



ICLG

The International Comparative Legal Guide to:

Patents 2018

8th Edition

A practical cross-border insight into patent law

Published by Global Legal Group, in association with CDR, with contributions from:

Advokatfirman Lindahl KB

Agency TRIA ROBIT

AnJie Law Firm

Armengaud & Guerlain

Bird & Bird LLP

Chuo Sogo Law Office, P.C.

Daniel Legal & IP Strategy

De Beer Attorneys

Elzaburu

Finnegan, Henderson, Farabow,

Garrett, and Dunner LLP

Gilat, Bareket & Co.

Gleiss Lutz

Gorodissky & Partners (Ukraine)

Gros & Waltenspühl

Gün + Partners

Kadasa & Partners

Lewis Roca Rothgerber Christie LLP

Nestor Nestor Diculescu Kingston Petersen

OLIVARES

Pham & Associates

PORZIO · RIOS · GARCIA

Reinhold Cohn & Partners

Reising Ethington P.C.

Rouse & Co. International

Subramaniam & Associates

SyCip Salazar Hernandez & Gatmaitan

TIPLO Attorneys-at-Law

WhitneyMoore Solicitors

Wikborg Rein Advokatfirma AS





Contributing Editor

Katharine Stephens,
Bird & Bird LLP

Sales Director

Florjan Osmani

Account Director

Oliver Smith

Sales Support Manager

Paul Mochalski

Sub Editor

Nicholas Catlin

Senior Editors

Suzie Levy, Rachel Williams

Chief Operating Officer

Dror Levy

Group Consulting Editor

Alan Falach

Publisher

Rory Smith

Published by

Global Legal Group Ltd.
59 Tanner Street
London SE1 3PL, UK
Tel: +44 20 7367 0720
Fax: +44 20 7407 5255
Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design

F&F Studio Design

GLG Cover Image Source

iStockphoto

Printed by

Ashford Colour Press Ltd.
August 2017

Copyright © 2017

Global Legal Group Ltd.
All rights reserved
No photocopying

ISBN 978-1-911367-70-3

ISSN 2044-3129

Strategic Partners



General Chapters:

| | | |
|----------|---|-----------|
| 1 | Preparing for the Unitary Patent and Unified Patent Court: What to Consider Before Opting Out or Opting to Stay In – Katharine Stephens & Audrey Horton, Bird & Bird LLP | 1 |
| 2 | Method Claiming in the United States: The Who, What, and Where of Enforcement – Scott A. Hogan & Shannon K. Smith, Reising Ethington P.C. | 7 |
| 3 | U.S. Supreme Court Agrees Upon Restricted Venue for Patent Cases – D. Stuart Bartow & Terry Ahearn, Lewis Roca Rothgerber Christie LLP | 11 |
| 4 | Review of the Eurasian Patent System – Maxim Sobolev, Rouse & Co. International (UK) Limited (Moscow Branch) | 15 |
| 5 | Gulf Co-operation Council Countries – Patent Landscape – Sara Holder & Mohammad Jomoa, Rouse & Co. International/Kadasa & Partners | 19 |

Country Question and Answer Chapters:

| | | | |
|-----------|-----------------------------|---|------------|
| 6 | Australia | Bird & Bird LLP: Jane Owen & Rebecca Currey | 22 |
| 7 | Brazil | Daniel Legal & IP Strategy: Rana Gosain & André Bastos Venturini | 28 |
| 8 | Chile | PORZIO · RIOS · GARCIA: Cristóbal Porzio & Marcelo Correa | 36 |
| 9 | China | AnJie Law Firm: Steve Song & Ying Wang | 42 |
| 10 | France | Armengaud & Guerlain: Catherine Mateu | 49 |
| 11 | Germany | Gleiss Lutz: Dr. Matthias Sonntag & Dr. Herwig Lux | 56 |
| 12 | India | Subramaniam & Associates: Hari Subramaniam | 62 |
| 13 | Ireland | WhitneyMoore Solicitors: Aoife Murphy & Robin Hayes | 70 |
| 14 | Israel | Gilat, Bareket & Co.: Eran Bareket Reinhold Cohn & Partners: Ronnie Benshafut | 77 |
| 15 | Japan | Chuo Sogo Law Office, P.C.: Naoko Nakatsukasa | 84 |
| 16 | Latvia | Agency TRIA ROBIT: Vladimir Anohin & Voldemars Osmans | 91 |
| 17 | Mexico | OLIVARES: Alejandro Luna Fandiño & Sergio Luis Olivares Lobato | 96 |
| 18 | Norway | Wikborg Rein Advokatfirma AS: Gunnar Meyer & Lars Erik Steinkjer | 104 |
| 19 | Philippines | SyCip Salazar Hernandez & Gatmaitan: Enrique T. Manuel & Vida M. Panganiban-Alindogan | 110 |
| 20 | Romania | Nestor Nestor Diculescu Kingston Petersen: Ana-Maria Baciú & Sorina Olaru | 116 |
| 21 | Russia | Rouse & Co. International (UK) Limited (Moscow Branch): Maxim Sobolev & Andrey Cherkasov | 121 |
| 22 | Saudi Arabia | Rouse & Co. International/Kadasa & Partners: Sara Holder & Mohammad Jomoa | 127 |
| 23 | South Africa | De Beer Attorneys: Elaine Bergenthuin & Ntombovuyo Bungane | 133 |
| 24 | Spain | Elzaburu: Colm Ahern | 140 |
| 25 | Sweden | Advokatfirman Lindahl KB: Ludvig Holm & Annie Kabala | 145 |
| 26 | Switzerland | Gros & Waltenspühl: Pascal Fehlbaum | 151 |
| 27 | Taiwan | TIPLo Attorneys-at-Law: J. K. Lin & H. G. Chen | 157 |
| 28 | Turkey | Gün + Partners: Selin Sinem Erciyas & Tuğçe Avcısert Geçgil | 165 |
| 29 | Ukraine | Gorodissky & Partners (Ukraine): Nina Moshynska | 173 |
| 30 | United Arab Emirates | Rouse & Co. International: Sara Holder | 180 |
| 31 | United Kingdom | Bird & Bird LLP: Katharine Stephens & Audrey Horton | 185 |
| 32 | USA | Finnegan, Henderson, Farabow, Garrett, and Dunner LLP: Mareesa A. Frederick & Clara N. Jiménez | 195 |
| 33 | Vietnam | Pham & Associates: Pham Vu Khanh Toan | 202 |

Further copies of this book and others in the series can be ordered from the publisher. Please call +44 20 7367 0720

Disclaimer

This publication is for general information purposes only. It does not purport to provide comprehensive full legal or other advice. Global Legal Group Ltd. and the contributors accept no responsibility for losses that may arise from reliance upon information contained in this publication. This publication is intended to give an indication of legal issues upon which you may need advice. Full legal advice should be taken from a qualified professional when dealing with specific situations.

Japan

Chuo Sogo Law Office, P.C.

Naoko Nakatsukasa



1 Patent Enforcement

1.1 Before what tribunals can a patent be enforced against an infringer? Is there a choice between tribunals and what would influence a claimant's choice?

Patent rights can be enforced either in the Tokyo District Court, which has exclusive jurisdiction over intellectual property cases in eastern Japan, or in the Osaka District Court, which has exclusive jurisdiction over such cases in western Japan. A defendant's domicile or the place where the infringement occurred determines which of these courts has jurisdiction. In addition, if the plaintiff seeks monetary damages, the plaintiff's domicile will determine which of the two courts will have jurisdiction. Provisional injunctions may also be brought in the Tokyo District Court or the Osaka District Court.

Patent cases brought before these two courts are heard by their respective Intellectual Property Divisions that specialise in intellectual property cases. Intellectual Property Divisions have a long history going back to the 1960s. The Intellectual Property High Court ("IP High Court"), which is a special branch of the Tokyo High Court, has an exclusive jurisdiction over appeals of patent cases from both the Osaka District Court and the Tokyo District Court.

1.2 What has to be done to commence proceedings, what court fees have to be paid and how long does it generally take for proceedings to reach trial from commencement?

The proceedings commence by filing a complaint with a court of competent jurisdiction. A complaint should set out material facts and arguments that support the merits of each asserted claim. When the complaint is filed, the plaintiff must pay a court fee which varies depending on the amount in dispute. For example, if the plaintiff seeks damages of 50,000,000 yen, the court fee would be 170,000 yen. The amount in dispute for non-monetary remedies, such as injunctive relief, is calculated based on a formula set out by the court. A complaint is then served on the defendant(s) by the court along with the summons. The first court hearing usually occurs four to six weeks after the complaint is filed.

1.3 Can a party be compelled to disclose relevant documents or materials to its adversary either before or after commencing proceedings, and if so, how?

Although Japan does have an extensive American-style discovery system, the law provides for document production in certain cases. It

is generally each party's responsibility to collect and submit evidence which it considers necessary to prove its case or rebut the case of its adversary. However, under Article 105 of the Patent Act, the court may, upon the motion of a party, order the other party to produce documents that are required to prove the alleged infringement or to calculate damages. In addition, under Article 104-2 of the Patent Act, a defendant who denies that specific conditions of an article or process claimed by the plaintiff constitutes alleged infringement is compelled to show evidence that clarifies the specific conditions of its act. Under Article 104, where the patent covers a process for producing a product, where the product was not publicly known prior to the filing of the patent application, the defendant may be compelled to show evidence that its products are produced by a process other than the patented process.

