Practical Law

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IP IN BUSINESS TRANSACTIONS



Patents, trade marks, copyright and designs in Japan: overview

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PATENTS

1. What are the legal requirements to obtain a patent?

The requirements are:

- Novelty.
- Inventive step.
- Susceptibility to industrial application.
- · Non-existence of a claim under a prior application.

2. What categories are excluded from patent protection?

Exclusions include:

- Ideas in which the laws of nature are not used (excluding the laws of nature themselves).
- Techniques.
- Unfinished inventions.
- Medical operation processes, treatment or diagnosis of human beings.
- Matters liable to adversely affect public order, morality or public health.

3. Which authority registers patents? Does its website provide guidance on the application procedure?

The Japan Patent Office (JPO) registers patents. For guidance, see www.jpo.go.jp.

The JPO may refuse a patent application on the following grounds:

- Lack of novelty or inventive step.
- Interference with another patent application that has an earlier priority date.
- Violation of claim clarity, enablement or written description requirements.
- · Violation of conditions for an amendment during prosecution.
- Falsification of inventorship.

4. On what grounds and when can third parties oppose a patent application or challenge an issued patent?

Any person can anonymously provide information to oppose an application with the JPO.

Under the Patent Act, any party can file with the JPO an opposition to a granted patent within six months after issuance of the official gazette in which the patent is published. The grounds for opposition include all of the grounds of refusal listed in *Question 3*, except falsification of inventorship.

A party can file for an invalidation trial at any time. However, only interested parties have standing under the Patent Act.

5. When does patent protection start and how long does it last?

A patent is effective on registration and expires 20 years from the patent application filing date.

In the fields of pharmaceuticals and agrochemicals, the patent term can be extended by a period not exceeding five years.

In addition, regardless of whether or not the patent is in the fields of pharmaceuticals and agrochemicals, the patent term can be extended for up to the period that it was unreasonably delayed by a JPO examination. if either (and whichever is later):

- The patent is registered on or after five years from the date the patent application was submitted.
- Three years have elapsed from the date on which the request for examination of an application was filed.

6. On what grounds can a patent infringement action be brought?

The grounds include:

- **Direct infringement.** Producing, using, or assigning patented products or using patented methods.
- Indirect infringement. Producing or assigning products exclusively used for patented products, or methods for commercial purposes.



7. Which courts deal with patent infringement actions?

The courts dealing with patent infringement are:

- The Tokyo and Osaka District Courts in the first instance.
- The Intellectual Property High Court as the appellate court.
- The Supreme Court in the last instance.

8. What are the defences to patent infringement actions?

Defences include:

- Use for experimental or research purposes.
- Patent invalidity.
- · Prior user's right.
- No infringement.
- Patent exhaustion.

9. What are the remedies in patent infringement actions?

Remedies include:

- Injunction (including measures necessary to suspend and prevent infringement).
- · Compensation for damage.
- Measures to restore credibility.

10. Is there a fast-track and/or a small-claims procedure for patent infringement actions?

There is no fast-track or small-claims procedure for patent infringement actions.

TRADE MARKS

11. What are the legal requirements to obtain a trade mark?

Any mark that consists of a character, figure, sign, or threedimensional shape, colour, or any combination of them, or a sound, that is used in connection with goods or services for commercial purposes can be registered and protected under the Trade Mark Act.

12. Is it necessary or advisable to register trade marks?

Although unregistered marks can be protected under either or both the Unfair Competition Prevention Act the Civil Code if they are widely recognised or well-known, registration is necessary and advisable for protection under the Trade Mark Act.

13. Which authority registers trade marks? Does its website provide guidance on the application procedure?

The JPO registers trade marks. Guidance can be found on its website (see www.jpo.go.jp).

14. On what grounds can the regulatory authority refuse to register a trade mark?

A trade mark can be refused registration on the grounds that it:

- · Has no distinctive character.
- Is identical or similar to the mark of a national or international organisation.
- Is identical or similar to a registered or well-known mark.
- Is likely to cause confusion in connection with the goods or services pertaining to the business of another person.

15. On what grounds and when can third parties oppose a trade mark application or cancel a registration?

Any person can anonymously provide information to oppose an application with the JPO. $\,$

Any party can file with the JPO an opposition to a patent registration within two months after issuance of the official gazette in which the trade mark is published. The grounds for opposition include all of the grounds of refusal listed in *Question 14*.

Any interested party can file for an invalidation trial.

16. When does trade mark protection start and how long does it last?

Protection under the Trade Mark Act arises on registration and lasts for ten years. Registrations can be renewed any number of times, by filing a renewal application and paying a fee.

