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## Patent Prosecution Highway (PPH) in Japan

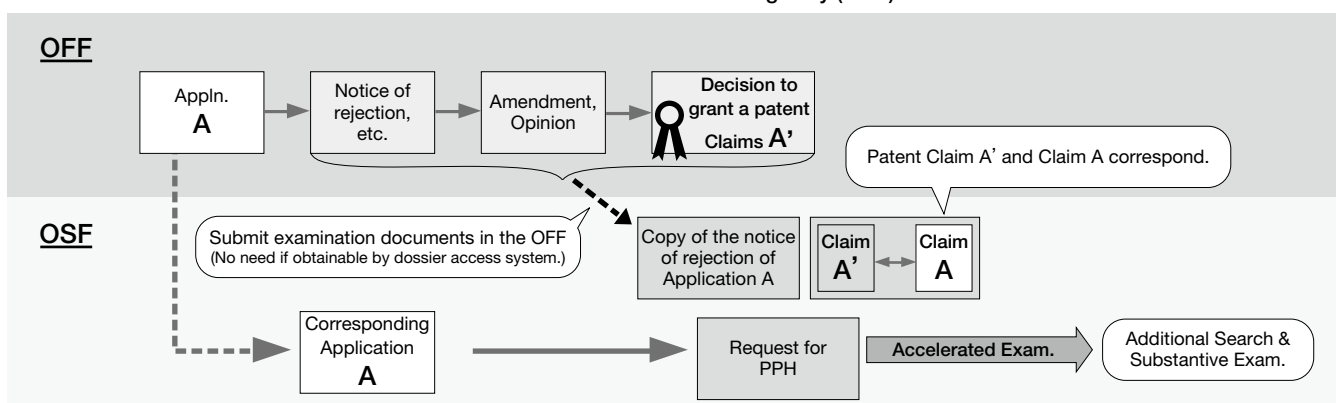
The expansion of global activities by companies has heightened the need to obtain patents for the same invention in many countries. As a result, in patent offices all over the world, there has been a significant increase in duplicate searches and examinations of patent applications for a single invention. Furthermore, it is burdensome and costly to file applications globally, especially under the current unprecedented recession.

The so-called Patent Prosecution Highway (PPH) is a bilateral agreement between the patent offices of two countries. The PPH agreement means that patent applicants can request ac-

celerated processing of an application at one Patent Office (the Office of second filing; OSF) when the applicant has received at least one allowable corresponding patent claim in another Patent Office (the Office of first filing; OFF). This means that the OSF can process the patent application quicker since the examination process begins at a more informed level by exploiting the search and examination results of the OFF.

Therefore, an applicant can use accelerated examination more easily than through the usual accelerated examination process. In other words, the applicant is required to file a statement of correspondence of claims, as opposed to a detailed explanation of how a claimed subject matter is patentable over most pertinent references, as is currently required for usual accelerated examination. (Please refer to Chart 1)

Chart 1 Patent Prosecution Highway (PPH)



It is noted that the OSF is not compelled to accept the opinion of the OFF and that the OSF is solely responsible for its granting of patent rights. In other words, the Patent Office of second filing usually conducts an additional search and examination according to its Examination Guidelines.

Since the Japan Patent Office (JPO) started the PPH Program with the USPTO in July 2006, 10 patent offices have established a total of 12 reciprocal PPH agreements and received a total of approximately 2,400 requests for PPH processing, and about 9 more reciprocal PPH agreements were being considered as of February 2009.

The JPO has established agreements with the following patent offices: the USPTO (USA), the KIPO (Korea), the GPTO (Germany), UKIPO (UK), DKPTO (Denmark), the NBPR (Finland), and ROSPATENT (Russia) as of May 18, 2009.

Results from nearly three years' experience with the PPH program between the US and Japan have shown that it takes substantially less time to receive patentability decisions and enhances the allowance rates in Japan as described in the following. In other words, the PPH allows global applicants to save time and money to obtain patents as well as to enhance quality of granted patents.

With respect to detailed procedures for filing a request with the JPO for the PPH program, please refer to the following JPO web site, especially PPH FAQs.  
([www.jpo.go.jp/torikumi\\_e/t\\_torikumi\\_e/highway\\_pilot\\_program\\_e.htm](http://www.jpo.go.jp/torikumi_e/t_torikumi_e/highway_pilot_program_e.htm))

In this article, we focus on the results of the PPH program between the US and Japan, together with our experiences in the program to underline the advantage of using the PPH for foreign clients.

**Table 1.**  
**Results of PPH Pilot Program between US and Japan**  
July 2006 – January 3, 2008 Allowance

	Number of Requests	Allowance rate	FA period
US→JP	189	65% (49%)	2-3 months (26)
JP→US	276	93% (53%)	3 months (26)

(overall average in 2006)

## 1. Results of the PPH between the US and Japan including the Pilot Program. (Please refer to Table 1 and 2)

The PPH Pilot Program began on July 3, 2006 and continued until January 3, 2008.

The number of requests during the Pilot program was 189 from the US to Japan and 276 from Japan to the US (Table 1). The number in 2008 increased more than 30% from the US to Japan (265) and almost doubled from Japan to the US (552) (Table 2).

The shortening of the period of examination can be dramatic. The average time to a first action in Japan (FA period in Japan) is 26 months for regular cases but only 2-3 months for PPH cases coming from the US.

The average time to a first action in the US (FA period in the US) is 26.2 months for regular cases but only 3 months for PPH cases coming from Japan.

Allowance rates are also significantly higher for applications that are prosecuted through the PPH program. The allowance rate for PPH applications from the US to Japan was significantly higher-65% compared to 49% for all applications. The higher allowance rate in the US was more impressive. For the PPH applications coming from Japan to the US, the allowance rate was more than double-95% compared to 44.2% for all applications.

According to the JPO, the companies that participated in the Pilot Program mainly belong to IT and Machinery industries, such as Microsoft, GE, GE Medical, ASML, BOSE, Canon, Matsushita, Toshiba, SEIKO EPSON, and DENSO.

Applicants who commented on the program were satisfied not only with the speed but also with the quality of review.