1.4 What are the steps each party must take pre-trial? Is any technical evidence produced, and if so, how?

There is no specifically required pre-trial procedure. Certain pre-trial motions such as Inquiry prior to the Filing of an Action and the Collection of Evidence Prior to the Filing of an Action are available under the Civil Procedure Code (Article 132-2 and Article 132-4). The scope of pre-trial activities is generally documentary.

1.5 How are arguments and evidence presented at the trial? Can a party change its pleaded arguments before and/or at trial?

Arguments and evidence are presented by each party at each court hearing, which takes place once every four to six weeks (see question 1.6), generally based only on documents. A party can change its pleaded arguments unless the court finds that (i) under Article 157 of the Civil Procedure Code, the new argument has been presented after the submission deadline either intentionally or through gross negligence and that allowing the new argument would delay the conclusion of litigation, or (ii) the prior argument is found to constitute an admission of arguments or facts presented by the adversary.

1.6 How long does the trial generally last and how long is it before a judgment is made available?

Intensive hearings are not conducted. It generally takes 12–24 months from the filing of a complaint until a first instance judgment is issued. During this period, a court hearing normally takes place once every four to six weeks. Each court hearing lasts 30–60 minutes. In a patent infringement case, proceedings are managed in accordance with guidelines set out by the court. Courts have

adopted a two-phase proceeding format: the court first examines whether the alleged infringement has occurred (stage of infringement examination); and then, if an infringement has been found, the court moves to the second-phase proceedings where the amount of damages are assessed (stage of assessment of damages).

1.7 Are judgments made available to the public? If not as a matter of course, can third parties request copies of the judgment?

Any person desiring to have access to a case record, including a judgment, is entitled to file a request with the clerk of the court, specifying the case number and the names of the parties to the case. However, only an interested party can request a copy of a case record including a judgment. In addition, the courts release on their website certain judgments they consider to carry important precedential value. Selected IP-related judgments are available on the IP Judgment Database on the courts' websites (in Japanese only) and on the IP High Court website (in both Japanese and English). The Japan Patent Office website also provides, both in Japanese and English, selected appellate decisions against the examiner's decisions.

1.8 Are there specialist judges or hearing officers, and if so, do they have a technical background?

Judges of the IP High Court and the Intellectual Property Divisions in Tokyo and Osaka District Courts (see question 1.1) are special judges who handle only IP cases. Although they have considerable experience in IP matters, very few have a technical background. Experts with knowledge and experience in relevant fields are asked to participate as technical advisors. The court that hears the case designates the most suitable experts including university professors and researchers (approximately 65% of the total) and researchers of private corporations (9% of the total) on a case-by-case basis. They provide judges and the parties with explanations on technical matters involved in the case, and may participate in proceedings to clarify issues, help examine evidence or assist at settlement conferences. Unlike technical advisors who are assigned to each case, judicial research officials participate in proceedings of all cases relating to IP matters and carry out necessary technical research.

1.9 What interest must a party have to bring (i) infringement, (ii) revocation, and (iii) declaratory proceedings?

- (i) To bring an action for infringement, a party must be the owner of a patent or an exclusive licensee whose interest is registered with the Japan Patent Office (*senyo-jisshikensha*). Although jointly owned patents may not be assigned, pledged or licensed without the consent of all of the joint owners, each co-owner has a separate, independent right to bring an infringement suit and seek injunctions based on such co-owner's interest in the patent. Unregistered exclusive licensees may make demands for monetary damages, but may not seek injunctions (there is some debate on this issue, but no court decision has yet addressed it to date).
- (ii) Revocation proceedings are not available through the courts. A party seeking a patent revocation must file a validity challenge with the Japan Patent Office. However, a defendant in an infringement litigation in court can raise invalidity as a defence and, if the judge finds that the patent should be invalidated, the judge will so rule in the decision, and will not allow enforcement of the patent. It has been a general practice in Japan for defendants to raise invalidity defence in infringement litigation and, at the same time, file a revocation proceeding in the Japan Patent Office. It should

be noted that, under the rule applicable from April 2012, in cases where a defendant files a revocation proceedings in the Japan Patent Office, a request for correction of the patent cannot be filed but only be raised in a Trial for Invalidation proceeding within a limited time period (see question 2.1).

1.10 If declarations are available, can they address (i) non-infringement, and/or (ii) claim coverage over a technical standard or hypothetical activity?

