

Japan

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Introduction

1. What are the intellectual property rights (“IPR”) recognised and enforceable in your jurisdiction (e.g. trade mark, industrial design, patent, utility innovation, copyright, confidential information, personal data etc...)?

- Patent
- Utility model rights
- Design rights
- Trademark
- Copyright
- Confidential information as trade secrets
- Layout-design exploitation right
- Plant breeder’s right

2. What are the key laws and regulations that govern each of the IPR in your jurisdiction (e.g. identify the relevant legislation for each IPR and also any International Treaty applicable in your jurisdiction)?

Patent:

Patent Act

Utility Model Rights:

Utility Model Act

Design Rights:

Design Right Act

Trademark:

Trademark Act

Copyright:

Copyright Act

Confidential Information:

Unfair Competition Prevention Act

Layout-Design Exploitation Right:

Act on the Circuit Layout of Semiconductor Integrated Circuits

Plant Breeder’s Right:

Plant Variety Protection and Seed Act

International Treaty:

- WTO Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS).
- WIPO Paris Convention for the Protection of Industrial Property 1883 (Paris Convention).
- Patent Cooperation Treaty 1994 (PCT).
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure 1977.
- Strasbourg Agreement Concerning the International Patent Classification 1971.
- Trademark Law Treaty 1994.
- Madrid Agreement Concerning the International Registration of Marks 1891 (Madrid Agreement).
- WIPO Protocol Relating to the Madrid Agreement (Madrid Protocol).
- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks 1957.

- Berne Convention for the Protection of Literary and Artistic Works 1971 (Berne Convention).
- WIPO Copyright Treaty 1996.
- WIPO Performances and Phonograms Treaty 1996.
- Convention for the Protection of Producers of Phonograms Against Unauthorised Duplication of Their Phonograms.
- Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations.
- International Convention for the Protection of New Varieties of Plants.

Registration Process

3. Is there a registration process available for each of the IPR?

- (i) **If there is no registration process available for each or any of these IPR, how is the IPR enforceable in your jurisdiction? And;**
- (ii) **If there is a registration process available for each or any of these IPR, what are the legal and practical effects on the IPR if there is no filing for registration of each of these IPR?**

Confidential Information:

Registration process is not available for confidential information.

Confidential information, which is technical or business information useful for commercial activities, such as manufacturing or marketing methods that is kept secret and is not publicly known can be protected under the Unfair Competition Prevention Act as trade secrets.

Grounds for an action for unauthorized use of confidential information 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 wrongful means.
- Using or disclosing and knowing after acquisition or being grossly negligent of the fact that the secret was acquired through wrongful means.
- Using or disclosing a trade secret, disclosed by the business operator holding the trade secret, for the purpose of unfair business competition or otherwise 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 wrongful means.
- Using or disclosing in breach of a contractual obligation.

Patent:

Registration process is available for patent.

Due to the fact that patent rights only accrue after registration, the inventor will obtain no rights.

For the avoidance of doubt, such inventor may assert an ordinary license against the patentee of the same invention if the following conditions are met:

- Such inventor invents the patented invention without the knowledge of the contents of the patented invention; and
- At the time of the filing of the patent application, such inventor was utilizing

the patented invention as his/her business or was preparing to start such business in Japan.

Utility Model Rights:

Same as Patent.

Design Rights:

Registration process is available for design right.

Unregistered designs can be protected under the Unfair Competition Prevention Act if a configuration of goods, which means the external and internal shape of the goods and the pattern, color, gloss, and texture combined with the shape that can be perceived by consumers in normal use, is imitated within three years after the first sale of the imitated goods in Japan.

Also, if unregistered designs are widely-recognized or well-known, such unregistered designs can be protected under the Unfair Competition Prevention Act and/or the Civil Code.

Further, unregistered designs that are very distinctive can also be protected as copyrighted work under the Copyright Act.

For the avoidance of doubt, the creator of an unregistered design may assert an ordinary license against the holder of a registered design that is identical or similar to the unregistered design if the following conditions are met:

- Such creator creates the unregistered design without the knowledge of the contents of the registered design; and
- At the time of the filing of the design application for the registered

design, such creator was utilizing the unregistered design as his/her business or was preparing to start such business in Japan.

Trademark:

Registration process is available for trademark.

If unregistered marks are widely-recognized or well-known, such unregistered marks can be protected under the Unfair Competition Prevention Act and/or the Civil Code.

A person has the right to use a mark regardless of the relevant registered trademark, if all of the following conditions are met:

- in case a trademark of a third party is registered, such person is using a mark that is identical or similar to the registered trademark for goods or services that are identical or similar to the designated goods or services of the registered trademark in Japan prior to the filing of the application to register the registered trademark;
- as the result of such use, such mark has become well known among consumers as that indicating goods or services pertaining to the business of such person at the time of filing the application of the registered trademark;
- such person is using the mark without any intention of engaging in unfair competition; and
- such person has been continuously using the mark for the goods or services.

Copyright:

Registration process is available for copyright, provided, however, only on the limited grounds. (See 4.(1) below)

Due to the fact that copyrights accrue without registration, unregistered copyrights are enforceable.

Layout-Design Exploitation Right:

Registration process is available for layout-design exploitation right.

Due to the fact that layout-design exploitation rights only accrue after registration, the creator will obtain no rights.

Plant Breeder’s Right:

Registration process is available for plant breeder’s right.

Due to the fact that plant breeder’s rights only accrue after registration, the plant breeder will obtain no rights.

A person who has bred, earlier than the plant breeder of a registered variety, a variety that, by the expressions of its characteristics, is identical to or not clearly distinguishable from the registered variety will have a non-exclusive exploitation right on the plant breeder’s right pertaining to the said registered variety.

