

Recent Situation of the Japanese Intellectual Property Protection Scheme

Japan Patent Attorneys Association

INDEX / LIST OF DOCUMENTS

SECTION 1:

Changes in Environments for Obtaining IP rights in Japan and it becomes User friendly

SECTION 2:

Current Topics on IP Laws Amendments related to IP Right Enforcement in Japan

Endnote

SECTION 1:

Changes in Environments for Obtaining IP rights in Japan and it becomes User friendly

- I. New Japanese Rules for Unity of Invention
- II. Description Requirements of the Detailed Description of the Invention
- III. Requirement for disclosure of information
- IV. Introduction of 30 month-time limit for entering Japanese national phase
- V. Application under Foreign Language Application System
- VI. Revision of guideline for Accelerated examination and Accelerated appeal examination
- VII. Recent Revision to Utility Model Law (with effect from April 1, 2005)
- VIII. Revision of the Time Limit for Submitting a Request for Examination
- IX. An amendment to official fees system
- X. Others

I. NEW JAPANESE RULES FOR UNITY OF INVENTION

Introduction

The revised Art. 37 of the Japanese Patent law and the revised Rule (the ordinance of the Ministry of Economy), which relate to the Unity of Invention, became effective as of January 1, 2004. They are very similar to the Rules of PCT.

The Japan Patent Office ("JPO") has published a new standard ("SHINSA KIJUN") according to the revised Art. 37 and the revised ordinance. They will be applied to all applications filed after January 1, 2004. Accordingly, this paper will mainly talk about the "SHINSA KIJUN".

It should be noted that all translations in this paper are neither official nor authorized by JPO.

1.1. Revised Art. 37 of Japanese Patent Law and revised ordinance (Revised Rules)

1.1-1 Revised Art. 37 of Patent Law

The revised Art. 37 says;

"Where there are two or more inventions, the inventions may be the subject of a patent application in the same request provided that they fall under a group of inventions that fulfill the requirements of the unity of invention by involving one or more technical relationships specified in the ordinance of the Ministry of Economy."

1.1-2 Revised ordinance (Rule 25-8) Ordinance of the Ministry of Economy

The new Rule 25-8 says;

"1. The technical relationships specified in an ordinance of the Ministry of Economy referred to in Art. 37 of the Patent Law are the relationships such that two or more inventions are so linked as to form a single general inventive concept by involving the same or corresponding special technical feature(s).

2. The special technical features referred to in the preceding section are technical features that define a contribution that (each of the) inventions make over the prior article.

3. Whether or not there are relationships which referred to in section 1 of Rule 25-8 is determined regardless of whether two or more inventions are claimed in separate claims or are claimed in one claim alternatively."

It is apparent that revised Art. 37 and the new Rule 25-8 are similar to PCT Rule 13.

1.1-3 Purpose of revised art.37 and Rule 25-8

The purpose of revised Art. 37 and new Rule 25-8 is in response to expedient needs from applicants, third parties and JPO, that inventions having very close relationships to one another should be allowed to be claimed in one application.

1.1-4 Explanation of Rule 25-8

Rule 25-8 first section defines the "technical relationship". The technical relationship is one such that two or more inventions are so linked as to form "a single general inventive concept". The single general inventive concept in the new Rule 25-8 corresponds to "a single general concept" as defined in PCT Rule 13. This section also says that the question on whether or not two or more inventions are so linked as to form "a single general inventive concept" shall be determined on the basis of whether or not these inventions involve "the same or corresponding special technical features".

Second section of Rule 25-8 states that "the special technical features" shall mean the technical features that define a contribution that the invention(s) make(s) over the prior art. This means that when a technical feature provides "the contribution that the invention makes over the prior art", the technical feature becomes "special". Here, the technical features are grasped on the basis of elements that technically define the inventions among the elements that the applicant recites as ones that the applicants believes are necessary to define the inventions. "The

contribution that the invention(s) make(s) over the prior arts” means “technical sense or value” provided by the invention(s) with respect to the prior art.

Third section of Rule 25-8 makes it clear that the question of the unity of invention is determined regardless of whether two or more inventions are claimed in separate claims or are claimed in one claim using an "alternative" word.

1.2. Basic concept on determination regarding the Unity of Invention

1.2-1 What to be examined with regard to the Unity of Invention

As mentioned above, whether or not the requirements of the unity of invention are fulfilled is determined on the basis of the relationship among the inventions claimed in the claim(s). Usually, it is determined on the basis of the relationship between the claimed inventions. In the case where two or more elements that technically define the inventions in one claim are recited as alternative elements as a matter of form, or substantially, the relationship among the inventions having one of those alternative elements are examined to determine if these inventions fulfill the requirements of the unity of invention.

1.2-2 How to determine if the Unity of Invention is fulfilled

Again, whether or not requirements of the unity of invention are fulfilled is determined based on the question of whether or not two or more inventions involve the same or corresponding special technical features. That is, it is determined whether or not the special technical feature of one claim is the same as or corresponding to each of the special technical features of all of the other claims.

<Example 1>

Claim 1: Element A and Element B1

Claim 2: Element A and Element B2

Claim 3: Element A and Element B3

Prior art: Element A

In Example 1, above, whether or not the requirements are fulfilled is determined on the basis of the relationship between element B1 and element B2 as well as the relationship between element B1 and B3. In this case, if element B2 is the special technical feature that is corresponding to the special technical feature that is element B1, and if element B3 is the special technical feature that is corresponding to the special technical feature that is element B1, the requirements of the unity of invention are fulfilled, because the same or corresponding special technical feature is involved in all claims.

The question of whether or not two features are the same or corresponding special technical features are determined substantially and are not determined based on the literal expression in the claims.

More specifically, the next steps are taken when determining;

Step1: Each of the special technical features in each of the inventions is grasped on the basis of the specification, claims and drawings (hereinafter called "Specification etc.") as well as common technical knowledge existed when the application was filed.

Step2: Whether or not these special technical features are the same or corresponding is determined.

Step3: It is determined that the requirements of the unity of invention is not fulfilled when there is no same or corresponding special technical feature common to all claims.

Note that even when it was once determined that the requirements were fulfilled by taking the above steps, the requirements become unsatisfied when it turns out that the special technical feature(s) once determined is not a contribution that the inventions make over the prior art. This case may be found when the special technical feature once determined is disclosed in the prior art uncovered later. In such a case, as long as the examiner believes that

the claims should be examined together for the efficient examination, the rejection under Art. 37 may not be made.

1.3 Examples

JPO shows many examples, each of which fulfills the requirements of the unity of invention.

1.3-1 Basic examples

1.3-1-1 Inventions involving one or more of the same special technical features

The requirements of the unity of invention are fulfilled when two or more inventions involve one or more of **the same special technical features**.

<Example 2>

Claim 1: **Polymer A** (A novel transparent film that prevents Oxygen from passing through.).

Claim 2: A packaging container for food made of the **Polymer A**.

In this case, the polymer A provides a contribution over the prior art, and thus, both Claim 1 and Claim 2 involve the same special technical feature.

<Example 3>

Claim 1: A method for illuminating an object by **partially shielding light** from a light source.

Claim 2: An apparatus having a light source and a member which **partially shields light** from the light source.

In this case, the point of partially shielding light provides a contribution over the prior art, and thus, both Claim 1 and Claim 2 involve the same special technical feature.

1.3-1-2 Inventions involving one or more of the corresponding special technical features

The requirements of the unity of invention are fulfilled when two or more inventions involve one or more of the **corresponding special technical features**. It is determined that two or more inventions involve one or more of the **corresponding special technical features**, (1) if the technical sense (or value) is common to two or more inventions or the sense is very closely related to each other over the prior art (see Example 4) or (2) If the special technical feature of one claim is complementarily relating to the special technical feature of the other claim (see Example 5).

<Example 4>

Claim 1: Ceramics formed of silicon nitride comprising: **titanium carbide** as an additive so that the ceramics has electrical conductivity.

Claim 2: Ceramics formed of silicon nitride comprising: **titanium nitride** as an additive so that the ceramics has electrical conductivity.

In this case, the special technical features in Claim1 and Claim2 are, invention as a whole, **titanium carbide** and **titanium nitride**, respectively. The titanium carbide and the titanium nitride **provide the silicon nitride ceramics with the electrical conductivity**. In this regard, the technical sense over the prior art in these inventions are common, and therefore, the requirements of the unity of invention are fulfilled.

<Example 5>

Claim 1: A transmitter comprising a time elongation device which transmits video signals while elongating a time scale of the signal.

Claim 2: A receiver comprising a time compression device which receives video signals while compressing a time scale of the received signals.

In this case, the special technical features in Claim 1 and Claim 2 are "having a time elongation device" and "having a time compression device", respectively. They are complementarily relating to each other, and therefore,

the requirements of the unity of invention are fulfilled.

If there is Claim 3 below, the requirements of the unity of invention is still fulfilled, because Claim 3 includes both the time elongation device which is the special technical feature in Claim 1 and the time compression device which is the special technical feature in Claim 2.

Claim 3: An apparatus comprising:

a transmitter having a time elongation device which transmits video signals while elongating a time scale of the signal.

a receiver having a time compression device which receives the video signals while compressing a time scale of the signals.

1.3-2 Special relationship among Inventions

1.3-2-1 A product and a process for manufacturing the product, etc.

The requirements of the unity of invention are fulfilled when a process (herein after called "manufacturing process") for manufacturing a product is suitable for manufacturing the product. Also, when a machine, an instrument, equipment or the other thing (herein after called "manufacturing device") for manufacturing a product is suitable for manufacturing the product, the requirements are fulfilled. Here, "the other thing" includes all things that acts on the material or the work product for causing a certain change to obtain the manufactured product, such as a catalyst and bacteria, and not limited to a machine, an instrument, or equipment.

The manufacturing process or the manufacturing device is "suitable" for manufacturing the product, for example, when a change from the raw material to the special technical feature of the product is inevitably obtained. In this example, the special technical feature may be the product itself.

The contribution, for the prior art, provided by the special technical feature of the "manufacturing process" or the "manufacturing device" is to provide the product with its special technical feature, and therefore, the contributions for the prior art provided by each of the special technical features are closely related to each other. Thus, these inventions (i.e., "the manufacturing process" and "the product", or "the manufacturing device" and "the product") involve the same or corresponding special technical features.

It should be noted that even when a product other than "the product" is also manufactured by "the manufacturing process" or by "the manufacturing device", as long as they are suitable for manufacturing "the product", the requirements of the unity of invention are fulfilled.

<Example 6>

Claim 1: A post for construction having a bulb-like portion at its lower portion.

Claim 2: A process for making a bulb-like portion of a post comprising the steps of:
making a cavity in the ground by powder explosion, and
pouring concrete material into the cavity.

In this case, the special technical feature in Claim 2, i.e., the steps of making a cavity in the ground by powder explosion, and pouring concrete material into the cavity, inevitably provides the post with the special technical feature in Claim 1, i.e., the bulb-like portion. Accordingly, the process in Claim 2 is "suitable" for manufacturing the post in Claim 1.

<Example 7>

Claim 1: A clutch disc having a specific structure.

Claim 2: A process for manufacturing a clutch disc having a specific structure.

This is rather simple. In this case, the process in Claim 2 inevitably provides the clutch with the specific structure which is the special technical feature in Claim 1, and therefore, the process in Claim 2 is "suitable" for manufacturing the clutch in Claim 1.

<Example 8>

Claim 1: An eyeglass frame made of titanium alloy X.

Claim 2: An eyeglass frame made of titanium alloy X coated with nitride Y.

Claim 3: A process for manufacturing an eyeglass frame by integral forming using titanium alloy X.

Claim 4: A process for manufacturing an eyeglass frame by depositing nitride Y after integrally forming the frame using titanium alloy X.

In this case, the special technical feature in Claims 1 and 2 are the eyeglass frame made of titanium alloy X. Each of the processes in Claims 3 and 4 inevitably provides the eyeglass frame made of titanium alloy X, and thus, suitable for manufacturing the eyeglass frame in Claims 1 and 2.

1.3-2-2 A product and a method for using the product, or, a product and a thing solely utilizing the special properties of the product.

The requirements of the unity of invention are fulfilled if a method for using a product is suitable for using the product.

The method for using a product is suitable for using the product, for example, when the special technical feature of the method utilizes the special property or special function of the product which is the special technical feature of the product.

The contribution, for the prior art, provided by the special technical feature of "the method for using a product" is to utilize the special technical feature of the product, and therefore, the contribution for the prior art provided by each of the special technical features are closely related to each other. Thus, these inventions (i.e., "the method for a product" and "the product") involve the same or corresponding special technical features.

Also, the requirements of the unity of invention are fulfilled if the special technical feature of "the thing solely utilizing the special properties of a product" utilizes the special technical feature of the product.

The contribution, for the prior art, provided by the thing solely utilizing the special properties of a product is to solely utilize the special technical feature of the product which is the special properties of the product, and therefore, contributions for the prior art provided by each of the special technical features are closely related to each other. Thus, these inventions (i.e., "the thing solely utilizing the special properties of a product" and "the product") involve the same or corresponding special technical features.

<Example 9>

Claim 1: A substance X.

Claim 2: A method for killing bugs using a substance X.

In this case, the method in Claims 2 is suitable for using substance X in Claim 1, because the method in Claim 2 utilizes the special property of substance X (the property of killing bugs).

<Example 10>

Claim 1: A substance X.

Claim 2: A herbicide made of a substance X.

In this case, the herbicide made of substance X which is the special technical feature in Claim 2 solely utilizes the special property of substance X (the herbicidal action) in Claim 1. It should be noted that the special technical feature can be the substance X itself. In this case, Claims 1 and 2 involve the same or corresponding special technical feature (see 4-1-1 above.).

<Example 11>

Claim 1: A chemical compound X.

(The chemical compound X is useful as an intermediate to obtain chemical compound Y.)

Claim 2: A process for making chemical compound Y by having a chemical compound X react with a

chemical compound Z.

Claim 3: A process for manufacturing chemical compound X.

In this case, the process in Claim 2 utilizes the special property of the chemical compound X (the property that the chemical compound X becomes the chemical compound Y by reacting with the compound Z). Therefore, the process in Claim 2 is suitable for using the chemical compound X in Claim 1. The process in Claim 3 is suitable for manufacturing the chemical compound X in Claim 1. Accordingly, Claims 1, 2 and 3 fulfill the requirements of the unity of invention.

<Example 12>

Claim 1: A burner Z having a fuel nozzle which extends in a direction tangential to a combustion chamber of the burner Z.