**Table 2.**  
**Results of PPH up to January 31, 2009 including Pilot Program**

	Number of Requests (number in 2008)	Allowance rate	FA period
US→JP	454 (265)	65% (49%)	2-3 months (26)
JP→US	828 (552)	95% (44%)	3 months (26.2)

(overall average in 2008)

## 2. Experiences of YUASA and HARA (Please refer to Table 3 and 4)

We have been dealing with 37 applications for a company belonging to the IT industry under PPH Program to date, and we have received 31 final decisions from the JPO. The allowance rates were 78% at the examination stage and 84% including appeal examination. They were significantly higher compared to less than 40% for all applications in this field. The acceleration of examination (2-3 months FA period) was equally impressive.

With respect to the analysis of reasons of rejection, Japanese examiners identified new prior arts only available in Japanese, which had not been found by the US examiners, and used them to deny inventive step. They also tended to issue reasons of rejection on the ground of improper description requirements, especially lack of clarity. Therefore, the scope of claims tends to become narrower than original claims in the US. However, these trends are not unique to the PPH.

Our experiences show the following points to be taken into

consideration to achieve success in the PPH prosecution in Japan.

- (1) We should make the best use of telephone and in-person interviews with an examiner. Examiners are strongly advised to accept requests of interview under the PPH or to request us to explain technical features of an invention and are considered to be helpful in bring cases to patent since the OFF has already found corresponding claims allowable/patentable. Interviews provide an opportunity to discuss issues with the examiner, float proposed claim amendments, and obtain feedback on potential arguments and evidence, and so can reduce the costly preparation of written responses and cut down second and third issuances of reasons of rejection; in other words, result in compact prosecution. Interviews also provide an important opportunity to clarify and address an examiner's concerns without having to guess what the examiner might find persuasive. This can allow applicants to eliminate unnecessary arguments and amendments that could limit the scope of the claimed invention.

**Table 3. Status of applications using PPH at YUASA and HARA  
(August 21, 2006 – February 18, 2009)**

	Allowed	Rejected	Pending	Total Num. of Application	Allowed + Rejected	Allowed / (Allowed + Rejected)(%)
In Exam. Stage	18	5	5	28	23	78
In Trial Stage	8	0	1	9	8	100
Total	26	5	6	37	31	84

\* Rejected means the application for which decision of rejection becomes irrevocably conclusive.

**Table 4. Analysis about a type of Reason for Rejection at YUASA and HARA**

Type of RR	Relevant article	Number of each RR	Percentage of Total number of RR	Percentage of Total number of OA
Patentable subject matter	29(1)main	7	7	18
Novelty	29(1) ①~③	2	2	5
Inventive steps	29-2	25	25	63
Enablement requirement	36(4)	11	11	28
Support requirement	36(6)①	15	15	28
Clarity	36(6)②	34	34	85
New matter	17-2(3)	3	3	8
Unity of invention	37	4	4	10
Total number of RR		101		
Total number of OA		40		

\* Total number of OA is not equal to Total number of RR because one OA includes one or more RRs.

\* Percentage of Total number of OA indicates that, for example, when one OA is received, said OA will includes RR of Inventive steps 62% of the time.

In Japan, an examiner tends to be reluctant to accept an interview on issues relating to inventive step in ordinary applications; therefore, a high ratio of acceptance of an interview under the PPH is very important and helpful for applicants.

- (2) We should be well prepared to begin prosecution of an application under the PPH by eliminating any unclear points on description requirements and comparison with the most pertinent prior arts by communicating between applicants and our patent attorneys in charge. Once we begin prosecution under the PPH, we are not allowed to submit a petition for extension of due date.

We are accumulating experience in prosecuting applications under the PPH program and expertise relating to compact prosecution by use of interviews, which we believe very helpful to applicants in terms of cost and quality of granted patents, especially when the technology is complex.

We consider that the PPH is a very important strategic tool to obtain a very strong patent in a short time in Japan. The JPO is working hard to expand agreements with major Patent Offices. The JPO is trying to reach an agreement with the EPO; however, it is considered this will take some time. Meanwhile, European global applicants may file a provisional/ordinary application on the same day as filing a European patent application with the EPO, or may file a PCT application without priority to use the PPH between the US and Japan.

If you have any questions about the PPH or you are interested in using the PPH in Japan, please do not hesitate to contact us.

Shinjiro Ono (Mr.);  
Patent Attorney of the Patent Division

Makoto Ueda (Mr.);  
Patent Attorney of the Patent Division

## Partial Amendment to the Japanese Patent Law: Period for Requesting Appeal against Decision of Rejection

### 1. Introduction

An applicant can file an argument and/or amendment to claims etc. responsive to an Office Action. If the Examiner considers the rejection of the Office Action is not overcome by the argument and/or amendment, a decision for rejection will be finally issued.

If the applicant is dissatisfied with the decision for rejection, the applicant can request an appeal against the decision (Article 121(1) of the Japanese patent law). The period for requesting an appeal has been revised; and, in connection with this revision, periods for amending claims etc. and filing a divisional application were revised. These revisions are effective as of April 1, 2009.

### 2. Prior Period for Requesting an Appeal

For an overseas applicant, if a decision for rejection is delivered on or before March 31, 2009, the period for requesting an appeal will be 90 days from the delivery date of the decision. In this case, an amendment to claims, a specification, and/or figures can be filed within 30 days from the date of requesting an appeal.

With regard to a divisional application, if the domestic filing date of a Japanese application or an international filing date of a nationalized international application (hereinafter referred to as the “filing date of a parent application”) is on or before March 31, 2007, the divisional application can be filed within 30 days from the date of requesting an appeal. If the filing date of a parent application is on or after April 1, 2007, the divisional application can be filed: (1) within 90 days from the delivery date of the decision for rejection; and/or (2) within 30 days from the date of requesting an appeal (Table 1).

### 3. Revised Period for Requesting Appeal

For an overseas applicant, if a decision for rejection is delivered on or after April 1, 2009, the period for requesting an appeal will be **4 months** from the delivery date of the decision.

**Table 1. Periods Relating to Decision of Rejection delivered on or before March 31, 2009**

Filing Date of Application	Period for Requesting Appeal	Period for Amending Claims and Filing Divisional Application
On or Before March 31, 2007	90 days from Delivery Date of Decision	30 days from Requesting Date of Appeal
On or After April 1, 2007	90 days from Delivery Date of Decision	(1) 90 days from Delivery Date of Decision (2) 30 days from Requesting Date of Appeal

**Table 2. Periods Relating to Decision of Rejection delivered on or after April 1, 2009**

Filing Date of Application	Period for Requesting Appeal	Period for Amending Claims and Filing Divisional Application
On or Before March 31, 2007	4 Months	The Same Time as Requesting Appeal
On or After April 1, 2007	4 Months	(1) 4 Months (2) The Same Time as Requesting Appeal

In this case, an amendment to claims, a specification, and/or figures can only be filed at the same time as requesting the appeal.

