Contents & Abstracts

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■ **On the Occasion of a New Start for Design Protection** ····· 2

HONDA Seiichi

■ **Revised Design Act of 2019: Promotion of Design Use for Advancing Innovations and Building Brands** ····· 7

WATANABE Tomoko

The revised Design Act, which has undergone one of the biggest changes in history, will come into effect on April 1, 2020. The background to the revision is that good use of designs is essential for innovations—technologies alone are not sufficient. Furthermore, in order to establish a brand, it is necessary to build an overall brand image, and the role of designs is naturally very important in that regard. This means that use of designs needs to be promoted in Japanese society. Compared to Europe or the US, use of designs is underdeveloped in Japan, and regrettably, the same applies to establishment of brands.

The revision to the Design Act of 2019 has as its theme promotion of design use for advancing innovations and building brands. The key changes are the expanded scope of protection and diversification of methods for filing applications. Regarding the former, the design rights now cover some types of designs that were not protected, or were only ambiguously protected before, including architecture, interior designs, and image designs. The intangible value of designs is thus legally protected more broadly now. Concerning the latter, there are now a wider range of methods for filing applications, supporting companies and other users to "establish diverse and wide-ranging brand images with the use of design rights." Specifically, the "set of articles" and "related design system" have been expanded. An application may be filed for a set of articles as one design. The related design system allows a group of similar designs of a single applicant (or a single right holder) to be registered as a group. It is hoped that these measures will promote use of design rights and be of some help in establishing the infrastructure for companies to invest in designs with peace of mind. Hopefully, these measures will drive new creations in the future.

This paper explains the details of the Act's revision, with a focus on the expanded scope of protection, enhancement of design rights for a set of articles, and related design system that are the key changes. Finally, this paper points out issues that could arise in conjunction with the revision of the Act, and examines measures to be taken in the future, possibly in combination with protection under other intellectual property right laws.

■ **Attempt on Trademark Standardization** ····· 24

NISHIMURA Masako

There are many arguments for standardization concerning patents, but not so for trademarks. This paper

attempts to discuss the necessity and feasibility of trademark standardization. First, the paper surveys the current status of and future potential for standardization of icons for multifunction machines (printers), etc. for which standardization is actually being explored. There are many icons with registered trademarks. Icons representing similar functions co-exist with different graphic representations. It would be more convenient for users if a single, uniform icon were to be used for a function. At the current stage, there is a list of icons used by manufacturers. The list is believed to help prevent litigation at least among participating companies. A notable example of standardization is the pictogram, which was promoted by the Tokyo Olympic Games 1964 and 2020 because the use of pictograms was and is necessary due to increasing numbers of foreign visitors. Pictograms generally used as guidance symbols have the public benefit of communicating certain information accurately and do not indicate specific manufacturers or sources of products or services. In terms of trademarks, there are restrictions on registering marks that have public benefit, ensuring that said marks are not used exclusively by a certain party, but the grounds for unregistrability have been changing with the needs of the times. For example, the names of historical figures, family emblems, or names of famous buildings, items for which there once were no or only ambiguous restrictions on registration, are now practically regulated. Commonly seen graphics and store names, which are considered unsuitable for exclusive use by a certain party, are also denied registration. The inclusion of these factors as grounds for unregistrability is considered meaningful for standardization. In order to avoid having too many registered marks, it will be essential to study how to allow the use of signs for which there is no need to acquire the right.

■ **A Consideration of the Role of Technical Effects in Inventive Step Assessment Under the Japanese Patent Law System: A Review of the Purposive Construction Approach (the Inventiveness Constituent Approach)** ····· 35

OKADA Yoshimi

There are two major theories on the role of technical effects in inventive step assessment: the "purposive construction approach (inventiveness constituent approach)" and the "reasonable inference approach (indirect evidence approach, secondary consideration approach)." According to the former, if the technical feature (means) of an invention is easily conceivable but one of its technical effects is unexpected and significant, the invention is deemed to have an inventive step in accordance with the object of the patent law. According to the latter, if one of the technical effects of an invention is unexpected and significant, this fact is recognized as evidence to infer that the technical feature (means) of the invention would be difficult to conceive. This paper reviews the purposive construction approach.

The purposive construction approach does not completely deny room for the application of the reasonable inference approach. Under this approach, in order for an invention to be regarded as having an inventive step based on one of its technical effects when the technical feature (means) of the invention is easily conceivable for the purpose of achieving a certain technical effect, the following conditions must be met: 1) the effect is based on a novel technical feature that has not been comprised in the prior art; 2) the effect is unexpected as an effect of the means and difficult to discover (unexpectedness); and 3) the effect is predominantly more significant than any other technical effects predicted or expected to be discovered (significance).