Claim 2: A process for making a carbon black comprising a step of introducing fuel in a direction tangential to a combustion chamber of a burner Z.

Claim 3: A process for manufacturing a burner Z comprising a step of forming a fuel nozzle which extends in a direction tangential to a combustion chamber of the burner.

In this case, the process for making a carbon black in Claim 2 utilizes the special function of the fuel nozzle which extends in the direction tangential to the combustion chamber of the burner Z, which is the special technical feature, in Claim 1, and therefore, the process in Claim 2 is suitable for using the burner Z in Claim 1. The process for manufacturing a burner Z in Claim 3 inevitably provides the burner Z with the fuel nozzle which extends in the direction tangential to the combustion chamber of the burner Z, which is the special technical feature, in Claim 1, and therefore, the process in Claim 3 is suitable for manufacturing the burner Z in Claim 1. Accordingly, Claims 1, 2 and 3 fulfill the requirements of the unity of invention.

1.3-2-3 A product and a method for handling the product, or, a product and a thing for handling the product (hereinafter called "a handling method or a handling thing")

The requirements of the unity of invention are fulfilled if "a handling method or a handling thing" is suitable for the product.

The handling method or the handling thing is suitable for the product, for example, when the special technical feature of the handling method or the handling thing inevitably maintains or exerts the function of the product by acting on, from outside, the special technical feature of the product without substantially changing the product.

The contribution, for the prior art, provided by the handling method or the handling thing is to inevitably maintain or exert the function of the product, and therefore, contributions for the prior art provided by each of the special technical features are closely related each other. Thus, these inventions (i.e., "the handling method or the handling thing" and "the product") involve the same or corresponding special technical features.

It should be noted that even when "the handling method or the handling thing" can be applicable to handle a product other than "the product", as long as they are suitable for handling "the product", the requirements of the unity of invention are fulfilled.

<Example 13>

Claim 1: A prefabricated house having a specific structure.

Claim 2: A method for storing a prefabricated house having a specific structure.

In this case, the method in Claim 2 is suitable for handling the prefabricated house in Claim 1, because the method in Claim 2 inevitably exerts the function to improving the easiness of store of the house provided by the special structure in Claim 1 by acting on from outside the specific structure. Therefore, the method in Claim 2 is suitable for handling the prefabricated house in Claim 1.

<Example 14>

Claim 1: A substance Z.

(The substance Z is very unstable and degrades easily, although it has a special property.)

Claim 2: A method for storing a substance Z under specific pressure and at specific temperature.

In this case, the method in Claims 2 is suitable for handling the substance Z in Claim 1, because the method in Claim 2 inevitably maintains the special property of the substance Z.

1.4-2-4 A method and a thing directly used for implementing the method

The requirements of the unity of invention are fulfilled if "a machine, an instrument, equipment or another thing directly used for implementing a method (herein after called "equipment used for the implementation")" is suitable for direct use to implement the method.

The equipment used for the implementation is suitable for direct use to implement the method when, for example, the special technical feature of the equipment used for the implementation is directly used to implement the special technical feature of the method. These inventions involve the same or corresponding special technical features.

It should be noted that even if "the equipment used for the implementation" can be directly used to implement another method, as long as it is suitable for direct use to implement "the method", the requirements of the unity of invention are fulfilled.

It should also be noted that "the equipment used for the implementation" include all things, such as a catalyst, bacteria, law material, and a work product, that are directly used for the implementation of the method, and is not limited to machines, instruments, and equipment.

<Example 15>

Claim 1: A method for making concrete product comprising steps of:
mixing fine ice with concrete including aggregate; and
pouring the concrete into a mold.

Claim 2: An apparatus comprising:
means for smashing ice; and
means for mixing the smashed ice with concrete including aggregate
together.

In this case, the apparatus in Claim 2 is directly used to implement the method of mixing the ice with concrete including aggregate together, the special technical feature of Claim 1. Therefore, the apparatus in Claim 2 is suitable for direct use to implement the method in Claim 1.

<Example 16>

Claim 1: A method for measuring water depth comprising specific steps.

Claim 2: An apparatus for measuring distance having specific structure.
(The apparatus implements the specific steps.)

In this case, the apparatus in Claims 2 is suitable for direct use to implement the method in Claim 1, although the apparatus can be used to implement a method other than one in Claim 1.

<Example 17>

Claim 1: A method for making a final product Z by oxidizing intermediate A.

Claim 2: A method for making a final product Z comprising steps of:
forming intermediate A by having chemical compound X react with
chemical compound Y; and
forming the final product Z by oxidizing intermediate A.

Claim 3: Intermediate A.

In this case, the special technical feature in Claims 1 and 2 is the step of forming the final product Z by oxidizing intermediate A.

The intermediate A in Claim 3 is directly used to carry out the step, the special technical feature of Claims 1 and 2, and thus is suitable for direct use to implement methods of Claim 1 and 2.

1.3-3 Markush claims

When a claim is a Markush type claim, the unity of invention is determined depend on whether or not there is the same or the corresponding special technical feature between the alternatives.

1.3-4 Intermediates and Final Products

An intermediate and a final Product fulfill the requirements of the unity of invention when the following both terms (a) and (b) are satisfied.

(a) They have novel constitutions (structures) that are the same or technically closely related. That is;

(i) There is a common basic feature in a chemical structure between the intermediate and the final product; or

(ii) The chemical structures of the intermediate and the final product are technically closely related each other.

(b) There is a technical and mutual relationship. That is, the final product is formed through the intermediate or the final product is formed through a small number of intermediates that are not found in the prior art and include the same main structural element common to the intermediate and the final product.

1.4. Examining Procedure

(1) The unity of the invention is determined on the basis of relationships between the first invention claimed (usually Claim 1) and the other claims. The claims that fulfill the requirements of the unity of invention are examined with respect to requirements other than the unity of invention. If the requirements of the unity of invention are not fulfilled in a single claim, then the examination with respect to requirements other than the unity of invention is performed on the inventions that fulfill the requirements of the unity of invention with respect to the first alternative. Therefore, the first claim (the first claimed invention) is very important in claim drafting.

<Example 18>

Claim 1: An automatic door having a specific structure characterized in that the door comprises a sensor A.

Claim 2: An automatic door according to Claim 1, wherein the sensor A is a light sensor.

Claim 3: An automatic door according to Claim 2, wherein the light sensor is an infrared light sensor.

In this case, if the sensor A is a special technical feature, then, all claims fulfill the requirements of the unity of invention, since they include the special technical feature (the sensor A).

(2) Generally, an independent claim involves a special technical feature included in a dependent claim. Accordingly, usually, the unity of the invention is determined among independent claims. However, for instance, attention will be paid to a dependent claim which depends from claims that fall under different categories, because it may not fulfill the requirements of the unity of the invention.

(3) When each of claims includes all elements recited in one different claim (regardless of whether or not each claim is written in a dependent form or in a independent form), it is often more efficient to conducted a prior art search and an examination at the same time on these claims without determining whether or not they fulfill the requirements of the unity of invention. See Example 20.

<Example 19>

Claim 1: An automatic door having a specific structure characterized in that the door comprises a sensor A.

Claim 2: An automatic door according to Claim 1, wherein the sensor A is a light sensor.

Claim 3: An automatic door according to Claim 2, the sensor A is an infrared ray sensor.

(4) In an example 21 below, let us assume that the sensor Z was determined as a special technical feature at first and later turned out that the sensor Z was not a special technical feature since it was disclosed in the prior art.

<Example 20>

Claim 1: An automatic door having a specific structure characterized in that the door comprises a sensor Z.

Claim 2: An automatic door according to Claim 1, wherein the sensor Z is a light sensor.

Claim 3: An automatic door according to Claim 1, the door comprises an installation means for installing the sensor Z.

In this case, the requirements of the unity of invention becomes not fulfilled, however, these claims are examined together, because it is more efficient to be examined together than to examine them separately.

(5) If the requirements of the unity of invention (Art. 37) are not fulfilled during the examination, the rejection is given. However, a patent can not be invalidated for the reason that the requirements of the unity of invention (Art. 37) are not fulfilled. In this regard, when an examiner thinks the requirements of the unity of invention are not fulfilled but can use the same search result, he or she continues to examine claims together without giving the rejection under Art. 37.

(6) When the rejection under Art.37 is given in the notification of the rejection, the concrete reason will be accompanied.

1.5 Conclusion

From above, when you draft claims, you have to determine what the special technical feature is in each of the claims. It does not have to be new but must provide a contribution that the invention makes over the prior art. Then, you draft claim 1 (first claim) which include the special technical feature so determined, and draft the other claims with thinking if each of the claims corresponds to one of the above examples to fulfill the requirements of the unity of invention. Also, you should keep in mind that the first invention (first claim) and other claims that fulfill the requirement of the unity of invention with respect to the first invention are examined for the other requirement such as novelty and obviousness when it is determined that the application does not fulfill the requirement of the unity of invention.

II. DESCRIPTION REQUIREMENTS OF THE DETAILED DESCRIPTION OF THE INVENTION

2.1. Patent Law Art. 36(4)

Patent Law Art. 36(4)

The detailed description of the invention under the preceding section 4 of Art. 36 of Patent Law, shall state the invention, as provided for in an ordinance of the Ministry of Economy, Trade and Industry, in a manner sufficiently clear and complete for the invention to be carried out by a person having ordinary skill in the art to which the invention pertains.

Regulations under the Rule 24bis (Ministerial Ordinance)

Statements of the detailed description of the invention which are to be in accordance with an ordinance of the Ministry of Economy, Trade and Industry under Art. 36(4) Patent Law shall state the problem to be solved by the invention and its solution, or other matters necessary for a person having ordinary skill in the art to understand the technical significance of the invention.

2.2. Enablement Requirement

(1) This provision of Art. 36 section 4 of Patent Law means that the detailed description of the invention shall be described in such a manner that a person who has ability to use ordinary technical means for research and development (including comprehension of document, experimentation, analysis and manufacture) and to exercise ordinary creativity in the art (a person skilled in the art) to which the invention pertains can carry out the claimed invention on the basis of matters described in the specification (excluding claims) and drawings taking into consideration the common general knowledge as of the filing (hereinafter referred to “enablement requirement”).

(2) Therefore, if “a person skilled in the art” who is supposed to have ordinary skill cannot understand how to carry out the invention on the basis of teachings in the specification (excluding claims) and drawings taking into consideration the common general knowledge as of the filing, then, such a description of the invention should be deemed insufficient for enabling such a person to carry out the invention. For example, if a large amount of trials and errors or complicated experimentation are needed to find a way to carry out the invention beyond the reasonable extent that can be expected from a person skilled in the art, such a description should not be deemed sufficient.

(3) “To be carried out” in Art. 36(4) is interpreted as meaning that “the claimed invention can be carried out.” Therefore, the detailed description of the invention must be described in such a manner sufficiently clear and complete for a person skilled in the art to carry out the claimed invention i.e., “an invention identified based on the claim statements according to the handling shown in 1.5.1 of Chapter 2.”

However, it is not a violation of Art. 36(4) that inventions, which are not claimed, are not described sufficiently to meet the enablement requirement, or those extra matters, which are unnecessary for carrying out the claimed invention, are described. Where the descriptions supporting two or more claimed inventions would overlap, such overlapped descriptions may be omitted, provided that their relation to the claims remains clear.

(4) “To be carried out” in the provision implies being able to make and use the product in the case of an invention of a product, being able to use the process in the case of an invention of a process and being able to make a product

by the process in the case of an invention of a process for manufacturing a product.

2.2.1 Practices in Enablement Requirement

(1) Mode for carrying out the invention

It is necessary to describe in the detailed description of the invention at least one mode that an applicant considers to be the best among the “modes for carrying out the invention” showing how to carry out the claimed invention in compliance with the requirements in Art. 36(4).

(Note) The “mode for carrying out the invention” referred to in this Guideline is the same as prescribed in the Regulation 5.1-(a)() under PCT (Patent Cooperation Treaty). Hereinafter it is referred to as the “mode for carrying out.”

(2) “Mode for carrying out the invention” in the case of an invention of a product

For an invention of a product, the definition of carrying out the invention is to make and use the product as mentioned above. Therefore, a “mode for carrying out the invention” for an invention of a product also needs to be described so as to enable a person skilled in the art to make and use the product.

“Invention of a product” is clearly explained

If an invention of a product can be recognized by a person skilled in the art based on the claim statements (i.e., the claimed invention can be identified) and can be understood from the description in the detailed description of the invention.

In the case of an invention of a chemical compound, for instance, the invention should be deemed as clearly explained if the chemical compound is expressed either by name or by chemical structural formula.

A matter defining an invention of a product stated in a claim and a corresponding description in the detailed description of the invention should be consistent with each other in such a manner that the claimed invention can be understood as a whole from the detailed description of the invention.

“Can be made”

For an invention of a product, the description shall be stated so as to enable a person skilled in the art to make the product. For that purpose, the manufacturing method must be concretely described, except the case where a person skilled in the art can manufacture the product based on the description in the specification and the drawings, and the common general technical knowledge as of the filing.

Where a claim includes statements defining a product by its function or characteristics, etc. and where such function or characteristics, etc. are neither standard nor commonly used by a person skilled in the art, the detailed description of the invention shall state the definition of such function or characteristics, etc. or the method for testing or measuring such function or characteristics, etc. in order for the claimed invention to satisfy the enablement requirement for the claimed invention.

In the technical field where it is difficult to predict the structure, etc. of a product from the function or characteristic, etc. of the product (e.g. chemical substances), unless a person skilled in the art cannot understand how to make another product defined by its function or characteristic, etc. other than products of which manufacturing method is concretely described in the detailed description of the invention (or those which can be made from these products taking into consideration the common general knowledge), the description of the detailed description of the invention is violating the enablement requirement (For example, where a large amount of trials and errors or complicated experimentation are needed to find a way to carry out the invention beyond the

reasonable extent that can be expected from a person skilled in the art.)

Example violating the enablement requirement: R-receptor activating compounds obtained by a specific screening method.

There are no descriptions as to chemical structures or manufacturing methods of R-receptor compounds other than the newly obtained X, Y, and Z disclosed as working examples, and there is no other clue to infer the chemical structure, etc. Also, it is required to describe how each matter defining the invention of the product works (role of each matter) (namely, “operation” of each matter) if a person skilled in the art needs it for manufacturing the product of an invention.

On the other hand, when a person skilled in the art can manufacture the product from the statements on the structure shown as a working example or from the common general knowledge as of the filing, it does not constitute violation of the enablement requirement even though there is no statement as to manufacturing method thereof.

