



JPAA JAPAN PATENT ATTORNEYS ASSOCIATION

IP UPDATES & PRACTICES IN JAPAN

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Agenda

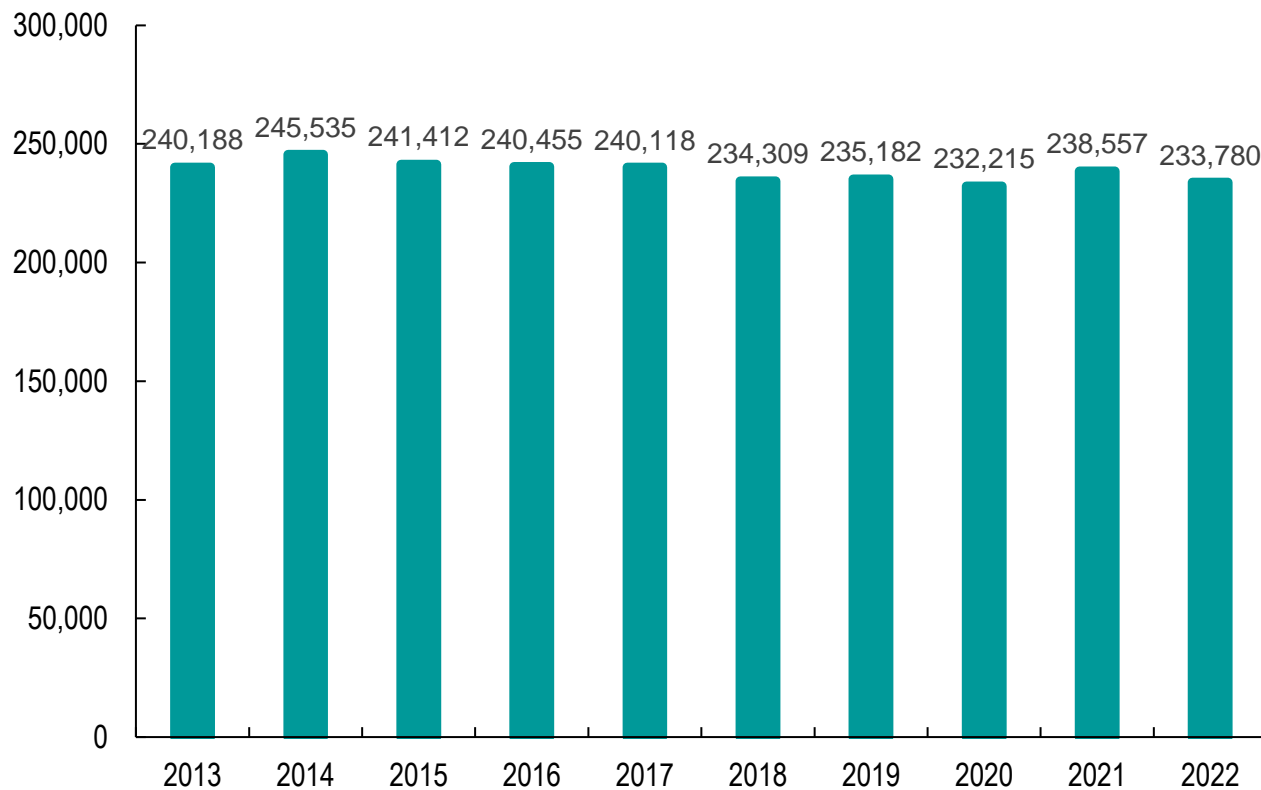
1. Numbers at JPO
2. Practical Tips
3. Recent Cases



