
Contents & Abstracts

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Kozo KUBO

■ The Current Situation of the Opposition System and Proposals for Effective Use 6

Setsuko ASAMI

The Patent Act as revised in 2014 incorporates the opposition system, which became effective on April 1, 2015. This paper summarizes the background to the revision, the revised system and statistical information, and then analyzes how the system is currently operated. Thereafter, the paper examines analyses in other papers, matters concerning lawsuits and situations in the US and Europe, and finally makes proposals for effective use of the system.

To show the current situation of operation of the system, some 500 cases in which opposition was filed in the first half of 2018 are analyzed. The results were: 38% maintenance (without correction), 49% maintenance (with correction), and 11% revocation. The results in 2003 under the former opposition system were: 22% maintenance (without correction); 39% maintenance (with correction); and 37% revocation. In comparison with the former system, the current system has more decisions of maintenance and fewer those of revocation. The possible reasons for this are said to include: 1) in case of a decision to revoke, the patentee is given advance notice before the decision in addition to notice of the reasons for revocation, together with two opportunities to make corrections; and 2) the patentee can know the view of the panel of administrative judges before making corrections through meetings or telephone calls with the panel. In particular, item 2) above has been used effectively for maintenance of the patent with correction.

The reasons for opposition are relatively many: 1) violation of description requirements only for revocations; 2) lack of inventive step, lack of novelty and violation of description requirements combined or secret prior art for maintenances (with correction); and 3) lack of inventive step only or lack of inventive step combined with violation of description requirements for maintenances (without correction). In order to restrict claims through correction, it is considered effective not to rely on lack of inventive step only but to combine lack of inventive step with lack of novelty or with violation of description requirements. As for the documents to be presented as evidence, those already referred to in the notice of reasons for refusal should also be considered.

In comparison with similar systems in the US and Europe, the ratio of revocations in Japan is low. The systems in the US and Europe are different in that they use an adversarial system, and that not only the patentees but also the contestants can make an appeal. The low revocation ratio in the Japanese system is considered to be mainly attributable to the system design.

■ **The Purpose of Prior Use Right and Requirements for It** 19

Takeshi MAEDA

The prior use right system addresses some of the issues arising from adherence to the principle that a patent right can be exercised for an original creation that is not dependent on invention and resolves the disadvantages faced by the independent inventor who did not apply for a patent. Patent law does not require dependence for the exercise of the right because technologies tend to advance in mutual reference to past findings and even original inventions can be fictitiously considered dependent on some patented inventions. Moreover, the exercise of the right of original invention is also justifiable from the viewpoint of curbing redundant investments. However, the reasoning for not requiring dependence does not apply in cases where the prior use right holds.

The possibility of investments for implementation of an invention going in vain could unnecessarily discourage activities for implementing the invention. An invention that an inventor completes should, inherently, be implemented freely, and the risk of an ex post facto patent choking off the implementation thereof could unjustifiably suppress investments for the implementation of one's own invention.

Recognition of the prior use right hinges on three conditions, all of which must be met: 1) that the invention is completed; 2) that the person asserting the prior use right for the invention intends to implement the invention immediately; and 3) that the intention of immediate implementation is expressed in such a manner and to such a degree that it is recognizable objectively. In light of the above, the invention subject to the prior use right does not need to have the same technological idea as the patented invention. To establish the intention of immediate implementation, the embodiment of the invention must be finalized to the extent recognizable as using the prior use invention, and the inventor must have the intention to proceed with the embodiment for the purpose of business. The criterion for establishing that the intention of immediate implementation is expressed in such a manner and to such a degree that it is recognizable objectively is that some investment of resources has actually been made for the commercial implementation of the invention. The required level of the investment is not particularly high.

■ **The Reduction of Patent Request-for-examination Fee and Patent Annual Fee and Firm Behavior** 35

Koichiro ONISHI

The reduction/waiver of the patent examination fee and patent fee for firms has been in effect since 2000, and the eligibility of the system has tended to widen. However, it cannot be said that the impact of the policy on the intellectual property strategy of companies has been clearly shown. In this paper, the impact of the system for reduction/waiver of the patent examination fee and patent fee on determination of companies related to the application for the patent examination, registration and duration period of the patent is analyzed using a statistical approach.