“Can be used”

For an invention of a product, the description shall be stated in the detailed description of the invention so as to enable a person skilled in the art to use the product (Note). To meet this, the way of using the product shall be concretely described except where the product could be used by a person skilled in the art without such explicit description when taking into account the overall descriptions of the specification (excluding claims), drawings and the common general knowledge as of the filing.

For example, in the case of the invention of a chemical compound, it is necessary to describe more than one specific use with technical significance in order to show that the chemical compound concerned can be used.

Also, it is required to describe how each matter defining the invention of the product works (role of each matter) (namely, “operation” of each matter) if a person skilled in the art needs it for using the product of an invention.

On the other hand, the usage of the product need not be explicitly described in the detailed description of the invention where a person skilled in the art can use it by taking into account, for example, descriptions for the structure of the invention disclosed as a working example or the common general knowledge as of the filing.

(Note) Examination Guidelines treats the industrially inapplicable inventions under the first sentence of Art. 29(1) in a different fashion from those violating the enablement requirement of Art. 36(4). The former is relatively restricted. Such an invention as a method for treatment of human body is in the list of exhaustive nature, and those inventions out of the limited list are treated as industrially applicable.

(3) “Mode for carrying out the invention” in the case of an invention of a process

For an invention of a process, the definition of carrying out the invention is to use the process as mentioned above. Therefore, a “mode for carrying out the invention” for an invention of a process also needs to be described so as to enable a person skilled in the art to use the process.

“Invention of a process” is clearly explained

If an invention of a process can be recognized by a person skilled in the art based on the claim statements (i.e., a claimed invention can be identified) and can be understood from the description in the detailed description of the invention, the invention is deemed as being clearly explained.

“Process can be used “

There are various types of process inventions other than those for manufacturing a product (so-called “pure process”) such as a process of using a product, a process for measuring or process for controlling, etc. For any type of process inventions, the description of the invention shall be stated so as to enable a person skilled in the art to use the process by taking into account the overall descriptions of the specification (excluding claims), drawings and the common general knowledge as of the filing.

(4) “Mode for carrying out the invention” in the case of an invention of a process for manufacturing a product

Where an invention of a process is directed to “a process for manufacturing a product,” the definition of “the process can be used” means that the product can be manufactured by the process. Therefore, a “mode for carrying out the invention” for an invention of a process for manufacturing a product also needs to be described so as to enable a person skilled in the art to manufacture the product.

“Invention of a process for manufacturing a product” is clearly explained

If an invention of a process for manufacturing a product can be recognized by a person skilled in the art based on the claim statements (i.e., a claimed invention can be identified) and can be understood from the description in the detailed description of the invention, the invention is deemed as clearly explained.

”Product can be manufactured by the process”

For an invention of a process for manufacturing a product, various types exist including a process for producing goods, a process for assembling a product, a method for processing a material, etc. Any of these consists of such three factors as i) materials, ii) process steps and iii) final products. For an invention of a process for manufacturing a product, the description shall be stated so as to enable a person skilled in the art to manufacture the product by using the process. Thus, these three factors shall in principle be described in such a manner that a person skilled in the art can manufacture the product when taking into account the overall descriptions of the specification (excluding claims), drawings and the common general knowledge as of the filing.

Of these three factors, however, the final products may be understood from descriptions of materials and process steps. (For instance, a process for assembling a simple device where structures of parts are not subject to any change during the process steps.) In such a case, descriptions on the final products may be omitted.

(5) How specifically the detailed description of the invention must be described?

When embodiments or working examples are necessary in order to explain the invention in such a way that a person skilled in the art can carry out the invention, “the mode for carrying out the invention” should be described in terms of embodiments or working examples. The explanation should be done by citing drawings, if any. Embodiments or working examples specifically show the mode for carrying out the invention. (Regarding an invention of a product, for instance, those, which specifically show how to make it, what structure it has, how to use it, etc.)

In cases where it is possible to explain the invention so as to enable a person skilled in the art to carry out the invention, neither embodiments nor working examples are necessary.

Where an invention of a product is not defined by such specific means as its structure but defined by its function, character, etc., a specific means which is capable of performing the function or character shall be explicitly described in the detailed description of the invention, except where it could be understood by a person skilled in the art without such explicit descriptions taking into account the overall descriptions of the specification

(excluding claims), drawings and the common general knowledge as of the filing.

In the case of inventions in technical fields where it is generally difficult to infer how to make and use a product on the basis of its structure (e.g., chemical substances), normally one or more representative embodiments or working examples are necessary which enable a person skilled in the art to carry out the invention. Also, in the case of use inventions (e.g., medicine) using the character of a product etc., the working examples supporting the use are usually required.

(6) Relation between statements in the claim and description in the detailed description of the invention

As mentioned in (1) above, at least one mode for carrying out the invention needs to be described in terms of “claimed invention.” For not all embodiments nor all alternatives within the extent of the claimed invention, the mode for carrying out the invention needs to be described.

However, when the examiner can show well-founded reasons that a person skilled in the art would be unable to extend the particular mode for carrying out the invention in the detailed description of the invention to the whole of the field within the extent of the claimed invention, the examiner should determine that the claimed invention is not described in such a manner sufficiently clear and complete to be carried out by a person skilled in the art.

For example, if a claim is directed to a generic concept with only a mode for carrying out a more specific concept being described in the detailed description of the invention, and if there is a concrete reason that the description of the mode for carrying out the specific concept does not make another specific concept (*) covered by the claimed generic concept to be carried out by a person skilled in the art even taking into consideration the common general knowledge as of the filing, then, such descriptions of the particular mode should not be deemed sufficiently clear and complete for the claimed invention to be carried out by a person skilled in the art.

(*): “Another specific concept” must be one that a person skilled in the art can recognize as of the filing. The same will apply hereinafter in 3.2.1 to 3.2.3.

If a claim is defined in an alternative way by Markush-type formula with only a mode for carrying out a part of the claimed alternatives being described in the detailed description of the invention, and if there is a concrete reason that the descriptions of the mode for carrying out the part of alternatives does not make the rest of the alternatives to be carried out by a person skilled in the art even taking into consideration the common general knowledge as of the filing, then, such descriptions of the particular mode should not be deemed sufficiently clear and complete for the claimed invention to be carried out by a person skilled in the art.

If claim statements defining the product by a result to be achieved, it should be noted that such a claim may be so broad that a person skilled in the art would be unable to extend the particular mode for carrying out the invention in the detailed description of the invention to the whole of the field within the extent of the claimed invention.

2.2.2 Types of Violation of Enablement Requirement

2.2.2.1 Improper Description of Modes for Carrying Out the Invention

(1) A person skilled in the art cannot carry out the claimed invention because a technical means corresponding to a matter defining the claimed invention is described in a merely functional or abstract way in the mode for carrying out the invention and in such a manner that it is unclear and incomprehensible how the technical means should be embodied into a material, apparatus or process, even taking into consideration the common general knowledge as of

the filing.

(2) A person skilled in the art cannot carry out the claimed invention because the relation between each technical means corresponding to a matter defining the claimed invention is unclear and incomprehensible in the mode for carrying out the invention, even taking into consideration the common general knowledge as of the filing.

(3) A person skilled in the art cannot carry out the invention because specific numerical values such as manufacturing conditions are neither described in the mode for carrying out the invention nor can be understood by a person skilled in the art when taking into consideration the common general knowledge as of the filing.

2.2.2.2 Part of Claim Not Supported by the Mode for Carrying Out the Invention

(1) A claim is directed to a generic concept with only a more specific concept of the generic concept being described enablingly in the detailed description of the invention, and there is a concrete reason that the description of the mode for carrying out the specific concept does not make another specific concept covered by the claim to be carried out by a person skilled in the art, even taking into consideration the common general knowledge as of the filing. (Note that methods of experimentation and analysis may be among the common general knowledge as of the filing.)

Example: A claim is directed to a process for manufacturing a molded plastics consisting of the first step to form the plastics and the second step to correct strain of the formed plastics. The detailed description of the invention discloses, as a working example, only a process wherein the plastics being thermoplastic resin is formed by an extrusion molding and then the strain is corrected by heat-softening the molded plastics. The process for the strain correction by heat softening deems inappropriate for the case where the plastics being thermosetting resin. (A rational reasoning can be made that the strain-correction of the working example is inappropriate for thermosetting resin in view of the fact that thermosetting resin can not be soften by heating which is generally accepted as scientifically or technically correct.)

(2) A claim is defined in an alternative way by Markush-type formula with only a mode for carrying out a part of the claimed alternatives being described enablingly in the detailed description of the invention, and there is a concrete reason that the description of the mode for carrying out the part of the alternatives does not make the rest of the alternatives to be carried out by a person skilled in the art, even taking into consideration the common general knowledge as of the filing. (Note that methods of experimentation and analysis may be among the common general knowledge as of the filing.)

Example: A claim is directed to a process for manufacturing para-nitro substituted benzene by nitrating the substituted benzene where the substituent group (X) is CH₃, OH, or COOH. The detailed description of the invention discloses, as a working example, only a case where the starting material being toluene (i.e., a case where X being CH₃). A rational reasoning can be made that such a process is inappropriate when the starting material is benzoic acid (i.e., when X is COOH) in view of very large difference in the orientation between CH₃ and COOH.

(3) A mode for carrying out the invention is described enablingly in the detailed description of the invention. For example, however, the particular mode is idiosyncratic within the extent of the claimed invention, and therefore, there is a well-founded reason that a person skilled in the art would be unable to extend the particular mode for

carrying out the invention to the whole of the field within the extent of the claimed invention, even taking into consideration the common general knowledge as of the filing. (Note that methods of experimentation and analysis may be among the common general knowledge as of the filing.)

Example: A claim is directed to “a lens system for a single-lens reflex camera consisting of three lenses, wherein the lenses are placed in order of a positive, a negative and a positive lens from the object side to the film side, wherein optical aberration of the lens system is corrected so as to be less than X % in image height H.” The detailed description of the invention discloses, as a mode for carrying out the invention, an example of specific combination of refractive indices of three lenses, or in addition, a specific conditional formula for them so that the particular optical aberration can be done.

In the filed of optical lenses, it is generally accepted as scientifically or technically correct that an example of specific combination of refractive indices which can embody a particular optical aberration is of idiosyncratic nature. In addition, that particular disclosure such as the example of refractive indices or conditional formula does not teach any generalized conditions for manufacturing the corrected lens system. Thus, a rational reasoning can be made that a person skilled in the art would be unable to understand how to extend the particular mode for carrying out the invention to the whole of the field within the extent of the claimed invention even taking into consideration the methods of experimentation, analysis and manufacture which are generally known to a person skilled in the art as of the filing.

(4) A claim includes the product defined by the result to be achieved and only the specific working mode is described in the detailed description of the invention so as to be carried out, and therefore, there is a well-founded reason that a person skilled in the art would be unable to extend the particular mode for carrying out the invention to the whole of the field within the extent of the claimed invention, even taking into consideration the common general knowledge as of the filing. (Note that methods of experimentation and analysis may be among the common general knowledge as of the filing.)

Example: “A hybrid car of which energy efficiency during traveling by electricity is a – b%” is stated in the claims. And only a hybrid car equipped with specific power transmission control means to obtain the energy efficiency concerned is described in the detailed description of the invention as a working mode.

And in the technical field of the hybrid car, normally, the fact that the aforesaid energy efficiency is about X% which is far lower than a% and it is difficult to realize higher energy efficiency such as a – b%, is the common general technical knowledge as of the filing. In addition, the description on the hybrid car equipped with aforesaid specific power transmission control means do not show the common solving means for realizing the aforesaid high energy efficiency. Accordingly, the rational reason can be made that a person skilled in the art cannot understand another hybrid car which brings the aforesaid result described in the claim even though taking into consideration the common art in the relevant technical field.

2.2.3 Notice of Reason for Refusal Violating Enablement Requirement

(1) Where the examiner makes a notice of reason for refusal on the ground of violation of enablement requirement under Art. 36(4), (s)he shall identify the claim which violates the requirement, make clear that the ground of refusal is not a violation of Ministerial Ordinance requirement but a violation of enablement requirement under Art. 36(4), and point out particular descriptions, if any, which mainly constitute the violation. When sending a notice of reason for refusal, the examiner should specifically point out a concrete reason why the application violates the enablement

requirement.

The reason above should be supported by reference documents. Such documents are, in principle, limited to those that are known to a person skilled in the art as of the filing. However, specifications of later applications, certificates of experimental result, written oppositions to the grant of a patent, and written arguments submitted by the applicant for another application etc. can be referred to for the purpose of pointing out that the violation stems from the descriptions in the specification and drawings being inconsistent with a fact generally accepted as scientifically or technically correct by a person skilled in the art.

(2) Against the notice of reason for refusal, an applicant may argue or clarify by putting forth written arguments or experimental results, etc (Note). Where the applicant's argument is confirmed to be adequate by examining the submitted evidence, the reason for refusal shall be deemed overcome. Where the applicant's argument does not change the examiner's conviction at all or where it succeeds in denying the examiner's conviction only to the extent that truth or falsity becomes unclear, the examiner makes a decision of refusal on the ground of the notice of reasons for refusal which is earlier notified.

(Note) For example, through a written opinion or a certified experiment result, etc., the applicant may clarify that the experiment or the method of analysis not considered by the examiner is actually pertaining to the common general knowledge as of the filing, and that a person skilled in the art can carry out the claimed invention based on such an experiment or method for analysis as well as the description in the specification and the drawings.

III. Requirement for disclosure of information (Effective from September 1, 2002)

Under newly revised Art. 36(4)(ii) of the Patent Law, an applicant is now required to disclose in the specification of an application any prior art which is known to the applicant at the filing date of the application. This requirement is applicable to applications filed on or after September 1, 2002.

In applying Art. 36(4)(ii), if an examiner judges that an application does not meet the requirement, he or she will issue an Official Notification requiring the applicant to submit information on prior art documents which will enable the examiner to find such documents in a search. Such information will consist of an identifying number for a patent publication (application) number, and by the title, volume, number, pages, and the name of its publisher if the prior art document is a non-patent document. If the applicant does not provide the required information in response, the examiner will issue an Official Action with a Reason for Rejection. It should be noted, however, that non-disclosure shall not constitute a Reason for Invalidation. Art. 36(4)(ii) does not regulate a duty of disclosure, as is applicable under U. S. practice, but rather the requirement which an application must meet.