With regard to a divisional application of the above case, if the filing date of a parent application is on or before March 31, 2007, the divisional application can only be filed at the same time as requesting the appeal. If the filing date of a parent application is on or after April 1, 2007, a divisional application can be filed: (1) within 4 months from the delivery date of the decision for rejection; and/or (2) at the same time as requesting the appeal (Table 2).

Please note that, on filing a divisional application in the period of Item (1) or (2) in Tables 1 and 2, base documents, i.e. claims, a specification and figures of a parent application, for the divisional application are different as follows:

- (a) if a divisional application is filed within the period described in Item (1), the base documents for the divisional application will be previous documents, i.e. adjacently amended claims etc. of a parent application;
- (b) if a divisional application is filed within the period described in Item (2), the base documents for the divisional application will be original documents filed on the date of the parent application.

Katsuhisa Akutsu (Mr.);  
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## Deferred Payment of a Request for Examination

The Japan Patent Office (JPO) has recently announced a special measure relating to deferred payment of a request for examination fee to assist those applicants who wish to make more economical the pursuit and maintenance of IP rights in Japan.

This measure is an extraordinary urgent measure of specified duration that is being implemented in response to the recent global recession.

Under Japanese Patent Law, if a request for examination has not been made with payment of an official fee within three years from the date of filing an application, the patent application concerned shall be deemed withdrawn. Provided that an official fee is not paid at the time of filing a request for examination, the JPO will issue an order of the Commissioner in which the applicant shall correct the matter by paying fees within a limited time.

### 1. The procedure of deferred payment (Fig 1)

Under the new scheme, the applicant should file a petition to defer payment of a request for examination fee at the time of filing a request for examination, together with an amendment, if necessary at the JPO. There is no Official fee payable for filing this petition.

Upon receipt of such a petition, the JPO will defer issuance of the above-mentioned order of the Commissioner to correct the matter by payment for the specified deferred period.

The fee incurred for requesting examination is the most costly official fee incurred during regular patent prosecution in Japan. For example, the fee for requesting examination of a PCT application with 20 claims is 223,700 yen ( $155,300 + (x-1) \times 3,600$  yen) as compared to the application fee of 15,000 yen.

Since there is no legislative change in this regard, an applicant should file a request for examination and an amendment, if necessary, by the due date. Provided that an applicant files a petition for the deferred payment system, the applicant may pay the amount of fee calculated on the basis of the claims filed at the time of due date within one year from the date of filing a petition. If the applicant fails to pay the fee by the new due date for payment, the application will be deemed to be withdrawn.

Please note that there is no reinstatement measure in Japan.

As stated above, there is no Official fee for filing this type of petition; however, at our side it will be necessary for us to charge an administrative fee of 12,000 yen to cover our costs and service of filing a petition and recording and informing a subsequent new due date for payment.

## 2. The specified deferred period

This period is one year from the date of filing a request for examination, and the waiting time for initiating examination was on average around 29 months in 2008.

## 3. The duration of the special measure

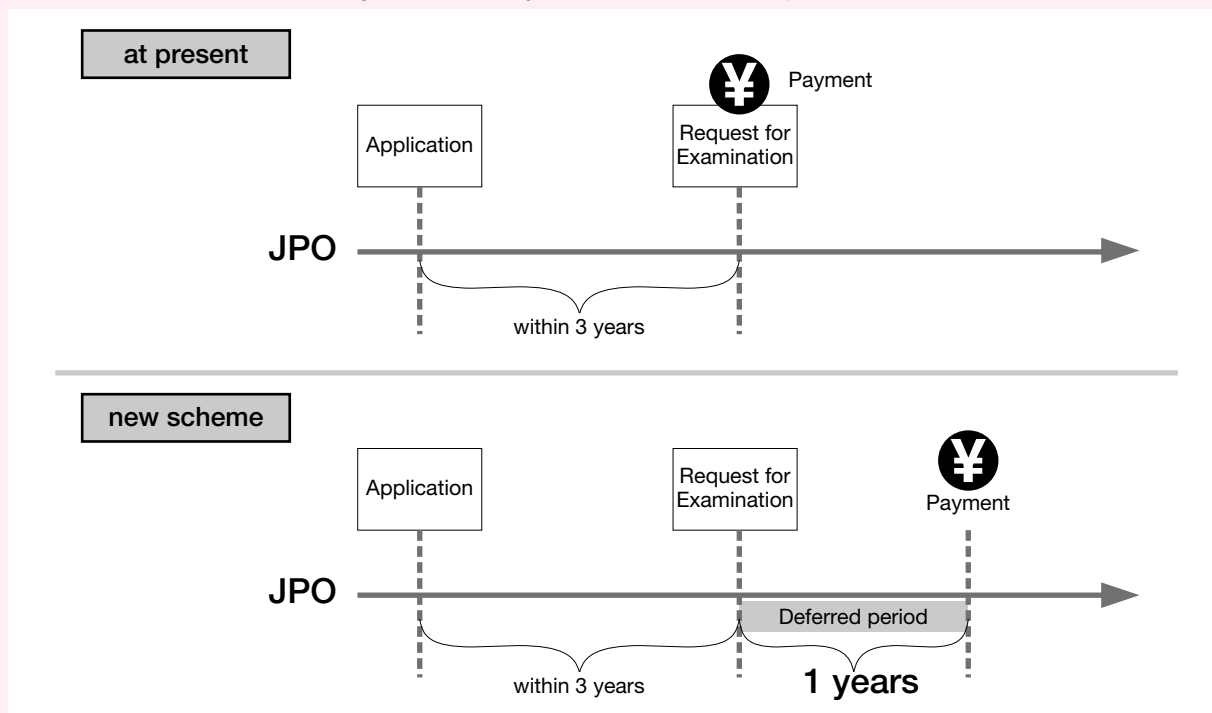
This urgent measure came into effect on April 1, 2009 for duration of two years, in other words, March 31, 2011.

The duration of the measure may be extended depending upon duration of global recession.