In the empirical analysis, we use a novel data from the Patent Office that administrative user database of the system. By linking the data with the patent data and individual survey form data of the Basic Survey of Japanese Business Structure and Activities, one of the government statistics, the analysis is carried out with the company attributes taken into consideration. The stochastic model has a regression discontinuity design that focuses on the differences on the use criteria of the system in order to identify the causal relationship between the use of the system and the application for examination. The estimation indicates that: 1) the introduction of the reduction/waiver system has not increased the number of applications for patent examination; 2) it has, however, contributed to higher rates of patent registration and extension of the patent duration

period; 3) financial constraints have not affected use of the system; and 4) the introduction of the reduction/waiver system has not caused deterioration of patent quality. The results 2) and 4) above suggest that the system is contributing to the profitability of small-and medium-sized companies through patents that are engaged in research and development activities. From the standpoint of policy making, the results 1) and 4) above indicate that the system has no major negative side effects since the deterioration of the patent quality, which was pointed out in prior studies as matter of concern, has not been confirmed to date.

■ **Protection of Apparel Designs under Japanese Unfair Competition Prevention Act §2(1)(iii)
- Substantial Identity between Configurations of Goods from the Perspective of the Trend
Creation Process - 51**

Masaya SEKI

One of the reasons that copying is prevalent in the apparel industry is the existence of “trends.” It is an essential strategy for apparel companies to bring new trend-conscious apparel products to the market every season in order to make profits continuously and to survive. In this there is a process for apparel companies, etc. to direct the trend to a certain degree through exchanges of information, to add to the trend details that are specific to each of the players, and to flood the market with “moderately” similar products so that general consumers perceive that the design commonly adopted in these products is the fashion.

If that is the case, it may be possible to break down “fashion” design into an (abstract) trend itself that companies and organizations in the apparel industry have directed in a concerted effort and the details that each player has added to the trend. In this paper, based on the assumption of such a breakdown, it is postulated that distinguishing between these parts will be beneficial for the growth of the apparel industry and that it is highly necessary to make the former available for all to use and to protect the latter from copying.

There are several intellectual property laws that protect apparel designs, among which Article 2, Clause 1, Item 3 of the Japanese Unfair Competition Prevention Act is particularly important. Unlike the Japanese Design Act, protection under this Item is effective immediately without the need of registration, and it is more suitable for the protection of designs of apparel products that must be sold for profit by the end of the short season.

In this paper, it is considered important for the development of the apparel industry to determine the range of protection under Article 2, Clause 1, Item 3 of the Unfair Competition Prevention Act in consideration of “trends.” The focus is particularly on the substantial identity between the configurations of goods among the factors specified in this Item, which is an important criterion for determining the objective range of protection. After analysis of the relationship among different approaches such as the consumer approach, first-mover approach and follower approach, the interpretation of substantial identify is studied in consideration of the process through which “trends” are generated.

■ **Tokyo District Court Judgement on the SPREADER FOR OSTEOTOMY Case
(2017 (Wa) No.18184) as of December 21, 2018**

- As to Interpretation and Application of 5th Requirement of the Doctrine of Equivalents - 66

Kei IIDA

Concerning the fifth requirement of the doctrine of equivalents, particularly with regard to the “special circumstances” not to apply the doctrine at the time of patent application in relation to the non-amended and non-corrected claim language, in the Maxacalcitol case, the Supreme Court recently denied the view of

finding “special circumstances” across the board for items having the same effect that could have been easily conceived at the time of patent application, and adopted the Objective External Manifestation theory, upholding the Japanese-version theory of dedication. The subject judgment, which is the first judgment after the Supreme Court judgement on the Maxacalcitol case concerning, in particular, the “special circumstances” at the time of amendment or correction in relation to the amended or corrected claim language, is significant in that the court did not take the broad interpretation that the “special circumstances” are found simply because of the fact of the restrictive amendment or correction, but the narrow interpretation not finding the “special circumstances” simply because of the fact, and then did not find the “special circumstances” in the case at the time of amendment in relation to the amended claim language.

In this context, in consideration of the Supreme Court judgement on the Ball Spline case that first upheld the doctrine of equivalents and established the requirements of the doctrine, and on the Maxacalcitol case stated above, it can be understood that the “doctrine of estoppel” is the sole legal ground for the entire “special circumstances.” Then, in light of the comprehensive and general criteria for the “special circumstances” in consideration of the doctrine of estoppel in the Civil Code that is the basis for the “doctrine of estoppel” and the rulings by the Supreme Court on the Maxacalcitol case stated above, the subject judgment, which adopted the narrow rather than the broad interpretation, can be considered appropriate. Further, the subject judgment is considered to be on the purpose, purport, significance, details, etc. of the restrictive amendment from the objective and external point of view, and not on the subjective purpose of the restrictive amendment of the applicant. In this context, the subject judgment for denying the “special circumstances” in the case according to the narrow interpretation is also considered appropriate.