An applicant may reply to such an Official Action by submitting a list such as a search report issued by the EPO, and this will be sufficient to meet the requirement. From a practical point of view, we practitioners generally understand that an examiner will issue such an Official Action only in a case that he or she is not able to reach a source for searching prior art documents when the subject invention is related to a very newly developed technical field, where the related arts are not easily available to a person not experienced in the art.

An applicant does not need to submit the copy of a list such as a search report issued by the EPO or an IDS for the USPTO. Also an applicant is not requested to file any copy of prior art documents and translation thereof if the document is not written in Japanese.

IV. Introduction of 30-month time limit for entering Japanese national phase

In accordance with the amendment of PCT Article 24(1) agreed in the 30th session of PCT Assembly, a time limit of a PCT application for entering Japanese national phase was amended from 20 month to 30 month, which became effective on September 9, 2002.

All PCT applications which designate Japan have a 30-month time limit from the priority date to file a National Form Paper (a request to enter into the Japanese national phase).

Introduction of extension time for filing Japanese translation of PCT application

Based on PCT Article 24(3), a two months extension for filing a Japanese translation of a PCT application was introduced, which became effective on September 9, 2002.

An applicant of a PCT application which designates JPO is able to file a Japanese translation of the PCT application (the specification, claims, abstract and drawings, if any) within 2 months from the filing of the National Form Paper without paying any extra official fee, provided that the filing of the National Form Paper and the payment of the national fee are made within the last 2-month period of the 30-month time limit from the priority date.

V. APPLICATION UNDER FOREIGN LANGUAGE APPLICATION SYSTEM

5.1.0 Patent application written in English

An applicant is able to file a Specification, Claims, Drawing(s) and an Abstract written in English with a Patent Request Form written in Japanese provided that a Japanese translation of the specification, the Claims, the Drawing(s) and the Abstract are filed within two months from the filing date.

5.1.1 Request

Even in the case of a foreign language application, a request shall be written in Japanese just as in the case of a regular Japanese language application. It shall be stated in the column of "[Special Remarks]" in the request that it is a "patent application in accordance with the provision of Patent Law Art. 36bis(1)."

5.1.2 Foreign Language Document and Foreign Language Abstract (Art. 36bis)

(1) Instead of the specification, necessary drawings and an abstract to be attached to the request, a foreign language document and a foreign language abstract written in a foreign language specified in an ordinance of the Ministry of Economy, Trade and Industry may be attached to the request (English is the only foreign language which is specified in Rule 25quater).

(2) The foreign language document is not the specification and drawings under Art. 36(2), but consists of a document stating matters to be described in the specification (Art.s 36(3) to (6)) in the foreign language and of the necessary drawings in which any text matter is stated in the foreign language.

The foreign language abstract is not the abstract under Art. 36(2), but a document stating the matters to be described in the abstract (Art. 36(7)) in the foreign language.

(3) When the request, the foreign language document and the foreign language abstract are filed, they will be accepted as a regular patent application and the filing date of application will be accorded.

5.1.3 Translation

(1) The applicant of a foreign language application shall submit a Japanese translation of the foreign language document and of the foreign language abstract within two months after the filing date of the application (Art. 36bis(2)).

(2) The translation shall be submitted by means of a written submission of translation. It shall be stated in the column of "[Confirmation]" in the written submission of translation that the matters described in the foreign language document, etc. are translated into proper Japanese without excess nor shortage.

(3) The applicant shall submit, as a translation under Art. 36bis(2), a literal translation in proper Japanese (a word-by-word translation into proper Japanese in accordance with the context of the foreign language document).

(4) Handling of Application Lacking Submission of Translation

(i) Translation of "Foreign Language Document (Excluding Drawings)"

A foreign language document, excluding drawings, contains a main portion of description of the contents of the invention for which a patent is sought. A translation thereof is legally regarded as the specification (Art. 36bis(3)) and later becomes a subject of the examination and patent granting. Because of these, lack of a translation is equal to lack of the specification attached to the request under Art. 36(2). Therefore such foreign language application is regarded as withdrawn.

(ii) Translation of "Drawings in which Any Text Matter is stated in the Foreign Language"

In the foreign language application system, it is required to submit entire drawings as the translation even if no foreign language text matter is included in the drawings as of the filing date. If any of the drawings are not submitted as the translation, the missing drawings are deemed not to have been attached to the application although such application is not regarded withdrawn. It should be noted that no submission of a translation of drawings may result in failure to satisfy the description requirements for the specification or drawings, or the requirements for patentability and, therefore, the correction of mistranslation may become necessary.

(iii) Translation of Foreign Language Abstract

Since an abstract has no influence on anything related to patent right, the application is not deemed to have been withdrawn even if a translation of a foreign language abstract is not submitted within two months after the filing date of the application. However, the abstract is indispensable for publication of unexamined application. Therefore, if a translation of the foreign language abstract is not submitted, such application may be subject to the invitation to correct and the dismissal of procedure. (Art.s 17(3)(ii) and 18(1))

5.1.4 Specification, Drawings and Abstract

A translation of the foreign language document and of the foreign language abstract shall be respectively deemed as the specification and drawings attached to the request and the abstract attached to the request (Art. 36bis(4)).

(Explanation)

(1) Where a translation under Art. 36bis(2) has been filed, the translation is legally regarded as the specification and drawings by the Patent Law. Therefore, it is not the translation but the specification and drawings that is the subject of subsequent amendments. Through such amendments, the contents of the document which has been regarded as the specification, etc. will be changed.

(2) As a general Rule in this Part VIII, a term "translation" used in relation to the foreign language application only means a "translation filed within two months after the filing date of a patent application." "Specification and drawings," "specification or drawings," and "specification, etc." mean documents which have been regarded as specification and/or drawings (or specification and/or drawings as amended if such documents are later amended).

(3) However, it should be noted that the "translation" used in the representation "new matter beyond translation" means not only the "translation filed within two months after the filing date of a patent application," but also the specification, etc. as corrected if a written correction of mistranslation is submitted. (See 5.3.1 "Relevant Provisions Concerning New Matter beyond Translation" and 5.3.3 "Practices for Determination of New Matter beyond Translation.")

5.2. Subject for Examination of Foreign Language Application

In a foreign language application, a translation is deemed as the specification and drawings attached to the request (Art. 36bis(4)). The patent right and the right to demand compensation will come into existence on the basis of the specification and drawings written in Japanese. Accordingly, the subject for substantive examination as to the description requirements and other requirements for patentability is the specification and drawings. (Refer to the next paragraph 5.3. with regard to examination concerning the reasons for refusal, etc. which are inherent to the foreign language application.)

5.3. Foreign Language Document

Though a foreign language document submitted for a foreign language application is not the specification or drawings under Art. 36(2), it describes the contents of the invention at the time of filing. Therefore, the foreign language document has the following legal status.

5.3.1 Criterion for Determination of New Matter beyond Original Text

(1) In the case of a foreign language application, if any matter which is not disclosed in the foreign language document has been introduced into the translation or into the subsequent amended specification etc., it constitutes a reason for refusal, invalidation of patent (Art.s 49(v) and 123(1)(v)).

(2) It is foreign language document, which describes the contents of the invention at the time of filing, that always serves as a criterion for determining new matter beyond the foreign language text.

VI. Revision of guideline for Accelerated examination and Accelerated appeal examination

The guideline for the Accelerated examination and the Accelerated appeal examination was revised to make the systems more user-friendly in 2004.

The systems are applicable to “internationally-filed applications” as one of four applicable types of applications.

The definition of “internationally-filed applications” was revised to expand the scope.

The revised “internationally-filed applications” are;

- a) applications that were filed with both JPO and at least one foreign IP Office; and
- b) applications that were filed with the IP Office as the Receiving Office under the PCT and then entered in the national phase in Japan(**newly expanded**);
- c) applications that were filed with the JPO as domestic applications and also filed with the Receiving Office under the PCT(**newly expanded**).

The accelerated examination and accelerated appeal examination systems¹⁾ have been introduced (and properly operated) since 1986 in the field of patents. Currently, these systems are applicable to the following four types of applications²⁾: i) working invention-related applications; ii) internationally-filed applications; iii) academic institutes-related applications; and iv) SME-related applications. To make these systems more user-friendly, the JPO revised the guideline for accelerated examination and accelerated appeal examination and changed the definition of “internationally-filed applications” as well as the procedures. Main points of revision are as follows.

1. Expanded scope of internationally-filed applications

With the revision, the scope of internationally-filed application has been expanded to include PCT-related applications (e.g. domestic applications which provides a basis to a priority claimed in a PCT application as well as PCT applications entering the national phase in Japan).

Therefore, the accelerated examination system is now applicable to:

- a) applications that were filed with both JPO and at least one foreign IP Office; and
- b) applications that were filed with the IP Office as the Receiving Office under the PCT and then entered in the national phase in Japan;
- c) applications that were filed with the JPO as domestic applications and also filed with the Receiving Office under the PCT.

2. More flexible procedure

Applicants who wish to apply for the accelerated examination system were required to specify the application number of a foreign patent application under the old system. With the revision, however, this requirement has been relaxed. Specifically, where an applicant was not able to obtain the application number of the foreign application from the foreign IP Office concerned, he is allowed to submit such a document as a copy of an application filed with the foreign IP Office instead of specifying the application number of a foreign patent application.

(Notes)

- 1) The procedure to apply for accelerated examination is required to be carried out in the Japanese

language. Any applicant for accelerated examination who has neither an address nor domicile in Japan is required to follow the procedure through a representative who has either an address or domicile in Japan (e.g. Japanese patent attorney).

2) Patent applications falling under the categories below are eligible for the accelerated examination system or accelerated appeal examination system

i) "Working invention-related applications" Applications filed by an applicant or a licensee who has already commercialized the invention or plans to commercialize the invention within two years from the filing date of a request for accelerated examination

ii) "Internationally-filed applications"

[After revision]

Applications for inventions that were filed with at least one foreign IP Office as well as the JPO or filed as international applications under the PCT.

[Before revision]

Applications for inventions that were filed with at least one foreign IP Office as well as the JPO

iii) "Academic institutes-related applications" Applications filed by a university, junior college, public research institute, approved TLO, or an authorized TLO

iv) "SME-related applications"

Applications filed by an SME or an individual

v) *accelerated appeal examination only

An application in which a person who is not an appealant (third party) has exploited the invention as a business after the publication of unexamined application of the appeal/trial case before an appeal/trial decision has been made

VII. Recent Revision to Utility Model Law (with effect from April 1, 2005)

7.1 Newly revised Japanese Utility Model Law;

7.1.1. The term of the Utility Model Right is set at 10 years from the filing date of the Utility Model Application, which is extended by 4 years from the current duration thereof being 6 years from the filing date of the Utility Model Application.

7.1.2 The restriction for a correction of the Utility Model Right is a little bit loosened

Under the current Utility Model Law, the Utility Model Owner can correct the specification, drawing(s) or claim (s) of his Utility Model Right only when at least one claim is cancelled.

However, under the newly revised Utility Model Law, the Utility Model Owner can make a correction for specification, drawing(s) or claim (s) of his Utility Model Right, under the following two conditions; such as;

- (a) When the correction is aiming to cancel at least one claim of the Utility Model Right, or
- (b) The Utility Model Owner can correct the specification, drawing(s) or claim (s) of his Utility Model Right, only one time except for the time limitations such as
 - (i) after when 2 months has passed from a date on which the certified Search Report for the Utility Model Right had been sent to the Utility Model Owner, and
 - (ii) after when a designated term designated by the JPO at first time, in which term the Utility Model Owner has been asked to submit a response to an Invalidation Appeal for the Utility Model Right.
- (c) This correction must satisfy the further conditions in that, the correction should have the aims, such as;
 - (i) to reduce a scope of protection for claim(s) of the Utility Model Right;
 - (ii) to correct error(s) in the specification claim and drawing(s);
 - (iii) to explain an indefinite description(s).
 - (iv) The correction should be done within a scope of the invention as shown in the original specification, the claim(s) and the drawing(s); or
 - (v) The correction must not substantially extend or alter the scope of protection for claim(s) of the Utility Model Right.

7.1.3 Conversion of an Utility Model Right to a Patent Application

An Utility Model Right Owner can convert his Utility Model Right into a Patent Application subjecting to declare to waive his Utility Model Right even the Utility Model applications has been registered, except for the following conditions; such as:

- (i) after when three years has past from the filing date of the Utility Model Right;
- (ii) after when the Utility Model applicant or the Utility Model Owner has asked the JPO to issue the Search Report to his Utility Model application or his Utility Model Right;
- (iii) after when 30 days has passed from a date on which the Utility Model applicant or the Utility Model Owner has received a first Notice from the JPO in that a third party has requested the JPO to issue the Search Report to the Utility Model application or the Utility Model Right; or
- (iv) after when a designated term designated by the JPO at first time has passed, within which term, the

Utility Model Owner has been asked to submit a response to an Invalidation Appeal to his Utility Model Right.

(v) On the other hand, under the newly revised Japanese Patent Law, a patent applicant can convert his patent application into an Utility Model application within 9 years and 6 months from the filing date of the patent application or within 30 days from the day on which the patent applicant has received a first Final Notice of Rejection to his patent application.

() Further, under the newly revised Japanese Design Law, a design applicant can convert his design application into an Utility Model application within 9 years and 6 months from the filing date of the design application or within 30 days from the day on which the design applicant has received a first Final Notice of Rejection to his design application.

7.1.4. Note that the most of the legislations in the recently revised Patent Law and the recently revised Civil Suit Law concerning the patent infringement suit has been introduced into the current Utility Model Law and thus these legislations can be applied to the Utility Model Right infringement Suit, *mutates mutandis*.

7.2 *Others

- reduction of registration fee associated with extension of term of utility model right (Utility Model Law Art.. 31 (1))
- refund of the fees for request for technical opinion as to registrability of utility model, demand for invalidation trial, and intervention, in connection with the above (3) (Utility Model Law Art.. 54-2)

VIII. Revision of the Time Limit for Submitting a Request for Examination

In Japan, an examination will be carried out only for those applications for which the applicant or a third party has filed a request for examination and paid the examination fees.

The time limit for submitting a request for examination for a patent application is to be changed as of October 1, 2001 from "within seven years" from the filing date to "within three years" from the filing date (Art. 48ter of the Japanese Patent Law).

