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Newsletter

This Newsletter covers the following:

- Amendments to the Design Act
- Revisions in the Trademark System
- Changes to Patent Act

April 2020

Circular No. E-200

1 Amendments to the Design Act

This year, there have been amendments to the Japanese Patent, Design, and Trademark acts, especially to the foundational laws for designs. The main goal of this chapter is to inform you of the Design Act amendments and help keep you up to date on recent IP news in Japan.

1. Expansion of the Scope of Protection for Designs (Effective 1 April 2020)

According to the old Design law, a design, in principle, is closely related to “property that is tangible and is traded on the market (articles) and cannot be separated.” In addition, there is a principle that an application must be filed for each design (the principle of one application per design), but there were many designs that did not fall under these principles and could not be protected. In light of the importance of design strategies in modern business, the following designs are now eligible for protection.

1. Design for Graphical User Interface

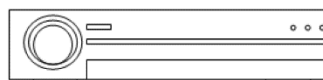
The types of images accepted for registration, as well as the application form itself, have been partially changed.

1. Before amendment

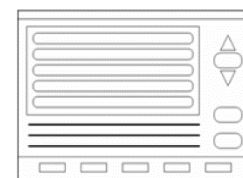
Only images recorded/installed and displayed on articles or other articles that are with the article in an integrated manner could be protected by the Design Act.



(Example 1) Image displayed on a mobile phone



(Example 2) Image displayed on a TV monitor used integrally with a magnetic disk recorder.

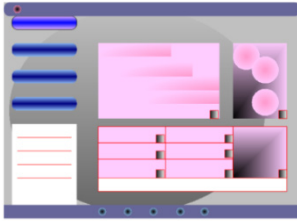


Source: JPO “Examination Guidelines for Designs”

2. After amendment

It is now possible for the following images to receive protection under the Design Act.

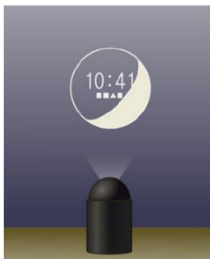
An image that is separated from the article.



(Example 3) Images for product purchase (Website images)



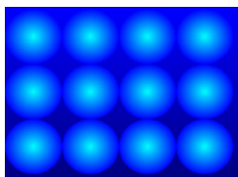
(Example 4) An image for an icon
(Operational button that launches software when clicked)



(Example 5) Time display images (An image projected on a wall)

Source: JPO “Examination Guidelines for Design”

* Even in the above cases, if, for example as shown in the images below, the image does not relate to the operation/function of the related equipment, it will not be recognized as a design under the Design Act, even after the revision.



(Example 6) Decorative image, such as wallpaper



(Example 7) Content image of a game, movie, etc.

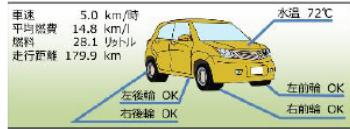
Source: JPO “Examination Guidelines for Design (draft)”

In addition, for example in the following combinations below, it is now possible to apply for a design for a set of articles that include images.

- 1) An image & An image
- 2) An image & An article
- 3) A building & An image



Passenger car

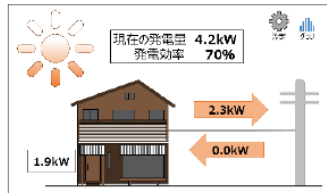


Passenger car information display image

(Example 8) A set of transportation equipment



House with solar panel roof



Power generation display image

(Example 9) A set of buildings

Source: JPO “Examination Guidelines for Design”

2. Design for Building

Designs of buildings that meet all of the following requirements can now receive protection under the Design Act.

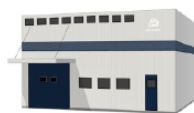
- 1) Land fixtures
 - 2) Artificial structures (including civil engineering structures)
- * Land: Refers to terrain, regardless of surface (such as planes, slopes, etc.), including ocean bottoms, lake bottoms, etc.
 - * Fixture: Refers to what is fixed and used continuously on land.
 - * Structures: Refers to an architectural building or object that has an internal form and said form is visible under normal use conditions.