1. Numbers at JPO



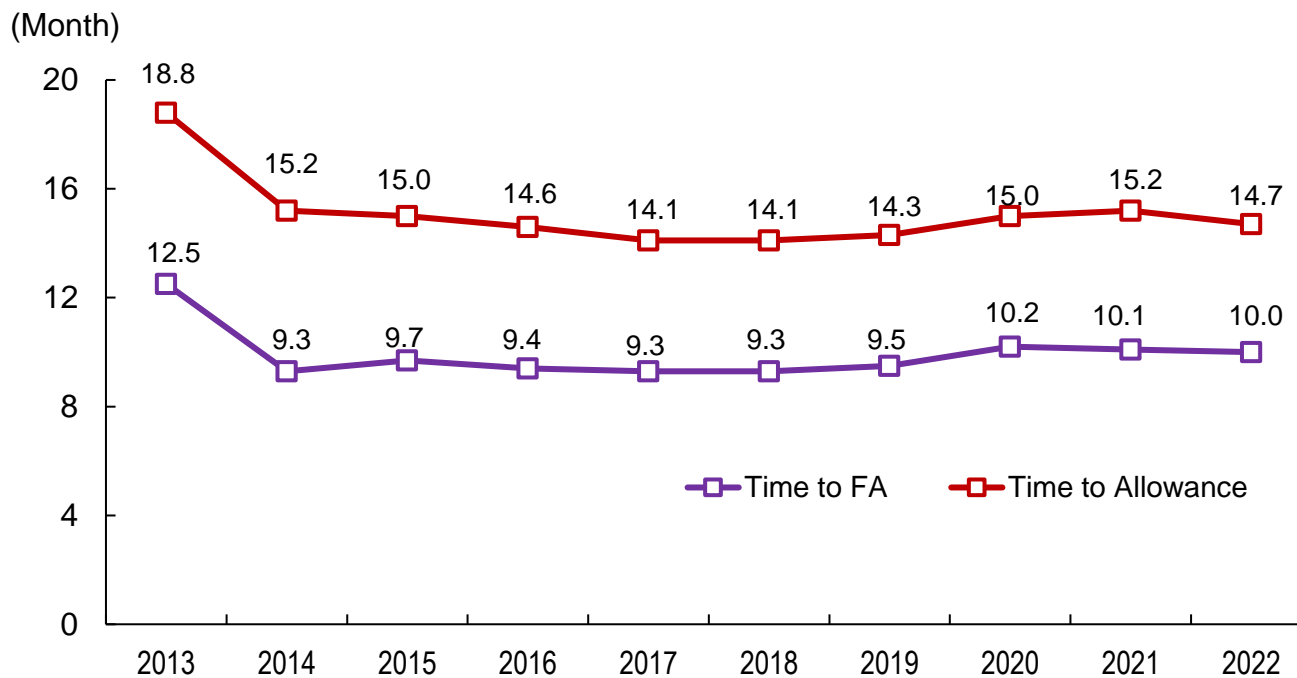
JP Patent Applications with Examination Requests



1. Numbers at JPO



Average Times to Allowance and to First Action (Patent)



Total Pendency in US:
25.2 months
Time to FA in US:
19.1 months
(August 2023)

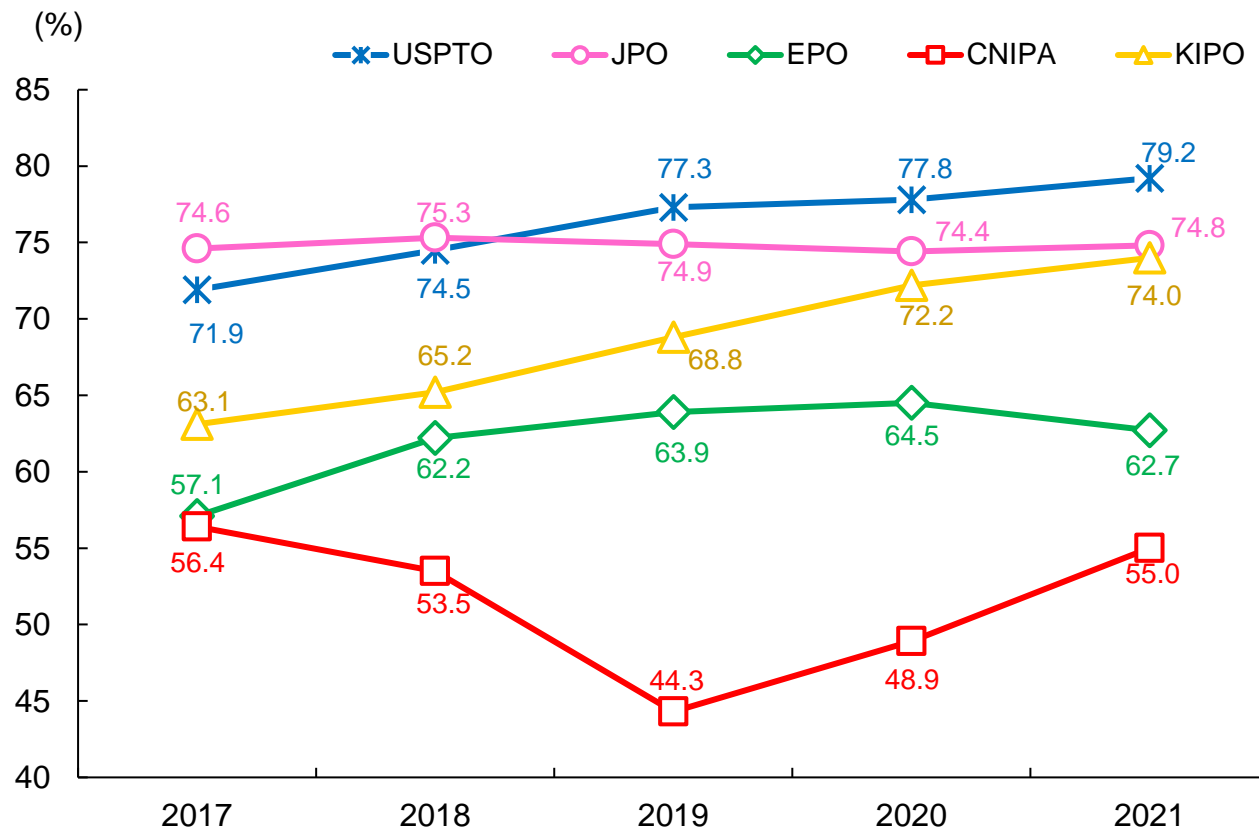
Ave. Time in 2022	Design	Trademark
Time to Allowance	7.0 months	6.9 months
Time to FA	6.0 months	5.4 months