(Notes)

- 1) The above revised time limit is to be applied for patent applications filed on or after October 1, 2001.
- 2) To the patent applications filed on or before September 30, 2001, the time limit of seven years from the filing date is to be applied.
- 3) With regard to divisional or conversion applications, the time limit of seven years from the filing date of the original application is to be applied if the original application is filed on or before September 30, 2001.
- 4) To applications claiming an internal priority based on the previous domestic application, the time limit of three years from the filing date of the patent application claiming an internal priority is to be applied if the application claiming internal priority is filed on or after October 1, 2001.
- 5) To patent applications claiming a priority filed with the Japan under the Paris Convention, the time limit of three years from the filing date with the Japan Patent Office (JPO), not from the priority date, is to be applied if the application claiming a priority is filed on or after October 1, 2001.
- 6) To the international applications that are deemed as being filed with the JPO on the same day with the international filing date under Art. 184 of the Japanese Patent Law on or after October 1, 2001, the time limit of three years from the filing date is to be applied.
- 7) If a request for examination has not been made within the time limit, the application shall be deemed withdrawn (Article 48(3) of the Japanese Patent Law). Accordingly, there is no way to restore the case, not even if the deadline was missed due to a mistake or an error.

IX. An amendment to Official Fees System for Patent Applications (effective from April 1, 2004)

9.1 To shift a new Official Fees System for encouraging applicants to obtain tactical patent rights over the respective inventions;

In order to correct an inequality among the applicants in burdening the Official Fees for a patent application as well as to encourage the applicant's motions for adequately filing the Request for Examination to the respective patent applications, with taking actual cost for performing examinations in to account, the Official Fees for filing a patent application fee and for a patent right registration fee have been reduced. On the other hand, the Official Fee for filing the Request for Examination for the respective patent applications have been increased whereby a total cost for obtaining one patent right and for maintaining thereof in Japan will be reduced, so as to strengthen a patent applicant's incentive whereby an applicant can engage in a tactical practice for obtaining a patent right.

(a) The newly established Official Fees related to Patent are shown in the following table with the current fees for your comparison thereof;

	New fee		Old fee	
	Basic fee	fee per claim	Basic fee	fee per claim
Application Fee	¥16,000	¥ 0	¥21,000	¥ 0
Request for Examination	¥168,600	¥4,000	¥84,300	¥2,000
Registration (Annuity Fee for 1st to 3rd years) **	¥7,800 (¥2,600/year)	¥600 (¥200/year)	¥39,000 (¥13,000/year)	¥3,300 (¥1,100/year)
4th to 6th years	¥8,100/year	¥600/year	¥20,300/year	¥1,600/year
7th to 9th years	¥24,300/year	¥1,900/year	¥40,600/year	¥3,200/year
10 to 25 years	¥81,200/year	¥6,400/year	¥81,200/year	¥6,400/year

**Registration fee for Patent corresponds to a total of first to third year annuity fees.

This must be paid all together upon registration.

Please note that the calculation method for the Examination Fee and the Maintenance Fee are as follows;

$$\text{Fee} = \text{Basic fee} + (\text{number of claims (N)} \times \text{the fee for one claim})$$

Please note that under the new draft of official fees schedule, a patent application fee is reduced by 5,000 yen/case but Request for Examination fee is raised up by double. On the other hand, total registration fees including annuity fees is reduced.

(b) Applicability of the newly established Official Fees System;

() The above-mentioned Official Fees System has been applied to any one of the patent applications, which has been filed on or after April 1, 2004.

() Note that, to a patent application which has been filed at the JPO before the effective date of April 1, 2004 and to which the Request for Examination has been filed and its Official Fee has also been paid thereat before the effective date of April 1, 2004, the old Official Fees System is applied.

() However, in a case such that a patent application which has been filed at the JPO before the effective date of April 1, 2004, but the Request for Examination for this patent application was filed thereat and also the Request for Examination fee thereof was paid thereat on or after April 1, 2004, the old Request for Examination Fee is applied to this patent application.

() Further in this case, after when this patent application will have been granted the newly established registration fee and the newly established maintenance fees for a granted patent application will be applied to this granted patent.

() Therefore, note that, it is important to know that if you had a patent application which has been filed before April 1, 2004, in Japan and the Request for Examination with paying the Request for Examination fee for this patent application has not yet be filed at the JPO heretofore and the final due date for filing the Request for Examination with paying the Request for Examination fee for the patent application at the JPO (the three years dead-line from its filing date thereof) comes after April 1, 2004, when you wish to pay the Request for Examination fee for this patent application, you can enjoy the old cheaper Request Examination Fee for the patent application and the old cheaper Registration Fee as well as the new cheaper Maintenance Fees for the patent granted to this patent application.

9.2 The newly introduced Official Fee Refunding System related to the Request for Examination to a patent application

(a) Under the newly introduced Examination fee refunding system, even though a patent applicant has already paid the Examination Fee for a patent application at the JPO, **when the applicant has intentionally withdrawn his patent application due to the applicant losing merits on his or her patent application, before any actual examination procedure has been started by an Examiner, a half of the Request for the Examination fee which the applicant has already paid for the patent application, can be refunded to the applicant by filing a request for refunding such fee at the JPO, within 6 months from the date of filing the withdrawal thereof.**

(b) Please note that the Request for the Examination Fee Refunding System can basically be applied to any one of patent applications as filed at the JPO, on or after April 1, 2004.

(c) On the other hand, it can be retroactively applied to any one of patent applications as filed at the JPO before April 1, 2004 and to which the Request for the Examination with paying the Request for the Examination Fee therefor will be filed at the JPO on or after April 1, 2004, and thereafter the patent application has been withdrawn on or after April 1, 2004.

(d) Further, **it can also be exceptionally applied to a patent application which has been filed at the JPO before April 1, 2004 and the Request for Examination with paying the Request for the Examination Fee has already been filed at the JPO, but the patent application has been withdrawn on or after October 1, 2003** (which is just six months before the effective date of April 1, 2004).

X. OTHERS

10.1. Design Law Amendments

SUMMARY OF JAPANESE DESIGN LAW

(1) EXPANSION OF REGISTRABLE SUBJECT MATTERS

(a) Before January 1, 1999, even if the distinguishing feature resided only in a part of an article, a design for such a part was not registrable by itself.

After January 1, 1999, the newly introduced **design-in-part protection system** provides design registration for a distinguishing part of an article, thereby preventing imitations more effectively through broader scope of protection.

(b) Moreover, the number of registrable "system designs" has been greatly increased from 13 sets of articles to 56 sets of articles.

By this increase, for example, a design for a "system kitchen", which was not registrable before the Amendment, is now registrable.

(2) INDEPENDENT SCOPE OF PROTECTION FOR REGISTERED SIMILAR DESIGN

Under the previous "Similar Design System", a registered similar design (subordinate to a registered principal design of the same design right owner) was considered not to have its own scope of protection.

Therefore, the owner of the similar design right had difficulty in enforcing the design right unless a third party's design was similar to the principal design.

But now, the old "Similar Design System" has been renewed as "Associated Design System" wherein a registered associated design has its own scope of protection.

As a result, it is possible for an owner of a Design right to have a broader scope of protection by obtaining registration for designs which are similar to each other.

Please note that an Associated Design must be filed at the JPO on the same day on which a main design is filed thereat.

(3) MODERATION OF FILING REQUIREMENTS

There will be more freedom than before in preparing drawings for a design application. For instance, a design may be specified by fewer drawings than conventionally needed, using the drawing techniques which were conventionally impermissible.

Further, an applicant now has an option of filing a description as to the distinguishing features of the design. Such a description may be utilized for facilitating the examination.

(4) ENCOURAGEMENT FOR DESIGNS HAVING HIGHER CREATIVITY

Under the current Design Law, the creativity of a design needed for registration is decided on the basis of the motifs or designs which are publicly known in Japan or abroad.

Further, a new requirement for registration has been added.

If a later filed design is identical or similar to a part of an earlier filed design which is subsequently published in the official gazette, the later application will be rejected because it lacks a sufficient creativity for protection and therefore fails to meet the objectives of the Design Law.

(5) Note that the most of the legislations in the recently revised Patent Law and the recently revised Civil Suit Law concerning the patent infringement suit has been introduced can be applied to the Design Right infringement Suit, *mutates mutandis*.

10.2. Trademark Law

10.2.1 Amendment to scope of “use” of a trademark

The trademark law was originally drawn up with trademarks attached to tangible items in mind. In recent years, due to the increase of network businesses, provision of commodities on the Internet has been promoted, and protection for trademarks displayed on the screens of PCs and mobile phones has been discussed. So, Trademark Law has been amended (New Article 2, Item 3, Paragraph 2, 7, and 8) to show clearly that such activity as to use trademarks by displaying them on screens in conjunction with business activities such as commodity distribution, provision of services, and advertising via networks falls under the category of trademark infringement, for the purpose of reinforcing protection of goodwill for trademarks used in internet business. The amendment came into effect on September 1, 2002.

With this amendment, as designated commodity to be distributed on the Internet, computer programs and “electronic publications” are added to the commodity in classification 9.

(International Trademark Registration)

There has been an Amendment concerning installment payment of international trademark registration individual fees, which came into effect on; January 1, 2003. Amended Articles (68 undevicies, 68 duodetricies, 68tricies) allow payment of the registration fee among the individual fees for international trademark registration to be made only when the international application is granted a domestic registration, which is the same as in the case of domestic applications. Also, there has been an amendment on the change of trademark itself. The existing Art. 68duodetricies allows an amendment to the trademark itself. New Art. 68duodetricies will allow only amendments of the designated goods or designated services, not of the trademark itself. The revised provision has come into effect on September 2002.

The individual fees in respect of a designation of Japan shall be paid in two installments, the first installment to be paid before the international registration is registered (at the time of filing the international registration) and the second installment to be paid after a decision for grant of the registration is issued.

10.2.2 Amendment to Trademark with Regional Name

A new law has just went through the Diet of 2005. Its purpose is to protect and reinvigorate local economies. The law is taking into account such examples as “Seki-Saba” or “Yuubari-Melon” (the latter is already registered under the current law). ‘Seki’ indicates one location name in Chuugoku area, famous for mackerel (actually ‘saba’ means mackerel), and ‘Yuubari’ is also a location name in Hokkaido, famous for its melon.

10.2.3 Other Characteristics of Japanese Trademark Law

(A) INTRODUCTION OF THE INTERNATIONAL TRADEMARK APPLICATION SYSTEM

The Japanese Government has ratified the MADRID PROTOCOL on March 14, 2000 and thus now the International Trademark Application has been effective, now.

(B) OPEN SYSTEM HAS BEEN INTRODUCED

All of the Trademark Applications will be automatically opened to public immediately after the formality Examination for the Trademark Application will have been completed.

(C) PROVISIONAL PROTECTION FOR THE OPENED TRADEMARK APPLICATION HAS BEEN INTRODUCED

Under the new Trademark Law, after a certain Trademark Application has been opened to the public, the Applicant can send a warning letter to the third party with a copy of the opened Trademark Application so as to have the third party made his attention to this Trademark Application.

After the Trademark Application has been granted, the owner of the Trademark Right can ask the third party to compensate damages which the Trademark owner had suffered from the illegal use of such mark by the third party during a period of from a date when the warning letter had been sent to the third party to the granted date of the Trademark Application.

(D) EXAMINATION PERIOD HAS BEEN STIPULATED INTO THE LAW:

The Examination period for a Trademark Application has been introduced in the current Trademark Law in that Examiner should examine each of Trademark Applications within a predetermined period, which is 18 months from the filing date of the certain Trademark Application.

Note that the most of the legislations in the recently revised Patent Law and the recently revised Civil Suit Law concerning the patent infringement suit has been introduced into the current Trademark Law and thus these legislations can be applied to the Trademark infringement Suit, mutates mutandis.

10.3. Copyright Law

The Copyright Law was amended in June 2004 (new paragraph 5 was added to Art. 113) in order to stop the reverse circulation of Japanese music CD sold in foreign countries that are destined for distribution outside Japan at prices much less than those in Japan, if the profits a copyright or neighboring right holder is expected to earn are deemed to be unduly harmed. But it is not clear whether or not parallel importation of non-Japanese music recordings will be covered by the new provisions, although the Ministry of Cultural Affairs mentioned that the intention of the provision was not to cover parallel importation of foreign music. The new provisions has come into force on January 2005.

SECTION 2:

Current Topics on IP Laws Amendments and IP Right Enforcement in Japan

- I. Background
- II. Recent IP Related Laws Amendments
- III. General Principles of civil lawsuits in Japan
- IV. Recent IP Cases

I. Background

Pro-patent National Policy and Focus on the Importance of an effective Judicial System

As Japan experienced major change in economic situation and social system, general recognition on the role of judicial system has also been changed. In view of more transparency to the relation between decision making and responsibility, the importance of judicial system has been focused, and the need for more effective system of judicial procedure has been recognized. This situation led to the startup of the "Justice System Reform Council" on Jun. 2001. A report issued by the Council called for the needs for "Justice System Responding to Public Expectations", and recommended as one of the most important subjects of the civil justice reform, "Strengthening of Comprehensive Response to Cases Related to Intellectual Property Rights (June 12, 2001).

At the same time, Japan has been giving much greater attention to using intellectual property protection, and corporations have been beefing up their intellectual property legal capabilities, and during the ten years from 1991 to 2001 intellectual property litigation in Japan doubled. One of the reasons for this is that there has been a general understanding that much of the U.S. economic recovery that actually started during the 1980s was due to the aggressive U.S. protection of its intellectual property laws. So, to reinvigorate the sluggish economy and enhance the international competitiveness of industries, the importance of intellectual property and needs for comprehensive national strategy were pointed up.

On January 10, 2002, the National Forum for Intellectual Property Strategy, an NGO headed by Mr. Arai, former commissioner of the JPO, issued a report calling for an immediate and drastic change of intellectual property systems in Japan, proposing an extensive overhaul of the systems, as well as reforms in the fields of university, education, private business, public service, and so on, and emphasizing the need of strong political leadership. Then, in January 2002, Prime Minister Koizumi pledged to the Diet, that his government would transform Japan into a "nation built on the platform of scientific and technological creativity" at the highest global standards, and designated the area of intellectual property as one of the key areas of vital importance.

Strategic Council on Intellectual Properties (the Strategic Council) chaired by Prime Minister, was established on March 2002, in order to formulate intellectual property strategies on the national level. On July 2002, the Strategic Council adopted the "Intellectual Property Policy Outline" which proposed under the concept of realizing "an intellectual property-based nation", various measures to reinforce IP Rights, including reviewing subjects such as the creation of an entity substantially functioning as a "patent court". And the Intellectual Property Basic Law was legislated in Dec. 2002. Based on the Outline and the Basic Law, the Intellectual Property Policy Headquarters headed by Prime Minister was set up in the cabinet in March 2003. Based on the Basic Law, The Headquarters prepares and publishes each year the "Promotion Plan for the Creation, Protection and Use of Intellectual Property", and accordingly each ministry prepares further law amendments.