4. If there is a registration process available, what are the requirements and formal and legal considerations for the filing of registration for each of these IPR?

(i) What are the formal requirements and the legal considerations for the registration?

Patents including utility model rights:

Japan has a two-tier patent system:

- The Patent Act. The Patent Act covers exclusive rights to inventions based on technical ideas using natural laws.

- The Utility Models Act. The Utility Models Act covers exclusive rights to devices based on technical ideas using natural laws in connection with a device’s shape, structure, or a combination of them.

The only differences between the two Acts are the objects covered and the technical idea level. The Utility Models Act is narrower and the technical level lower than the Patent Act.

Both patents and utility model rights are protected through registration with the Japan Patent Office (JPO).

The legal requirements to obtain patents and utility model rights are:

- Novelty.
- Inventive step.
- Susceptible to industrial application.
- Not claimed in a prior application.

The categories that are excluded from patent protection are:

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

Design Rights:

Under the Design Rights Act, a design means the shape, pattern, color or combination of them, of an item which has an aesthetic sense.

Registration with the JPO is necessary for protection under the Design Rights Act.

The legal conditions to obtain design rights are:

- Industrial applicability.
- Novelty.
- Creativity.
- The design is not identical or similar to any design previously filed.

Trademark:

Any mark that is a character, figure, sign, or three-dimensional shape, or any combination of them, or any combination of them used with colors that is used in connection with goods or services for commercial purposes, can be registered and protected under the Trademark Act.

Registration with the JPO is necessary for protection under the Trademark Act and highly recommended for the protection of trademarks.

The legal requirements to obtain trademarks are:

- The mark must be any character, figure, sign or three-dimensional shape, or any combination of them, or any combination of them with colors, that is used in connection with the goods or services for commercial purposes.
- The mark must not be identical or similar to any previously filed mark.

The JPO can refuse to register a trademark on the ground that it:

- Has no distinctive character.
- Is identical or similar to the mark of a national or international organisation.

- Is identical or confusingly similar to a registered or well-known mark.

Copyright:

Copyright arises automatically on a production of thoughts or sentiments that are expressed in a creative way, and which fall in the literary, scientific, artistic or musical category.

No registration is necessary under the Copyright Act when a work has been created.

For certainty, the following can be registered at the Agency for Cultural Affairs (or SOFTIC for computer program registration):

- The establishment of publication rights.
- Authors' names and the dates of publication for anonymous works.
- Date of creation of copyrighted programs.

Layout-Design Exploitation Right:

A layout-design of semiconductor integrated circuits that was created by an applicant or his predecessor can be registered and protected under the Act on the Circuit Layout of Semiconductor Integrated Circuits if any semiconductor integrated circuit that was manufactured by using the layout-design under the authorization of the creator, etc. has not been assigned, leased and so on, more than two years prior to the filing date.

Plant Breeder's Right:

A variety (i.e., a plant grouping that can be distinguished from any other plant grouping by the expressions of at least one of the important characteristics and which can be propagated while maintaining all its expressions of characteristics without

change) can be registered and protected under the Plant Variety Protection and Seed Act if the following conditions are met:

- Novelty;
- The propagating material or harvested material of the variety was not transferred in the course of business more than one year prior to the filing date in Japan or more than four years in case of a foreign application;
- Earliest application; and
- The name of the variety is not confusingly similar to the name of other varieties.

- (ii) **If your jurisdiction is a member of any International Treaty for any of these IPR, please identify them and state the effect and alternative routes available for the purpose of registration.**

Patents:

Japan is a party to the Paris Convention. Under the Paris Convention, an international application can be entitled to priority rights, based on the filing of a patent application for the same invention in a Paris Convention country within the preceding 12 months.

In addition, Japan is a party to the PCT. Under the PCT, the filing date of an international application is considered to be the actual filing date in each designated state, as well as having the effect of a normal national application.

Design Rights:

Under the Paris Convention, an international application for a design right can be entitled to a priority right, based on the filing of an application for the same design right in a Paris

Convention country within the preceding six months.

Trademark:

Under the Paris Convention, an international application for a trademark can be entitled to priority rights, based on the filing of an application for the same trademark in a Paris Convention country within the preceding six months.

In addition, Japan is a party to the Madrid Protocol. Under the Madrid Protocol, when an international application for registration has been filed, the person in whose name that application has been made can obtain protection for his mark in the territory of the Madrid Protocol countries.

Plant Breeder's Right:

Under the International Convention for the Protection of New Varieties of Plants, an international application can be entitled to priority rights, based on the filing of an application for the same variety in a Convention country within the preceding 12 months.

- (iii) **What is the length of the registration process (how long does it take to complete the registration process (including any appeal and opposition)?; is there any expedited process available?; and what are the appeal processes available (e.g. in the event the Registrar decides against the applicant of each of the IPR)?**

Please note that durations described below are average and actual durations may vary from case to case.

Patents:

Two years after filing the request to examine (excluding appeals).

Expedited Process:

- (1) Already or soon to be implemented application;
- (2) Application that has been filed in a foreign country or internationally;
- (3) Application filed by a small or medium sized corporation, individual, university, governmental research institution, etc.;
- (4) Application related to environmental technology;
- (5) Application related to supporting the recovery from the Great Earthquake of East Japan;
- (6) Application filed by a Japanese corporation established under the Law concerning Special Measures for Promotion of Research and Development Business by Certain Multi-national Corporation;
- (7) Super expedited examination for applications that fall in both (1) and (2) above; and
- (8) Patent prosecution highway.