1. Numbers at JPO



Allowance Rates in IP5 (Patent)

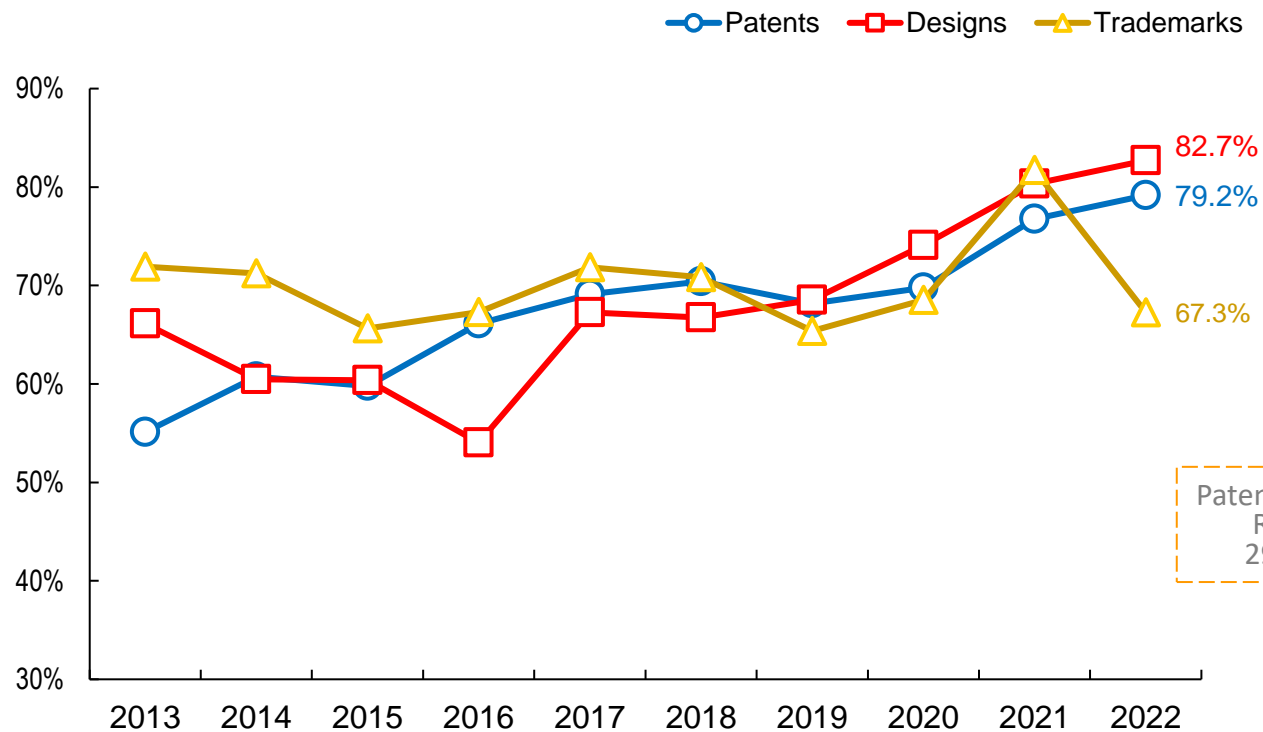


1. Numbers at JPO



Success Rates on Appeals at Board

(showing only Board Decisions)
(not incl. partial Decisions)