Commercial buildings



Houses



Factories



Stadiums



Bridges



Chimneys

(Example 10) What is judged as a building under the Design Act

Source: JPO “Examination Guidelines for Design (draft)”

Additionally, it is now possible to file a design application for a set of articles which includes buildings, provided that all of the following requirements are met

- 1) More than two articles, buildings, or images that are used at the same time from a common-sense perspective
- 2) The subject matter stated in the column of the “Article to the Design” of the application is designated by an Ordinance of the Ministry of Economy Trade and Industry
- 3) The set of articles is coordinated as a whole

For your information, it is now possible to receive protection for the exteriors of buildings under the Trademark Law (effective and applicable to applications filed on or after 1 April 2020).

3. Design for Interior

Designs for interiors that meet all of the following requirements can now be protected by the Design Act.

- 1) The interiors¹ of stores, office buildings, and other facilities.²
- 2) Items composed of multiple articles, buildings, or images under the Design Act.³
- 3) An interior that, as a whole, evokes a sense of unified beauty.

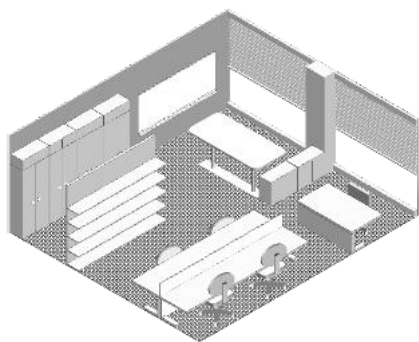
*1 Excludes those that are not visible to the user of the facility under normal use conditions, in comparison with the purpose of the facility.

(Examples) Attics, the underside of the ceiling, behind walls, pipe space, etc.

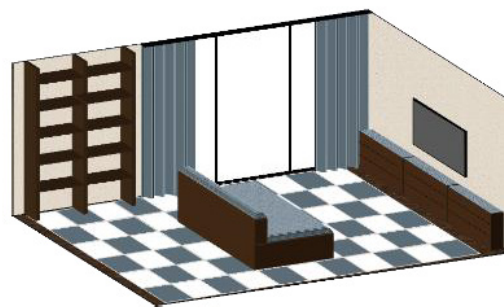
*2 Stores, office buildings, and other facilities, refer to any place where the interior is used by people for a certain amount of time.

(Examples) Lodging facilities, medical facilities, performance facilities, housing, passenger boats, various vehicles, passenger planes, etc.

*3 When a pattern or color appears on an interior due to lighting, the color or pattern is also treated as a part of the design.



(Example 11) Interior of an office



(Example 12) Interior of a hospital waiting room

Source: JPO “Examination Guidelines for Design”

For your information, it is now also possible to receive protection for the interiors of buildings under the Trademark Law (effective and applicable to applications filed on or after 1 April 2020).

2. Relaxation of Registration Requirements for the Related Design System (Effective 1 April 2020)

1. Designs similar only to Related Designs

Before the revision, if there was a design registration for a principal design (also referred to as a main design) and a registration for a Related Design A, being similar to said principal design, and if an application for a Related Design B was filed, being only similar to Related Design A and not the principal design as well, it was not possible for such Related Design B to be registered.

However, this revision allows for the above-mentioned Related Design B to receive registration, using Related Design A as the principal design. If a Related Design B is registered using this method, the principal design of Related Design A will be referred to as the “initial principal design”.

Accordingly, it is now possible to file and register chain-like design applications using the previous related design as the principal design. Ex: Related Design C can receive registration using Related Design B as the principal design. Related Design D can receive registration designating Related Design C as the principal design, etc.

2. Application Period

In accordance with current societal trends and in order to more appropriately protect a group of design variations based on the same concept, the filing period for Related Design applications has been extended.

1. Before amendment

The term to apply for related designs was from the date of filing the principal design, but before the publication of the principal design in the Design Gazette.

2. After amendment

In the example described in 1. above (Designs similar only to Related Designs), applications can be filed as follows:

1) Where Related Design A is similar to the initial principal design

Applications can be filed up to 10 years from the filing date of the initial principal design.

However, at the time of Related Design A’s registration, if the initial principal design has expired for the following reasons below, it will not be possible to register Related Design A.

- Non-payment of the annuity fee
- A trial decision for the invalidation of the initial principal design has become final
- Abandonment

2) Where Related Design B is similar only to the Related Design A

Applications can be filed from the filing date of Related Design A, and up to 10 years from the filing date of the initial principal design.

However, at the time of Related Design B’s registration, if the right of Related Design A has expired for any of the below reasons it will not be possible to register Related Design B.