Although filing separate lawsuits to confirm certain status, such as status to file an application of the patent, is possible, declaratory proceedings in patent infringement litigation are not available.

1.11 Can a party be liable for infringement as a secondary (as opposed to primary) infringer? Can a party infringe by supplying part of, but not all of, the infringing product or process?

Yes. The following acts are deemed to constitute patent infringement:

- the manufacture, sale, import, etc., as a business, of a part of or entire product to be used exclusively for the manufacturing of a patented product or use in a patented process (Article 101-1, 101-4 of the Patent Act); and
- the manufacture, sale, import, etc., as a business, of a part of or entire product (excluding products widely distributed in Japan) to be used for the manufacture of a patented product or use of a patented process and indispensable for solving a problem by an invention, knowing that such invention is patented and that a part of or the entire product is to be used for the manufacturing, etc. of the invention (Article 101-2, 101-5 of the Patent Act).

1.12 Can a party be liable for infringement of a process patent by importing the product when the process is carried on outside the jurisdiction?

If the patent covers the process for producing a product, importing the product when such process is carried on outside of Japan constitutes patent infringement.

1.13 Does the scope of protection of a patent claim extend to non-literal equivalents?

Yes. Under the doctrine of equivalents, a product or process that does not literally infringe on a claim may still be found to infringe on it if all of the following five requirements are satisfied: (i) the different part is not essential to the invention; (ii) the replacement of such part still achieves the objectives of the claimed invention, as well as the function and effect of the invention; (iii) the replacement of such part would have been obvious to those skilled in the art at the time of the manufacturing or sale of the allegedly infringing product or process; (iv) the allegedly infringing product or process was novel or was not obvious in light of prior art at the time of the filing of the invention; and (v) there are no particular circumstances showing that the allegedly infringing product or process was intentionally excluded from the scope of the claim during prosecution.

1.14 Can a defence of patent invalidity be raised, and if so, how? Are there restrictions on such a defence e.g. where there is a pending opposition?

Patent invalidity can be raised as a defence in a patent litigation lawsuit. It may be raised regardless of whether there is a pending

opposition at the Japan Patent Office. The judge generally instructs the defendant as to when to submit such defence, if at all. An invalidity defence may be dismissed if (i) it has been presented intentionally or through gross negligence after the deadline for doing so and it would delay the proceedings, or (ii) it is submitted solely for the purpose of unreasonably delaying the proceedings.

1.15 Other than lack of novelty and inventive step, what are the grounds for invalidity of a patent?

Other grounds for invalidity include (i) lack of industrial applicability, (ii) insufficiency of disclosure in a written description (lack of enablement), (iii) lack of support of the scope of claim by the descriptions and drawings, (iv) violation of public order, morality or public health, (v) in case of jointly owned application, lack of filing by all the co-owners, and (vi) grant of the patent to a person who is not entitled to it.

1.16 Are infringement proceedings stayed pending resolution of validity in another court or the Patent Office?

No. Although the validity challenge can be raised both in the court and at the Japan Patent Office, under Article 104-4 of the Patent Act, once a judgment of infringement becomes final and binding, a subsequent decision for revocation at the Japan Patent Office has no effect on the earlier final court judgment. Also, if a decision to invalidate a patent at the Japan Patent Office has become final and binding prior to a court's judgment (i.e., either the patentee did not appeal to the IP High Court, or the IP High Court affirmed the decision of the Japan Patent Office), the patent is deemed never to have existed.

1.17 What other grounds of defence can be raised in addition to non-infringement or invalidity?

Other grounds of defence in addition to non-infringement or the invalidity are: (i) grant of a statutory licence due to a prior user right; (ii) use of the patented invention for experimental or research purposes; and (iii) exhaustion of patent rights. An experimental use defence covers the use of a patented invention in a clinical trial necessary for filing an application for approval of generic drugs. There is some debate over whether the use of a research tool patent constitutes an infringement, but no court decision has yet been rendered on this issue.

1.18 Are (i) preliminary, and (ii) final injunctions available, and if so, on what basis in each case? Is there a requirement for a bond?

A preliminary injunction is available in cases where two requirements are met; namely, (i) the court finds a *prima facie* evidence of infringement, and (ii) it is necessary to avoid substantial detriment or imminent danger to the patentee. A bond must be posted. A final injunction may be available where (i) the court finds infringement, and (ii) the infringing activities are still carried on by the defendant or are likely to be carried on.

1.19 On what basis are damages or an account of profits assessed?

The patentee may claim the following damages from the infringer: (i) the profit per product that would have been sold by the patentee

multiplied by the amount or number of products actually sold by the infringer; (ii) the profits earned by the infringer; or (iii) the amount equivalent to the royalty to which the patentee would have been entitled. Under the Patent Act, those who infringe on a patent right are presumed to be negligent when committing the infringing act, even if they had no actual knowledge of the existence of the patent. Accordingly, damages start to accrue upon the commencement of the infringing act after a patent is granted.

