

WINDS FROM JAPAN

The Licensing Executives Society Japan

Hello Again: JP Post-Grant Opposition System

By **Hideko Mihara***



Abstract

Similar to the Post-Grant Review of the AIA, Japan re-introduced a post-grant opposition system into the Patent Act, which will be in-force on April 1st, 2015.

This new post-grant opposition (“Opposition”) based Article 113 of the Patent Act provides another way to attack a patent. This is addition to the existing three measures: (1) a submission of observation under Article 13 bis of the Implementing Regulations of the Patent Act; (2) an appeal for patent invalidation (“invalidation appeal”) under Article 123 of the Patent Act; and (3) arguments of invalidity in litigation. Patent holders will need to be prepared to defend against these four methods of attacks.

Highlights of the New Post-Grant Opposition

Time limit for filing

The Opposition must be filed within six months “from the publication of the patent gazette.” This period is three months shorter compared with the EP and US PGR period.

Opponent

Any person can file an Opposition, including a “straw man.” The notice of Opposition must include the name of opponent(s) (Article 113 and 115(1)), this means that an opposition may not be filed anonymously.

On other hand, an invalidation appeal can be filed only by an interested person under the new Patent Act.

Grounds for Opposition

A request for Opposition may be filed on a claim-by-claim basis when a patent falls under any of the following grounds:

(i) the patent has been granted on a patent application (excluding a foreign language written application) with an amendment that does not comply with the requirements as provided in Article 17-2(3);

(ii) the patent has been granted in violation of Articles 25, 29, 29-2, 32, 39(1) to 39(4);

(iii) the patent has been granted in violation of a treaty;

(iv) the patent has been granted on a patent application not complying with the requirements as provided in Article 36(4)(i) or 36(6)(excluding 36(6)(iv));

Amendment of Notice of Opposition

An amendment of the written request for Opposition shall not change the gist thereof, with the provision that such amendment is submitted within the period of request of Opposition. (Patent Act 120-5 (9)) Therefore, the chief trial examiner may dismiss amendments, e.g., additional grounds or additional evidence, which do not comply with the statute. (Patent Act 115(2) provision)

Opposition Trial

No oral proceedings: An appeal panel consisting of 3 or 5 of trial examiners conduct a trial by documentary proceedings, so there is no oral proceedings. (Patent Act 114, 118)

Restricted coverage of grounds: The panel is not obliged to consider claims which are not relied upon in the notice, but the panel may consider other grounds which are not relied upon in the notice. (Patent Act 120 bis) In practice, the panel may exchange the closest prior art with other prior art (exchange the main document with a sub-document)

or may add prior art to establish what was well-known to a skilled person in the relevant art.

Submission a written opinion by the parties

To challenge a notice of reasons for patent revocation, a patent holder may submit a written opinion and a request for correction within a time limit (normally 60 days, but 90 days for overseas residents). (Patent Act 120-5 (2))

When the patent holder submits a request for correction, the chief trial examiner serves the notice of reasons for patent revocation and the request for correction on the opponent. Then the opponent can file a written opinion. (Patent Act 120-5 (5))

Additional chance to submit a written opinion

In practice, when the case has reached the point at which a trial decision may be rendered, a pre-notice of the decision will be served on the parties. Following this, the parties may submit a written opinion. This pre-notice is a practical procedure and not a requirement of the Patent Act.

Appeal and Effect of trial decision

Appeal: Both the patent holder and opponent can appeal the decision concerning revocation to the Tokyo High Court. (Patent Act 114(5) and 178)

Effect of trial decision: Patent Act 167 is not applied to the decision of Opposition. Accordingly a person who files an opposition may file an invalidation trial based on the same evidence and rationale.

Cost and Intervention

The official cost for a notice for "Opposition" is ¥16,500/case, plus ¥2,400/claim.

A person who has rights to a patent, or otherwise possesses an interest in a patent, may intervene in the trial to assist the patent holder. (Patent Act 119)

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## IP News from Japan

**By Shoichi Okuyama, Ph.D.\***

### **Toshiba Settles with Hynix for US\$278 Million**

On December 19, 2014, Toshiba announced that it had reached a settlement with South Korea's SK Hynix Inc. in a US\$920 million civil lawsuit filed by Toshiba at the Tokyo District Court on March 13, 2014, for the theft of trade secrets for NAND flash memory. Toshiba also said that the two companies agreed to broaden their relationship by extending existing supply agreements for DRAM and patent cross licensing, and to begin collaboration in the development of new technology.

In March 2014, a former SanDisk engineer was arrested on suspicion of having provided NAND flash memory technical data to Hynix in 2008. The engineer had worked at a joint-venture manufacturing plant with Toshiba, left SanDisk, and then went to work for Hynix. On March 9, 2015, the Tokyo District Court handed down a prison sentence of five years and a fine of JPY 3 million (about US\$25,000). A civil lawsuit is also pending against the engineer for damages. A lawsuit against SK Hynix filed by SanDisk in California is apparently still pending.

### **JPO to Assist in Establishment of IP System in Myanmar**

The Ministry of Economy, Trade and Industry, which oversees the Japan Patent Office (JPO), announced on February 26, 2015, that Japan will assist the government of Myanmar in drafting rules and examination guidelines to implement IP statutes that Myanmar is expected to enact soon and in setting up and running its IP office. The JPO will send officials to the Ministry of Science and Technology (MOST) in Myanmar for extended periods starting this month. Japan is trying to encourage an environment in which IP rights will be appropriately protected. Myanmar, a country with a population of 50 million, but no IP statutes except for colonial copyright law, has been struggling to establish an IP regulatory structure. Bills for laws on patents, trademarks, designs, and copyrights appear ready for submission to the national Assembly of the Union after review by the Union Attorney General's Office.