## 4. Important notice

If you wish to pursue accelerated examination including use of the Patent Prosecution Highway (PPH) for an application, which has been filed a petition for deferred payment, it will be necessary to pay the request for examination fee at the time of filing petition for accelerated examination.

fig 1. Deferred Payment of Examination Request Fees



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Patent Attorney of the Patent Division

# Possible Introduction of a 'Fair Use' Clause in the Copyright Law

## 1. Introduction

Discussions over whether or not to introduce a 'fair use' clause<sup>\*1</sup> in the Japanese Copyright Law have attracted much attention during the past few years. The government seems preparing for such legislation and the bill may pass the National Diet in the first half of next year at the earliest. If enacted, it will mark one of the major turning points in the history of the Japanese Copyright Law.

This article intends to provide an overview of the background and current status of the 'fair use' clause in Japan.

## 2. Background

The Copyright Law of Japan as it stands contains nearly thirty articles which provide for individual cases where the copyright is limited exceptionally (Articles 30 to 50)- some examples of which include duplication for private use, duplication of certain works by educational institutions, temporary duplication of electronically stored works for repair and maintenance of the storage machine, etc.

The approach of the legislation has been to append a category of exceptions to the Law, one by one when it was deemed necessary.

Under this approach, what one is allowed and not allowed to do, without obtaining permission from the right holder is generally clear from the texts, and thus provides stability and predictability for users of copyrighted works.

However, this approach has been criticised for not coping with the changing needs of society, in particular the rapid developments in technology. A typical example is a search engine service over the Internet. Such indispensable services are widely used everyday and while no one regards it as an offence against the Law or an infringement of the right holders' interests, the aspect of the service's accumulation of web pages in its servers by way of automatic duplication appears in opposition to the texts of the Copyright Law from a technical point of view. The search engine providers have avoided the risk that their services might be found illegal by placing their servers typically in the United States, where such duplications are viewed

as legal under the comprehensive 'fair use' clause (Section 107 of the US Copyright Act).

There are other types of duplication that are not explicitly permitted by the texts of the Copyright Law but are generally viewed as permissible and necessary. The following are the main types discussed in the Council for Cultural Affairs among others, a consultative body of the Ministry of Education, Culture, Sports, Science and Technology (MEXT) with a view to endorsing them legally:

- Temporary accumulation of copyrighted works in using certain equipment and in the process of communications;
- Duplication associated with use of information for research and development; and
- Duplication associated with reverse engineering of computer programmes.

One way to tackle such problems is to continue the aforementioned one by one approach and to append each category above to the Copyright Law as an individual and specific clause.

However, the Intellectual Property Strategy Headquarters ('Headquarters'), an official body of the government of Japan to promote IP policies intensively, headed by the Prime Minister Taro Aso, chose another approach.

## 3. The Headquarters' recommendation

### 3.1 Introduction

The Headquarters approved a report entitled 'On the Intellectual Property System in the Digital Net Era' on 24 December 2008. The report was prepared by the Headquarters' subsidiary commission; comprising experts in relevant fields, headed by Mr. Nobuhiro Nakayama, a prominent academic in intellectual property law. The commission met ten times since April 2008, and the process included hearing from interested parties with different viewpoints, e.g. enterprises, academics, business associations, and lawyers.

One of the report's main proposals is to introduce a Japanese version of the 'fair use' clause into the Copyright Law. Its arguments are summarised below.

### 3.2 Recommendation to legislate the 'fair use' clause

According to the report, the present approach of appending specific individual exceptions one by one does not enable the Copyright Law to reflect reality or cope with the



speed of technological innovation and societal changes, in a proper and timely manner. Thus, the Law becomes detached from the needs of those that use it and the realistic demands of society.

For example, the report notes that the current Copyright Law has a chilling effect over new technological developments and new business activities that are not perceived by the individual clauses which limit the copyrights from the viewpoint of promoting new industries utilising information and communications technologies. It shares the view that certain activities related to the Internet, such as printing out web pages and uploading photographs, may be illegal technically speaking, but these do not seem to infringe the right holders' substantial interests, and conventional wisdom does not require that they should be made illegal.

It also acknowledges concerns expressed by the right holders' side that illegal uses abound if the clause to comprehensively limit copyright is introduced, resulting in increased burdens on the right holders, as the problems can be resolved only after the fact and by judiciary.

With the above observation, the report concluded that a clause which can comprehensively limit the copyright allowing fair use should be introduced to the extent that it does not prejudice the right holders' legitimate interests (Japanese version of a 'fair use' clause) while keeping the current approach of appending individual lists of exceptions to the current law.

### 3.3 How to incorporate the 'fair use' clause

Then the report turns to more detailed arguments, such as, the specifics of the texts of the 'fair use' clause, as outlined below.

Enacting the 'fair use' clause involves an approach where it is not clear from the texts whether or not a particular type of usage of copyrighted work is 'fair' use. Exactly what type of use is fair use is gradually made clear through the various litigations and precedents after the fact.

In this regard, the other approach of enacting each specific exception has the advantage that users have a certain degree of foresight before the fact, and proper and speedy judicial decisions can be established, despite the lengthy process of legislation. Therefore the report recommends

that this approach should continue in unison with the 'fair use' clause.

Regarding the texts of the 'fair use' clause, it is noted that they should indicate concrete factors to be taken into account for determining whether or not a particular use is considered a fair use; such as the nature of the work, purpose and manner of the usage. In doing so, the so-called 'three-step test' as appears in the Berne Convention (Article 9(2)), etc. should be referenced<sup>\*2</sup>. Also, relevant court precedents should be analysed and academic discussions be considered.

The above outlines how far the Headquarters' discussions went, and the matter has since been passed on to the MEXT.

## 4. Current status

Because the Copyright Law falls to the responsibility of the MEXT, they are developing concrete and actual texts of the 'fair use' clause. In fact, arguments for introducing the 'fair use' clause in line with the one recommended by the Headquarters have taken place in MEXT's Council for Cultural Affairs as well. Mr. Nobuhiro Nakayama, a key member of the Headquarters, has headed the Council's sub-committee dealing with legislation matters in Copyright Law. In addition, some officials of the MEXT who are experienced in Copyright policy matters including legislation were seconded to the Headquarters and were involved in the discussions there. These contributed to the two expert bodies already coordinated to a certain degree. Consequently, the MEXT's proposal of the actual texts is likely to be in line with the Headquarters' recommendation above.