1.20 How are orders of the court enforced (whether they be for an injunction, an award of damages or for any other relief)?

- An injunction is enforced by means of an *Indirect Compulsory Execution*, whereby the court orders the obligor to pay the obligee a certain amount of money that is found to be reasonable for securing performance of the obligation.
- An order of disposal of products constituting infringement or the removal of facilities used for the infringement is enforced by the measure of the *Substitute Execution*, whereby the court allows the obligee to execute such disposal or removal as a substitute for the obligor.
- An award of damages is enforced by the *Compulsory Execution* where the obligee can seize the assets of the obligor.

1.21 What other form of relief can be obtained for patent infringement? Would the tribunal consider granting cross-border relief?

Together with seeking injunctive relief, a patentee may seek other measures necessary to prevent the infringement, including disposal of products constituting such infringement and removal of facilities used for the infringement. Cross-border relief by the Japanese Court is not available, but a foreign judgment may be enforced if all of the conditions stated in Article 118 of the Civil Procedure Code are met.

1.22 How common is settlement of infringement proceedings prior to trial?

Around 40–50% of cases are settled prior to the first instance judgment.

1.23 After what period is a claim for patent infringement time-barred?

Injunctive relief is available as long as a patent is validly registered and has not expired. A claim to seek monetary damages is time-barred three years after a patentee becomes aware of the infringement and the identity of the infringer, or 20 years after the infringement takes place, whichever comes earlier. In cases where an applicant seeks compensation by sending a warning letter to an alleged infringer after publication of an application, such claim is time-barred three years after a patent is granted. In addition, patentees' claims for monetary damages equivalent to reasonable royalties based on unjust enrichment grounds are subject to a 10-year statute of limitations.

1.24 Is there a right of appeal from a first instance judgment, and if so, is it a right to contest all aspects of the judgment?

A first instance judgment of the Tokyo District Court or the Osaka District Court can be appealed to the IP High Court, which is the

exclusive court to hear such appeals. It is the concerned party's right to contest any and all aspects of the judgment.

1.25 What are the typical costs of proceedings to first instance judgment on (i) infringement, and (ii) validity? How much of such costs are recoverable from the losing party?

The typical costs of proceedings up to a first instance judgment on both infringement and validity include (i) court fees, and (ii) attorneys' fees. Court fees vary depending on the amount involved in a dispute (see question 1.2). Court fees paid to the court can be recovered from the losing party by filing a petition for determination of such fees. The amount of the attorneys' fees depends on the complexity of the case and the amount in dispute. Some attorneys charge on an hourly basis in cases involving patent infringement or invalidity, while others charge (i) a fixed initial fee, and (ii) contingent fees payable if their clients prevail. Attorneys' fees are not recoverable from the losing party. However, the court generally awards approximately 10% of the admitted amount in dispute to the patentee as part of damages.

1.26 For jurisdictions within the European Union: What steps are being taken in your jurisdiction towards ratifying the Agreement on a Unified Patent Court, implementing the Unitary Patent Regulation (EU Regulation No. 1257/2012) and preparing for the unitary patent package? For jurisdictions outside of the European Union: Are there any mutual recognition of judgments arrangements relating to patents, whether formal or informal, that apply in your jurisdiction?

There are no such arrangements in Japan.

2 Patent Amendment

2.1 Can a patent be amended *ex parte* after grant, and if so, how?

Yes. A patent can be amended after having been granted by filing a request for Correction Trial with the Japan Patent Office. Corrections, limited in scope, can be made on claims, descriptions, or drawings attached to the application (see question 2.3). It should be noted that, under the rule applicable from April 2012, a request for Correction Trial may not be filed while any revocation proceedings or opposition proceedings are pending; however, as an alternative, a patentee can request a correction in a Trial for Invalidation proceeding within a limited time period designated by the examiner.

2.2 Can a patent be amended in *inter partes* revocation/invalidity proceedings?

A patentee can file a request of correction in a Trial for Invalidation proceeding only within a limited time period designated by the examiner.

2.3 Are there any constraints upon the amendments that may be made?

The scope of correction is limited to (i) narrowing the scope of claims, (ii) correcting errors or incorrect translations, (iii)

clarifying ambiguous statements, or (iv) correcting a statement of claims which cites other statement of claims to untie such citation. Furthermore, corrections cannot exceed the scope of disclosure in the application, and may not substantially enlarge or alter the scope of claims. Claims can only be amended to the extent that they are still patentable after the amendments.