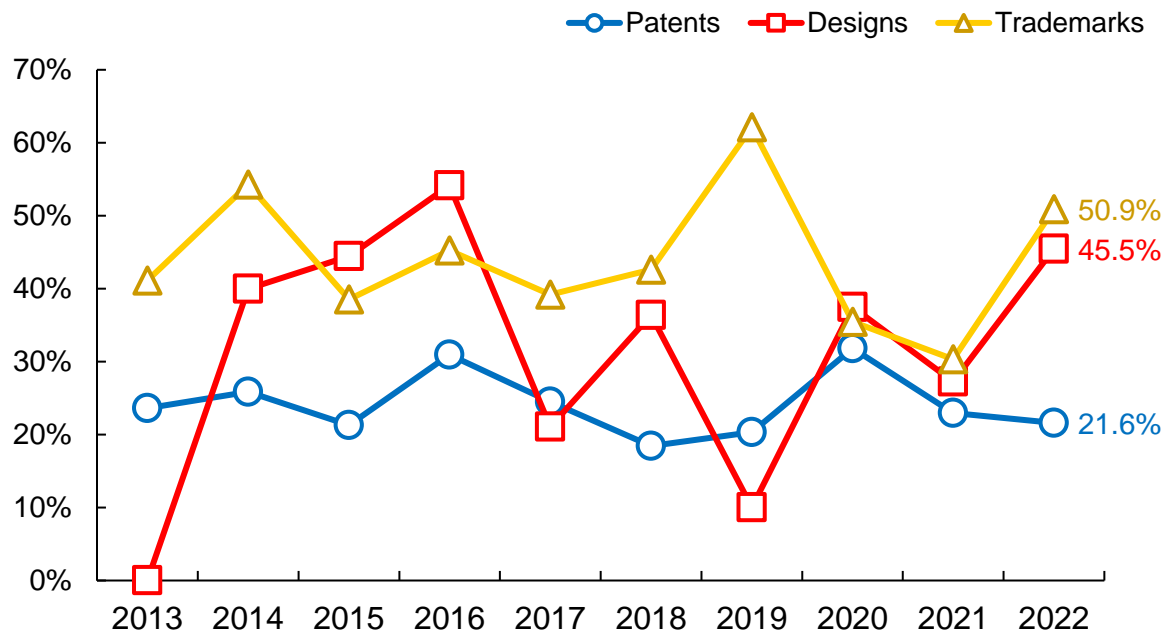


1. Numbers at JPO



Success Rates in Trials for Invalidation

(incl. partial success)



Patent Invalidated Rates in US: 48.3% (FY23)

Ave. Time to Decisions in 2022	Appeals	Trials for Invalidation
Patents	11.7 months	13.4 months
Designs	6.8 months	12.3 months
Trademarks	8.6 months	10.0 months



Agenda

1. Numbers at JPO
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2. Practical Tips – Examination Principles

- Understanding Claimed Inventions (*Ex. GL. Part I. Ch. 1*)
“The examiner starts by **carefully** reading the description, claims, and drawings of the application so as **to obtain sufficient understanding of the technical content** of the invention.”
- Specifying Claimed Invention (*Ex. GL. Part I. Ch. 2, Sec. 1*)
“The examiner specifies the claimed inventions based on the claims. The examiner takes the description, drawings and the common general knowledge at the time of filing into consideration in interpreting the meanings of words in the claims.”
“Also, the examiner should **carefully** read the description, claims, and drawings of the application concerned and **sufficiently understand the technical content** of the claimed invention in this finding.”

👉 JP examiners **must** read the **entire** specification **carefully**.

👉 No BRI standard.

2. Practical Tips – Examination Principles

- Prior Art Search (*Ex. GL. Part I. Ch. 2, Sec. 2*)

2.2. Matters to be considered in deciding the subject of search

“(1) The examiner takes into consideration the ***embodiments*** of the claimed invention as the subject of search.

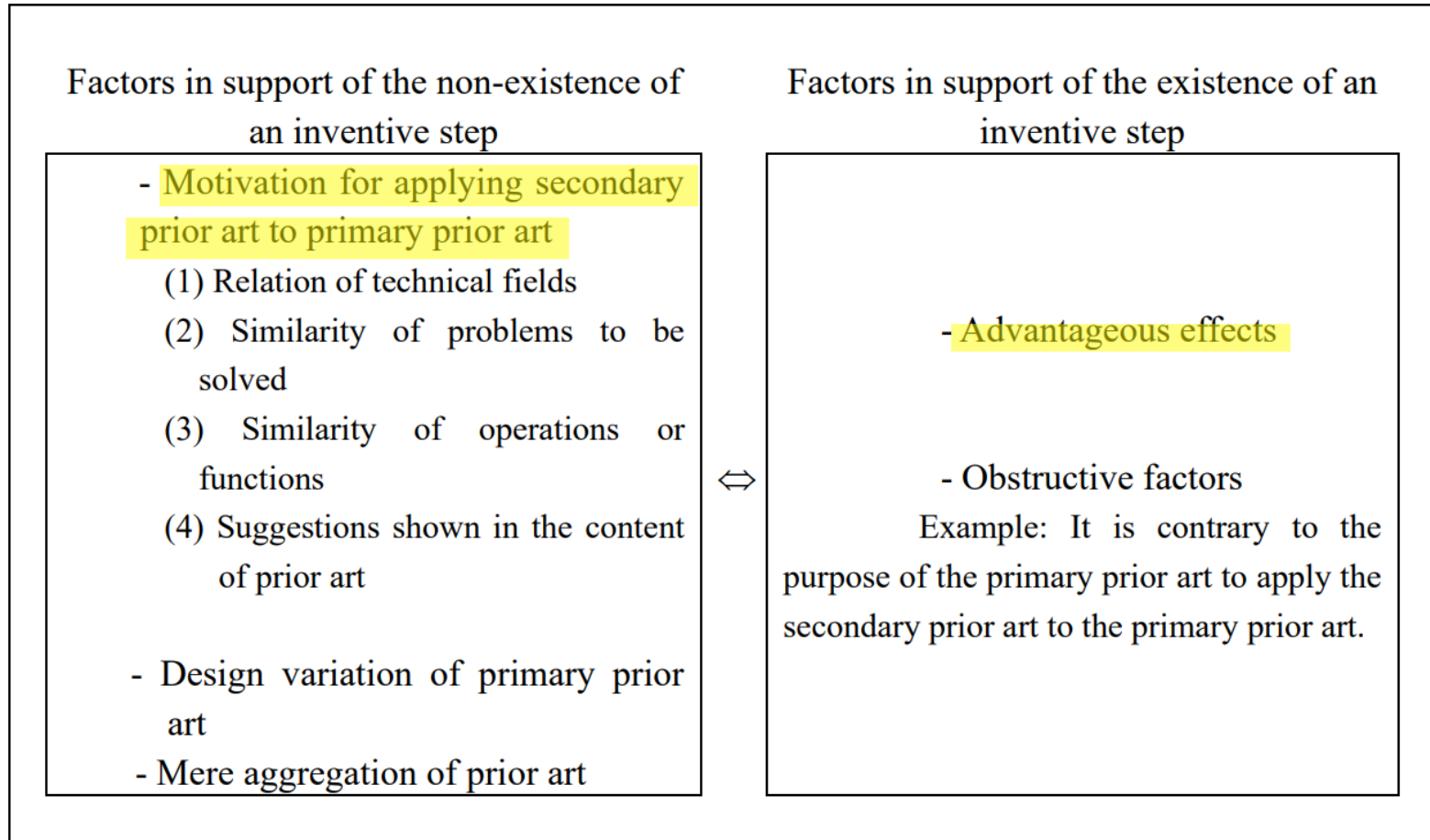
(2) The examiner takes into consideration the ***matters reasonably expected to be added to claims by an amendment*** as the subject of search in view of the efficiency of the procedures until a decision to grant a patent is rendered.”