- Non-payment of the registration fee
- A trial decision for the invalidation of the initial principal design has become final
- Abandonment

3. Change in the Duration of a Design Right (Effective 1 April 2020)

The expiration date of a design right has been changed from “20 years from the registration date” to “25 years from the filing date”. The expiration date of a design right of a related design will be “25 years from the filing date of the initial principal design”.

This newly introduced duration will apply to applications filed on or after 1 April 2020.

4. Clarification on the Level of Difficulty in the Creation of a Design (Article 3(2) of the Design Act) (Effective 1 April 2020)

The difficulty in creation is one of the requirements for registering a design. Before the amendment, the law stated that “Where a design could easily have been created, prior to the filing of the design application, by a person with ordinary skill in the art to which the design pertains, on the basis of a shape, pattern or color or any combination thereof publicly known in Japan or overseas ... a design registration shall not be effected for such a design”. After the amendment, a section was added to clarify that shapes, patterns, and colors, etc., found in publications or on websites will also be used as basis material when deciding whether the design was difficult to create.

5. Introduction of Partial Design for Sets of Articles (Effective 1 April 2020)

It is now possible to partially register a design for a set of articles. When partially registering a design for a set of articles, it is required that all the articles, etc., which constitute the set of articles, have parts that are subject to the design registration and said parts must be coordinated. Example: (A set of cutlery including a knife, fork, and a spoon, a part of each is coordinated by shape) or (A table set, a part of each is coordinated by a pattern), etc.

* **As the scope of design protection has been expanded, the scope of what can be protected as a set has also been expanded. Designs for combinations of article designs, architectural designs, and image designs are now possible. For specific examples, please refer to “1. Amendments to the Design Act”, above.**

6. Expansion of Indirect Infringement Rules (Effective 1 April 2020)

By including subjective factors, such as “knowing that the article in question is used for the working of the design”, to the provisions, actions which include manufacturing and/or importing infringing products that are disassembled into components as a business, for the purpose of avoiding crackdowns, can now be deemed to constitute infringement of a design right, and be regulated. For example, it is now possible for the authorities to crack down on the act of importing beauty rollers (a registered design) disassembled into the ball section and the handle section, even if said ball section or handle section is not registered as a design or a partial design.

7. Introduction of Filing Multiple Design Applications at once (Effective date undecided)

It will be possible to file for multiple designs in a single application form. Regarding international applications based on the Geneva Amendment Agreement of the Hague Agreement on International Registration of Designs, multiple designs in a single application form have already been approved. For domestic applications, it will also be possible to file for multiple designs at once. However, the principle of “one design right per design” will remain intact and therefore substantive examinations and design registrations will apply for each design. (The same applies to international applications.) Specific procedures will be stipulated by an Ordinance of the Ministry of Economy, Trade and Industry.

8. Abolition of the “Article Classification Table” (Effective date undecided)

In order to allow the names of articles to be described flexibly, the “Article classification table” previously stipulated by the Ordinance of the Ministry of Economy, Trade and Industry will be abolished. In its place, however, criteria for what is to be considered as a “single design” (that is criteria on what is to be classified as “one article”, “one building”, or “one image”) will be established in a future Ordinance of the Ministry of Economy, Trade and Industry.

9. Expansion of Procedural Remedies (Effective date undecided)

1. Relief provisions after the designated period

If the applicant cannot undertake the necessary procedures within the period designated by the Commissioner of the Patent Office, etc., even if the designated period has elapsed, the applicant will be able to extend that period.

2. Priority Claims

1. If there is a legitimate reason as to why the design application was not filed within the priority period, the design application with the priority claim can still be filed after said period.
2. If no priority documents are submitted within the submission period, a notice will be issued to alert the applicant that the submission of said documents has yet to be received. The party that receives this notice will be allowed to submit such documents and the priority claim will be accepted.

10. Electronic Priority Document Exchange of an Industrial Design Application now available in Japan through the DAS, starting on 1 January 2020

Starting on 1 January 2020, the Japan Patent Office adopted the Electronic Priority Document Exchange of an Industrial Design Application through the DAS (WIPO Digital Access Service). In other words, when a design application claiming priority is filed with the JPO on or after 1 January 2020, it is possible to omit the submission of paper priority documents to the JPO by providing the Access Code and requesting the JPO to obtain electronic data on priority documents from an overseas IP office through DAS.

