and therefore divisional applications) in languages other than English and Japanese (such as German).

What follows is an explanation of the available avenues for responding to Decisions of Rejection under the current Law.

1. Methods for Responding to Decisions of Rejection

When responding to a Decision of Rejection, any one of the following options can be taken **within the four months following the date of dispatch of said Decision**, depending on the circumstances.

(1) Appeal Against a Decision of Rejection

Amendments can be filed simultaneously with a Request for Appeal; this is the most commonly used method.

(2) Divisional Application*

Divisional Application without Appeal.

(3) Appeal Against a Decision of Rejection and Divisional Application

Simultaneous Appeal and Divisional Application.

(4) Abandonment

If no response to the decisions of rejection is filed, the Decision of Rejection will be finalised.

* This method is not possible for applications filed before 1 April 2007. It is also unavailable for divisional applications if the parent application was filed before said date, regardless of the filing date of the divisional application in question.

2. Details of Each Option

(1) Appeal Against a Decision of Rejection

Necessary Documents

- Substantiation of Appeal (Appeal Brief)
 - This should contain a concrete argument against the Decision of Rejection.
 - Although essential, this can be filed simultaneously with or after the Request for Appeal. In the case of the latter, the period allowed for substantiating the Appeal will only be set once a further notice from the JPO is received; this will set the deadline at a date 30 days after said receipt. Said notice will be issued approximately 1 month after the Appeal has been filed. If no Substantiation of Appeal is filed by the aforementioned deadline, the Appeal will be dismissed.
- Amendment (optional)
 - If required, this must be filed at the same time as the Appeal.
 - While it is possible to amend the Specification, Claims and/or figures, no new matter can be added in the Amendment.
 - Amendments to claims at this stage are limited to:
 - (i) cancellation of claims
 - (ii) narrowing the scope of claims by restricting elements which already pertain to the definition of the existing claim(s); further provided that the industrial applicability and the problem to be solved by the invention defined by the amended claim(s) are the same as those of the invention defined in the claims before the amendment
 - (iii) correction of typographical errors
 - (iv) clarification of ambiguous descriptions (only limited to clarifications relating to the Reasons for Rejection)

Typically, the addition of new claims, change in category of existing claims, and expansion or other non-restrictive change in scope of existing claims is not permitted.

Any amendments to claims beyond the above limitations will be dismissed.

- This stage may be the last opportunity to file an Amendment as, under Japanese Patent Law, there is no guarantee that the applicant will have another such opportunity during the Appeal proceedings.

A JPO Appeal examination will be held to determine whether to overturn the Decision of Rejection and grant the patent

- If an Appeal is filed together with an Amendment, in order to enhance the efficiency of the proceedings, the application is returned to the same Examiner who carried out the previous examination. The Examiner will then re-examine the application based on the amended claims and specification, and determine whether the application has matured as a patent. If said Examiner acknowledges the application's patentability, they will issue a Decision to Grant a Patent.

However, if they do not, the application will then be transferred to the Appeal Board, who will conduct a JPO Appeal examination.

- If no Amendment is filed, the application will be brought directly before the Appeal Board.

(2) Divisional Application

After the aforementioned 2006 revision, it became possible to file a divisional application without Appeal

- Decisions of Rejection issued for parent applications will eventually be finalised (meaning that there is no way to salvage said application)
- This stage represents the last opportunity to file a divisional application
- It is possible to file divisional applications in languages other than Japanese, such as English or German (although a Japanese translation will be required)

Necessary Documents

- Specification, claims and abstract (and figures, if applicable)
 - It is possible to file a divisional application using the original claims and specifications (and figures, if any) of the parent application, and amend the claims, etc. at a later stage, typically before or simultaneously with filing a Request for Examination
 - The filed claims can be reformulated, e.g. based on the claims rejected in the parent application, as long as they meet the following two criteria:
 - (a) no new matter has been introduced into the divisional application when compared to the matters described in the parent application
 - (b) the claimed subject matter of the divisional application is part of the subject matter described in the parent application
- A paper explaining that the divisional application complies with the above criteria, and that the divisional application is already free from the Examiner's rejections regarding the parent application. While not essential, this is advisable in order to facilitate the examination