3 Licensing

3.1 Are there any laws which limit the terms upon which parties may agree a patent licence?

The Antimonopoly Act limits certain terms in patent licence agreements. For example, terms that restrict prices may violate the Antimonopoly Act and thus may not be included in a patent licence. In addition, a provision requiring the licensee to assign all rights or grant an exclusive licence to the licensor for any improvement attributable to the licensee is also considered to be an antitrust violation. Moreover, restrictions on buyers, raw materials and components or distributors may violate the Antimonopoly Act, if such terms are found to harm fair competitions in the relevant market and no reasonable grounds for such restrictions are found. Additional details and examples of these and other potential violations are discussed in *The Guidelines for the Use of Intellectual Property under the Antimonopoly Act* issued by the Japan Fair Trade Commission. An English version is available on the JFTC's website.

3.2 Can a patent be the subject of a compulsory licence, and if so, how are the terms settled and how common is this type of licence?

A compulsory licence may be granted as (i) a statutory non-exclusive licence, or (ii) an awarded non-exclusive licence.

A statutory non-exclusive licence is granted if a prior user right is found when a person unknowingly used the invention in its business or in substantial preparations for business prior to the filing of the patent. In cases involving a prior user right, the payment of royalties is not required. Another example could arise when a person unknowingly uses an invalidated patented invention in its business or in substantial preparations for business prior to the registration of the request for a Trial for Invalidation. In such a case, the licensee is required to pay a reasonable royalty.

An awarded non-exclusive licence is granted when a person makes a request to a patentee to use the invention that has not been sufficiently and continuously used for three years or longer. If an agreement is not reached between the parties, the person desiring to use the invention may request the Commissioner of the Japan Patent Office for a grant of a non-exclusive licence. The grant would specify the scope of the licence and the amount of the royalty. Another example would be a licence concerning public interests or with dependent inventions. However, awarded non-exclusive licences have rarely been requested.

4 Patent Term Extension

4.1 Can the term of a patent be extended, and if so, (i) on what grounds, and (ii) for how long?

Patents on pharmaceutical products and agrochemicals may be extended for up to five years, subject to regulatory approval in both

cases. A recent decision by the Grand Panel of the IP High Court ruled on the scope of extended patent rights (see question 8.1).

5 Patent Prosecution and Opposition

5.1 Are all types of subject matter patentable, and if not, what types are excluded?

The Patent Act recognises inventions as “highly advanced creations of technical ideas utilising the laws of nature”. Therefore, ideas that do not utilise the laws of nature, such as simple mathematical theories or formulae, are not patentable. Because an invention must be a creation of technical ideas, the mere discovery of living things or non-living substances is not patentable. However, a computer program may be patentable if it expresses information processing by software cooperating with hardware resources. A business method may be patentable if it is implemented by using a computer program. Products of genetic engineering such as genes, vectors, recombinant vectors, proteins, and monoclonal antibodies are patentable.

5.2 Is there a duty to the Patent Office to disclose prejudicial prior disclosures or documents? If so, what are the consequences of failure to comply with the duty?

Under Article 36(4)-2 of the Patent Act, applicants are required to disclose any prior art references known to the applicants at the time of the filing. In addition, the examiner may request the applicant to submit additional prior art references and failure to do so may result in a rejection of the application by the examiner. However, there is no affirmative legal duty to submit prejudicial prior art to the examiner.

5.3 May the grant of a patent by the Patent Office be opposed by a third party, and if so, when can this be done?

The grant of a patent by the Japan Patent Office may be challenged by a third party in (i) an opposition to a granted patent (“Opposition”), or (ii) a Trial for Invalidation, both of which are to be brought before the Japan Patent Office.

The Opposition mechanism was once abolished but subsequently re-adopted in 2014, and has been available since April 1, 2015. Any third party who desires to oppose a granted patent can file an Opposition before the Japan Patent Office within six months after the issuance of notice in the Official Gazette for the patent. The grounds for Opposition are the same as the grounds for invalidity (see question 1.15), but the grounds in connection with ownership of a patent such as a false inventorship or violation of joint application by co-owners are excluded. If the examiners at the Japan Patent Office find that a patent should be revoked, a preliminary revocation notice will be given to the patentee. The patentee may then rebut such preliminary notice by submitting an opinion letter and may request to make corrections to the claims, specifications, or drawings of the patent. The patentee is entitled to appeal to the IP High Court against a revocation decision by the Japan Patent Office; however, no appeal can be brought against the decision to maintain the patent.