Appeal Process:

The examiner's decision of refusal can be appealed to the JPO. It takes approximately 16 months for the JPO to examine a case. The decision of the JPO may be appealed to the Intellectual Property High Court and then to the Supreme Court. It takes approximately 8 months to examine a case in the Intellectual Property High Court.

Utility Model Rights:

Two to three months.

No appeal or opposition processes.

Design Rights:

Eight months excluding the appeal process.

Expedited Process:

An expedited process is available for the following applications:

- (1) the applicant or its licensee has been using or is considerably prepared for the use, and it needs to be urgently registered meeting one of the items below:
 - if it is obvious that a third party has been using the filed design or a design similar to the filed design or is considerably prepared for the use thereof without a license;
 - if a third party has provided a warning of the use (or preparation for use) of the filed design; or
 - if a third party requests a license for the filed design.
- (2) The applicant has filed the design with another patent office or international organization.

Appeal Process:

The examiner's decision of refusal can be appealed to the JPO. It takes approximately 7 months for the JPO to examine a case. The decision of the JPO may be appealed to the Intellectual Property High Court and then to the Supreme Court. It takes approximately 8 months to examine a case in the Intellectual Property High Court.

Trademark:

Eight months excluding the appeal process.

Expedited Process:

An expedited process is available for the following applications:

- (1) An application that (i) has been used for the designated goods or services by the applicant or licensee or the preparation for use thereof has been considerably progressed, and (ii) needs to be urgently registered; or
- (2) An application that only designates goods and/or services that have been using the filed trademark or the preparation for use thereof has been considerably progressed.

Appeal Process:

The examiner's decision of refusal can be appealed to the JPO. It takes approximately 7 months for the JPO to examine a case. Also opposition can be filed to the JPO. It takes approximately 7 months to examine the objection. The decision of the JPO may be appealed to the Intellectual Property High Court and then to the Supreme Court. It takes approximately 8 months to examine a case in the Intellectual Property High Court.

Layout-Design Exploitation Right:

One week excluding the appeal process.

Appeal Process:

The decision of the registration agency (SOFTIC) may be appealed to the Minister of Economy, Trade and Industry.

Plant Breeder's Right:

Two to three years excluding the appeal process.

An objection against the denial of registration may be filed with the Minister of Agriculture, Forestry and Fisheries.

(iv) What is the duration or validity of each registration of IPR?**Patents:**

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

The duration may be extended for up to five years for pharmaceutical or agricultural chemical products if the patented invention related to them could not be utilized for a certain period of time due to obtaining safety approval. The extension must be approved by the JPO.

Utility Model Rights:

A utility model right is effective on its registration, and expires 10 years from the application filing date.

Design Rights:

The duration of a design right expires after 20 years from the date of its registration.

Trademark:

Registered trademark protection expires after ten years from the date of its registration.

Copyright:

Copyright starts with the creation of the work, and continues for 50 years after the death of the author (for a cinematographic work, 70 years from publication, for a unnamed or pseudonymous work, generally 50 years from publication, and for a work in a name of a corporation or other entity, 50 years after the publication (if not published within 50 years after the creation of the work, then 50 years after the creation)).

Layout-Design Exploitation Right:

The duration of a layout-design exploitation

right expires after ten years from the date of its registration.

Plant Breeder’s Right:

The duration of a plant breeder’s right expires after 25 years from the date of its registration (30 years for a perennial plant).

- (v) **Is there a renewal process available for each IPR? If so, for how long is the extension, how many times may the IPR be extended, and what will be the related requirements?**

Patents:

No renewal.

Utility Model Rights:

No renewal.

Design Rights:

No renewal.

Trademark:

Registration can be renewed for 10-year periods. In general, the application for renewal must be filed within a 6 month window ending on the expiration date. Also, renewal fees are required.

Copyright:

No renewal.

Layout-Design Exploitation Right:

No renewal.

Plant Breeder’s Right:

No renewal.

- (vi) **During the subsistence of the registration of IPR, is there any formal and legal requirement which the IPR owner needs to comply to maintain the registration;**

Patents (including utility model rights):

The applicant must pay the first three years’ annuities in a lump sum within 30 days of receiving a notice of allowance of the rights (for utility model rights, the payment must be made at the same time as the application). From the fourth annuity, the annuities must be paid by the end of the preceding year.

Design Rights:

Design rights are registered when the registration fee for the first year has been paid. The registration fee must be paid within 30 days after receiving a notice of the allowance of the rights. From the second year of registration, the registration fees must be paid annually by the end of the preceding year.

Trademark:

The applicant must pay the registration fee within 30 days after receiving a notice of the allowance of the rights. There are no annual registration fees for trademarks.

Plant Breeder’s Right:

The registration fee must be paid within 30 days after receiving a notice of the registration. From the second year of registration, the registration fee must be paid annually by the end of the preceding year.

Rights and obligations

- 5. What are IPR owners’ rights? Are these rights confined within the jurisdiction or do they extend outside the jurisdiction?**

Patents:

The patentee has the exclusive right to work the patented invention as a business in Japan.

“Working” of an invention means the following acts:

- (i) in the case of an invention of a product (including a computer program, etc., the same shall apply hereinafter), producing, using, assigning, etc. (assigning and leasing and, in the case where the product is a computer program, etc., including providing through an electric telecommunication line, the same shall apply hereinafter), exporting or importing, or offering for assignment, etc. (including displaying for the purpose of assignment, etc., the same shall apply hereinafter) thereof;
- (ii) in the case of an invention of a process, the use thereof; and
- (iii) in the case of an invention of a process for producing a product, in addition to the action as provided in the preceding item, acts of using, assigning, etc., exporting or importing, or offering for assignment, etc. the product produced by the process.

