

Latest Developments in the Japanese Patent Practice



Shinji Ishizu
ishizu@ohebashi.com

A. Introduction

There have been some recent major developments in the Japanese patent practice, including those brought about by the amendments to the Patent Act of Japan¹ in 2021 (as amended, the “**Patent Act**”). The said legislative amendments have (and will have) a significant impact on the patent practice in Japan. Thus, parties and practitioners in the patent field are advised to bear these changes in mind.

This article will first describe the amendment to the Patent Act that introduced online oral proceedings for patent invalidation trials at the Japan Patent Office (“**JPO**”). Thereafter, the new third-party comments system in patent litigation before the Japanese courts will be discussed. Finally, this article will conclude with an explanation of the effects of the above amendments on foreign companies.

B. Amendments to the Patent Act in 2021

1. Online Oral Proceedings for Patent Invalidation Trials at the JPO

The amendment that introduced online oral proceedings for patent invalidation trials at the JPO took effect on **October 1, 2021**. This amendment was made mainly due to the COVID-19 situation. In particular, this amendment added provisions that will allow parties to attend online oral proceedings upon a party’s petition or upon the initiative of the chief administrative judge.²

To invalidate a Japanese patent, a claimant must file a request for a patent invalidation trial with the JPO. The patent invalidation trial is conducted by three administrative judges of the JPO. An oral proceeding will take place after the submission of the written request for a patent invalidation by the claimant³ and the written answer by the respondent (i.e., a right holder),⁴ and if necessary, additional documents by the parties⁵ (usually not more than one document for each

1. Tokkyoho [Patent Act], Act No. 121 of April 13, 1959, as amended. See the amendments at https://www.jpo.go.jp/system/laws/rule/hokaisei/tokkyo/tokkyohoutou_kaiei_r030521.html (in Japanese). An English outline of the amendments is available at https://www.jpo.go.jp/e/system/laws/rule/hokaisei/document/tokkyohoutou_kaiei_20190521/outline.pdf.

2. Patent Act, art. 145, paras. 6 and 7.

3. *Id.*, art. 123, para. 1, and art. 131, paras. 1 and 2.

4. *Id.*, art. 134, para. 1.

5. Tokkyoho Seko Kisoku [Regulation for Enforcement of Patent Act], Ordinance of the Ministry of International Trade and Industry No. 10 of March 8, 1960, as amended, art. 47-2 para. 1, and art. 47-3, para. 1.



party). Thereafter, in general, two or three months before the oral proceeding, the administrative judges will notify the parties of the matters to be examined in such oral proceeding, and both parties must submit their briefs to respond to the inquiries of the administrative judges until about three weeks before the oral proceeding. In the oral proceeding, the administrative judges would usually allow both parties to explain their arguments by using PowerPoint slides if the parties wish to do so, and then time for questions and answers between the administrative judges and both parties will follow. In practice, the oral proceeding is held only once before the decision is rendered by the administrative judges. Thus, among the procedures in a patent invalidation trial, the oral proceeding is quite an important opportunity for the parties to understand the thoughts of the administrative judges, and predict whether they will win or lose the case.

Compared to the above new online oral proceedings for patent invalidation trials at the JPO, the Japanese courts have already started online procedures (via Teams) in patent cases for preparatory proceedings, written preparatory proceedings, scheduling conferences, etc. Moreover, although parties engaged in Japanese litigation currently have to submit their briefs on paper or via facsimile, the Japanese courts plan to introduce the electronic submission system of parties' briefs, especially in patent litigation, from around **next summer or autumn**. Thus, the new online oral proceedings for patent invalidation trials at the JPO are considered as one of the latest changes in the Japanese patent practice toward online procedures.

These changes are welcome moves for parties and practitioners because online procedures and e-filing systems will ease their burden. When it comes to online procedures, however, whether or not participation from overseas (e.g., witness testimonies, service via an online system, etc.) will be allowed is still controversial in Japan.⁶ If permitted in the future, then the difficulties being experienced by foreign companies or entities will be considerably alleviated.

2. Third-Party Comments in Japanese Patent Litigation

The amendment, which will introduce a system of third-party comments in patent litigation before the Japanese courts, will take effect on **April 1, 2022**. This amendment will add provisions that will allow the submission of third-party comments in a court of first instance and/or second instance (i.e., the Japanese Intellectual Property High Court (“**IP High Court**”)) if the court finds such submission to be necessary upon petition by a party.⁷ This amendment originated from the experience of allowing third-party comments to be sought in a Grand Panel case before the IP High Court in 2014 (*Apple Japan LLC v. Samsung Electronics Co., Ltd.*).⁸