Trial for Invalidation is also a proceeding before the Japan Patent Office to invalidate a patent. However, the standing to file an application for a Trial for Invalidation is limited to interested parties, such as an alleged infringer. The standing to apply for a Trial for Invalidation based on the ownership of a patent is limited to a party

or parties who have the right to obtain the patent. There is no time limitation for the filing of an application for a Trial for Invalidation. A party dissatisfied with a decision to invalidate or maintain a patent is entitled to appeal it to the IP High Court.

5.4 Is there a right of appeal from a decision of the Patent Office, and if so, to whom?

There is a right of appeal from a decision of examiners at the Japan Patent Office under the following circumstances. An appeal must be brought before a panel of administrative judges at the Japan Patent Office.

- An applicant who has received a decision rejecting a patent application has the right to file a request for a trial challenging such decision of refusal.
- An interested party (see question 5.3) who is dissatisfied with a decision to grant a patent is entitled to file for a Trial for Invalidation.
- An interested party who is dissatisfied with a decision to grant an extension of the patent is entitled to file for a Trial for Invalidation of an extended registration.
- A patentee may file a request for a Correction Trial to seek approval for the correction of the descriptions, claims or drawings in the patent application.

Any appellate decision made by a panel of administrative judges at the Japan Patent Office may be appealed to the IP High Court.

5.5 How are disputes over entitlement to priority and ownership of the invention resolved?

Under Article 74(1) of the Patent Act, a true inventor who has the legitimate right to obtain a patent may file a suit to request an assignment of the patent by the patentee (a false owner). If such transfer is ordered by the court and registered, the patent right at issue is deemed to have belonged to the true inventor from the beginning. A person challenging the ownership of an invention may also file for a Trial for Invalidation with the Japan Patent Office and assert that the patent should be invalidated on the grounds that it has been granted to the wrong person.

5.6 Is there a “grace period” in your jurisdiction, and if so, how long is it?

Yes. There is a six-month grace period in Japan. Either an action against the will of the inventor or an action by the inventor, taken within a six-month period before an application for a patent, may be granted an exception for lack of novelty.

5.7 What is the term of a patent?

A patent expires 20 years after the filing of an application for it. Patents for pharmaceutical products and agrochemicals may be extended for an additional five-year period.

6 Border Control Measures

6.1 Is there any mechanism for seizing or preventing the importation of infringing products, and if so, how quickly are such measures resolved?

Japan Customs (“Customs”) enforces against entries of goods infringing on intellectual property rights at the border. A patentee

can request Customs to initiate Identification Procedures where Customs detects infringing goods in imports or exports. If such request is filed with Customs, details of the request are published on Customs' website. When suspected goods are detected, Customs notifies the patentee and the importer of relevant information. Both parties are entitled to have the opportunity to submit their opinions and evidence within 10 working days after receiving a formal "Notification of Initiation Letter". The patentee may conduct a sample examination on condition that all the requirements for such procedure are satisfied and a bond is posted. Importers, on the other hand, may follow the practice of Voluntary Disposal. Based on the opinions and evidence from both parties, and the opinions from experts who may be appointed by Customs, Customs will determine whether or not the suspected goods infringe on the patent rights. Such determinations are expected to be made within one month. If the decision that the goods infringe on the patent becomes final, Customs may confiscate and destroy the infringing goods.

7 Antitrust Law and Inequitable Conduct

7.1 Can antitrust law be deployed to prevent relief for patent infringement being granted?

Defences based on antitrust laws are rarely raised.

7.2 What limitations are put on patent licensing due to antitrust law?

See question 3.1 above.

8 Current Developments

8.1 What have been the significant developments in relation to patents in the last year?

On January 20, 2017, the Grand Panel of the IP High Court dismissed an injunction suit against the use of certain pharmaceutical drugs that was based on an extended patent right. Under Article 68-2 of the Patent Act, where the duration of a patent right is extended, the scope of such right is limited to the use of the patented invention only for the product which was the subject of the disposition by Cabinet Order under Article 67 (2) which constituted the reason for the extension. The Grand Panel found that the extended patent right is not only enforceable against the product (medicine) identified by the ingredients, quantity, dosage, administration, efficacy, and effects, all of which were set out in the Cabinet Order disposition, but also against products that are substantially identical to that product as medicine. The Panel specifically ruled that even if structures set out by the Cabinet Order disposition have any part different from the product of the alleged infringer, if such different part represents only a slight difference or formal difference on the whole, the extended patent right is enforceable against such product.