For Hague registrations designating Japan with international registration dates on or after 1 January 2020, and with DAS Access Codes, the JPO will retrieve the priority documents through the DAS. However, if the priority documents cannot be retrieved due to an incomplete description of the Access Codes, the JPO will send a Notification to the holders inviting them to correct the DAS access code or to submit the Priority documents in printed format to the JPO. Please be aware that such Notifications will be mailed to the holder directly, not to the International Bureau representative. Please also note that any procedures before the JPO must be undertaken through a local representative who is domiciled or resides in Japan, if the holder resides outside Japan.

Please inquire the Office of First Filing for specific procedures for acquiring an "Access Code".

2 Revisions in the Trademark System

1. The Submission Period for Amendments to International Registration of Marks under the Protocol Relating to the Madrid Agreement for National Representatives has changed

The submission period for amendments to international registration applications for national representatives has changed to match that of domestic applications. **This submission period change will apply only to international registrations that designate Japan AFTER 1 April 2020.**

1. The submission period for amendments prior to this revision

Amendments to designated goods and services for international registrations by the domestic representative had to be submitted within 3 months after the pronounced date of a notice of provisional refusal (with a maximum extension of 3 months). After this period had elapsed, the applicant was required to submit a limitation directly to WIPO.

Please take into consideration that the submission period for amendments to the designated goods and services for international registrations that designate Japan prior to 1 April 2020 will still fall under the current law.

2. International registrations designating Japan on or after 1 April 2020 (After Revision)

Amendments to the designated goods and services by a national representative is possible after the notification of provisional refusal is pronounced and while the case is still pending before the JPO (i.e., until a Decision of Registration/Grant of Protection or a Decision of Refusal/total provisional refusal is issued). In addition, it is now possible to submit an amendment for an international registration during the appeal against a total provisional refusal. Previously if the amendment to the designated goods and services was not submitted by the deadline, the JPO would issue a Decision around 3-6 months later, where notice of the limitation was received by WIPO. The JPO expects that this change will make the examination period of the pending cases shorter.

3. Where a domestic representative is not used and the holder of an international registration submits a limitation directly to WIPO

As was the case before the revisions, if no amendments to the designated goods or services are submitted in response to the provisional refusal, the holder will still be able to submit a limitation directly with WIPO after the deadline. In order to avoid total refusal, we strongly recommend responding to the provisional refusal as quickly as possible.

2. Revisions and Additions to the Method for Estimating Damages

The conventional method of calculating damages has been revised (effective 1 April 2020). Regarding these calculations, please refer to the explanation given on page 8 of this Newsletter, under the Patent section.

In addition, in accordance with the Comprehensive and Advanced Agreement on Trans-Pacific Partnership (TPP11 Agreement) which involves 11 countries (including Japan), the following methods have been added for estimating the amount of compensation (effective 30 December 2018).

If an infringer engages in unauthorized use of a trademark*, the minimum amount of damage to be paid shall be equivalent to the cost normally required to acquire and maintain the trademark right.

* Unauthorized use of a trademark refers to infringement due to the use of a trademark that is the same as a trademark that is registered and deemed identical from a common-sense perspective (for example, differences in typeface).

For more details regarding the calculation method, please contact our firm.

3. Interiors/Exteriors of Stores, Automobiles, etc., to receive protection under the Trademark System

With the recent revisions to the Examination Guidelines for Trademarks, it is now possible for the exteriors/interiors of stores, automobiles, etc., to receive protection under the Trademark Act as 3-D Trademarks, if they are distinctive. These revisions are effective and applicable to Trademark applications filed on or after 1 April 2020.

3 Revisions to the Patent Law

1. Establishment of an Inspection System

An Inspection system has been added to infringement suits through a revision to the Patent Law.

Under said Inspection system neutral court-appointed experts (Inspectors) will collect evidence of business activities suspected of having infringed on a patent right by entering the alleged infringer's premises (e.g. factories, etc.), and will submit their findings to the court in a report.

Lawyers, patent attorneys, and experts, recommended by a variety of scientific societies and associations, can be called upon to act as Inspectors.

Once an infringement suit has been filed, in order to use the Inspection system, the interested party (typically the patent right holder or exclusive licensee) must apply for an Inspection to be carried out. The court, bearing in mind the other party's (typically the suspected infringer) argument, can then order the Inspector to carry out their Inspection if all of the following requirements are met.