Advantages

- **If one wishes to amend the claims independently of the restrictions that apply to Amendments in Appeals (see (1) above), a divisional application can be efficiently used instead of an Appeal** as none of said restrictions apply when reformulating claims for a divisional application
 - As it is now possible to file a divisional application without Appeal, this dispenses with the costs corresponding to said Appeal, meaning that this procedure is worth considering
- The applicant can therefore submit whichever claims they wish to a fresh examination, meaning that they can receive the results of said examination as a first Office Action. The aforementioned restrictions do not normally apply to those filed in response to the first Office Action in this procedure.
 - However, if, during the examination of a divisional application, the Examiner notes that the Reasons for Rejection stated for the parent application were not overcome, this will be mentioned in the first Office Action. In this case, despite it being the first Office Action, the same restrictions as in Appeals will apply to any Amendment to claims filed in response to said Office Action.

(3) Appeal Against a Decision of Rejection and Divisional Application

It is also possible to file a Divisional Application simultaneously with an Appeal

- In this procedure, while the Appeal examination of an application for which a Decision of Rejection was issued is being carried out, the examination of its divisional application will start from the beginning
- This stage may be the last opportunity to file a divisional application

Necessary Documents

- Documents relating to the Appeal (see (1) above)
- Documents relating to the Divisional Application (see (2) above)
 - The paper mentioned in (2) must also include an explanation that the subject matter claimed in the divisional application is distinguishable from that of the parent application

For example, this option can be used when the applicant intends to subject the patent application for which a Decision of Rejection was issued to an Appeal examination by the JPO Appeal Board, while having a separate patent application pending with the JPO, e.g. as a precaution.

(4) Abandonment

If no response to a Decision of Rejection is filed, said Decision will be finalised shortly after the corresponding deadline passes. Furthermore, in such cases, the JPO does not issue or release any notifications or official documents to that effect (such as a Final Confirmation of Abandonment, etc.). Once the Decision of Rejection has been finalised, no further action can be taken and that application can no longer be salvaged.

3 Recent Trademark Trends

1. Revisions to Trademark Examination Guidelines

On 1 April 2017, a revision of the Trademark Examination Guidelines was carried out, mainly dealing with the standards relating to Trademark Law Art. 4 (Unregistrable trademarks).

1. Examples of marks pertaining to public organisations (Trademark Law Art. 4(1)(i)-(v)), registered varieties of seeds and seedlings (Art. 4(1)(xiv)) and the origins of wines or spirits (Art. 4(1)(xvii)) were shown, additions and revisions were made to the criteria regarding determinations of similarity, and the interpretation of the law was clearly explained
2. Typical examples of violations of public order or morality covered by Art. 4(1)(vii) were explained with reference to legal precedents
3. With regards to the names of other people and companies, the criteria used to determine fame and the scope of “other people” covered by Art. 4(1)(viii) were clearly explained with references to legal precedents
4. The basic logic used during examinations to determine the similarity of trademarks was explained, and examples were added and revisions were made as well as clarifications of the factors used in the determination standards for sound, concept and appearance. Furthermore, it was explained that Art. 4(1)(xi) does not apply to cases where there is a controlling relationship between an applicant and the owner of a cited trademark and the trademark registration is acknowledged by the latter (Art. 4(1)(xi))
5. The meaning of the guidelines regarding another person’s well-known trademark (Art. 4(1)(x)), confusion of goods/services (Art. 4(1)(xv)) and trademarks identical or similar to another person’s well-known trademark used for unfair purposes (Art. 4(1)(xix)) was reviewed and clarified
6. It was explained that, when an applicant files an application for the same trademark as a previous application registration of theirs, a notice of reasons for rejection stating violation of Art. 3 will be issued only when said application’s description of goods/services is deemed to be identical to all or part of those of said previous application registration