The first condition is derived from the doctrine of "mere discovery of a new effect of a known technical feature (Japanese version of the doctrine of inherency)," which holds that a newly discovered effect does not confer a publicly known technical feature novelty. The unexpectedness condition is a naturally derived conclusion because an invention is a concept based on the recognized causal relationship between a technical feature (means) and its effects. A Supreme Court Case dated August 27, 2019, held that it is erroneous to deny unexpectedness merely on the ground that it is comparable to the effects of known products (refer to *Saibansho-Jihō, No. 1730, pp. 1-3)*; this judgement is in harmony with court precedents and patent practices in

both the US and Europe. The significance condition is also in common with court precedents and patent practices in both the US and Europe.

The idea that the technical effects of an invention as well as its technical means are constituents of the invention is a long-held concept and by no means unusual. The paper attempts to theoretically reinforce the purposive construction approach by construing it as a way of assessing the inventive step by weighing the needs of protecting an inventive concept comprising an unexpected effect and the literal interpretation that using the invention in a different purpose does not exempt it from infringement.

■ **Reflections on International Aspects of the Protection of Trade Secrets** ····· 59

SUZUKI Masabumi

The protection of trade secrets is gaining more importance all over the world. Under such circumstances, in recent years, we see many cases involving acts occurring abroad. The Unfair Competition Prevention Act of Japan has undergone several revisions, introducing and strengthening penal punishment for persons in foreign countries who have committed misappropriation of trade secrets. A new provision has also been introduced to make conducts concerning products manufactured by the use of trade secrets unlawful (Article 2, Paragraph 1, Item 10).

In the US and the EU, the legal systems related to trade secrets have also changed significantly. In the US, there was only a penal code (the Economic Espionage Act) with respect to trade secrets protection at the federal level. In 2016, however, the Defend Trade Secrets Act was enacted as federal law concerning civil remedies against misappropriation of trade secrets. The Economic Espionage Act did have stipulations on offenders in foreign countries, but opinions appear divided among researchers and practitioners as to how the foreign acts should be treated in relation to civil stipulations in the federal legislation. As to border measures, the International Trade Commission is playing a certain role to stop the importation of goods infringing trade secrets.

The EU used to leave trade-secret protection to the domestic laws of the member countries. In 2016, however, the EU adopted a directive regarding trade secrets protection, and began harmonizing their legal systems accordingly. One of the characteristics of the directive is that it obligates the member countries to adopt a stipulation to the effect that production, transfer, imports, etc. of "infringing goods," "the design, characteristics, functioning, production process or marketing of which significantly benefits from trade secrets unlawfully acquired, used or disclosed" shall be regarded as unlawful. Since the system covers imports of the relevant goods, it is related to acts in foreign countries involving trade secrets.

This paper reviews the relationship between foreign acts and trade secrets protection systems based on Japan's Unfair Competition Prevention Act as well as on the US and EU systems. In conclusion, the paper finds many shortcomings in requirements for unlawful misappropriation of trade secrets, particularly the conducts concerning goods infringing trade secrets, and asks for careful examination of the related laws and practices.

■ **Reconsideration of the Supreme Court Decision in Hitachi Case for Employee's Invention: Its Significance and Scope as the Precedent after the Revisions of Japanese Patent Act and Private International Act** ····· 68

SHIN Miho

From the 1990s to the 2000s, numerous lawsuits were filed by employees against their employers based

on Article 35 of Japanese Patent Act. Under the Article, which stipulates the succession of the right to obtain a patent in relation to the employee's invention, the employees demanded a "reasonable remuneration" (Article 35, Paragraphs 3 and 4 of the Patent Act prior to the 2004 revision) for their employee's inventions. These legal actions gained nationwide publicity. There were many legal issues in the lawsuits, one of which was the difficult issue relating to two areas of law—the Patent Act and private international law—as to whether Article 35 was applicable to the right to obtain a patent in foreign countries. There were sharp conflicts of opinion, including whether the issue should be considered an issue of the private international law (governing law) in the first place. The Supreme Court eventually ruled in the so-called "Hitachi case" that Article 35, Paragraphs 3 and 4, of the Patent Act should be applied by analogy to obtaining a patent in foreign countries. This essentially settled the controversy, at least on a practical level. Thereafter, once analysis and review of the Supreme Court ruling on the Hitachi case were more or less complete, arguments subsided rapidly on the applicability of Article 35 to the right to obtain a patent in foreign countries for employee's inventions or on the governing law of legal matters concerning employee's inventions.