In one word, all of the changes in the IP enforcement system and the social recognition on IP Rights in these years have changed the meaning of having IP Rights.

II. Recent IP Related Laws Amendments

2.1 Recent Patent Law Amendments

2.1.1. Clarification of the scope of “invention” and “working of an invention”

The main purpose of this amendment is to reinforce the patent protection for information-based property such as software and enhancement of network transactions.

A patentee shall have an exclusive right to “commercially work” the patented invention(Art.68 of the Patent Law)^(note1). However, existing legislation was drawn up with the concept of inventions being utilized as tangible items, and the extent that computer programs themselves as intangible items are protected under the Patent Law was not obvious. So, a revision was made to the Art.3, para.2 of the Law^(note2), which defines the “working of an invention”, to clearly show that programs or the like is included in “invention of tangible items” and that in case of program the conduct of providing it through telecommunication lines is included as act of “working” of the invention.

Moreover, in view of the fact that the sale or distribution via the Internet of programs not stored on such media as CD-ROM has been on the rise, the amendment was made to clearly show that transmission of patented programs over the network without approval falls in the scope of patent infringement.

The phrase “programs or the like” refers to programs and data structures (aggregation of data having specific structures, such as database), whereas each data (for example, aggregation of data listed with no rule) is not included in “programs or the like”^(note3). This amendment came into force on September 1, 2002.

2.1.2. Expansion of Provisions for Indirect Infringement

In principle, acts shall be deemed to be an infringement of a patent only when all of the elements of a patented invention are worked. Therefore acts of only partially working a patented invention are considered as infringement only in a limited condition stipulated in Art.101^(note4) as acts deemed to be infringement (indirect infringement).

Under the former provision, activities to aid and abet (preparing or assisting in the supplying of an article) the infringement of a patent by providing parts or materials used therefor were deemed as indirect infringement, only when, such parts or materials are “exclusively” for use

^(note1) para.68 says, “[patentee shall have an exclusive right to commercially work the patented invention]”.

^(note2) [Working of an invention in this Law means the following acts:

(i) in the case of an invention of a product (including a program, etc.—hereinafter referred to as ‘product’), acts of manufacturing, using, assigning, etc., providing through electric telecommunication lines), or importing or offering for assignment, etc. (including displaying for the purpose of assignment, etc.—hereinafter referred to as ‘assignment, etc.’) of, the product;]

^(note3) The newly added Art., para.2 of the Law, stipulates:[“Programs etc. ” in this Law mean program (a set or sets of instructions to a computer which are combined so as to produce a result —hereinafter referred to as “programs, etc.” in this subsection) and other information equivalent to programs to be used for computer processing.]

^(note4) New Art.101 reads as follows:

[The following acts shall be deemed to be an infringement of a patent right or exclusive license:

(i) in the case of a patent for an invention of product, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc. of, in the course of trade, things to be used exclusively for the manufacture of the product;

(ii) in the case of a patent for an invention of product, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc., of, in the course of trade, articles to be used for the manufacture of the product (excluding those which are generally distributed in Japan) and indispensable for solving the problems through the invention concerned, knowing that the invention is a patented invention and that the articles are to be used for the working of the invention.

(iii) in the case of a patent for an invention of a process, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc., of, in the course of trade, things to be used exclusively for the working of such invention.

(iv) in the case of a patent for an invention of a patent for an invention of a process, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc. of, in the course of trade, articles to be used for the use of such process (excluding those which are generally distributed in Japan) and indispensable for solving the problem through the invention concerned, knowing that the invention is a patented invention and that the articles are to be used for the working of the invention.] (underline added.)

in the patented invention (i.e., materials used exclusively in manufacturing a patented product or working a patented process), and the judicial precedent has been construing this requirement very narrowly.

Therefore, With respect to articles which can be used for a purpose other than that of the patented invention or staple articles, it was not possible to show that indirect infringement had occurred even if a supplier of such articles had acted in bad faith, and thus more strong protection of the patentees was demanded in this respect.

In particular, in the case of a software-related invention, it is usual that the parts (modules) to be used in a program have many functions (uses) while there are few parts which are used exclusively for only a certain program. Also, it is usual for a software program to be divided into several parts (modules) and manufactured by ordering subcontractors to manufacture the modules (the final product (a software program) is a patented invention and the modules are not exclusive articles to be used only for manufacturing the final product). Therefore, in interpreting strictly the term “exclusively”, it was extremely difficult to show the existence of direct or indirect infringement in the software field.

From the viewpoint of reinforcing protection of the right, the amendment expanded the scope of indirect infringement to include the activity of providing parts with malicious intent (knowing that it is a patented invention and that it is used for the purpose of infringement).

Under the present provision, even if an article which is an important element for a patented invention is not an exclusive article, acts of commercially supplying such an article knowing that the article will be used for manufacturing a patented product or for working a patented process fall within the scope of indirect infringement.

This amendment has come into force on January 1, 2003. The revised rule of indirect infringement will also be applied to the right established before the enforcement of this revision, whereas the rule is applied to an act after the enforcement of the revision.

2.1.3. New System for Invalidation

(Background)

Before January 1, 2004, we had a post-grant opposition system and a patent invalidation trial (patent invalidation appeal) system for challenging validity of a patent. In order to dissolve confusion arising from these co-existing systems and reduce time and cost burden on the participants, the entire system has been revised.

Changes to Patent Law relating to challenging patent validity passed the 2003’s Diet and came into force on January 1, 2004. The revised law abolished the post-grant opposition system and integrated into a new invalidation trial procedure. So, the invalidation trial is now the only procedure for challenging the validity of a patent before the JPO. Furthermore, the invalidation trial itself changed from its previous aspect.

The aim of the change was to prevent unnecessary confusion and delay due to repeated challenges against the same patent by multiple oppositions, or later-filed invalidation trials by dissatisfied challengers, and to improve the system to meet the needs of a variety of users.

(Overview of the New Invalidation Trial System)

Any entity is allowed to demand an invalidation trial without interest, on public grounds such as patentability on first to file, statutory invention, industrial applicability, novelty, and inventive steps, written description and enablement, new matter, and claims that it is contrary to treaties and public order. However, only an interested party can file an invalidation trial on non-public interest grounds, such as lack of inventorship or joint inventorship.

The trial may be demanded at anytime, during the life of a patent and in some cases even after it has expired.

The demandant is required to specify the grounds for demand in a demand for trial. Specifically, he must specify: i) facts that support the grounds to invalidate; and ii) the relationship between the facts and evidence.

Both parties are involved in adversary system during the trial procedure. Namely, the invalidation trial is carried out before a body of

JPO appeal examiners, and the patentee and the demandant are allowed to participate at every stage of the proceedings. The patentee is given an opportunity to submit a written reply and a request for correction in a designated time.

(Correction)

The patentee may request, within the designated time period under patent law, to correct the specification, claims or drawings (but cannot enlarge the scope of any claim of the patent). If a correction is made, the demandant may be given the opportunity (but there is no automatic right) to submit written comments on the amended claims, in the originally filed trial brief.

(Amendment of the Trial Brief)

The amendment of the trial brief must fulfill one of the following two conditions: (a) where the patentee demands correction of a patent and the demandant needs to correct or add new grounds for invalidating the patent; and (b) where there are reasonable grounds for omission of the new argument or evidence in the initial demand and the patentee agrees with entry of the amendment.

When condition (b) is met and the amendment is entered, the patentee may respond to the amended demand and file a new demand for correction. Further, if a demand for correction of the patent is filed more than once in a single invalidation trial, the former demand(s) for correction are deemed to be withdrawn.

In response to the demandant's amendments in the grounds, the patentee still may make further correction of the claims, specification or drawings.

(Appeal to the IP High Court)

Either losing party (the patentee or the demandant) may appeal to the IP High Court.

At the IP High Court stage, parties may introduce new evidence such as newly uncovered references closer to the claimed invention. However, they cannot introduce new issues. If the invalidation trial raises only novelty issues and the demandant loses, the demandant is not allowed to raise other issues, such as lack of enablement, before the Court. If there are new invalidity issues, the demandant can simply file a new invalidation trial that refers to such invalidity issues. To the extent that no *res judicata* issue is raised in the later-filed cases, there is no limit on the number of invalidation trials that can be made against a patent. Also, it is always possible for parties (or the JPO on an ex-officio basis) to request that separate invalidation trials are consolidated to avoid duplication of examination.

2.1.4 Introduction of an Opinion-Seeking and Opinion-Stating System before the IP High Court

A newly introduced system enables the JPO to be involved in an administrative court procedure brought against a trial decision made in an invalidation trial. The IP Court may hear, and JPO may state his views on the application of the Patent Law and other necessary matters on the present case (Art.180bis).

2.1.5 New Correction Trial System

Together with the new patent invalidation trial, the new correction appeal system is aimed to the effective solution of the actual dispute.

Before January 1, 2004, under the old patent correction trial system, when an action against a trial decision had been instituted to the Tokyo High Court, the patentee could file a patent correction trial with the JPO, to overcome invalidation cause and protect his patent.

Then the Tokyo High Court had to remand, because it was understood that the court couldn't determine the validity of the corrected patent without first being subjected to the trial at the JPO. So the case was transferred back and forth between the JPO and the Tokyo High Court, complicating the procedure and consuming long time and much cost.

From this point of view, patent correction trial system has also been amended to be simplified and enabling to quickly resolve the cases.

Under the new system, a correction trial may not be demanded during the period between the time when the patent invalidation trial has come to be pending before the JPO and the time when the trial decision has become final and conclusive (Art.126, para.2). Therefore, during the period when an action brought up to the IP High Court is pending, the patentee cannot file a correction trial.

However, during the invalidation trial, the patentee has opportunity to file a request for a correction as explained above.

And also, the patentee may file a patent correction trial when an action against the patent invalidation appeal decision has been filed with the IP High Court, within 90 days from the filing date of the action (Art.126, para.2, proviso). In this case, the IP Court may annul the trial decision by ruling for remitting the cause to the trial examiner (Art.181, para.2). In this case, the trial examiner shall examine both the legitimacy of the correction filed by the patentee and arguments newly filed by the trial demandant.

2.1.6 Employee-invention

Controversial employee-invention provision, i.e. article 35 of Patent Law has been partially amended on 2004 (to be explained later).

2.1.7 Amendments related to Alleviation of Burden of Proof of the Fact of Infringement

To prove IP infringement or the damage caused thereby, it often requires production of documents in which trade secrets are disclosed. New provisions have been introduced to deal with such cases, to be explained further below.

Similar provisions were introduced in Unfair Competition Prevention Law and Copyright Law (Arts.114ter to 114octies, 122bis, 123, 124). They are applied *mutatis mutandis* in Utility Model Law (Art.30), Design Law (Arts.41, 73bis) and Trademark Law (Arts.39, 68, 81bis).

The changes have come into effect on April 1, 2005.

(a) *in camera* procedure, etc.

In a patent infringement litigation, the court may order the production of documents necessary to prove alleged infringement or the assessment of the damages, unless the person possessing the documents has a “legitimate reason” for refusing (Art.105, para.1). To decide if there is “legitimate reason” or not, the court may ask the possessor of the document to produce the document, and decide *in camera* proceeding (Art.105, para.2).

To facilitate presentation of evidence while taking into account the increasing importance of trade secret, transparency in *in camera* proceeding is required. To strengthen protection of trade secrets and facilitate the production of evidence of infringement, the provision was introduced to specify the court’s discretion to ask the parties’ opinion as to whether there is a “legitimate reason”, and to disclose the document to the party (newly added Art.105, para.3). The subject of this provision is the parties, advocates or assistants. This is to secure transparency in the procedure during which the court makes judgment on whether there is “legitimate reason” or not.

(b) Secrecy Order

At the same time, a provision for secrecy order (protective order) was introduced to secure secrecy of the disclosed document containing trade secret (Art.105quater). Here, the trade secret is what is determined as “Trade Secret” in the Unfair Competition Prevention Law Art.2, para.4. Arts.105quinquies is about cancellation of secrecy order whereby the party subject to the order may demand cancellation. 105sexies is about notice of request for inspection of record of the case, whereby noticing the party submitting the trade secret. Also, the penalty provisions are amended to cover violation of the secrecy order (arts.200bis and 201).

(c) Suspension of Examination of Party, etc., at Open Court in case concerning a Trade Secret

Also, the closed session to examine parties as witness for cases involving trade secrets has been secured. Newly added Art. 105septies states that when the court unanimously considers that the party (ies) etc. may make sufficient statement of the matter concerned made at the open court by the party(ies) shall apparently cause a serious obstacle to business activities of the party(ies) being carried out under the trade secret and may not conduct the proper trial, the court may conduct the examination of the matter privately.

Although the Japanese Constitution requires that court proceedings be open to the public (Art.82, para.1 of Constitution), in some cases,

it is not required (Art.82, para.2 of Constitution, Art.70 of Court Law, Art.169, para.2 of CCP). Also, not admitting such possibility in case concerning trade secrets would violate secrecy of valuable information asset, and such situation would impair the adequacy of judicial procedure. Considering these arguments, closed session is now secured under conditions specified as above.

2.1.8 Kilby Defense

Provision on restriction on exercise by patentee, etc. was added as Art. 104ter of Patent Law on 2004 (to be explained later).

2.1.9 Others

Other amendments to the Patent Law (mostly related to the prosecution process), as well as the amendments to the Utility Model, Design Patent, Trademark Laws are explained above in Part II of this document.

2.2 Copyright Law Amendment

The Copyright Law was amended (new para.5 was added to Art.113) in order to stop the reverse circulation of Japanese music CD sold in foreign countries that are destined for distribution outside Japan at prices much less than those in Japan, if the profits a copyright or neighboring right holder is expected to earn are deemed to be unduly harmed. But it is not clear whether or not parallel importation of non-Japanese music recordings will be covered by the new provisions, although the Ministry of Cultural Affairs mentioned that the intention of the provision was not to cover parallel importation of foreign music. The new provision has come into force on Jan. 2005.

2.3 Unfair Competition Prevention Law and its Amendments

The Japanese Unfair Competition Prevention Law was first established in 1934. However, the present Law is the result of total revision in 1993.

One of the characteristic features of the protection under the Law compared to the intellectual property rights such as patent is that it is not necessary to have registered rights. So, the protection under this Law is available in addition to the monopolistic rights provided for intellectual property rights, under the conditions stipulated by the Law.