👉 JP examiners conduct prior art search not only based on the claims, but also the ***embodiments***.

👉 During an examiner interview, examiners are generally ready to provide insight on the ***patentability*** of the proposed amended claims.

2. Practical Tips – Overcoming Rejections

- Inventive Step (*Ex. GL. Part III. Ch. 2, Sec. 2*)



2. Practical Tips – Overcoming Rejections

- Inventive Step (*Ex. GL. Part III. Ch. 2, Sec. 2*)

3.1.1. Motivation for applying secondary prior art

(1) Relation of technical fields

“In determining the presence of the motivation for applying the secondary prior art to the primary prior art, with respect to the 'relation of technical fields,' the examiner ***should also consider another point*** among the points of view (2) to (4) for motivation.”

(2) Similarity of ***problems*** to be solved

(3) Similarity of operations or ***functions***

(4) ***Suggestions*** shown in prior art

👉 Recently, the JPO likely strictly considers the presence of ***motivation*** for combining references. If the examiner fails to indicate an adequate motivation as stated in GL., you may consider presenting arguments against the inventive step rejection.

2. Practical Tips – Overcoming Rejections

- Inventive Step (*Ex. GL. Part III. Ch. 2, Sec. 2*)

3.2.1. Advantageous Effects

Advantageous effects over the prior art are factors in support of the existence of an inventive step.

(1) Consideration of advantageous effects over prior art

- (i) “The claimed invention has an ***effect of the different nature*** from that of the prior art...”
- (ii) “The claimed invention has an effect of the same nature ***but significantly superior*** to that of the prior art...”

(2) Consideration of effects stated in written opinion

- (i) “Case where the effects are stated in the description”
- (ii) “Case where the effects are not stated in the description, but can be speculated by a person skilled in the art from the description or drawings”

2. Practical Tips – Overcoming Rejections

- Inventive Step (*Ex. GL. Part III. Ch. 2, Sec. 4*)

3. Limitation of Use (i.e., Intended Use)


3.1.1. Basic ideas

“If the product with limitation of use means the product specifically suitable for its use (in consideration of the description and drawings as well as the common general knowledge), the examiner recognizes that the product has a shape, structure or composition, etc. ***that the limitation of use means.***”