Utility Model Rights:

The utility model rights owner has the exclusive right to work the registered utility model as a business in Japan.

“Working” of a device means making, using, assigning, leasing, exporting, importing or offering for assignment or lease (including displaying for the purpose of assignment or lease, the same shall apply hereinafter) an article which embodies the device.

Design Rights:

The design rights owner has the exclusive right to use the registered design and designs similar thereto as a business in Japan.

“Use” of a design means the manufacturing, using, assigning, leasing, exporting or importing, or offering for assignment or lease (including displaying for the purpose of assignment or lease) of an article to the design.

If an unregistered design is protected by the Unfair Competition Prevention Act (see 3.(ii).), a person whose business interests have been infringed or are likely to be infringed due to conduct prohibited by the Act may seek an injunction against the person who has infringed or is likely to infringe such business interests.

In addition, a person whose business interests were infringed due to conduct prohibited by the Act may seek compensation of damages from the person who infringed such business interests.

Trademark:

The trademark owner has the exclusive right to use the registered trademark in connection with the designated goods or designated services in Japan.

“Use” with respect to a mark means any of the following acts:

- (i) affixing a mark to goods or packages of goods;
- (ii) assigning, delivering, displaying for the purpose of assignment or delivery, exporting, importing or providing through an electric telecommunication line, goods or packages of goods to which a mark is affixed;
- (iii) in the course of the provision of services, affixing a mark to articles to be used by a person who receives the said services (including articles to be assigned or loaned; the same shall apply hereinafter);
- (iv) in the course of the provision of services, providing the said services by using articles

to which a mark is affixed and which are to be used by a person who receives the said services;

- (v) for the purpose of providing services, displaying articles to be used for the provision of the services (including articles to be used by a person who receives the services in the course of the provision of services; the same shall apply hereinafter) to which a mark is affixed;
- (vi) in the course of the provision of services, affixing a mark to articles pertaining to the provision of the said services belonging to a person who receives the services;
- (vii) in the course of the provision of services through an image viewer, using an electromagnetic device (an electromagnetic device refers to any electronic, magnetic or other method that is not recognizable by human perception; the same shall apply in the following item), to provide the said services by displaying a mark on the image viewer; or
- (viii) displaying or distributing advertisement materials, price lists or transaction documents relating to goods or services to which a mark is affixed, or providing information on such content, to which a mark is affixed by an electromagnetic device.

If a unregistered trademark is protected by the Unfair Competition Prevention Act (see 3.(ii).), a person whose business interests have been infringed or are likely to be infringed due to conduct prohibited by the Act may seek an injunction against the person who has infringed or is likely to infringe such business interests.

In addition, a person whose business interests were infringed due to conduct prohibited by the Act may

seek compensation of damages from the person who infringed such business interests.

Copyright:

The copyright owner has the following rights:

- (i) exclusive right to reproduce, publicly perform, make publicly available by screen presentation of, make a public transmission of (including, in case of automatic public transmission, making transmittable), translate, arrange musically or adapt a copyrighted work in Japan.
- (ii) exclusive right to publicly recite a literary work in Japan.
- (iii) exclusive right to publicly exhibit the original of an artistic work or an unpublished photographic work in Japan.
- (iv) exclusive right to distribute a cinematographic work in Japan.
- (v) exclusive right to transfer the original or a reproduction of a copyrighted work other than a cinematographic work in Japan.
- (vi) exclusive right to offer to the public through the rental of a reproduction of a copyrighted work other than cinematographic work in Japan.

Confidential Information:

A person whose business interests have been infringed or are likely to be infringed due to the unauthorized use or disclosure of trade secret (for details, see 3.(i).) may seek an injunction against the person who has infringed or is likely to infringe such business interests.

In addition, a person whose business interests were infringed due to an unauthorized use or

disclosure of a trade secret may seek compensation of damages from the person who infringed such business interests.

Layout-Design Exploitation Right:

The Layout-Design Exploitation rights owner has the exclusive right to exploit the registered layout-design as a business in Japan.

“Exploit” a registered layout-design means any of the following acts:

- (i) an act of manufacturing semiconductor integrated circuits utilizing such layout-design; and
- (ii) an act of transferring, leasing, displaying for the purpose of transferring or leasing, or importing semiconductor integrated circuits (including articles incorporating said semiconductor integrated circuits as a part thereof) manufactured utilizing such layout-design.

Plant Breeder’s Right:

The Plant Breeder’s rights owner has the exclusive right to exploit the registered variety and varieties which, by the expressions of the characteristics, are not clearly distinguishable from the registered variety as a business in Japan.

“Exploit” means any of the following acts:

- (i) production, conditioning, offering for transfer, transferring, exporting, importing or stocking for the purpose of any of these acts, of propagating material of the variety;
- (ii) production, offering for transfer or lease, transferring, leasing, exporting, importing or stocking for the purpose of any of these acts, of the harvested material obtained through the use of propagating material of the variety

(limited to cases where the holder of the plant breeder’s right or the holder of the exclusive exploitation right has not had a reasonable opportunity to exercise his/her right against the acts prescribed in the preceding item).

- (iii) production, offering for transfer or lease, transferring, leasing, exporting, importing or stocking for the purpose of any of these acts, of the processed products of the variety (limited to cases where the holder of the plant breeder’s right or the holder of the exclusive exploitation right has not had a reasonable opportunity to exercise his/her right against the acts prescribed in the preceding two items).