However, it appears that the Council will discuss the matter at least until early next year.

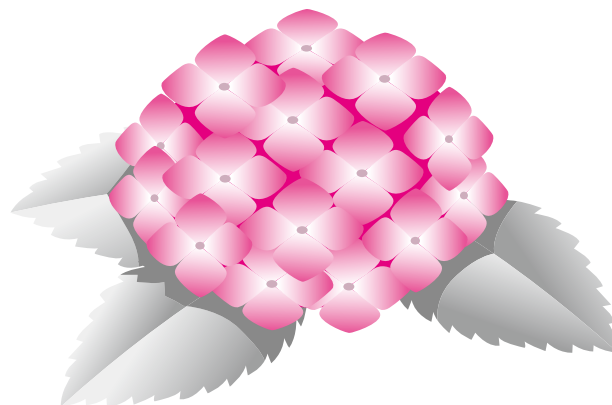
Furthermore, when the proposed specific texts are made public, they might possibly attract further discussions, including oppositions from the right holders' side. And it is not very clear yet if the new clause will be proposed to the National Diet next year. At least, the government as a whole seems working in this direction, and there will certainly be much talk on this issue, whether or not the legislation is proposed next year.

\*1 'Fair use' clause is a comprehensive clause authorising use

of copyrighted works without permission of the right holders as long as it is a fair use. The most referenced example is Section 107 of the US Copyright Act, which stipulates four main factors to be taken into account in determining whether or not a particular reproduction is considered a 'fair' use. These are 1) the purpose and character of the use, including whether such use is of commercial nature or is for non-profit educational purposes, 2) the nature of the copyrighted work, 3) amount and substantiality of the portion used in relation to the copyrighted work as a whole, and 4) the effect of the use upon the potential market for or value of the copyrighted work.

\*2 The Berne Convention's Article 9(2) regarding exceptions to the right of duplication stipulates 'It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author.' Similar articles are found in the TRIPS agreement (Article 13), WIPO's Copyright Treaty (Article 10), and WIPO's Performance and Phonogram Treaty (Article 16), whose scopes are not limited to duplication.

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Attorney-at-law of the Law Division



# If a demand for the correction of plural patent claims is filed in a patent opposition trial, should the correction be judged on each patent claim?

– Judgment of July 10, 2008, the First Petty Bench of the Supreme Court ([Gyo-hi] 318/2007) –

## 1. Introduction

In a case for an opposition to a patent<sup>\*1</sup>, while the trial by the Japanese Patent Office (JPO) is pending, the patentee may demand a correction of patent claims, specification or drawings, for the purpose of the correction aims at a “restriction of a claim or claims”, etc. (Article 120-4, paragraph 2 of the Patent Law before the amendment by Law No. 47/2003; hereinafter “Old Law”; reference to the “Patent Law” means the current Patent Law)

If a demand for such correction is made relative to patent claims subject to a patent opposition, should the JPO separately judge the correction of each claim, or grasp in its entirety the demand for correction of patent claims and, if the correction to one claim does not meet the conditions for correction, reject the demand for entire corrections without judging the correction of the other claims?

The Supreme Court in the above judgment decided to adopt the former thought.

<sup>\*1</sup> The patent opposition system was abolished as of January 1, 2004 by the amendment to the Patent Law in 2003 (Law No. 47/2003), but the Supplementary Provisions provide that the Old Law shall apply to an opposition filed before the amendment. As the opposition in this case was filed on December 26, 2003, which was before the enforcement of the amendment, the Old Law applies to the opposition.

## 2. Outline of the Case

### (1) Proceedings

The proceedings of this case are as described in the table below. An opposition is made to the patent covering all the claims (1 to 4) of the patent (hereinafter the “Patent”)

held by the appellant X (patentee, plaintiff in the original instance), and the JPO decided to revoke the Patent. In response, X filed a lawsuit demanding the annulment of the JPO’s decision, and the court of the original instance (Intellectual Property High Court, Second Division) dismissed the claim by X. In response X filed a motion for acceptance of appeal to the Supreme Court.

Date	Process
August 26, 1994	Application for the Patent
June 20, 2003	Patent registration
December 26, 2003	Opposition to the Patent
December 7, 2005	Demand for correction by X
February 22, 2006	JPO decides to revoke the Patent.
	X files a lawsuit for annulment of the JPO’s decision.
June 28, 2007	Court of the original instance (Intellectual Property High Court) dismisses the claim by X.
	X files a motion for acceptance of appeal to the Supreme Court.
July 10, 2008	The Supreme Court renders the judgment (hereinafter the “Judgment”).

### (2) Correction

While opposition to the Patent was pending in the JPO, X demanded the following corrections of the Patent (hereinafter the “Correction”).

#### Contents of Correction

Correction (a): Concerning Claim 1 (X argued that it is “restriction of the patent claim”.

Correction (b): Concerning Claim 2 (X argued that it is “clarification of an ambiguous description”.

Correction (c): Concerning Claim 3 (X argued that it is “correction of superficial errors in the description”.

Correction (d): Concerning Claim 4 (X argued that it is “correction of superficial errors in the description”.

### (3) Decision to Revoke the Patent by the JPO

The JPO found the Correction unacceptable and decided to revoke the Patent (hereinafter the “Decision”).

The gist of the reasons for the Decision is as follows:

- Correction (b) does not aim for a “restriction of a claim”, “correction of errors in the description or incorrect translations”, or “clarification of an ambiguous description”, and virtually expands the patent claim; thus, it does not meet the conditions for correction. Therefore, the Correction including Correction (b) is not acceptable without requiring judgment on the correction of the other claims.
- The invention identified according to the descriptions of the patent claims before the Correction does not have inventive step (Article 29, paragraph 2, section 9 of the Patent Law).

X filed a lawsuit with the Intellectual Property High Court claiming annulment of the Decision based on the reasons that the Decision failed to judge the conditions for correction relative to Corrections (a), (c) and (d).