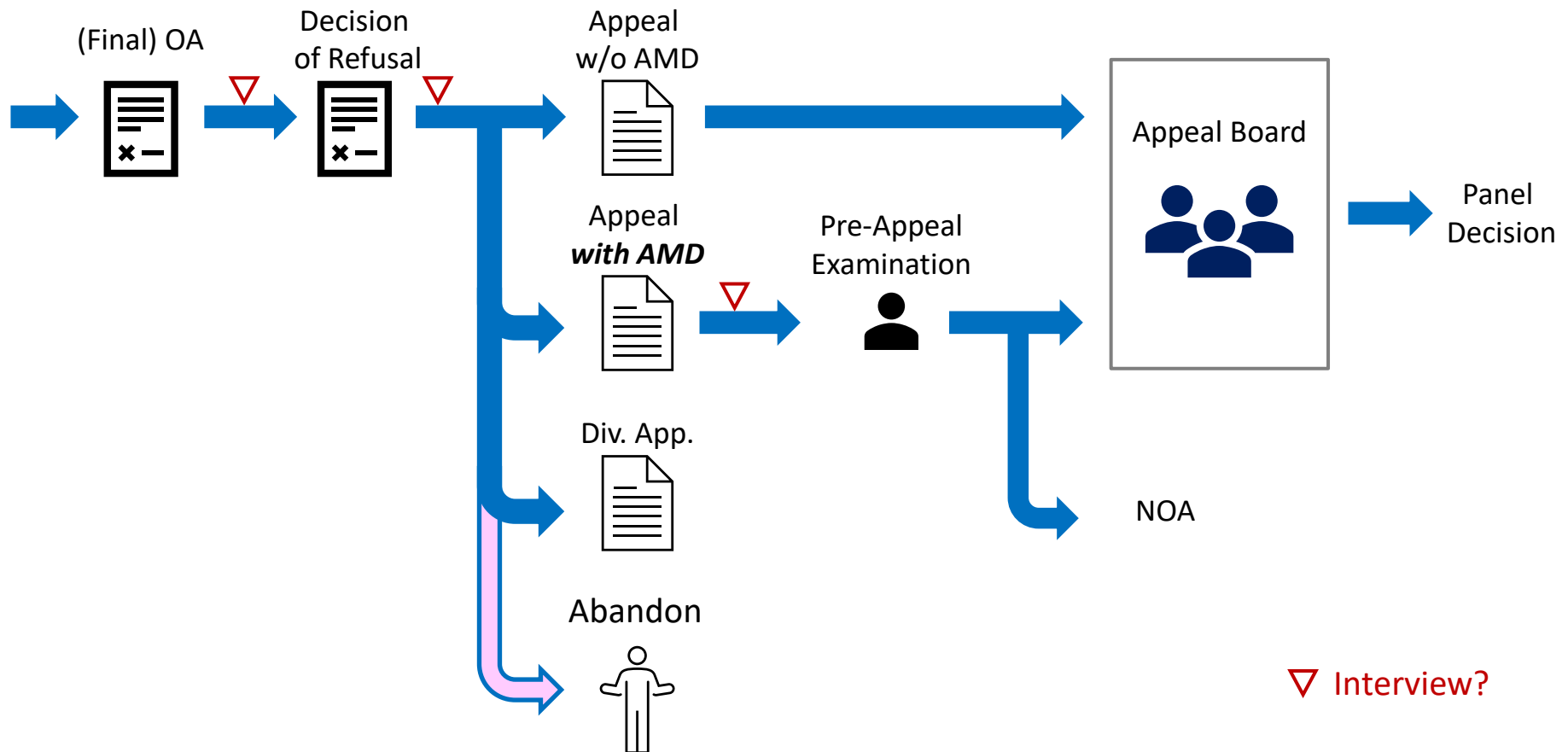
Example: A crane hook with a shape of ...

In some cases, the meaning of the expression “crane” is interpreted as “hook” having a structure ***specifically suitable for use in a crane*** from the aspect of its size or intensity or the like.

In these cases, the examiner recognizes the claimed invention as the “hook” with such a structure. Accordingly, “a crane hook with a shape of ...” is ***different*** in structure, etc. from “a fishing hook (fishhook)” with a similar shape.

 Intended use can be a ***proper*** limitation in Japan.

2. Practical Tips – Practice After Decision of Refusal



2. Practical Tips – Practice After Decision of Refusal

- The purpose of claim amendments after a decision of refusal must fall within one of the following:
 - (1) Canceling claims
 - (2) Narrowing claims in a limited way
 - (3) Correcting errors
 - (4) Clarifying alleged ambiguous recitations

Patent Act Art. 17-2(5); Ex. GL. Part I Ch. 2 Sec. 6, 3.1.3.

- 👉 A program like an RCE is **not** available in Japan.
- 👉 A response to a final OA can be critical.
- 👉 Consider conducting an examiner interview
- 👉 A divisional application may be an option to reset the prosecution.

Agenda

1. Numbers at JPO
2. Practical Tips
3. Recent Cases



3. Recent Case Law – *Dwango v. FC2*

Cross-Boarder Patent Infringement

□ Plaintiff: DWANGO Co., Ltd.

The logo for dwango, featuring the word "dwango" in a lowercase, blue, sans-serif font.

- Japanese company providing network services
- Operating a video sharing website “NICO NICO DOUGA (smiling video)” with commenting function