In the above *Apple Japan v. Samsung* case, based on the consent of both parties, the IP High Court allowed the parties to call for both local and foreign public opinions regarding “*whether an owner of a patent essential for a standard developed by a standardization body, for which a (F)RAND declaration (a declaration to grant a license under (fair), reasonable and non-discriminatory conditions) is made, should be restricted from exercising the right to seek an injunction or the right to seek damages.*”⁹

6. See <https://www.moj.go.jp/content/001346048.pdf> (in Japanese).

7. Patent Act, art. 105-2-11, paras. 1 and 2 (effective from April 1, 2022).

8. IP High Court (en banc), May 16, 2014, Hei 25 (ne) No. 10043, Saibansho Web, https://www.ip.courts.go.jp/vc-files/ip/file/H25ne10043_zen1.pdf (in Japanese). An English translation of the judgment is available at <https://www.ip.courts.go.jp/eng/vc-files/eng/file/25ne10043full.pdf>.

9. See <https://www.ip.courts.go.jp/eng/vc-files/eng/file/25ne10043full.pdf>, at 139.



As a result, 58 opinions were submitted to the parties from eight countries, and all of them were submitted to the IP High Court upon mutual agreement and were found to be quite useful for the judgment.¹⁰ However, despite this successful experience in the *Apple Japan v. Samsung* case, the option of calling for public opinions has not been utilized in any other case. Thus, it has been discussed that clear grounds for the collection by Japanese courts of third-party comments are still needed.

With regard to the new third-party comments system in Japan, the following points should be noted:

a. Differences with the US system of filing *amicus curiae* briefs with US courts

In contrast to the US system where US courts can consider all of the briefs submitted to them in deciding cases, the Japanese system is considered to be one where the evidence collection process is done under the responsibility of each party. In particular, each party will check all of the briefs submitted to a Japanese court, and then select and submit only those that are favorable to them. Since a Japanese court can only base its decision on the evidence submitted by both parties, it is likely that not all of the briefs that were submitted to the court would be considered by it in deciding a case. In other words, not all third-party comments will be considered by the Japanese court.

b. Matters that can be the subject of the new third-party comments system

The following examples have been mentioned in the

discussions concerning the new third-party comments system:¹¹

- i. A patent infringement case between private parties, which relates to an agreement or business practice concerning a patent, such as a standard-essential patent (“SEP”), and which would have a significant impact not only on the industry to which the parties belong, but also on companies of other industries, would be suitable for the third-party comments system.
- ii. A patent infringement case, which relates to a technology that is widely used in various types of products, such as high technology in the AI/IoT field, and which has a significant impact not only on the industry to which the parties belong, but also on companies of other industries, would also be suitable for the third-party comments system.
- iii. With respect to the examples in items (i) and/or (ii) above, if the patent infringement case is one where the Japanese court should take into account international litigation and business practices in rendering its judgment, then it would be especially suitable for the third-party comments system.

C. Conclusion

From the viewpoint of foreign companies or entities interested or involved in international complex patent issues, such as SEP/FRAND and high technology in the AI/IoT field, they will be able to use the newly introduced third-party comments system in Japan as an effective way of asserting their arguments if a Japanese court decides to call for public opinions regarding

10. *Id.*, at 139-141; see also Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council at the JPO, “*Amicus Brief seido ni tsuite*” (About the Amicus Brief System) (2020), at 11 (available at https://www.jpo.go.jp/resources/shingikai/sangyo-kouzou/shousai/tokkyo_shoi/document/34-shiryu/03.pdf (in Japanese)).

11. Patent System Subcommittee of the Intellectual Property Committee of the Industrial Structure Council at the JPO, “*Daisanshaikenboshuseido (Nihonban Amicus Brief Seido)*” (Third-Party Comments System (Japanese Amicus Brief System)) (2020), at 2 (available at https://www.jpo.go.jp/resources/shingikai/sangyo-kouzou/shousai/tokkyo_shoi/document/44-shiryu/03.pdf (in Japanese)).



specific issues in the litigation pending before it. Moreover, in such a case, in order for the parties to such litigation to call for and submit the opinions of foreign companies to the Japanese court as evidence, careful analyses of the specific issues and the interests of both parties should be made.

As to online procedures, if further legislative amendments make them more available, even if the parties (and/or their witnesses) are located in a foreign country, then foreign companies will be able to have easier access to Japanese patent litigation and patent invalidation trials.

[Back to List of Articles](#) ➔

DISCLAIMER

The contents of this Newsletter are intended to provide general information only, based on data available as of the date of writing. They are not offered as advice on any particular matter, whether legal or otherwise, and should not be taken as such. The authors and Oh-Ebashi LPC & Partners expressly disclaim all liability to any person in respect of the consequences of anything done or omitted to be done wholly or partly in reliance upon the whole or any part of the contents of this Newsletter. No reader should act or refrain from acting on the basis of any matter contained in this Newsletter without seeking specific professional advice.