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12th Edition

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Japan

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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 exclusive jurisdiction over appeals of patent cases from both the Osaka District Court and the Tokyo District Court.

1.2 Can the parties be required to undertake mediation before commencing court proceedings? Is mediation or arbitration a commonly used alternative to court proceedings?

There are no such requirements. Neither mediation nor arbitration is commonly used with respect to patent enforcement.

1.3 Who is permitted to represent parties to a patent dispute in court?

Attorneys are qualified and permitted to represent parties to a patent dispute in court. In Japanese practice, patent agents (patent attorneys – *benrishi*) are also permitted to represent a client in: (1) revocation procedures or other cases (without restriction); and (2) patent infringement cases, but only if he/she (x) has passed the specific examination, (y) has obtained a supplementary registration of specific infringement lawsuit counsel, and (z) represents the same client in the same court case with an attorney.

1.4 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.

1.5 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 not 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 constitute 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.

1.6 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.

1.7 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 1.8), 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.

1.8 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).

1.9 Is there any alternative shorter, flexible or streamlined procedure available? If so, what are the criteria for eligibility and what is the impact on procedure and overall timing to trial?

There is no such procedure available.

1.10 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 that they consider 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, in both Japanese and English, selected appellate decisions against the examiner's decisions.

1.11 Are courts obliged to follow precedents from previous similar cases as a matter of binding or persuasive authority? Are decisions of any other jurisdictions of persuasive authority?

Japan is a civil law country, hence courts are not legally obliged to follow precedents from previous cases. Article 76, Paragraph 3 of the Constitution of Japan states that judges shall be bound only by the Constitution and the laws. However, as a matter of practice, judges tend to be bound by precedents, to promote legal stability.

1.12 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 60% of the total) and researchers of private corporations (12% 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 in 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.

1.13 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-jisshiken-sha*). 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 proceeding 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).

1.14 If declarations are available, can they (i) address 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.

1.15 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 (Articles 101-2, 101-5 of the Patent Act).

1.16 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.

1.17 Does the scope of protection of a patent claim extend to non-literal equivalents (a) in the context of challenges to validity, and (b) in relation to infringement?

The scope of protection of a patent claim extends to non-literal equivalents in relation to infringement but not in the context of challenges to validity. 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.

1.18 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? Are the issues of validity and infringement heard in the same proceedings or are they bifurcated?

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. Issues of validity and infringement are heard in the same proceedings.

1.19 Is it a defence to infringement by equivalence that the equivalent would have lacked novelty or inventive step over the prior art at the priority date of the patent (the "*Formstein* defence")?

Yes. See the fourth requirement of infringement under the doctrine of equivalents in question 1.17.

1.20 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.

1.21 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.

1.22 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 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 the 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.

1.23 (a) Are preliminary injunctions available on (i) an *ex parte* basis, or (ii) an *inter partes* basis? In each case, what is the basis on which they are granted and is there a requirement for a bond? Is it possible to file protective letters with the court to protect against *ex parte* injunctions? (b) Are final injunctions available? (c) Is a public interest defence available to prevent the grant of injunctions where the infringed patent is for a life-saving drug or medical device?

(a) Preliminary injunctions are available on an *inter partes* basis in cases where two requirements are met, namely: (i) the court finds *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.

(b) Final injunctions 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.

(c) Theoretically, a public interest defence is available where the grant of injunctions is recognised as an abuse of rights. However, compulsory licensing is considered a measure to balance the exercise of right by the patentee and the public interest.

1.24 Are damages or an account of profits assessed with the issues of infringement/validity or separately? On what basis are damages or an account of profits assessed? Are punitive damages available?

Damages or an account of profits are accessed separately after the issues of infringement/validity. 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 of proceedings where the amount of damages are assessed (stage of assessment of damages). 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. Punitive damages are not available.

1.25 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.

1.26 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.

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

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

1.28 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.

1.29 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.

1.30 What effect does an appeal have on the award of: (i) an injunction; (ii) an enquiry as to damages or an account of profits; or (iii) an order that a patent be revoked?

When an appeal or a motion for complaint is filed for the award of: (i) an injunction; (ii) an enquiry as to damages; or (iii) an order that a patent be revoked, the competent court for such appeal arranges issues and evidence, examines evidence and finds facts. The court, after examining the facts and the application of law by the prior instance, renders a decision (i) revoking the judgment or an order in prior instance, or (ii) dismissing an appeal or a motion.

1.31 Is an appeal by way of a review or a rehearing? Can new evidence be adduced on appeal?

Proceedings in an appeal are a continuation of those in the first instance. New evidence can be adduced.

1.32 How long does it usually take for an appeal to be heard?

The first court hearing on appeal proceedings usually occurs three to four months after an appeal is filed.

1.33 How many levels of appeal are there? Is there are right to a second level of appeal? How often in practice is there a second level of appeal in patent cases?

A party dissatisfied with a decision of an appeal court may then appeal to the final appellate court. In principle, the Supreme Court handles appeals against a judgment rendered by a high court. A final appeal may only be filed on specific limited grounds as stipulated under the Code of Civil Procedure.

1.34 What are the typical costs of proceedings to a first instance judgment on: (i) infringement; and (ii) validity? How much of such costs are recoverable from the losing party? What are the typical costs of an appeal and are they recoverable?

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 1.4). 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. Outlines of the typical costs of an appeal are about the same.

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 a 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 a 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. In a Correction Trial (but not in a correction in a Trial for Invalidation proceedings), 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 competition 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 (JFTC). 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 an 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.

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 1.20), 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?

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

- 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 one-year grace period in Japan. Either an action against the will of the inventor or an action by the inventor, taken within the one-year 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.

5.8 Is double patenting allowed?

Double patenting is not allowed in Japan.

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's 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.

7.3 In cases involving standard essential patents, are technical trials on patent validity and infringement heard separately from proceedings relating to the assessment of fair reasonable and non-discriminatory (FRAND) licences? Do courts set FRAND terms (or would they do so in principle)? Do courts grant FRAND injunctions, i.e. final injunctions against patent infringement unless and until defendants enter into a FRAND licence?

Yes. Trials on patent validity and infringement are heard separately from proceedings relating to the assessment of FRAND licences. Courts may set FRAND terms if it is necessary to render a decision in dispute. Courts would grant FRAND injunctions against patent infringement but not on the cases where the alleged infringer is willing to receive a FRAND licence.

8 Current Developments

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

Under Article 102-1 of the Patent Act, the patentee may claim the damages from the infringer 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 within the limits of the ability of the patentee to work the patented invention, provided, however, that if there are circumstances where the patentee could not have sold all or a part of such products, an amount of such products are deducted from the damages. On February 28, 2020, the Grand Panel of the IP High Court rendered a decision in relation to damages under Article 102-1, holding that: (i) "products that would have been sold by the patentee" only need to be products of the patentee that compete with the infringing products; (ii) "ability of the patentee to work" only needs to be a potential ability and the ability to work exists if the product can be supplied by subcontracting or the like; and (iii) "circumstances the patentee could not have sold" are, for example, the presence of a difference in the business forms, prices between the patentee and the infringer, presence of other competitive products in the market, sales efforts of the infringer, and presence of differences in performances of the infringing products and the products of the patentee.

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

There is no pending case at the Grand Panel of the IP High Court at this moment (May 2021).

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 1.17 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, to avoid the interpretation of the essential part of the invention becoming too broad.

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