However, the legal circumstances surrounding employee's inventions in Japan have changed significantly. As is well known, Article 35 of the Patent Act stipulating provisions on employee's inventions was revised twice: once in 2004, just prior to the Supreme Court ruling on the Hitachi case, and once in 2015. In the meantime, the private international act of Japan was also revised in 2006 and renamed the "Act on General Rules for Application of Laws." In response to the changes in the legal context described above, this paper reexamines the Supreme Court ruling, as well as the scope of the ruling as precedent, on the Hitachi case in relation to the employee's invention system under the current private international law and revised 2004 and 2015 Patent Acts, mainly from the viewpoint of the private international law.

■ Industrial Property Rights-related Judgments in *Daishin'in Hanketsu Shōroku* (Summaries of Great Court of Cassation Decisions)

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SAKURAI Takashi

Daishin'in hanketsu shōroku (summaries of Great Court of Cassation decisions; the "Summaries" hereafter) was issued by Hosokai from 1924 to 1933, recording important judgments to be referred to from *Daishin'in hanketsuroku* (Great Court of Cassation decisions). There were 93 volumes each for penal rulings and civil rulings, including over 5,000 civil judgments from 1898 to 1921 and over 3,000 penal judgments from 1891 to 1921. Among them are rulings related to the Industrial Property Rights Law. Unfortunately, the Summaries are yet to be digitalized. There are no indexes, either, except for the table of contents of each volume. As a result, researchers are forced to spend significant time and effort searching for rulings they want to refer to. Accordingly, this paper extracts and lists, in the form of a table, all the judgments related to the Industrial Property Rights Law from the Summaries.

These are all important judgments to be referred to. Of particular importance are:

- Eligibility to Demand Invalidation Trial

The Patent Law of 1899 did not stipulate that only interested parties are eligible for demanding a patent invalidation trial. Accordingly, there were many litigations about eligibility to demand an invalidation trial (Civil Judgments Nos. 9 and 24).

The Great Court of Cassation ruled that "anyone can demand an invalidation trial, not just the interested parties." The revised Patent Law of 1909 had clear stipulations to the effect that only interested parties may demand an invalidation trial.

● Period during Which Invalidation Trial May Be Demanded

Under the Patent Law of 1899, the Great Court of Cassation ruled that, if the patent expires before the patent appeal is concluded, the applicant cannot receive a ruling on the validity of the patent after its expiration (Civil Judgment No. 26). The revised Patent Law of 1909 stipulated that the patent may be invalidated after its expiration and that, in this case, the patent right is deemed not to have existed from the start.

■ International Trend on Patent Systems ····· 96

NONAKA Matsuo

This paper first gives an outline of recent developments in patent systems worldwide and then discusses trends in patent applications at major patent offices and international cooperation among them. The paper also touches upon utility model systems briefly. While technologies do not have national borders, patent systems do. The patent system of a country is deeply related to the industrial policies of the country. Although the basic framework of patent systems has been unified mostly across the world, countries and regions still retain their own patent systems. Between the US and Europe, in particular, there is a fundamental difference in philosophy—whether to give priority to the interest of the inventor or to that of third parties—and the difference is reflected in the respective patent systems. In order to eliminate differences in patent systems or patent-examination practices, countries have been undertaking initiatives to harmonize them globally, as well as to build a common global patent system. Although the goals of these initiatives are unlikely to be accomplished in the short run, there has been slow but steady progress: the change of the US patent system from the "first-to-invent" to the "first-to-file" system, which was brought by the enactment of the America Invents Act (AIA); the improvement and wider use of the PCT international application system; and the expansion of cooperation in patent examination among patent offices. The situation in Europe is uncertain due to Brexit. Nevertheless, it is worth noting that a unified patent system is nearing finalization. In recent years, the aggregate number of patent applications has increased rapidly worldwide; the total has reached about 3.3 million, mainly driven by China. Due to the rise of China and South Korea, the framework for the global cooperation of major patent offices has expanded to the IP5 Offices (Japan, US, Europe, China and Korea) from the Trilateral Patent Offices (Japan, US and Europe). The IP5 Offices are promoting various cooperative projects, including: harmonization initiatives at the Patent Harmonization Expert Panel (PHEP); patent-examination cooperation such as the IP5 Patent Prosecution Highway (IP5-PPH) and PCT collaborative search and examination; and IT cooperation typified by the Global Dossier system, for example. The offices are also working on response measures to new technologies such as AI and IoT. The establishment of an international patent classification for IoT (subclass G16Y) is one such example. China's patent system has exhibited striking development and the Chinese government has shifted its political focus from being a "big" IP country to a "strong" IP country. China does have numerous issues to address, however. It will be necessary, therefore, to keep a close eye on China from an overall prospective, not just from a single aspect.