17. On what grounds can a trade mark infringement action be brought?

Infringement actions include:

- Using a mark that is identical or similar to a registered trade mark, for a person's goods or services that are identical or similar to designated goods or services.
- Possessing goods with a mark on the goods or packaging that is identical or similar to a registered trade mark, for the purpose of assignment.

18. Which courts deal with trade mark infringement actions?

The courts dealing with trade mark infringement are:

- The District Courts related to the case and the Tokyo and Osaka District Courts in the first instance.
- The High Courts with jurisdiction over the first instance courts, and the Intellectual Property High Court instead of the Tokyo High Court as the appeal court.
- The Supreme Court in the last instance.

19. What are the defences to trade mark infringement actions?

Defences include:

- · Using a person's own name or famous abbreviations.
- · Not using the mark as a trade mark.
- Invalid right.
- Prior user's right.
- No infringement.

20. What are the remedies in trade mark infringement actions?

Remedies include:

- Injunctions.
- Compensation for damage.
- Measures to restore credibility.

21. Is there a fast-track and/or a small-claims procedure for trade mark infringement actions?

There is no fast-track or small-claims procedure for trade mark infringement actions.

COPYRIGHT

22. What are the legal requirements to obtain copyright protection?

Copyright arises automatically on creation of a work in which thoughts are expressed in a creative way and which falls in the literary, academic, artistic or musical domain.

23. Can copyright be registered? If so, is registration required?

The author's name and first publication date of a copyrighted work, as well as assignment of the copyright, can be registered with the Agency for Cultural Affairs (or the Software Information Center (SOFTIC) for computer program registration). An assignment of copyright cannot be asserted against a third party unless it has been registered.

Registration must be made with the Agency for Cultural Affairs (www.bunka.go.jp/english/index.html) or SOFTIC (www.softic.or.jp/en/index.html), by submitting an application with supporting information. No guidance on applications is available in English on these websites.

24. When does copyright protection start and how long does it last?

On 30 December 2018, an amendment to the Copyright Act arising from Japan's ratification of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP-11) came into force, extending the duration of copyright. Namely, copyright protection

starts from the creation of a work and continues for 70 (previously 50) years after the death of the author (for a cinematographic work, 70 years from publication).

25. On what grounds can a copyright infringement action be brought?

Grounds include:

- · Infringement of rights of reproduction, recitation, exhibition.
- · Infringement of the author's moral rights.
- Deemed infringement, such as importing goods produced by an infringing act supposedly when it occurred for commercial purposes.

26. Which courts deal with copyright infringement actions?

For computer programs, see Question 18.

27. What are the defences to copyright infringement actions?

Defences include:

- Reproduction for private or citation use, non-commercial purposes, reporting a current event, judicial proceedings.
- Non-infringement of the copyright.
- Exhaustion of the right.

28. What are the remedies in copyright infringement actions?

Remedies include:

- · Injunctions.
- Compensation for damage.
- · Measures to restore credibility.

29. Is there a fast-track and/or a small-claims procedure for copyright infringement actions?

There is no fast-track or small-claims procedure for copyright infringement actions.

REGISTERED DESIGNS

30. What are the legal conditions to obtain a registered design right?

The conditions are:

- Industrial applicability.
- Novelty.
- · Creativity.
- Distinctiveness and dissimilarity with any design previously filed.

31. Which authority registers designs? Does its website provide guidance on the application procedure?

The JPO registers designs. Guidance can be found on its website (see www.jpo.go.jp).

32. On what grounds and when can third parties oppose a registered design application?

After the design has been registered, any person can file a request with the JPO for a right invalidation trial.

33. When does registered design protection start and how long does it last?

Design protection arises on registration and lasts for 20 years.

The duration of design protection will be extended to 25 years from the application date, subject to the scheduled amendments to the Design Act which will come into force on a date within one year from 17 May 2019 (see Question 28, IP in business transactions: Japan overview).

34. On what grounds can a registered design infringement action be brought?

The grounds include:

- Direct infringement. Manufacturing or selling of a registered design or any similar design for commercial purposes.
- Indirect infringement. Producing or assigning any product to be used exclusively for the production of a product, using a registered or similar design for commercial purposes. Note that a third party manufacturing or importing a component may also be deemed indirect infringement in certain circumstances under the amended Design Act (see Question 28, IP in business transactions: Japan overview).

35. Which courts deal with registered design infringement actions?

See Question 18.

36. What are the defences to registered design infringement actions?

Defences include:

- · Use for experimental or research purposes.
- · Right is invalid.
- Prior user's right.
- Non-infringement.
- Exhaustion of the right.

37. What are the remedies in registered design infringement actions?

Remedies include:

- · Injunctions.
- · Compensation for damage.
- · Measures to restore credibility.