### **Toyota Opens up Nearly 6,000 Fuel Cell Patents**

Following Tesla's lead last June, on January 6, 2015, at the CES 2015 electronics exhibition in Las Vegas, Toyota announced that it would license its 5,680 fuel cell related patents to any interested party, free of charge, until 2020. Among the 5,680 patents, 70 hydrogen-station-related patents will be licensed

for free indefinitely. Toyota said that any party interested in licensing patents would have to have a specific agreement with Toyota. Whereas Tesla declared that it would not enforce any of its patents (about 200 patents and a number of pending applications) without mention of the term, Toyota limited its free patent policy to fuel cell related technology for a term of about five years. Toyota is betting on a future of automobiles that run on hydrogen, while Tesla is concentrating on electric vehicles. Last December, Toyota started selling its first mass-produced FC car, the *Mirai*, for about US\$42,000 including government subsidies.

### **Patent and Trade Secret Laws to be Amended**

On March 13, 2015, two bills for amending the Patent, Trademark, and Unfair Competition Prevention Acts were approved by the Cabinet and sent to the Diet. These bills will most likely pass the Diet without significant changes and are expected to then become law within two or three months.

The bill for amending the Patent and Trademark Act has two major aspects: one relates to the employee inventions scheme, and the other, accession

to the Patent Law Treaty and Singapore Treaty on the Law of Trademarks.

Under the new employee inventions scheme, the right to obtain a patent will belong to the employer if the employer requires such direct acquisition under company rules or contracts. Currently, the employee-inventor initially has the right, and the employer can then require transfer of the right. In return, the employee-inventor has rights to a reasonable "advantage" which may include remuneration or other economic advantages. The government will be required by statute to publish guidelines for determination of such advantage. The term "advantage" is to replace "value" which is the term currently used.

Furthermore, the minimum requirements for establishing filing dates and other procedural requirements will be considerably eased, as required by the PLT and the Singapore TM Treaty.

In addition, the Unfair Competition Prevention Act will be amended to improve protection of trade secrets.

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* *Editor / Patent Attorney, Okuyama & Sasajima*

The 2015 LES Japan General Meeting

*Received Chief Judge of the IP High Court
and JPO Commissioner as guest of honour*

By Mitsuo Kariya*

The 2015 LES Japan General Meeting was held in Tokyo on February 18, 2015. Dr. Ichiro Nakatomi, LES Japan President summarized the 2014 performances against the society objectives (Photo 1).

- 1) Number of the society members: Welcomed 32 new members and reached 675 members at the end of 2014.
- 2) Corporation with other organizations: Initiated intercommunion with University Technology Transfer Association, Japan.
- 3) Information transmission: Published the LES Japan brochure and contributed an article to the Japan Patent Attorney Association publication.
- 4) LES Japan annual conference in Okinawa: Productive and successful with 250 participants.
- 5) International conferences and the student business competition: Japan team won the first place prize at the LESI Asia Pacific Conference in Seoul.
- 6) Improved operation: Conducted a questionnaire investigation to ask LES Japan members for their opinions to improve the society operation.



(Photo 1) Dr. Nakatomi at the general meeting

The meeting was concluded by obtaining approvals to the 2014 activity report and book closing, the 2015 activity plan and budget, and the 2015 board members.

The general meeting was followed by a networking party. LES Japan had the privilege of receiving two key persons in Japanese Intellectual Property society.

Mr. Ryuichi Shitara, Chief Judge of the IP High Court discussed the recent developments and introduced the 10th anniversary activity plan of the Japan IP High Court to the attendees (Photo 2).



(Photo 2) Speech by Mr. Shitara

Mr. Hitoshi Ito, Commissioner of the Japan Patent Office updated the recent activities and his initiative in the Japan Patent Office (Photo 3).



(Photo 3) Speech by Mr. Ito

About one hundred LES Japan members enjoyed the networking event, and developed and enhanced their professional network (Photo 4). The event was successfully concluded by a closing ceremony performance led by Ms. Junko Sugimura, LES Japan President-Elect.



(Photo 4) Mr. Shitara, Dr. Nakatomi, Mr. Ito and Ms. Sugimura

Prior to the general meeting, Mr. Kenichi Nagasawa, Director, Group Executive of Corporate IP and Legal Headquarters, Cannon Inc. contributed as a speaker to a monthly seminar. His lecture for “Canon IP Strategy and the recent IP situation” attracted more than one hundred audiences. The success of the general meeting was largely attributable to his informative lecture (Photo 5).



(Photo 5) Mr. Nagasawa at the monthly seminar

At the end of the general meeting, Mr. Chikashi Tamura, Organizing Committee, Chair announced that the 2015 LES Japan Annual Conference will be held on the 3rd and 4th of July 2015 in Sendai city, Miyagi prefecture (Photo 6). We look forward to seeing you in Sendai.



(Photo 6) Annual Conference announcement by Mr. Tamura

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## Editors' Note

This issue includes articles relating to the revised post-grant opposition system in Japan; “IP News from Japan”; and the 2015 LES Japan General Meeting.

Thank you for your support of “Winds from Japan.” This newsletter will continue to provide you with useful information on activities at LES Japan and up-to-date information on IP and licensing activities in Japan.

If you would like to refer to any back issues of our newsletters, you can access them via the following URL: <http://www.lesj.org>

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