On March 25, 2016, the Grand Panel of the IP High Court found patent infringement under the doctrine of equivalents. In Japan, a product or process that does not literally infringe on a claim may still be found to infringe on it if the five requirements mentioned earlier are satisfied (see question 1.13). The Grand Panel specifically ruled that the "essential part" of a patented invention in the first requirement of the doctrine of equivalents refers to a characteristic part which constitutes a unique technical idea that cannot be seen in prior art, and which should be found based on the claims, the descriptions and, in particular, the comparison with prior art stated in the descriptions. The Grand Panel also ruled that the fact that the applicant did not describe another structure, which a person ordinarily skilled in the art can easily conceive of as of the filing date as one that is substantially identical to the structure stated in the scope of the claims, cannot be considered to fall under the "special circumstances" in the fifth requirement of the doctrine of equivalents. Lastly, the Grand Panel confirmed that the burden of proof for the first three requirements would be borne by the plaintiff (a person claiming the application of doctrine of equivalents) and the fourth and fifth requirements would be borne by the defendant (a person denying the application of the doctrine of equivalents).

8.2 Are there any significant developments expected in the next year?

No significant developments are expected in the next year. There are no pending cases at the Grand Panel of the IP High Court at this moment (May 2017).

8.3 Are there any general practice or enforcement trends that have become apparent in your jurisdiction over the last year or so?

There have been an increasing number of patent infringement cases with findings of infringement under the doctrine of equivalents. The first requirement (i.e., that "the different part be not essential to the invention", see questions 1.13 and 8.1) has been the focus of the debate. The determination of what constitutes "the essential part" tends to be an abstract concept, making it more difficult to apply the doctrine. The parties or judges try to deal with the concept by making an analogy to prior art avoid having the interpretation of the essential part of the invention becoming too broad.

An additional new trend involves the 2015 amendment to the Patent Act concerning employee inventions. Under the new rule, a corporation may be recognised as an inventor under certain conditions and an employee, on the other hand, may have the right to receive reasonable amount of money or other benefits ("Reasonable Benefits"). The amendment became effective on April 1, 2016 and the Minister of Economy, Trade and Industry issued related guidelines on April 22, 2016 clarifying how to ensure due process to determine the scope of the Reasonable Benefits.



Naoko Nakatsukasa

Chuo Sogo Law Office, P.C.
Kohda Building 11th Floor
2-10-2 Nishi-Tenma, Kita-ku Osaka
Japan

Tel: +81 6 6365 8111
Email: nakatsukasa_n@clo.gr.jp
URL: www.clo.jp/english

Naoko Nakatsukasa is a partner at Chuo Sogo Law Office, P.C., admitted to practise law in Japan and New York. She assists clients with litigation and dispute resolution of intellectual property and general corporate matters, and counsels clients concerning patent, trademark, copyright, design and unfair competition-related issues. She has substantial experience in domestic and international business transactions. Naoko serves as a director and corporate auditor of listed companies in Japan, and as a lecturer at Kyoto University Law School. Her publications include *“Legal Consultation on Unfair Competition”* (co-author), *“Equivalent Infringement and Dismissal of Allegations Advanced out of Time”* and *“Indirect Infringement on Non-Exclusive Use Products and Exercise of An Injunction”*. Naoko graduated from Kyoto University in 1992 and was admitted to the Japanese Bar in 1994. She received an LL.M. degree from Northwestern University School of Law in 2005. Naoko is fluent in both Japanese and English.



弁護士法人 中央総合法律事務所
CHUO SOGO LAW OFFICE, P. C.

Chuo Sogo Law Office, P.C., is a domestic and international business law firm founded in 1968 by Tsugujiro Nakatsukasa. Within the scope of its corporate, commercial and litigation practices, the firm assists clients with intellectual property matters, including patent, trademark, copyright, and unfair competition matters as well as related litigation and dispute resolution. The firm has three offices in Japan: Osaka; Tokyo; and Kyoto.

Other titles in the ICLG series include:

- Alternative Investment Funds
- Anti-Money Laundering
- Aviation Law
- Business Crime
- Cartels & Leniency
- Class & Group Actions
- Competition Litigation
- Construction & Engineering Law
- Copyright
- Corporate Governance
- Corporate Immigration
- Corporate Investigations
- Corporate Recovery & Insolvency
- Corporate Tax
- Cybersecurity
- Data Protection
- Employment & Labour Law
- Enforcement of Foreign Judgments
- Environment & Climate Change Law
- Family Law
- Fintech
- Franchise
- Gambling
- Insurance & Reinsurance
- International Arbitration
- Lending & Secured Finance
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Mining Law
- Oil & Gas Regulation
- Outsourcing
- Pharmaceutical Advertising
- Private Client
- Private Equity
- Product Liability
- Project Finance
- Public Procurement
- Real Estate
- Securitisation
- Shipping Law
- Telecoms, Media & Internet
- Trade Marks
- Vertical Agreements and Dominant Firms



59 Tanner Street, London SE1 3PL, United Kingdom
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255
Email: info@glgroup.co.uk