### **3. Judgment of Original Instance (Judgment of June 28, 2007, Intellectual Property High Court, Second Division. [Gyo-ke] 10314/2006)**

#### **(1) Findings by the original instance**

The court of original instance found as follows and concluded that the Decision is not illegal for having failed to judge the conditions for correction relative to Corrections (a), (c) and (d), and dismissed the claim by X:

“In a demand for a trial on corrections or a demand for corrections of two or more points in the specification or drawings attached to the application, if such corrections substantially affect the patent claims (i.e. the corrections are not as superficial as to correct mere errors in the description), a trial decision must be made on whether all the corrections in their entirety are accepted or not, unless the demander identify and specify part of the points to be corrected, by amending descriptions of the points for correction in the demand for corrections (or a trial on corrections). Even if it is objectively found that part of the corrections is not inseparable from others when they are looked at from a technical point of view and that the demander would be benefited from the approval of part of the corrections, it is reasonable that a trial decision may not be made to only approve such part of the corrections (see the 1980 judgment of the Supreme Court judgment

mentioned above).”

#### **(2) “1980 Judgment of the Supreme Court”**

The “1980 Judgment of the Supreme Court” quoted in the judgment of original instance is the judgment of the Supreme Court dated May 1, 1980, MINSHU Vol. 34, No. 3, p. 431. The court found that, in a case for a trial on a demand for corrections of a single claim in a utility model registration (substantially affecting the scope of the right)<sup>\*2</sup>, the corrections generally shall not be examined one by one to determine whether each correction is acceptable or not.

<sup>\*2</sup> The Judgment relates to plural patent claims subject to corrections and thus has a different fact scenario from that of the “1980 Judgment of the Supreme Court” that relates to corrections of a single claim.

### **4. Judgment**

The Supreme Court only accepted the appeal against the revocation of the Patent related to Claim 1 (whether Correction (a) is acceptable or not) in the motion for acceptance of appeal by X and annulled the judgment of the original instance and found as follows:

#### **(1) Gist of the main text of Judgment**

- As for the judgment of the original instance, the part thereof relating to the revocation of the Patent related to Claim 1 is annulled; and
- As for the decision of the JPO, the part thereof on the revocation of the Patent relating to Claim 1 is annulled.

#### **(2) Gist of reasons for Judgment**

- A. “The Patent Law postulates a basic structure in which an application for a patent receives an examiner’s decision or trial decision that a patent is granted as a single administrative disposition, and one patent is granted and created based thereon; a patent is not separately granted on each claim. Based on such structure, there is no other way than grasping a patent application for plural claims in its entirety, one and inseparable, and granting a patent or rejecting the patent application, unless the patent application is divided. The Patent Law does not contemplate a system for dividing patent claims, granting patents on the application related to some of the claims and rejecting

the application related to the other claims. This is clearly indicated in the words of Articles 49 and 51 of the Patent Law as well as the existence of the system for dividing a patent application. On the other hand, the Patent Law especially includes specific provisions on the exception that each patent claim may separately be handled in a certain event in which it is deemed inappropriate to consistently handle as one and inseparable a patent or patent right relating to plural claims. The provision of Article 185 of the Patent Law and the second paragraph of the text of Article 113 of the Old Law providing, "if there are two or more claims, the opposition may be filed for each claim" are two of such exceptional provisions (the second paragraph of the text of Article 123, Paragraph 1 of the Patent Law providing for a demand for a trial on the invalidation of a patent is of the same content).

- B. "Postulating such basic structure of the Patent Law, the Court reviews the provisions on the correction and does not find any specific provision on a trial on corrections like the second paragraph of the text of Article 113 of the Old Law and the second paragraph of the text of Article 123, Paragraph 1 of the Patent Law providing for separate handling of each claim, and also considering that a demand for a trial on corrections has the substance of a kind of a new application (Article 125, Paragraph 5 and Article 128 of the Patent Law), the Court holds that the Patent Law contemplates that a demand for a trial on corrections of two or more claims in its entirety should be handled one and inseparable like a patent application related to two or more claims.

On the other hand, a demand for correction based on the provision of Article 120-4, Paragraph 2 of the Old Law (hereinafter "Demand for Correction") is an incidental process to a case for an opposition to a patent and is positioned differently from a demand for a trial on correction that is an independent trial process. Among Demands for Correction, the Patent Law contemplates to handle differently from the process for a trial on correction a demand aiming to restrict a patent claim for which an opposition to the patent has been filed, like the correction in this case, to which the so-called independent patent requirements do not apply (Article 120-4, paragraph 3 and Article 126, paragraph 4 of the Old Law). It cannot be held that such

Demand for Correction has the substance of a new application like a demand for a trial on correction. As a Demand for Correction aiming to restrict a patent claim for which an opposition to the patent has been filed has the substance of a means for defense against an opposition to the patent, it is reasonable to understand that a patentee giving such Demand for Correction seeks correction of each claim separately. If such separate correction of each claim should not be allowed, the balance between the attack and the defense in a patent opposition case would materially be lost. Considering the above points, the opposition to a patent may separately be made for each claim, and each claim is separately considered to determine whether the patent relative to it should be revoked or not. Thus, it is rational to think that a Demand for Correction aiming to restrict a patent claim for which an opposition to the patent has been filed may be allowed separately for each claim, and that the acceptance or rejection of the demand should be separately decided for each claim."

- C. "The judgment of the First Petty Bench of the Supreme Court dated May 1, 1980 generally denied the so-called partial correction, and was a judgment on a correction trial which demanded plural corrections in a single claim for utility model registration. The gist of the judgment is interpreted reasonable if the Demand for Correction is made for plural points of a particular claim, but does not cover a case like this disputing whether the acceptance or rejection of the correction should separately be decided or not for plural claims each containing points to be corrected."

- D. Accordingly, "if a demand for correction of plural patent claims is filed while a patent opposition trial is pending, the correction aiming to restrict the disputed patent claims should be judged either acceptable or unacceptable relative to each patent claim subject to the correction. It should be not allowable to reject the whole corrections including points of corrections in other claims only based on the ground that points of corrections in one part of the claims do not meet the requirements for correction."

- E. The Decision that rejected the Correction as a whole without considering in any way Correction (a) related to Claim 1 and the judgment of the original instance has defects

and shall thus be revoked.

## 5. Comments

- (1) I agree with the conclusion of the Judgment, but doubt the logic that led to it by emphasizing the difference between the substance of a demand for a trial on correction and that of a demand for correction.

The Judgment relates to whether a demand for correction is allowed or not in a case for an opposition to a patent, and thus does not directly become a precedent for a case in a correction trial where a patentee demands corrections in plural claims. However, the Supreme Court emphasizes the difference between the substance of a demand for a trial on correction and that of a demand for correction in reason “B” above so that the Supreme Court would in future judge that it is unnecessary to consider separately corrections of plural claims in a case in a correction trial where corrections in plural claims are demanded.