2. Increase in Cases Eligible for Accelerated Examinations and Accelerated Trial Examinations of Trademark Applications

On 6 February 2017, based on the various needs of users, the following two application categories have been added to the list of applications eligible for Accelerated Examination and Accelerated Trial Examination. While it normally takes around 4-6 months for the First Action to be issued, this time period can be shortened to around 2 months by using the Accelerated Examination procedure. It should be noted, however, that these procedures cannot be used for the new types of trademark application (motion trademarks, hologram trademarks, colour trademarks, sound trademarks and position trademarks) introduced in April 2015.

1. Basic applications for International Registrations under the Madrid System
2. Applications specifying goods/services stated in the Table of Rules for the Enforcement of Trademark Law or Guidelines for Examination of Similar Goods/Services

For the above two types of application to be eligible for Accelerated Examination or Accelerated Trial Examination, at least one of the specified goods/services must be either currently in use or in the final stages before use.

<Reference> Applications eligible for Accelerated Examination or Accelerated Trial Examination

Case 1

An application for a trademark being used or in the final stages before use for the goods/services specified in said application and for which there is an urgent need for the corresponding right to be obtained.*

* If a third party is using the trademark, has requested a licence or has issued a warning for said trademark, if an application has been completed in another country, if the applicant wishes to file an international application under the Madrid System

Case 2

An application specifying only goods/services already in use or in the final stages before use.

Case 3

An application for a trademark being used or in the final stages before use for the goods/services specified in said application and all of said goods/services are in accordance with the Table of Rules for the Enforcement of Trademark Law or Guidelines for Examination of Similar Goods/Services.

4 Revisions to Design Examination Guidelines

The Design Examination Guidelines were revised on 1 April 2017 as follows.

1. Requirements for Application and Drawings as well as Handling of Reference Drawings

1. Requirements for Application and Drawings

1. With regards to the lines and dots used to show shapes, if it is clear that the lines and dots in question are used to represent shapes, no explanation of said lines and dots is necessary.
2. In computer graphics, if it is clear that any changes in brightness are intended to depict shadows, no explanation of said shadows is necessary.
3. With regards to the background colours of computer graphics, if it is clear that said colours are the background, no explanation thereof is necessary.

2. Handling of Reference Drawings

It was explained that, according to the examination guidelines, any discrepancies between the shapes, patterns or colours shown in the required set of drawings and those shown in any reference drawings will not be taken into consideration during the examination.

2. Clarifications Regarding the Application of Exceptions to Lack of Novelty of Design (Design Law Art. 4(2))

1. If the matters proving that Design Law Art. 4(2) can be applied to the exhibited design are clearly stated in a Letter of Proof, in principle, said design will be judged to meet the requirements of said article.
2. Letters of Proof drawn up by the applicant themselves rather than a third party are acceptable.
3. If there is any doubt regarding the proof for an exhibited design's eligibility for use of Art. 4(2), this will not be recognised by the Examiner.
4. When the applicant files an Argument or statement asserting said eligibility in response to a Notice of Reasons for Rejection not recognising said eligibility, the Examiner considers the applicant's assertion as well as the Letter of Proof before making a second judgement as to whether the requirements are met.
5. In cases of the exhibition of numerous identical designs:
 - A) Cases of the exhibition of numerous identical designs due to the applicant's actions: in cases where numerous designs have been exhibited based on a previous exhibition, if said previously exhibited design falls under Design Law Art. 4(2), even though the subsequent design is exhibited based on said previous exhibition, this design will not be considered as a publicly-known design (e.g. in cases where an applicant has delivered the same goods to the same client, the design's exhibition during the first delivery is considered the same as that of all subsequent deliveries).
 - B) In cases where a third party exhibits a design identical to a previously exhibited design to which Design Law Art. 4(2) was applied before the design application was filed: when said third party's exhibition is clearly based on the applicant's design exhibition, the former shall not be considered as a publicly-known design (e.g. a design which has been exhibited through the applicant's sale of goods and a design which has been exhibited through said goods being published on a website by a third party in possession of these goods).
6. Regarding the suitable handling and application procedure in cases where a design differing from the application design has been exhibited.
 - A) Case 1 : if two mutually similar designs (Design A and Design B) are both exhibited before either design application is filed and if a design application is filed for Design A using Art. 4(2), said application will require a Letter of Proof covering both designs.
 - B) Case 2 : if Design A is exhibited before its design application is filed and design applications are filed for Design B (a similar design to Design A) as well as Design A, both applications will require a Letter of Proof covering Design A in order to use Art. 4(2).
 - C) Case 3 : if two mutually similar designs (Design A and Design B) are both exhibited and design applications for both designs are filed, in order to use Art. 4(2), both applications will require a Letter of Proof, each Letter covering both designs.