The acts violating the provisions of the Law is subject to compensatory damage under Article 709 of the Civil Code (and Art.4 of the Unfair Competition Prevention Law), and furthermore they are subject to injunction relief (Art.3 of the Law). There are clauses on presumption of the damages, obligations to clarify relevant act in concrete manner (Art.5bis), production of documents etc.(Arts. 6 to 6septies), similar to those in Patent Law.

There are basically three important types of unlawful acts covered by the Law. First, the use of others' "indications of goods" as stipulated in Article 2, para.2 (i) and (ii) of the Law is prohibited. Here, the "indications of goods" are such as labels or manifestations, name, brand, container or package, etc. which are the same as, or closely resemble those of others that are well known in the market, such as famous brand. Actual confusion is not necessary in case of prominent trademarks (subpara.(ii)).

Second, the act of assigning etc. goods imitating the "configuration of another person's goods" are prohibited (Art.2, para.1, subpara.(iii)). Here, the "configuration of goods" is the shape or form, container or the like. Dead-copying other's goods corresponds to this provision. There is a 3 year protection period during which such dead-copying activity may not be conducted.

Third, unfair acquisition, usage or disclosure of trade secrets are prohibited (Art.2, para.1, subpara.(iv) to (ix)). To fall under the "trade secret" and receive the benefit of the protection of the Law, three conditions have to be met: (1) it is controlled as a secret, (2) it is not known publicly, and (3) it is a useful information in business or in technology (Art.2, para.4). If all three of these conditions are met, it is considered as "trade secret" under the Law, and it may be object of an injunction as well as compensatory damages.

Also, erroneous assumption for goods or services (subpara.(xiii)), circulating false facts injurious to another's business reputation (subpara.(xiv)) and using without permission or legitimate reason of a mark of proprietor in a country of Paris Convention (subpara.(xv)), are prohibited. Also, importing, selling etc. of device with sole purpose of obstructing the effect of protective measures for digital contents (subparas.(x) and (xi), added in 1999), unlawful acquisition of domain name(subpara.(xii), added in 2001) are prohibited.

In 2003 criminal penalty also came into effect for parties that have unfairly acquired, used or disclosed trade secrets (Art.14, para.1(iii)).

In 2005, an amendment has just passed the Diet. There are 2 points of amendments: (1) reinforcement of protection of trade secret, and (2) measures against counterfeit and piracy. To reinforce the protection of trade secret, (i) criminal penalty to the use or disclosure abroad of a trade secret unrightfully obtained or disclosed (new Art.21, para.1, subpara.9, Art.21, para.4), (ii) criminal penalty to the resigned employee (Art.21, para.1, subpara.8) and (iii) penalty to the legal entity (Art.22, para.1, subpara.2), have been introduced. As measures against counterfeit and piracy, (i) criminal penalties against unlawful use of another's famous indication of goods and another's configuration of goods (Art.21, para.1, subpara.2 and Art.21, para.2), and (ii) clarification of definition and scope of "copying" and "configuration of goods" (Art.2, para.4) have been introduced. Also, the Tariff and Trade Law has been amended to protect these subjects of Unfair Competition Protection Law (to be explained below).

2.4 Code of Civil Procedure Amendments

(Jurisdiction)

Article 6 (Jurisdiction) was amended to give Tokyo and Osaka District Courts sole first-instance jurisdiction for intellectual property disputes involving patents, utility models, integrated circuit topographies (circuit layout registration) and copyright in computer software.

The amendment concentrated highly technical cases such as patent cases to the Tokyo and Osaka district courts, with the Tokyo High Court the court of appeal. Although 50 District Courts exist in Japan, these two courts shall now be in charge of all patent infringement cases.

The Tokyo District Court has four special IP divisions and the Osaka District Court has two similar divisions now. Each division has four to five judges. The Law was also amended to give Tokyo High Court as sole appeal court for IP cases. Therefore, the appeals from the Tokyo and Osaka district courts then went to Tokyo High Court, and after the establishment of the IP Court (April 1, 2005), to the IP Court (to be explained below). The purpose of the amendment is to concentrate the IP case and accomplish prompt and appropriate procedure and uniformity of decision.

In case of designs, trademarks, copyrights other than those of software, rights of breeder, and unfair competition cases on commercial benefit, concurrence jurisdiction is admitted to the Tokyo and Osaka district courts (Art. 6bis added).

The amendment took effect on April 1, 2004.

(Expert Commissioners)

The "expert commissioners" (*senmon i'in*) system was introduced (Arts. 92bis to 92septies). Where special expertise is required to clarify or expedite matters (e.g. in IP, medical malpractice or construction disputes), after hearing from the parties, the court may now call upon them. They can provide explanations in writing or orally before the parties and, with their consent, even attend settlement conferences or witness examinations to ask questions. The latter veto right for a party partially meets concerns by trial lawyers, especially for plaintiffs in medical malpractice suits, that these experts will tend also to be doctors and therefore pro-defendant.

The amendment took effect on April 1, 2004.

(Judicial Research Officials)

The role of the **judicial research officials** in intellectual property cases has been expanded and clarified (Arts.92octies and 92novies).

Besides various administrative and clerical works, it has been clarified that he may express his opinion on the case, and that he may be subject to motion of exclusion or challenge. The provision has come into effect on April 1, 2005.

(Scheduling)

Now, all courts and parties have to try to establish a schedule to follow for proceedings (Art.147bis). If the court deems it necessary to conduct an appropriate and expeditious proceeding, due to the complexity and other circumstances of the dispute (e.g. for IP or construction disputes), a schedule must be established after conferring with the parties (Art.147ter).

The amendment took effect on April 1, 2004,

(Grand Panel system)

Five judges panel system has been introduced (Art. 269bis, 310bis), to effectively deal with complex and difficult cases such as patent cases, and obtain uniform decision on related cases.

The amendment took effect on April 1, 2004,

2.5 IP High Court ^(note5)

(Purpose)

The establishment of IP High Court is considered as one of the biggest change to the Japanese court system since 1945. This has resulted in an amalgamation of intellectual property divisions of the High Courts around the country. The hope is that with the establishment of one court, there will be greater expertise and uniformity in applying IP law in Japan, and dissolve contradictory cases among different high courts, and speeding up the process.

As the background of the establishment of IP High Court, the recommendation in June 2001 by the Justice System Reform Council must be pointed out. It mentioned “Strengthening of Comprehensive Response to Cases Related to Intellectual Property Rights” as one of the most important subjects of the civil justice reform, and recommended that the specialized division of the Tokyo and Osaka District Courts should substantially function as “patent courts” and resolve IP cases with more expertise at the Tokyo and Osaka High Courts, to the goal of reducing the trial period of IP cases in half. And the Strategic Council on Intellectual Property established in the Cabinet adopted in July 2002 the “Intellectual Property Policy Outline”, which proposed under the concept of “an intellectual property-based nation”, to review subjects such as the creation of an entity substantially functioning as a “patent court” as well as reform of the appeal system and limiting jurisdiction, enhanced expert participation, and so on. The Strategic Program for the Creation adopted by the Headquarters also recommended the establishment of the IP High Court. It can be said that there was a major trend, as represented by the establishment of the Basic Law on Intellectual Property and the phrase of “an intellectual property-based nation”, in which the government designated the measures for promoting creation, protection and exploitation of intellectual property as national strategies. Under these circumstances the courts as the last resort of protection drew unprecedented attention of the general public.

(Structure)

The IP High Court is a "special branch" within the Tokyo High Court as of April 1, 2005 (as set forth in Art. 2) established by a specific law, thus being granted a higher degree of independence than other branch of High Courts. It has a specific judge (Art.3.2), judicial conference (Art.4.2) and secretariat office (Art. 5), and administers judicial administrative matters through the judicial conference of the IP High Court independently from that of the Tokyo High Court.

(note5) : A very comprehensible and thorough English article on IP High Court by Chief Judge Shinohara (AIPPI Journal, May 2005) is available on IP Court Website.<www.ip.courts.co.jp>

(History)

Before the establishment of the IP High Court, the intellectual property division (IP Division) of the Tokyo High Court had a half-century long history, as the post-war amendment to the Patent Law of 1921 set forth the system for appeal trials and appeal to the Grand Court in July 1948, by which the Tokyo High Court was given exclusive jurisdiction over suits against appeal/trial decisions made by JPO, the 5th Special Division was established in November 1950 for handling appeals from JPO and district court decisions on intellectual property cases. Judicial research officials were also assigned pursuant to Article 57 of the Court Organization Law.

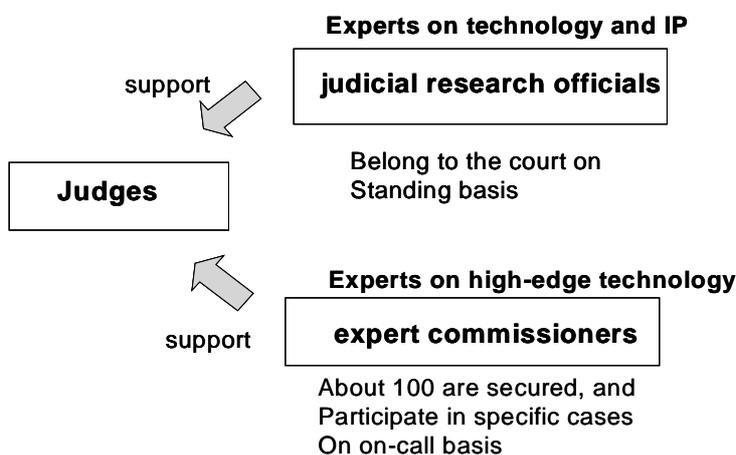
Subsequently, various additional divisions were given responsibility to handle IP cases, and although the official name of the IP division remained the “Civil Division”, the group had been often called the “patent division” or “intellectual property division”. These specialized divisions became independent from the regular Civil Division as of April 1 of 2004 due to institutional reform and were renamed as “Intellectual Property Divisions (IP Divisions). On April 1, 2005, these divisions were transformed into the Special Division of the IP High Court.

(Personnel System)

The IP division of the Tokyo High Court has been increasing and there were 18 judges in April 2004. The IP High Court started with these 18 judges. There have been some discussions in respect of so-called “technical judge”, but the introduction of this special kind of judge with technical background didn’t realized.

However, at the IP High Court, the **judicial research officials** support the judges by conducting research on technical matters necessary for the trials and other judicial proceedings of the suits against appeal/trial decisions made by JPO, over which the IP High Court has the jurisdiction as the court of first instance, and the appeals from district courts in civil cases relating to patents and utility models. The system for judicial research officials has a history of over fifty years. By tradition, retired patent examiners and appeal examiners of JPO are assigned as the judicial research officials, but one of the research officials assigned in 2002 was a practicing patent attorney, who is allegedly provided a new perspective and beneficially stimulated the Researcher’s Office. The total number of judicial research officials engaged in IP cases is 21, in which more than half of them belonging to the IP High Court. The role of judicial research officials has been expanded and clarified by an amendment to the CCP (Arts.92octies and 92novies. See above, item 2.4).

The system for assigning **expert commissioners** was introduced on April 1, 2004 (CCP, Arts. 92bis to 92septies. See above, item 2.4). This system is mostly utilized at the IP High Court. There are approximately 170 expert commissioners who are top-level technical experts in various fields. They are appointed nationwide by the Supreme Court from among experts such as university professors, researchers at public research institutes or private corporations, patent attorneys and so on, as part-time officials with 2 year term. They are pooled so that the court may designate the most suitable expert for the cases involving the technical disputes especially difficult to understand and requiring explanation based on expert knowledge.



(Jurisdiction)

The IP High Court hears all cases subject to the jurisdiction of the Tokyo High Court as long as the nature and contents of the case are related to intellectual property (Article 2 of the Establishment Law). The establishment Law does not change the jurisdictions set forth in Article 6 and other provisions of the Code of Civil Procedure but sets forth the assignment of the cases between the Tokyo High Court and the IP High Court as its special branch. Therefore, the IP High Court hears the same cases as was heard before April 1, 2005 by the IP Division of the Tokyo High Court. This means including the suits brought to the High Court against appeal/trial decisions made by JPO, and appeals from district courts, and interlocutory appeals. All cases pending at the IP Division of the Tokyo High Court as of the end of March 2005 have been succeeded by the IP High Court.

(Enlarged Panel at the IP High Court First Case)

“*Ichitaro*” case (Matsushita Electric Industrial Co. Ltd. v. Justsystem Corp.) is the first grand panel case at the IP High Court. It relates to a patent relating to an apparatus that displays a brief explanation concerning the function of a second icon when a first icon called “balloon help” is dragged onto the second icon. This case is catching a lot of attention, as “*Ichitaro*” was for long time the dominant word-processing software in Japan since it was first introduced in 1985 and is still popular, and as Tokyo District Court held that Matsushita’s patent was infringed (February 1, 2005). Oral argument and judgment are expected on September 30.

2.6 Customs Tariff Law and its Amendments

Goods that infringe Intellectual Property rights have been listed as import-prohibited goods since the Meiji Era when the Law was first established (Meiji 30(1897)). Importing these counterfeit is a crime equivalent to bringing contraband goods such as illicit drugs and guns into Japan (Art.21, para.1(v)), and if these “counterfeit goods” are discovered at the Customs, they are confiscated and the offender will be punished severely according to the provisions of Customs Act (imprisonment within five years or fine under five million Yen).

The Law underwent a major amendment in 1995 to conform with TRIPS agreement, i.e. the system of petition system to suspend imports by the owner of the trademark, copyright and copyright neighboring right has been introduced (Art.21 bis).

In 2003, in response to the IP Policy Outline of 2002, the law was amended to prohibit importing plants grown in violation of the plant breeder’s right, or the right of seed growers (revised Article 21). In this year, it has been also amended so that to broaden the petition to suspend imports to the infringement of patent, utility model and design. This is because, the article 21 was considered as not having been working well to patents and designs. Compared to counterfeit designer goods infringing trademark or pirated copies in violation of copyrights, which can be easily judged as fakes by their appearance, it is more difficult to determine whether products actually infringe on patents or designs. So, the revision was made to clear the way for right holders of patent, utility model and design, to file petitions for suspension on imports that they believe infringe their rights.

When the Customs Office accepts a complaint, it will first stop the importation into Japan of suspected products and then start a review process. Upon request by the petitioner, customs officials will contact JPO to determine, whether the alleged imports actually infringe the petitioner’s right. The Customs Office says they target to go through the review process in about one month, during which the importation will remain stopped.