6. What are the obligations on IPR owners to ensure that their IPR are not infringed upon or damaged? What are the limitations or conditions which may affect the IPR owners in enforcing their IPR?

Patents:

No obligation.

Limitation:

Patent rights do not have an effect on the following:

- use for experimental or research purposes;
- vessels or aircraft merely passing through Japan, or machines, apparatus, equipment or other products used therefor;
- products existing in Japan prior to the filing of the patent application; or
- dispensing medicine.

Utility Model Rights:

No obligation.

Limitation:

Utility model rights do not have an effect on the following:

- use for experimental or research purposes;
- vessels or aircraft merely passing through Japan, or machines, apparatus, equipment or other products used therefor; or
- products existing in Japan prior to the filing of the utility model rights application.

Condition:

A holder of a utility model right must obtain a Utility Model Technical Opinion from the JPO and warn an alleged infringer by showing it the Utility Model Technical Opinion prior to enforcing the utility model right. Notwithstanding the foregoing, a holder of a utility model right may enforce the right without a Utility Model Technical Opinion, however, the holder must compensate damages of the alleged infringer relating to such enforcement when the utility model right is later found invalid, unless the holder enforced the right with reasonable care.

Design Rights:

No obligation.

Registered design rights do not have an effect on the following:

- use for experimental or research purposes;
- vessels or aircraft merely passing through Japan, or machines, apparatus, equipment or other products used therefor; or
- products existing in Japan prior to the filing of the patent application.

Unregistered design:

Even if an unregistered design is protected under the Unfair Competition Prevention Act due to the fact that the configuration of goods is imitated

(see 3.(ii)), an assignee of the imitation goods who does not have knowledge of the imitation and is not grossly negligent for not knowing about the imitation at the time he/she obtains the imitation goods is exempted from liability under the Act.

Even if an unregistered design is protected under the Unfair Competition Prevention Act due to the fact that such design is widely-recognized or well-known, the following acts are exempted from liability under the Act:

- use of ordinary names or customary expressions for ordinary means;
- use of its own name for good faith purposes; or
- prior use for good faith purposes prior to the designation becoming widely-recognized or well-known.

Trademark:

If a registered trademark has not been used in Japan for three consecutive years or longer by the holder or licensee without reasonable cause, any person can file a request to cancel the trademark registration.

Certain registered trademarks that cannot be distinguished from other marks that are used in ordinary means are unenforceable.

Even if an unregistered trademark is protected under the Unfair Competition Prevention Act due to the fact such trademark is widely-recognized or well-known, the following acts are exempted from liability under the Act:

- use of ordinary names or customary expressions for ordinary means;
- use of its own name for good faith purposes; or
- prior use for good faith purposes prior to the

designation becoming widely-recognized or well-known.

Copyright:

Certain acts are exempted from the copyright, such as (i) reproduction for personal use, for libraries, for educational text, for handicapped persons, for court proceedings or for governmental agencies, (ii) citation, (iii) use for news or political speech, (iv) reproduction for certain information communication technology purposes, and (v) certain use of artistic works.

Confidential Information:

A person who obtained trade secrets from a business transaction and who is not aware of unauthorized disclosure or acquirement related to the trade secrets and is not grossly negligent for not knowing such at the time the person obtained such trade secrets may use such trade secrets to the extent of the right he/she obtained by such transaction.

Layout-Design Exploitation Right:

No obligation.

Layout-design exploitation rights do not have an effect on the following:

- exploitation of a layout-design created by a third party;
- manufacture of semiconductor integrated circuits using the registered layout-design for the purpose of analysis and evaluation; or
- exhaustion.

Plant Breeder's Right:

No obligation.

Plant breeder's rights do not have an effect on the following:

- use for experimental or research purposes;

- patents relating to methods to raise the registered variety;
- breeding for the farmer's own use; and
- exhaustion.

7. In the event that the IPR owners wish to exploit or commercialise their IPR (e.g. to grant certain licenses), is there any process for registration? If so, what are the requirements and what will be the outcome if no registration is filed?

(Note: For trade mark, there may be process for registration for "registered user")

Patents:

Exclusive licenses (*senyo-jisshi-ken*, or *kari-senyo-jisshi-ken*, which are provisional exclusive licenses for patent pending rights) are registrable and are not effective without registration. Non-exclusive licenses (*tsujo-jisshiken*, or *kari-tsujo-jisshiken*, which are provisional non-exclusive licenses for patent pending rights) are unregistrable.

Utility Model Rights:

Exclusive licenses (*senyo-jisshi-ken*) are registrable and are not effective without registration. Non-exclusive licenses (*tsujo-jisshiken*, or *kari-tsujo-jisshiken*, which are provisional non-exclusive licenses for patent pending rights) are unregistrable.

Design Rights:

The process is the same as that of utility model rights.

Trademark:

Exclusive licenses (*senyo-shiyo-ken*) are registrable and are not effective without registration.

Non-exclusive licenses (*tsujo-shiyo-ken*) are registrable. In case no registration is filed, the non-exclusive licensee cannot assert his/her license against a third party.

Copyright:

Only the exclusive license of a publication right is registrable. In case no registration is filed, the holder of the publication right cannot assert such right against a third party.

Confidential Information:

No registration is available for licenses.

Layout-Design Exploitation Right:

Exclusive licenses (*senyo-riyo-ken*) and non-exclusive licenses (*tsujo-riyo-ken*) are registrable. In case no registration is filed, the licensee cannot assert his/her license against a third party.

Plant Breeder's Right:

Exclusive licenses (*senyo-riyo-ken*) are registrable and are not effective without registration.