- (2) However, both the system of correction trial and the system of demanding a correction in a case for an opposition to a patent (or a patent invalidation trial case) give a patentee the opportunity to rectify any existing defects in the patent. Therefore, there seems to be no reasonable ground for arriving at different conclusions based on the necessity of separately deciding a correction of each claim between the above two systems.

- (3) The Supreme Court states that a demand for a trial on correction has the “substance of a new application” and that the Patent Law contemplates that a demand for a trial on corrections of plural claims in its entirety should be handled one and inseparable. On the contrary, the Supreme Court states that a demand for correction of claims subject to an opposition to a patent does not have the “substance of a new application” based on the grounds that the “requirements for an independent patent” do not apply to it, and merely has the substance of a means for defense against an opposition to the patent, and that judgment on the correction of each claim is necessary.

However, the criteria of the “substance of a new application” is unclear.

In judging the “substance of a new application”, the Supreme Court seems to emphasize the difference between

the systems of a correction trial to which “requirements for an independent patent” apply and the system of a demand for correction of claims subject to an opposition to the patent to which such requirements do not apply. But a demand for correction may cover claims that are not subject to an opposition to the patent, and the “requirements for an independent patent” apply in such cases, and thus it cannot merely be deemed a means of defense against an opposition to the patent.

The Supreme Court compares only a demand for correction of claims subject to an opposition to the patent with a correction trial and emphasizes the difference in the “substance of a new application”, but does not sufficiently explain why only the substance of a demand for correction of claims subject to an opposition to the patent should be compared with the substance of a correction trial, or if such comparison results in a different conclusion to the problem whether a correction of each claim should be decided.

Therefore, I have to conclude that the above comparison by the Supreme Court is arbitrary and inappropriate as a method for interpreting this case.

- (4) Consequently, the range covered by the Judgment should be considered limitedly. The Supreme Court is likely to create the concept of the “substance of a new application” only for the purpose of examining the subject of this appeal case, namely determining the necessity of judgment on a correction of each claim relative to a demand for correction of a claim subject to an opposition to the patent. We can expect more judgments of the Supreme Court on such problems based on a unified and inclusive principle of interpretation in a system of trial correction and an entire system of demand for correction.

Naoya Isoda (Mr.);

Attorney-at-law of the Law Division



# Examination Concerning Use of and/or Intent to Use Trademarks for which Application is made

## 1. Introduction

In Japan, as a trademark right is established by registration under the first-to-file principle, a mark which has not been used can be registered. However, Principal Paragraph of Article 3 (1) of Japanese trademark law requires that an applicant must have an intention to use a trademark applied for on designated goods and/or services. The reason for this requirement is that the essential purpose of a trademark is to provide protection under “goodwill” accumulated through use of a trademark, even under the first-to-file principle. Reflecting this, an application for a trademark, which an applicant obviously does not intend to use, will be rejected by issuance of a Preliminary Rejection stating that *“the trademark can not be registered, because there is a justifiable doubt as to whether the applicant is conducting, or is planning to start business connected with the designated goods and/or services which regarded as the premise for the use of the trademark.”* Upon receipt of such a Preliminary Rejection, the applicant has to show its intention to use the trademark by explaining that its business is actually related to the designated goods and/or services.

In this article, explanation is provided of concrete standards issued by the Japan Patent Office (hereinafter, “JPO”) defining grounds for rejection of application based on lack of intention to use a trademark, and of necessary materials or documents for an applicant to overcome such a rejection.

## 2. Standard of rejection due to lack of intention to use trademarks

### 2-1 Examination procedures of judging a similarity of goods and/or services

Before explaining the standard of rejection due to lack of intention to use a trademark, we need to explain how a similarity of goods and/or services is examined. In Japan, for the purpose of prompt and fair examinations of trademark applications, “Similarity code system” is adopted, and the examiners at the examination stage are supposed

to examine the similarity of goods and/or services based on this code (hereinafter, “Code”), in principle. Under this system, all of the goods and/or services are assigned their appropriate Codes, which are determined by considering manufactures, sellers, materials, qualities or consumers and the like of each goods and/or service. And goods and/or services assigned the same Code are presumed to be similar to each other, irrespective of classes they belong to, in principle. For the guideline of this practice, the JPO has issued an “examination manual regarding similarity of goods and/or services” showing the series of Codes with typical goods and/or services categorized to each Code.

### 2-2 Standard of rejection due to lack of intention to use trademarks

Under such examination practices based on Code system, the JPO states that an application for a trademark, fall under the following (1) or (2) will receive a Preliminary Rejection due to lack of intention to use.

#### (1) Regarding overall goods and services

“Where there is a doubt as to the use or intention to use of a trademark in regard to the designated goods and/or services, since the designation of goods and/or services ranges widely in one class.”

Specifically, it is standardized that if an applicant designates eight or more Codes in ONE class, the examiner will issue a Preliminary Rejection (Case 1). As a scope of goods and/or services, which belong to eight or more Codes in ONE class, is too broad and so doubt may exist whether the applicant could realistically conduct business with regard to each and every one of those goods and/or services. However, an examiner will not issue a Preliminary Rejection in the cases as follows:

- (i) Where many goods and/or services which belong to the same Code are designated, as long as the number of Codes in one class is within seven (Case 2).
  - (ii) Where many classes are designated, as long as the number of Codes of each class is within seven (Case 3).
- Below are shown specific examples of each of Case 1 through 3 above, as follows:

#### [Case 1] Unacceptable case

This case will be issued a Preliminary Rejection due to

lack of intention to use a trademark, because eight or more Codes are designated in one class.

Designated class	Designated goods (Codes)
Class 30	<div> Black tea; Japanese green tea (29A01)  Coffee; Cocoa (29B01)  Ice; Table ice (29D01)  Ice cream; Ice candies; Cookies (30A01)  Mustard powder; Curry powder (31B01)  Oatmeal (32F03)  Sandwiches (32F06)  Yeast (32F08)  Rice flour (33A01) </div> <div>9 Codes</div>

#### [Case 2] Acceptable case

This case will NOT be issued a Preliminary Rejection due to lack of intention to use a trademark, because the number of Codes in one class is within seven, even though many goods which belong to the same Code are designated.