5 Regarding Seizures by Japanese Customs

1. Flow of procedure for the seizure of imported items infringing on intellectual property rights

When Japanese Customs discover items they suspect of infringing on intellectual property rights (IPRs) (patent, utility model, design and trademark rights, right of lay-out of integrated circuits, copyright, neighbouring right, breeder's right and injunction rights based on the Unfair Competition Prevention Act) during the importation of goods, the following procedure is carried out.

1. Discovery of goods suspected of infringement

When Customs discovers goods they suspect of infringing on IPRs during the physical inspection of imported general cargo or postal items, they will contact the right holder or their representative for confirmation of infringement. Upon receipt of said confirmation and if requested, Customs shall begin Decision Procedures.

2. Notification from Customs to the importer and right holder

Customs will then send a Notice of Commencement of Decision Procedures to both the importer and right holder, each party also being notified of the other's details (name, address). The right holder will also be notified of the exporter's/producer's designation or name and address, if said information is clear from the Importation Declaration form and other documents submitted to Customs.

3. Filing of evidence and Argument

Both the right holder and the importer are given the opportunity to file evidence and an Argument with Customs regarding the suspected goods within a set period of time (10 working days from the date of receipt of the Notice of Commencement of Decision Procedures and, as each side is also shown the other's filed evidence and Argument (or as much as is necessary), they will also be able to file a counter-argument. Furthermore, applicants may conduct a sample inspection (i.e. dismantling and analysis) on condition that the relevant approval requirements are met and a deposit is paid. If they do not intend to argue with the right holder, the importer can select one of a number of procedures known as "Voluntary Procedures" (e.g. destruction, reshipment, voluntary abandonment, removal of infringing parts and acquisition of consent of the right holder). In the case of removal of suspected parts or acquisition of consent of the right holder, the relevant items can be imported.

4. Determination of infringement by Customs

Customs will decide whether the suspected items should be considered as infringing on the right holder's IPR(s) based on the evidence and Argument filed by both the importer and said right holder and both parties will be notified of the result.

- If the items are deemed not to infringe on the aforementioned right, said items will be released to the importer.
- If the items are deemed to infringe on the aforementioned right, the importer will have three months to appeal the decision and if none of the aforementioned Voluntary Procedures are selected within that time, said items will be destroyed by Customs.

It is also possible to provide Customs with information regarding goods infringing on intellectual property rights, such as websites from which such items can be purchased.

Further information regarding seizures by Customs is available from their website (<http://www.customs.go.jp/mizugiwa/chiteki/>).

2. Results of Importation Seizures (January – December 2016)

According to the statistics announced by Customs, in 91.9% of cases, the infringing items seized (based on the number of cases) were sent from China. As for the actual number of items, 60% were sent from China and 25.6% from Hong Kong (these numbers represent the countries supplying the items and are not limited to those producing the items). The vast majority (98.2%) of cases (65.7% of items) infringed on trademark rights.