Non-exclusive licenses (*tsujo-riyo-ken*) are registrable. In case no registration is filed, the non-exclusive licensee cannot assert his/her license against a third party.

8. Are there any legal requirements imposed for a transfer or assignment of IPR?

Patents:

With respect to registered patents and a patent application that has been filed, assignment must be registered to effectuate the assignment.

With respect to a right to receive a patent that has not been filed, the application must be filed to assert the assignment against a third party.

Utility Model Rights:

The requirements are the same as that of patents.

Design Rights:

The requirements are the same as that of patents.

Trademark:

Assignment must be registered to effectuate the assignment.

Copyright:

No requirement. However, to assert a copyright assignment against a third party, the assignment must be registered.

Confidential Information:

No requirement.

Layout-Design Exploitation Right:

No requirement.

However, to assert an assignment against a third party, the assignment must be registered.

Plant Breeder's Right:

Assignment must be registered to effectuate the assignment.

Enforcement and disputes

9. Which enforcement authorities are responsible for each IPR and how effective or proactive is the enforcement against an infringement of IPR?

Criminal investigation agencies such as the police and public prosecutor's office are responsible for investigating allegations of criminal offenses relating to IPR infringement. Generally, the police initiate investigation upon complaint by IPR holders. The police conduct voluntary investigation and compulsory investigation such as search, seizure, arrest. In IPR criminal cases, the police often make inquiries to governmental agencies which are responsible for IPR laws such as the JPO (for patent, utility model rights, design rights and trademark), the Agency for Cultural Affairs (for copyright). After the police have investigated, cases are sent to the public prosecutor's office. Public prosecutors determine whether or not to prosecute the case.

The criminal investigation agencies are relatively active on pirated works and trademark infringement

(imitation of famous brands). Other than these, they are not proactive.

These investigations are governed by the Code of Criminal Procedure and its related rules determined by the Supreme Court.

10. For any contention of infringement, does the IPR owner proceed to file an action in Court or to a law enforcement body or agency? In general, what is the duration for each of the disputes to be determined by the Court or the law enforcement body or agency? Please also elaborate on the possibility of appeal and briefly on the process of the appeal.

Note: The duration described below are average durations based on the statistics provided by the Japanese courts. The actual durations may vary from case to case.

For any contention of infringement, an IPR owner proceeds to file an action in Court.

It takes approximately 16 months to examine a case in the district court (courts of first instance).

Decisions of the district courts may be appealed to either the Intellectual Property High Court (for cases relating to technology) or regional High Courts (for cases not relating to technology). These High Courts also conduct the fact-finding. It takes approximately 8 months to examine a case in the Intellectual Property High Court. It takes approximately 7 months to examine a case in regional High Courts.

On certain limited grounds, decisions of the Intellectual Property High Court and regional High Courts may be appealed to the Supreme Court.

11. What are the legal considerations to establish a claim of infringement for each of the IPR (i.e. including registered IPR or non-registered IPR if the owner of the non-registered IPR may also take action)?

In general:

- Whether you have sufficient evidence to prove a certain claim. (Please note that only limited discovery is permitted in Japan.)

The followings are some of the legal considerations to consider:

Patents:

It used to be the case that patent infringement actions in which patentees lost due to invalidity of patents amounted up to sixty percent of the cases in which patentees lost. We understand that the rate is gradually declining, but there is still a certain risk that a patent may be held invalid in an infringement action.

Therefore, a patentee should scrutinize the possibility of invalidity assertion by a defendant, especially in obviousness, prior to filing the infringement action.

Utility Model Rights:

A plaintiff owes duty to compensate damages incurred by a defendant when a utility model right asserted by the plaintiff is later found invalid, unless plaintiff asserted his/her claim (i) based on a Utility Model Technical Opinion or (ii) with reasonable care.

Therefore, if a holder of utility model right would like to enforce the right without a Utility Model Technical Opinion, then the holder should carefully consider the validity of alleging utility model right.

Trademark:*Registered trademark:*

Similarity of trademark will be determined, inter alia, actual transactions where the goods or services bearing trademarks are provided. Therefore, a holder of trademark must carefully scrutinize whether an alleged trademark is likely to cause confusion of origin in light of the actual transactions.

Unregistered trademark:

It is often difficult to prove that a mark is well-recognized or widely-known. Therefore, a holder of unregistered trademark must collect various types of evidence such as advertisement, sales volume, duration of sales. Survey is often conducted to prove whether a mark is well-recognized or widely-known.

Copyright:

It is often disputed who should be a direct infringer of copyright, especially in infringement actions relating to the Internet involving service providers and users of such services. Due to the fact it is generally construed that a copyright holder may enjoin only a direct infringer, but not indirect infringer, composition of plaintiff's allegations should be carefully crafted (preferably making the service providers, but not users, as direct infringers).

Confidential Information:

Identification of trade secrets is a key issue in trade secrets litigation. If trade secrets are identified too broadly, a plaintiff's claim may be rejected by a court. On the other hand, if trade secrets are identified in detail, defendant may be able to learn information relating to such trade secrets that the defendant did not know previously. Furthermore, due to the fact litigation is generally disclosed to public, there may be a risk that a third party may learn the trade secrets although some protective measures are provided to maintain the secrecy of

trade secrets such as limitation of court documents to be disclosed to public.

Therefore, a plaintiff should identify a trade secret in suit during the litigation by observing reactions of the court and defendant. However, the court may ask to identify the trade secrets in early stage of the litigation.

Also, one of the elements of trade secrets protection is that systems to maintain the secrecy of trade secrets must be established and exercised by plaintiff. Courts frequently rejects plaintiff's claim finding lack or insufficiency of such systems. Therefore, plaintiff must carefully scrutinize whether or not such systems are established and properly maintained.