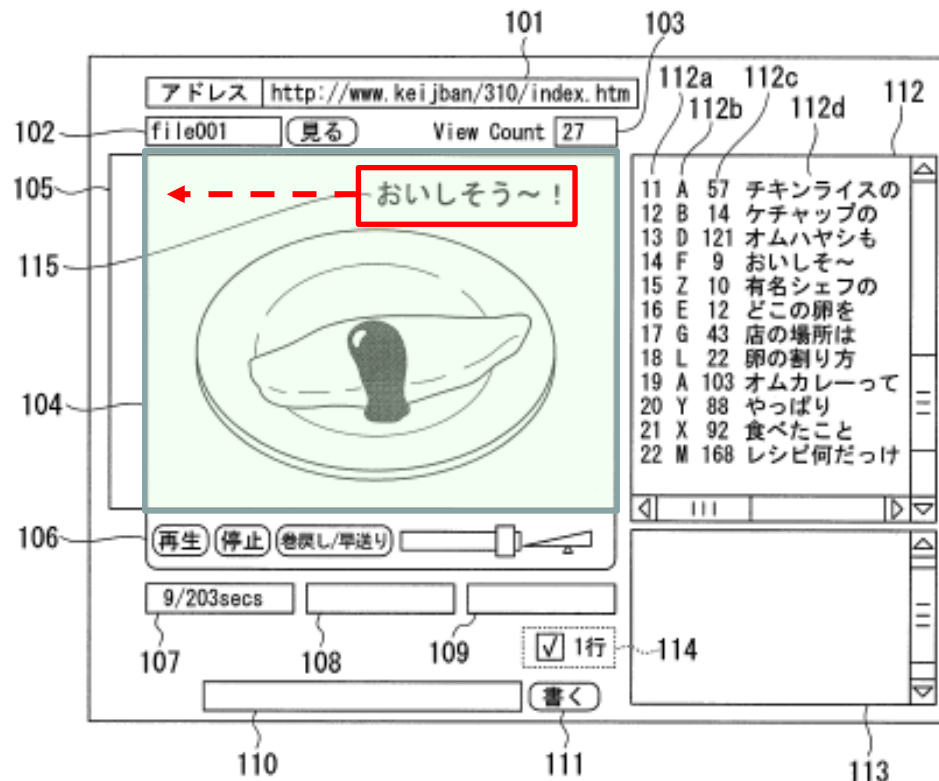
□ Defendant: FC2, Inc.

The logo for FC2, featuring a stylized red fox head icon to the left of the text “FC2” in a bold, black, sans-serif font.

- US company established under Nevada state law
- Providing network services directed to Japan
- Operating a video sharing website “FC2 video,” “SayMove!” and “Himawari Video (sunflower video)” with commenting function

3. Recent Cases – *Dwango v. FC2*

DWANGO's Patents: JP4,734,471/ JP4,695,583/JP6,526,304
[A comment distribution system]



A user's comment moves horizontally within the video image.

3. Recent Cases – *Dwango v. FC2*

DWANGO's Patents: No. 4,734,471/4,695,583/6,526,304
[A comment distribution system]



3. Recent Cases – *Dwango v. FC2*

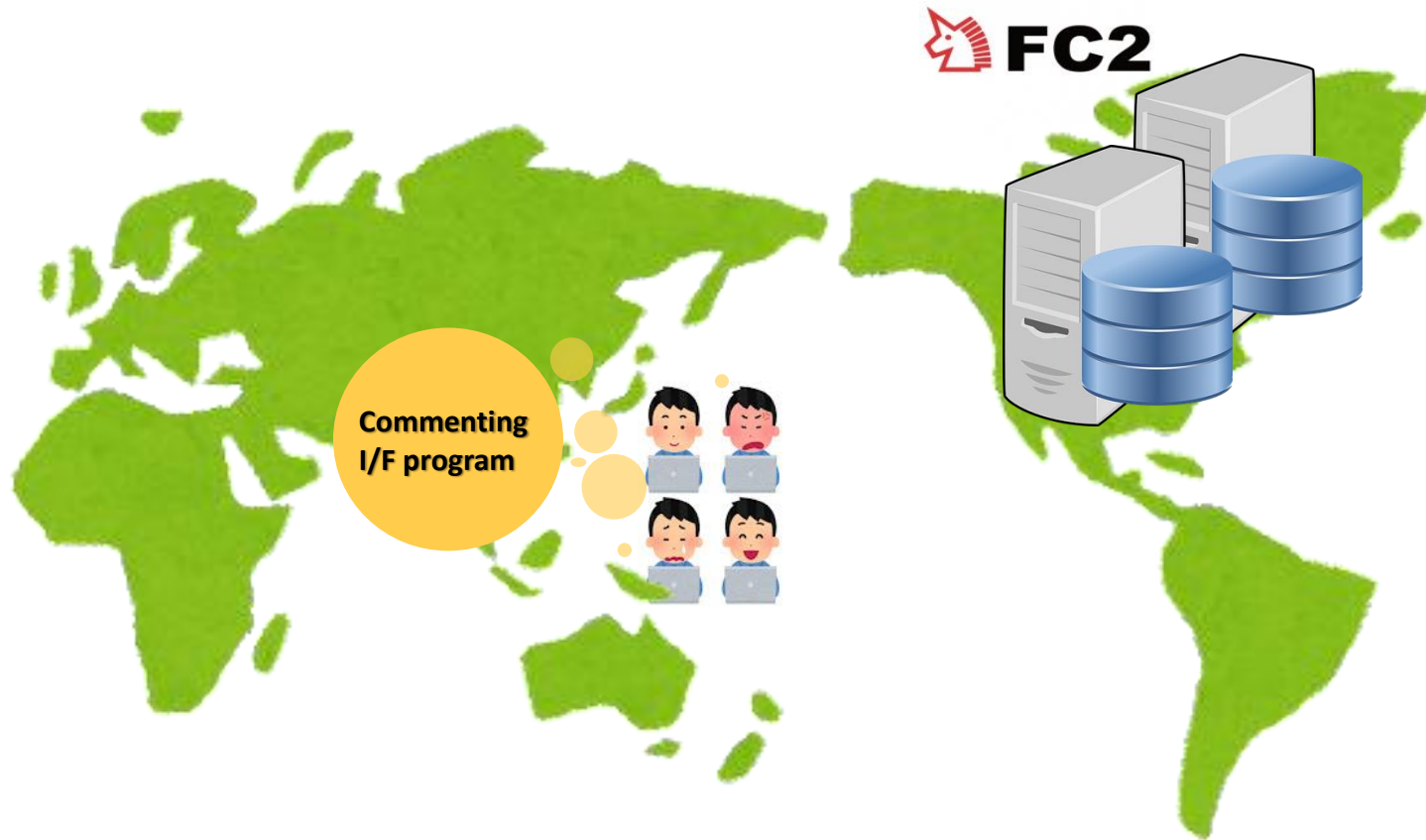
DWANGO II (the '304 Patent)