Designated class	Designated goods (Codes)
Class 30	<div> Black tea; Japanese green tea (29A01)  Coffee; Cocoa (29B01)  Ice; Table Ice (29D01)  Ice cream; Ice candies; Cookies (30A01)  Mustard powder; Curry powder (31B01) </div> <div>5 Codes</div>

#### [Case 3] Acceptable case

This case will NOT be issued a Preliminary Rejection due to lack of intention to use a trademark, because the number of Codes in each class is within seven, even though many classes are designated in one application.

Designated classes	Designated goods (Codes)
Class 18	<div> Leads; Leashes (19B33)  Lather shoulder belt (21C01)  Umbrellas (22B01) </div> <div>3 Codes</div>
Class 30	<div> Black tea (29A01)  Coffee; Cocoa (29B01)  Ice; Table Ice (29D01)  Ice cream; Ice candies; Cookies (30A01)  Mustard powder; Curry powder (31B01) </div> <div>5 Codes</div>

## (2) Regarding retail services

- (i) Where a person (natural person) has designated services falling under the category of “retail services or wholesale services for a variety of goods in each of the fields of clothing, foods and beverages, and living ware, and taking all goods together” (hereinafter, “general retail services”).
- (ii) Where a juridical person has designated services falling under the category of general retail services, and if the investigation as to whether or not the trademark will be “used in connection with goods and/or services pertaining to his business” found out that the applicant is not conducting general retail services.
- (iii) Where two or more retail services have been designated that are not similar to each other. Specifically, it is standardized that if an applicant designates two or more Codes regarding retail services, an examiner will issue a Preliminary Rejection. Below are shown specific examples of acceptable and unacceptable cases, as follows:

#### [Case 4] Unacceptable case

This case will be issued a Preliminary Rejection due to lack of intention to use a trademark, because two or more Codes regarding retail services are designated.

Designated class	Designated services (Codes)
Class 35 (retail services)	<div> Retail services or wholesale services for clothing (35K02)  Retail services or wholesale services for milk (35K03)  Retail services or wholesale services for automobiles (35K04) </div> <div>3 Codes</div>

#### [Case 5] Acceptable case

This case will NOT be issued a Preliminary Rejection due to lack of intention to use a trademark, because only one Code regarding retail services is designated.

Designated class	Designated services (Codes)
Class 35 (retail services)	<div> Retail services or wholesale services for clothing (35K02) </div> <div>1 Code</div>



### 3. Necessary materials or documents to overcome a Preliminary Rejection issued on ground of lack of intention to use

Upon receipt of a Preliminary Rejection due to lack of intention to use a trademark, an applicant has to show that the trademark is “actually used and will be used for the goods and/or services in connection with his own business.” Specifically, the applicant need to show, on at least a Code basis that he is now conducting or planning to start businesses regarding the goods and/or services designated in the application form. According to 41. 100. 03 of a manual of trademark examining procedure issued by the JPO, acceptable evidences to this end are as follows.

#### 3-1. Acceptable evidences to prove “conducting business”

##### (1) Regarding overall goods and/or services

The following shall be accepted as evidence that an applicant is conducting business connected with designated goods and/or services:

- (i) Printed matters (newspapers, magazines, catalogs, leaflets, etc.)
- (ii) Photographs of an exterior and interior of a store
- (iii) Business documents (order forms, delivery statements, invoices, receipts, etc.)
- (iv) Certificates issued by public organizations (government, local governments, foreign embassies in Japan, Chambers of Commerce and Industry)
- (v) Certificates issued by others in the same trade, trade clients, consumers, etc.
- (vi) Articles on the internet
- (vii) Documents stating a sales amount of goods in relation to retail services

##### (2) Regarding retail services belonging to general retail services

For general retail services, it will be proved in a comprehensive manner by referring to documents certifying, for example:

- (i) that the applicant is a retailer or a wholesaler.
- (ii) that the above retailer or wholesaler is providing retail services at one establishment for a variety of goods in each of the fields of clothing, foods and beverages,

and living ware, and taking all goods together.

- (iii) that the sales of each field of clothing, foods and beverages, and living ware is accounting for around **from 10% to 70%** of the total sales.

##### (3) Regarding retail services other than general retail services

For retail services other than general retail services, it will be proved in a comprehensive manner by referring to documents certifying, for example:

- (i) that the applicant is a retailer or a wholesaler
- (ii) that the above retailer or wholesaler handles goods connected with retail services

#### 3-2. Acceptable evidences to prove “planning to start business”

In order to prove that an applicant is planning to start business connected with designated goods and/or services, the applicant is required to show an intention of starting to use the trademark within 3 to 4 years from the date of filing the application (within three years following the registration). The applicant thus will be requested to submit documents specifying an intention to use the trademark (hereinafter, “Document 1”) along with documents detailing a status of preparation (hereinafter, “Business plan”). Document 1 must include the following descriptions, on which the applicant is required to sign and seal (in the case of juridical person, it is required that at least a signature and seal of the director of the relevant business be provided).

- (i) Intention to use of the trademark in the application
- (ii) Specification of a point as to whether the applicant will engage in production or assigning (including sales) of the designated goods (service provision plan in the case of designated services)
- (iii) Commencing time of use of the trademark

Business plan must include all pertinent information up until such time as use is to commence. Examples for this are the information on decisions concerning goods and/or services planning; construction of factories and stores, and the like. Where an intention to use a mark is deemed unclear, or where doubt exists as to a Business plan submitted, the applicant will be requested to submit further documents supporting the business operation and plan.

### **3-3.Others**

If an applicant has already submitted above materials or documents in other prior applications, the submittal of them in the later ones can be omitted, as long as the materials or documents were submitted within about four years prior to the later application date.

Haruka Iida (Ms.);  
Patent & Trademark Attorney of the Trademark & Design  
Division



## **Mr.Suzuki, Commissioner of the Japan Patent Office (JPO) visited YUASA and HARA**

Mr.Suzuki, Commissioner of the JPO, accompanied by Mr.Kuroiwa, Director General of the Administration Division, met with Mr.Makino, Mr.Ono and other managing partners at YUASA and HARA on March 6, 2009 to discuss general patent issues relating to Future Patent Reform in Japan, which is under contemplation at the informal Advisory Committee of the JPO, as well as international patent cooperation between Patent Offices.

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