12. What are the defences and steps available against a claim of infringement?

Patents:

The defenses include:

- Use for experimental or research purposes, and so on (See 6 above (Limitation)).
- Patent invalidity.
- Prior user's right (See 3(ii) above).
- No infringement.
- Patent exhaustion.

The defendant may file an invalidation proceeding with the JPO to challenge the validity of alleged patents.

Utility Model Rights:

The defenses include:

- Use for experimental or research purposes, and so on (See 6 above (Limitation)).
- Invalidity.
- Prior user's right (See 3(ii) above).

- No infringement.
- Exhaustion.

The defendant may file an invalidation proceeding with the JPO to challenge the validity of alleged utility model right.

Design Rights:

The defences against registered designs include:

- Use for experimental or research purposes, and so on (See 6 above (Limitation)).
- Invalidity.
- Prior user’s right (See 3(ii) above).
- No infringement.
- Exhaustion.

The defendant may file an invalidation proceeding with the JPO to challenge the validity of an alleged registered design right.

The defences against unregistered designs 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.

Trademark:

The defences against a registered trademark include:

- Using a person’s own name, famous abbreviations, and so on.
- Invalidity.

- Prior user’s right.
- No infringement.
- Exhaustion.

The defendant may file an invalidation proceeding at the JPO to challenge the validity of the alleged registered trademark.

The defenses against an unregistered trademark include:

- use of ordinary names or customary expressions for ordinary means;
- use of its own name for good faith purposes; or
- prior use for good faith purposes prior to the designation becoming widely-recognized or well-known.

Copyright:

The defenses include:

- Reproduction for private or citation use, non-profit making purposes, reporting a current event, judicial proceedings, and so on.
- No infringement.
- Exhaustion.

Confidential Information:

The defenses include:

- The alleged trade secret does not meet the requirements (see 3(i)).
- No infringement.
- The trade secret was used or disclosed under a right acquired by the defendant.

Layout-Design Exploitation Right:

The defenses include:

- Use for analysis or evaluation purposes.

- No infringement.
- Exhaustion.
- Not knowing, and not being grossly negligent of the fact that the semiconductor integrated circuits were manufactured using a layout-design that was an imitation of the registered layout-design at the time the semiconductor integrated circuits are acquired.

Plant Breeder's Right:

The defenses include:

- Use for experimental or research purposes;
- Invalidity as abuse of right;
- Patents relating to methods to raise the registered variety;
- Prior user's right;
- Breeding for the farmer's own use; and
- Exhaustion.

13. What is the judicial approach or sentiment to uphold the registration of the IPR and to combat infringement activities?

As the courts are trying to process cases appropriately (meaning, *inter alia*, impartially) and expeditiously, the courts could not be categorized as either pro-IPR or anti-IPR. The courts apply laws to cases unbiasedly. As such, there is a certain risk that a registered IPR will be found invalid in an infringement action. Some professionals point out that the courts tend to strictly examine obviousness.

14. Is the infringement of each IPR civil or criminal in nature? Please elaborate on the remedies available to IPR owners and also the penalties (if criminal in nature).

Patents:

The civil remedies include:

- Injunction (including measures necessary to suspend and prevent the infringement).

- Compensation for damage.
- Measures to restore credibility.

The criminal penalty for a natural person is imprisonment with work for a term not exceeding ten years and/or a fine not exceeding 10,000,000 yen. The criminal penalty for a judicial person is a fine not exceeding 300,000,000 yen.

Utility Model Rights:

The civil remedies include:

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

The criminal penalty for a natural person is imprisonment with work for a term not exceeding five years and/or a fine not exceeding 5,000,000 yen. The criminal penalty for a judicial person is a fine not exceeding 300,000,000 yen.

Design Rights:

The civil remedies for both registered and unregistered designs include:

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

The criminal penalty for a natural person concerning a registered design is imprisonment with work for a term not exceeding ten years and/or a fine not exceeding 10,000,000 yen. The criminal penalty for a judicial person concerning a registered design is a fine not exceeding 300,000,000 yen.

The criminal penalty for a natural person concerning an unregistered design is imprisonment with work

for a term not exceeding five years and/or a fine not exceeding 5,000,000 yen. The criminal penalty for a judicial person concerning an unregistered design is a fine not exceeding 300,000,000 yen.

Trademark:

The civil remedies for both registered and unregistered trademarks include:

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

The criminal penalty for a natural person concerning a registered trademark is imprisonment with work for a term not exceeding ten years and/or a fine not exceeding 10,000,000 yen. The criminal penalty for a judicial person concerning a registered trademark is a fine not exceeding 300,000,000 yen.

The criminal penalty for a natural person concerning an unregistered trademark is imprisonment with work for a term not exceeding five years and/or a fine not exceeding 5,000,000 yen. The criminal penalty for a judicial person concerning an unregistered trademark is a fine not exceeding 300,000,000 yen.

Copyright:

The civil remedies include:

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

The criminal penalty for a natural person is imprisonment with work for a term not exceeding ten years and/or a fine not exceeding 10,000,000 yen. The criminal penalty for a judicial person is a fine not exceeding 300,000,000 yen.

Confidential Information:

The civil remedies include:

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

The criminal penalty for a natural person is imprisonment with work for a term not exceeding ten years and/or a fine not exceeding 10,000,000 yen. The criminal penalty for a judicial person is a fine not exceeding 300,000,000 yen.

Layout-Design Exploitation Right:

The civil remedies include:

- Injunction (including measures necessary to suspend and prevent the infringement).
- Compensation for damage.