Reiwa 4 (Ne) No. 10046 (IP High Ct., May 26, 2023).

A comment distribution **system** having a **server** and a plurality of **terminal devices** connected to the server via a network,
the server being configured to:
receive a first comment and a second comment on a video added by a user viewing the video sent from the server;
and
send the video and comment information to the terminal device, the comment information including the first and second comments, and a comment-added time, which is a video replay time representing an elapsed time from beginning of the video, corresponding to points in time when the first and the second comments have been added, respectively,
the server comprising:
means for displaying, based on the video and the comment information, the video and the first and second comments that overlap at least a portion of the video and move horizontally on a display device of the terminal device at the video replay time corresponding to the comment-added time;
a judgment unit configured to determine whether a display position of the second comment overlaps with a display position of the first comment; and
a display position controller configured to adjust, when determined to overlap, the second comment to be displayed at a position not to overlap with the first comment,
wherein the server sends the video and the comment information to the terminal device, whereby the display device of the terminal device displays the video and the first and second comments that overlap at least a portion of the video and move horizontally on a display device of the terminal device at the video replay time corresponding to the comment-added time in such a way that the first and second comments do not overlap with each other.

3. Recent Cases – *Dwango v. FC2*

FC2's Video Network System



3. Recent Cases – *Dwango v. FC2*

DWANGO II (the '304 Patent)

Reiwa 4 (Ne) No. 10046 (IP High Ct., May 26, 2023).

□ ISSUE

- Does FC2's system, in which the servers are located in the U.S. and the user's terminal devices are in Japan, infringe the '304 patent?
- Does FC2 **produce** the patented system in Japan?



District Ct. denied

□ Dwango's Arguments

“The principle of territoriality does not require that all constituent requirements be met in Japan. Otherwise, it would be **extremely easy** to avoid infringement of a network-related patent as long as a server is located outside Japan, which would **significantly weaken** the value of Japan's network-related patent rights.”

👉 To determine the issue of the territoriality, amicus briefs were solicited by the grand panel for the first time in history.

3. Recent Cases – *Dwango v. FC2*

DWANGO II (the '304 Patent)

Reiwa 4 (Ne) No. 10046 (IP High Ct., May 26, 2023).

□ HOLDING

The Court found as follows:

- (1) **Completion:** FC2's system is completed when terminal devices *in Japan* receive videos and comments from the server;
- (2) **Function:** The function of the invention, namely determining and controlling the display position of the comments, is achieved *from Japan*;
- (3) **Effects:** The effect of the invention, i.e., improving entertainment value, is realized *in Japan*.
- (4) **Benefits:** The usage of FC2's system has an impact on the economic benefits that Dwango could have obtained by using the invention *in Japan*.

3. Recent Case – *Dwango v. FC2*

DWANGO II (the '304 Patent)

Reiwa 4 (Ne) No. 10046 (IP High Ct., May 26, 2023).

□ **HOLDING (Cont.)**

As such, the Grand Panel reversed the district court decision and held that the acts of ***producing*** the patented system are considered to be performed in Japan, thereby infringing the patent.



3. Recent Case – *Dwango v. FC2*

Takeaway from DWANGO

- The term “produce” or “make” a patented system/device/apparatus under the JP Patent Act may be broadly interpreted by Japanese courts based on the ***nature, function, technical benefit***, and ***economic impact*** of the accused product.
- For patentees, it may have more scope to enforce their rights.
- For foreign companies, on the other hand, this ruling may suggest that they may be sued in Japan for services they provide to the Japanese market from their own country and may be ordered by the Japanese court to cease and desist.
- In Japan, as in the U.S., it seems to be advantageous to include system claims in network related inventions (c.f., *NTP, Inc. v. Research in Motion, Ltd.*, , 418 F.3d 1282, 1289-90 (Fed. Cir. 2005)).

Any Questions?





Thank you!!

We appreciate your feedback from [here](#):



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