- Need to gather e.g. visual, operational, instrumental, experimental evidence regarding documents or devices possessed or controlled by the other party.
- Reason to suspect that the other party has infringed the patent right.
- Recognition that it is not possible to gather evidence either by the claimant or by other means.
- Aspects of the evidence-gathering process, such as the time required for the Inspector(s) to gather evidence or the burden on the party to be inspected, are deemed to be reasonable. For example, if experimentation is very costly, there is a possibility that this requirement will not be deemed to have been met.

The JPO hopes that the introduction of this system will facilitate patentees' ability to prove infringements on patent rights related to production methods, programs, or machines, etc. that are difficult to submit to the court.

Although it is not certain exactly when this revision will come into effect, it has been decided that this will be by 17 November 2020 at the latest.

2. Changes to the Method for Calculating Compensations for Damages

Patent Law Article 102, which relates to the method for calculating compensations for damages in infringement suits, has been revised.

Compensations for damages in infringement suits in Japan shall generally be based on any of the following.

- i) Amount of compensation = profit per unit of articles which would have been sold by the patentee if there had been no infringement multiplied by the quantity of articles sold by the infringer (Article 102(1)).
- ii) Amount of compensation = profit gained by the infringer through their infringing activities (Article 102(2)).
- iii) Amount of compensation = amount of the licence fee that the patentee would have been entitled to receive for the working of the patented invention (Article 102(3)).

Before Revision

Previously, in the case of i) above, no compensation was granted for any portion of the calculated damages based on the quantity sold exceeding the patentee's production and sales capabilities.

With regards to the amount of the licence fee that the patentee would have been entitled to receive for the working of the patented invention, the law simply stated that "an amount of money which he would be entitled to receive for the working of the patented invention".

After Revision

Related to i) above

In addition to an amount within the patentee's production and sales capabilities, the patentee can now also claim an amount corresponding to the licence fee that the patentee would have been entitled to receive for the working of the patented invention as damages, based on the quantity sold exceeding their production and sales capabilities, by deeming the latter amount as licenced to the infringer by the patentee.

Related to iii) above

It has now been clearly stated that the amount of the licence fee that the patentee would have been entitled to receive for the working of the patented invention can be calculated considering the amount that would be determined if it was negotiated on the assumption that there was a patent infringement (new Article 102(4)). This also applies to the amount of the licence fee that the patentee would have been entitled to receive for the working of the patented invention mentioned in the above paragraph relating to i).

This revision is expected to increase the amount of the licence fee that the patentee would have been entitled to receive for the working of the patented invention that can be received in infringement suits.

This change came into effect on 1 April 2020, **and also applies to Utility Models, Designs and Trademarks.**

An overview of points 1 and 2 above can be found at the following internet address.

www.jpo.go.jp/e/system/laws/rule/hokaisei/document/tokkyohoutou_kaiei_20190517/outline.pdf

3. Revision to the Extension System for Patent Terms

Before Revision

In the case of patent rights relating to agrochemicals and pharmaceutical products (including regenerative medical products) only, if the patented invention could not be implemented due to the need for governmental approval, a maximum extension in Japan of 5 years was possible.

After Revision

In addition to the extension mentioned above, an extension of a compensatory time period can be obtained.

Specifically, applying for an extension if the date of registration is over 5 years after the filing date or over 3 years after the date of filing a Request for Examination, whichever is latest (hereinafter referred to as the “reference date”), will result in an extension of time equal to the time from the reference date to the registration date, minus the period attributable to the applicant and/or the period relating to the Appeal/Trial. If, for example, a patent is registered through an Appeal against a Decision of Rejection, the compensatory extension will not include the time period from the mailing date of the Decision of Rejection to the mailing date of the Decision of Grant. This further additional extension must be applied for within the three months immediately following the date of the patent’s registration.

The deadline for filing Requests for Examination in Japan is three years from the filing date (in the case of PCT applications, from the international filing date) and, according to JPO data, the amount of time from requesting an examination to the registration of a patent right is, on average, 15.2 months.

This revision will apply to applications filed on or after 10 March 2020.

4. Publication of English Leaflet Regarding the New Patent Fee Reduction Program

The JPO has published an English-language leaflet on the new system for reducing examination and patent fees mentioned in the previous newsletter; this leaflet can be accessed from the internet address below or by searching for “patent fee reduction” on the JPO website.

www.jpo.go.jp/system/process/tesuryo/genmen/genmen20190401/document/index/leaflet_e.pdf