The criminal penalty for a natural person is imprisonment with work for a term not exceeding three years and/or a fine not exceeding 1,000,000 yen. The criminal penalty for a judicial person is a fine not exceeding 1,000,000 yen.

Plant Breeder's Right:

The civil remedies include:

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

The criminal penalty for a natural person is imprisonment with work for a term not exceeding ten years and/or a fine not exceeding 10,000,000 yen. The criminal penalty for a judicial person is a fine not exceeding 300,000,000 yen.

Disputes on ownership

15. Is there any process available to an “aggrieved party” against the registration of IPR (e.g. for non-use etc. or if such registration is wrongful). If so,

- (i) Is there a specified time period in which a challenge must be made and what is the process available?

Patents:

Invalidation proceedings for wrongful registration, no duration.

Invalidation proceedings for wrongful extension of patent term, no duration.

Utility Model Rights:

Invalidation proceedings for wrongful registration, no duration.

Design Rights:

Same as utility model rights for registered designs.

Trademarks:

Cancellation proceedings for non-use, no duration.

Cancellation proceedings for improper use, within five years after such use.

Invalidation proceedings for wrongful registration, no duration.

Objection to registration, within two months after publication of trademark bulletin.

- (ii) **Is the challenge made to the registration body or to the Court?**

The challenge is made to the registration body (JPO). However, decisions of the JPO may be

appealed to the Intellectual Property High Court or regional High Court, as the case may be.

- (iii) **What are the legal considerations for such a challenge?**

The validity of the IPR can generally be challenged in infringement action as well. If a judgment of an infringement action is finalized, such judgment could not be overturned by a later, finalized decision of invalidity proceedings. Therefore, when an infringement action is filed against an alleged infringer, such alleged infringer should timely allege defense of invalidity in the infringement action.

- 16. In the absence of an agreement between the parties, are there any deeming provisions in the legislation dealing with the ownership of IPR?**

In the case of copyrighted work made by an employee in the course of his/her employment (except computer programs), the employer will be deemed the author of such copyrighted work if such copyrighted work will be published under the name of the employer.

With regard to a computer program developed by an employee in the course of his/her employment, the employer will be deemed the author of such computer program.

Regarding cinematographic work, those who, by taking responsibility for producing, directing, filming, art direction, etc., have creatively contributed to the creation of such cinematographic work as a whole are deemed the author.

With respect to a layout-design made by an employee in the course of his/her employment, the employer will be deemed the creator of such layout-design.

Cross-Border Measures

17. Are there any cross-border measures or provisions available in your jurisdiction? If so, are there any processes available for cross-border protection of IPR?

Goods infringing the IPR (except trade secrets and layout-design exploitation rights) are prohibited from being exported.

Goods infringing the IPR (except trade secrets) are prohibited from being imported.

When customs detect suspected goods, they will go through identification procedures to determine whether or not such goods infringe the IPR. Customs request both the holder of the IPR and importer to submit their opinions and evidence, and provide them with an opportunity to refute the opinion of the other party. In case customs decides that such goods infringe the IPR, then customs may confiscate and destroy the infringing goods.

Also, there is a procedure called an application for suspension. Under the procedure, holders of the IPR request customs to initiate identification procedures in the case customs detects goods suspected of infringing their IPR in imports or exports.

Other Areas related to IPR

18. Are there any privacy laws or personal data protection laws in your jurisdiction? Please elaborate.

In Japan, the Act on the Protection of Personal Information (the “APPI”) is the main law that generally governs protection of personal information. The APPI provides the general rules in relation to protection of personal information in the private sector. Such rules are applicable to private business operators that satisfy certain requirements under the APPI (a “Business Operator

Handling Personal Information”), while other laws and regulations provide the rules in relation to the protection of personal information afforded to public sector entities. In addition to the general rules provided under the APPI, various personal information protection guidelines are established by the competent ministries to provide the details of measures to be taken for implementation of and compliance with the APPI.

19. Are there any anti-competition laws or anti-trust laws available in your jurisdiction? Please discuss the manner in which a balance can be achieved with respect to the protection of IPR and anti-competition.

The Act on Prohibition of Private Monopolization and Maintenance of Fair Trade prohibits:

- Private monopolisation.
- Unreasonable restraint of trade.
- Unfair trade practices.

It is difficult to establish uniform standards for private monopolisation, unreasonable restraint of trade and unfair trade practices. However, the following, among other things, are at risk of being considered prohibited acts (Guidelines for the Use of Intellectual Property under the Anti-monopoly Act, issued by the Japan Fair Trade Commission.):

- Patent pools.
- Multiple licensing.
- Cross-licensing.
- Bundle licensing.
- Setting the resale price.
- Prohibition of competitive products after terminating the license.
- Unilateral termination.
- Obligation of non-assertion of rights.

It is highly recommended to consult an attorney specialising in IPRs and/or competition law at the time of making an IP related agreement to manage the risk.

20. What are the key laws and regulations governing the internet and media?

The acts that govern certain aspects of the Internet include:

- Act on the Prohibition of Wrongful Access;
- Act on Regulation of Transmission of Specified Electronic Mail; and
- Act on Special Provisions to the Civil Code Concerning Electronic Consumer Contracts and Electronic Acceptance Notice.

The acts that govern the media include:

- Broadcasting Act; and
- Radio Act.

21. What laws govern Internet Service Providers in your jurisdiction?

- Telecommunications Business Act; and
- Act on the Limitation of Liability for Damages of Specified Telecommunications Service Providers and the Right to Demand Disclosure of Identification Information of the Senders.

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