38. Is there a fast-track and/or a small-claims procedure for registered design infringement actions?

There is no fast-track or small-claims procedure for registered design infringement actions.

UNREGISTERED DESIGNS

39. What are the legal conditions for unregistered design rights to arise?

Under the Unfair Competition Prevention Act, designs can be protected as a configuration of goods, which means the external and internal shape of goods and the pattern, colour, gloss, and texture combined with this shape, that can be perceived by consumers in normal use

Designs in which thoughts or sentiments are expressed can also be protected under the Copyright Act. It is under discussion whether applied arts need to be more original than fine arts to be protected by the Copyright Act.

40. When does unregistered design protection start and how long does it last?

Protection under the Unfair Competition Prevention Act arises on creation and lasts for three years from the date the relevant article is first sold in Japan.

41. On what grounds can an unregistered design infringement action be brought?

Acquiring, leasing or displaying for the purpose of assigning or leasing, and exporting or importing goods which imitate the configuration of another person's goods.

42. What are the defences to unregistered design infringement actions?

Defences include:

- · No imitation.
- The configuration is indispensable for ensuring the function of the goods.
- Three years have passed since the goods were sold in Japan.
- Not knowing, and not being grossly negligent of, the fact that the goods imitate the configuration of another person's goods at the time the goods are acquired.

43. What are the remedies in unregistered design infringement actions?

Remedies include:

- Injunctions.
- Compensation for damage.
- Measures to restore credibility.

TRADE SECRETS AND CONFIDENTIAL INFORMATION

44. What are the legal conditions for rights in confidential information to arise?

A trade secret must be technical or business information useful for commercial activities (such as manufacturing or marketing methods) and be kept secret and not be publicly known to be protected under the Unfair Competition Prevention Act. If confidential information falls within the category of a trade secret, it can be protected as a trade secret under the Unfair Competition Prevention Act.

45. On what grounds can an action for unauthorised use of confidential information be brought?

Grounds for an action include:

- Acquiring, using or disclosing through wrongful acquisition.
- Acquiring, using or disclosing and knowing or being grossly negligent of the fact that the secret was acquired through improper means.
- Using or disclosing and knowing after acquisition or being grossly negligent of the fact that the secret was acquired through improper means.
- Using or disclosing a trade secret, disclosed by the business operator holding the trade secret, for the purpose of acquiring illicit gains, or causing injury to the holder.
- Using or disclosing and knowing after acquisition or being grossly negligent of the fact that the secret was disclosed through improper means.

- Using or disclosing and knowing or being grossly negligent of the fact that the secret was disclosed in breach of a contractual obligation.
- Assigning, delivering, displaying for the purpose of assignment or delivery, exporting, importing or providing through a telecommunications line articles manufactured by using a technical secret that was acquired wrongfully. There is an exception when that assignment is made by a person who was without knowledge that those articles originated from wrongful acquisition, and was without gross negligence in not knowing so at the time of receiving them.

46. Which courts deal with actions for unauthorised use of confidential information?

See Question 18.

47. What are the defences to actions for unauthorised use of confidential information?

Defences include:

- The alleged trade secret does not meet the requirements (see Question 44).
- Non-infringement.
- The trade secret was used or disclosed under a right acquired by the defendant.

48. What are the remedies in actions for unauthorised use of confidential information?

Remedies include:

- Injunctions.
- Compensation for damage.
- Measures to restore credibility.

49. Is there a fast-track and/or a small-claims procedure for actions for unauthorised use of confidential information?

There is no fast-track or small-claims procedure for actions for unauthorised use of confidential information.

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- Successfully represented a household appliance manufacturer, a software manufacturer and an electronic device manufacturer in litigation and disputes regarding patent validity and infringement.
- Representing an international software company and a social game developer in lawsuits regarding software copyright infringement.
- Won various infringement lawsuits regarding software patents, copyrights in picture books and famous unregistered trademarks, including the first case adjudicated by the Grand Panel of the IP High Court of Japan (www.ip.courts.go.jp/eng/documents/pdf/g_panel/decision_summary20 05ne10040.pdf).

Languages. Japanese, English

Professional associations/memberships. Daini Tokyo Bar Association.

Publications

- The Legal 500: Intellectual Property Country Comparative Guide (Japan Chapter) (Legalease Ltd, July 2017).
- The IP in Business Transactions Global Guide 2018/19 (Japan Chapter) (Thomson Reuters, August 2018).
- Intellectual Property Law Guide 2013/14 (LexisNexis, January 2014).
- International eCommerce Business and Legal Issues (CH Japan Limited, March 2001).

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