The Law was further amended in April of 2004 to enable the Customs Office to provide information about the importer of counterfeit goods to the owners of IPRs and vice versa. This has made easier for the IPR owners to file suit against the importer, based on the information provided by the Custom Office, and claim for damages, thus providing an additional effective action against influx of counterfeit goods into the domestic marketplace.

In 2005, new procedures were introduced which enable Customs, upon request from a right holder, to provide them with a sample of the suspected goods whereby the right holder may dissect this sample in the course of the inspection of the goods (in force on April 1, 2005).

Also, (i)goods causing confusion to consumers with the goods of another person by using labeling or other indications which are identical or similar to the other person's well-known indications,(ii)goods with labeling or other indication which is identical or similar to another person's famous labeling or indication and (iii)goods which imitate the configuration of another person's goods, which are subject to import restriction under the Unfair Competition Prevention Law, were added as "import prohibited goods" and related procedures were introduced (in force on March 1, 2006).

The new procedures to enable Customs, if necessary, to seek opinions in relation to identification procedures for goods suspected of infringing plant breeder's rights from the Ministry of Agriculture, Forestry and Fisheries were introduced (in force on April 1, 2005).

Still, a lot of discussion on improving the system is under way, as border control is considered as a major clout against the counterfeit product. Maybe a system similar to the United States ITC will be introduced in the future.

Japanese patent attorneys are qualified to engage themselves in the demand for the suspension of import (Art.4, para.2 of the Patent Attorney Law).

According to the Customs Office website, 17 complaints are currently in force to stop importation of products based on patents. The number of applications for likewise injunctions at the Customs Office based on patents rights is rapidly increasing.

In April 2004, Fujitsu filed a complaint with the Customs Office and the importation of plasma display panels (PDPs) made by Samsung SDI was stopped (Fujitsu and Samsung subsequently settled). In June 2004, Sharp filed complaints with the Tokyo District Court and the Customs Office against LCD TV sets made by TECO Electronics, a Taiwanese company, for patent infringement. AEON, a large supermarket chain, was to sell TECO's products in Japan, and immediately threatened Sharp, a competitor to TECO, with the termination of all business relationship. However, stock prices of Sharp as well as AEON fell sharply and AEON was criticized for its lack of respect for intellectual property, and soon Sharp and AEON settled. In November 2004, Matsushita filed a complaint with the Customs Office against LG Electronics to stop importation of PDPs. In retaliation, LG filed a complaint in Korea against Panasonic Korea, a subsidiary of Matsushita, and another complaint with the Korean Trade Commission, for patent infringement in Korea by Matsushita's PDPs. This customs procedure has become a political issue.

2.7 Trust Business Law Amendment

Now, IP Rights can be subjects of trusts, as the recent amendment to the Trust Business Law (passed the Diet on Nov. 26, 2004 and took effect on Dec.30, 2004), added intellectual property to the types that can be used in trusts (previously limited to monetary assets such as loans) and be securitized. Also, the companies that are not financial institutions may enter into the trust business, without setting up a special purpose company. According to the press reports, major Japanese banks are now in IP trust business, such as Sumitomo Trust having agreement with Artist House for copyrights on movie, Mizuho Trust & Banking with software from Nippon Life Insurance, UFJ Trust Bank with Tokiwa Seiki for its patents.

2.8 Universities

All national universities have become independent corporations with their own legal status, on April 1, 2004. So, to help universities manage their IP resources better, more and more universities have been starting up their own IP departments. And already existing TLO's are active as ever. However, the existence of these two institutions, probably due to a tug of inter-bureaucratic war between the two ministries, is often confusing to the corporations.

2.9 Patent Attorney Law Amendments

(Scope of the service fields of patent attorneys)

Because of the increasing number of intellectual property right infringement lawsuits (doubled during the ten years from 311 cases in 1991 to 610 cases in 2000) and the number of (those who have registered as) attorneys at law specializing in intellectual property remaining at less than 300 and being difficult to render sufficient services, there have been strong demands from the "user side" for strengthening and enrichment of dispute resolution services by means of a qualitative and quantitative increase in such expert representatives in lawsuits. Under such circumstances, it has been considered necessary to provide patent attorneys (*benrishi*) with the authority to act as counsel in patent right infringement lawsuits, because of their background with deep knowledge and experience in intellectual properties considered suitable for the basis for such services.

Under the old Patent Attorney Law, patent attorneys' activities have centered upon serving as agents handling the filing of industrial property right applications with the Patent Office. Under the circumstances above described, the Law has been amended in 2000 to allow the patent attorneys engage in wider business fields concerning the intellectual properties, and dedicate to the entire "Intellectual Creation Cycle" namely creation, acquisition and utilization of rights.

Besides (i) representation of proceedings to JPO and appraisal (Art.4, para.1), the new Law added the following activities: (ii) representation of proceedings before the Customs (Art.4, para.2, subpara.1), (iii) representation of arbitration including amicable settlement (Art.4, para.2, subpara.2), (iv) counselling and representation of, concluding of contracts as to industrial properties, copyrights, etc. (Art.4, para.3) and (v) representation of procedures before the court (against decisions by JPO) (Art.6).

The Law was further amended in 2002 to include (vi) representation as a litigation procurator in "specified intellectual property right infringement lawsuits" (Art.6bis). Patent attorneys (*Benrishi*) can act as litigation procurator in intellectual property infringement lawsuits in cases which attorneys at law (i.e. "*Bengoshi*" in Japanese) are also undertaking (Art.6bis, para.1), and patent attorneys are required in principle to appear in court together with an attorney at law jointly undertaking the case (Art.6bis, para.2). Patent attorneys can, however, attend court on their own when it is determined by the court as appropriate (Art.6bis, para.3).

Here, "specified intellectual property right infringement lawsuits" are infringement lawsuits concerning patent, utility model, industrial design, trademark, and layout of semiconductor integrated circuit rights, and specified unfair competition. "Specified unfair competition" means the unfair competition provided under the Unfair Competition Prevention Law, Art.2, para.1, and falls under any of the subpara.1 through 9 (limited to the technical know-how). The arbitration cases that the patent attorneys can handle are related to patent, utility model registration, design registration, trademark registration, mask work, or unfair competition cases. The unfair competition cases are limited to those related to technical secrets or know-how.

The measures to assure that patent attorneys have a high level of reliability consist of training regarding practice in civil procedures and testing to determine the effects of the training. The training and testing has started from 2003.

(Patent Business Corporation and Branch-Office)

The ban on establishment of a patent business corporation or firm has been removed to enable the provision of full and continuous service by patent attorneys. Article 37 of the Patent Attorney Law defines that patent attorneys may establish a Patent Business Corporation or Firm under Chapter IV of the Patent Attorney Law.

Also, in order to strengthen services provided by patent attorneys to small-to-medium sized enterprises in local areas, the ban on establishment of branch offices shall also be removed. It is expected that the increase in the number of branches will result in patent attorney's firms being located in all of the prefectures of Japan. It is also expected that said amendment will permit clients to readily enjoy professional services at a branch office nearby.

III. General Principles of civil lawsuits in Japan

3.1 General Principles of Tort Liability

In the Japanese Civil Code, provisions on tort liability are found in Part Three, the Law of Obligations. I think this is common with the German and French Codes, where tort falls under the law of obligations. Article 709 of the Civil Codes states that:

“A person who intentionally or negligently violates the rights of others shall be liable for the loss caused by the act.”

Traditionally, it has been considered that there were four elements which constitute tort. First, the tortfeasor should be at fault: i.e. he acted either with intent or negligently. Secondly, the act has to be unlawful. Thirdly, causality should exist between the tortious act and the loss. Finally, loss should have been incurred. As a principle, the burden of proof that the tortfeasor acted negligently or with intent lies with the plaintiff. Also, the plaintiff bears the burden of proof in demonstrating the existence of a causal relationship. The scope of the loss to be compensated has been discussed a lot, and it is mostly understood as the extent having ‘adequate’ causal relationship (the doctrine of ‘adequate’ causal relationship), those which normally result from a given tort, understood in relation with the provision in the General Part of the Law of Obligation(Art. 416 of the Civil Code) which states:

“The object of claims for damages is the recovery of the loss which would normally arise from the non-performance of obligation.”

Apart from (i) tort liability, the Law of Obligations also deals with obligations arising from (ii) contract, (iii) management of another’s affairs without mandate, and (iv) unjust enrichment. A patent infringement may also be subject to the compensation under unjust enrichment (Art.703 of the Civil Code). In such case the intent or negligence of the infringer is not required, though not a substantial difference because of Art.103 of the Patent Law to be explained below. Also, the amount to be compensated is basically the same. However, the duration of prescription is different, that of tort liability being three years and that of unjust enrichment being ten years.

3.2 General Aspects of Japanese Courts System

Japan has a three-tiered court system. Basically, two appeals are allowed against the original judgment. However, the possibility of appeal to the Supreme Court are limited under the present Code of Civil Procedure (enacted in 1996), the sole statutory ground for appeal being an error of interpretation of the Constitution or other violation of the Constitution in the original judgment (Art. 312, para.1 of the CCP). Also, a system akin to *certiorari*, in which the Supreme Court has discretion to accept appeals where the original judgment was counter to the precedents of the Supreme Courts or involved other significant matters concerning the interpretation of law (Art. 318, para.1 of the CCP). In ordinary civil and criminal cases, the case is first handled by the district court. There are five kinds of courts: the Supreme Court, high courts (appellate courts), district courts, summary courts, and family courts. Interestingly, the Japanese judicial system, originally modeled after the Continental legal system, specialized courts have not been introduced, and administrative cases are handled by ordinary courts (processed under Administrative Case Litigation Law, applying *mutatis mutandis* the CCP).

3.3 Principles of IP lawsuits in Japan

(Damage Compensation)

If an infringement of a patent is found the patentee can bring action for an injunction, compensatory damages, and seek measures to restore confidence.

As mentioned above, the major ground for damage compensation for patent infringement is the provisions on tort liability in the Civil Code. Article 709 provides that, a person who intentionally or negligently violates the rights of others shall be liable for the loss caused by the act. Therefore a patentee, who shall have an exclusive right to commercially work the patented invention (Art.68 of Patent Law), have right to be compensated for the loss caused by the violation of his(her) patent, if the violator does such action intentionally or negligently. And the

Patent Law shifts the burden of proof to the violator on non-existence of negligence by presuming negligence for an act of infringement (Art.103 of Patent Law), to alleviate the difficulty of proving the existence of negligence of the violator. Patent infringement may also be subject to criminal penalty, and if the violation is particularly egregious, or massive, the violator can even be imprisoned for 5 years or fined up to 5 million yen (36,496 Euros, calculated by exchange rate of 137 yen for 1 Euro, and so forth), and 150,000,000 yen (1,094,891 Euros) for the legal entity (Arts.196 and 201 of Patent Law).

As the Civil Code requires causal relationship between the act and damage, the patentee shall prove the causal association between the act of infringement and the loss of patentee's profit, which is a not so easy task, since the patentee's profit may be affected by various other factors. This is why the Patent Law has prepared some provisions to help the patentee, to calculate and presume the amount of damage (Art. 102 etc.), to be explained below.

(Injunction)

The ground for the injunction relief is Art. 100 of the Patent Law which states that, a patentee may require a person who is infringing or is likely to infringe the patent to discontinue or refrain from such infringement (para.1). The patentee can also concomitantly demand the destruction of articles by which an act of infringement was committed (including articles manufactured by an act of infringement in the case of a patented invention of a process of manufacture; the same in Art. 102(1)), the removal of the facilities used for the act of infringement, or other measures necessary to prevent the infringement. The exclusive licensee which is registered (*sen-you jissshiken*, Art. 77 of Patent Law) has the same right to demand for injunction under Art.100. The system under the Utility Model Law, the Design Law and the Trademark Law is essentially the same.

(Defense)

The non-exclusive license by virtue of prior use (Art.79 of Patent Law), defense of invalidity (new Art.104ter of Patent Law), exhaustion, implied license by the patentee are common defense casus. Also, experimental use defense (Art.69, para.1 of Patent Law) may be asserted if adequate.

(Alleviation of Burden of Proof on the Amount of Damages)

In patent infringement cases, to prove the act of infringement and the amount of causal damages are especially difficult. So the current CCP (from 1998) imposes general obligation of document submission on both parties, whereby each party is required to submit documents unless the requested documents are specifically exempted in the Law (CCP Art.220, para.4). The document is exempted from submission if it includes information "relating to technical and trade secrets" or "which is to be held in confidence by an attorney at law or a patent attorney" (CCP Arts.197, 220).

To facilitate to prove patent infringement, the court may order either party, upon request of the other party, to produce a document needed for the proof of infringement. However, the party holding such a document may refuse its submission if there is a reasonable ground for refusal (Patent Law, Art.105, para.1), and in such cases, the court may make the party submit a document needed for judging if there is a reasonable ground for refusal. (Before the latest amendment of 2004, no one could request the disclosure of the document submitted for this purpose. But now the situation has changed. See item 2.1.7, *in camera* procedure, above.)

If a patentee alleges a specific product or process as constituting an infringement, the other party will have to disclose its own acts for denial of the infringement with respect to the alleged product or process unless there is a reasonable ground for refusing to do so (Art.104bis).

As to proving the amount of damages, the profits gained by the infringer is presumed to be the damages suffered by the patentee (Art.102, para.2), or the patentee may seek to recover at least the amount which shall be received for the working of the patented invention (Art.102, para.3).

As to the calculation of damages, Art.102, para.1 of the Patent Law provides that the patentee may request compensation for the damages determined according to the following equation:

Damages = (number of infringing products sold) x
(unit profit that could have been earned by patentee)

Under this provision, the patentee has only to prove the number of infringing products sold by the infringer and the unit profit. Therefore, the patentee's burden of proof is significantly lessened especially when the patented invention is worked by the patentee himself. The burden of proof is imposed on the defendant for requesting any reduction from the damages determined as above. This is aimed that the burden of proof be equally shared by the plaintiff and the defendant.

Under Art.105bis, the court may appoint an appraiser for evaluating any matters necessary for calculation of the damages at the request of either party. The parties have to provide necessary information to the appraiser.

In cases where infringement is acknowledged but where it is extremely difficult to prove the amount of damages, the court may award reasonable damages determined on the basis of the hearings and evidences as a whole (Art.105ter).

These provisions for alleviating the burden of proof have mostly been streamlined by Patent Law amendments of 1998.

As explained above, there have also been recent amendments to promote document production while protecting trade secrets. Once criticized as demanding too much time and excessively narrow interpretation of patent claim and insufficient compensation for damages, the situation has changed quite a lot. Various amendments in past ten years have been made to the Patent Law to improve the intellectual property protection.