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# The Legal 500 Country Comparative Guides

## Japan

# INTELLECTUAL PROPERTY

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This country-specific Q&A provides an overview of intellectual property laws and regulations applicable in Japan.

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# JAPAN

## INTELLECTUAL PROPERTY



**1. What different types of intellectual property rights exist to protect: (a) Inventions (e.g. patents, supplementary protection certificates, rights in trade secrets, confidential information and/or know-how); (b) Brands (e.g. trade marks, cause of action in passing off, rights to prevent unfair competition, association marks, certification marks, hallmarks, designations of origin, geographical indications, traditional speciality guarantees); (c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in trade secrets, confidential information and/or know-how).**

**(a) Patents** protect inventions, which are highly advanced creations of technical ideas utilizing the laws of nature. Patent term extension is available for a patent when the patented invention cannot be practiced due to regulations on drugs or pesticides.

**Utility models** protect devices, which are creations of technical ideas utilizing the laws of nature.

With respect to the protection of trade secrets, certain activities, such as wrongful acquisition, use or disclosure of trade secrets, are regarded as unfair competition.

**(b)** Registration of **trademarks** protects characters, figures, signs, three-dimensional shapes, colors or any combination thereof and sounds that can be recognized by human perception (including moving marks, hologram marks and position marks) and that are used in connection with goods or services.

In addition to the matter explained above, (i) creating confusion with a well-known indication of goods or services, (ii) misappropriation of an indication of famous goods or services, (iii) imitation of the configuration of a

third party's product, (iv) wrongful acquisition or usage of data for limited provision, (v) wrongful acquisition or usage of a domain name, (vi) misleading representation regarding the place of origin, quality, etc. of a product, (vii) false representation injuring the reputation of a competitor's business and (viii) misappropriation of a trademark by an agent of the trademark owner are also regarded as unfair competition.

Regional brand products that abide by specific quality standards can be registered and geographical indication marks can be used for registered regional brand products.

**(c) Copyrights** protect works, which are productions in which thoughts or sentiments are expressed in a creative way and that fall within the literary, scientific, artistic or musical domain. Also, **moral rights** are given to the author of the work.

Registration of **designs** protects designs, which are (i) the shapes, patterns, colors or any combination thereof of an article (including a part of an article) or a building and (ii) graphic images, with the requirement that both (i) and (ii) create an aesthetic impression through the eye.

**Layout-design exploitation rights** protect layout-designs, which are the layouts of circuitry elements in semiconductor integrated circuits and the lead wires connecting such elements.

**Breeders' rights** protect plant varieties, which are plant groupings where at least one of the important characteristics of a plant grouping enables it to be distinguished from any other plant grouping and such plant grouping can be propagated while maintaining all of its characteristics without change.

In respect of the name, the portrait and the like of an individual that appeals to consumers and can be used to promote the sale and the like of goods, the right to exclusively use such appeal is recognized as the **right of publicity**.

Among the above, patents, utility models, designs, trademarks, copyrights and moral rights, layout-design exploitation rights and breeders' rights are recognized as intellectual property rights. The right of publicity can be recognized as an intellectual property right.

Hereinafter, the answers provided are in relation to patents, utility models, designs, trademarks and copyrights.

## **2. What is the duration of each of these intellectual property rights? What procedures exist to extend the life of registered rights in appropriate circumstances?**

Patents: 20 years from the filing of the patent application. When a patent term extension is available, the patent term can be extended for up to 5 years. A person who wants a patent term extension is required to file an application for a patent term extension with the Japan Patent Office.

Utility models: 10 years from the filing of the utility model application.

Designs: 20 years from the registration of the design.

Trademarks: 10 years from the registration of the trademark. Trademark rights can be renewed by filing a renewal application with the Japan Patent Office.

Copyrights: 70 years from the death of the author subject to some exceptions.

## **3. Who is the first owner of each of these intellectual property rights and is this different for rights created in the course of employment or under a commission?**

Patents/utility models/designs: the inventor/creator (or assignee). When any agreement, employment regulation or any other stipulation prescribes in advance that the right to obtain a patent for any employee invention vests in the employer, the employer becomes the first owner of the right to obtain a patent. The same applies to utility models and designs.

Trademarks: no limitations (applicant).

Copyrights: the person who created the work. In respect of a work that is made by an employee in the course of his/her duties on the initiative of the employer and that is made public under the name of the employer, the employer is regarded as the author and becomes the

first owner of the copyright unless otherwise stipulated in any agreement, employment regulation or the like.

## **4. Which of the intellectual property rights described above are registered rights?**

Patents, utility models, designs and trademarks.

## **5. Who can apply for registration of these intellectual property rights and, briefly, what is the procedure for registration?**

For rights other than trademarks, please see the answer to #3. For trademarks, there are no limitations.

Procedures - To apply for a patent, a person is required to file a patent application with the Japan Patent Office. After a request for examination is made, the examiner starts examination. If the application lacks any of the requirements, the examiner issues a decision refusing the patent application. Otherwise, the examiner issues a decision granting a patent. The patent is registered after the payment of the annual patent fees subject to some exceptions.

To apply for a utility model, a person is required to file a utility model application. A utility model application is not examined. Unless a utility model application lacks the required formalities, the utility model is registered.

To apply for the registration of a design, a person is required to file a design application. If the application lacks any of the requirements, the examiner issues a decision refusing the design application. Otherwise, the examiner issues a decision granting a design registration. The design is registered after the payment of the annual registration fees. The same applies to the registration of a trademark.

## **6. How long does the registration procedure usually take?**

Patents: 14.3 months on average (from the request for examination through the final disposition, FY2019).

Designs: 6.8 months on average (from the filing of the application through the final disposition, FY2019).

Trademarks: 10.9 months on average (from the filing of the application through the final disposition, FY2019).

## **7. Do third parties have the right to take**

## part in or comment on the registration process?

For patents, utility models and trademarks, any person can provide the Japan Patent Office with published documents or other documents at any time to show that the pending application lacks the requirements for a patent, utility model or trademark to be granted. Such provision can be made on an anonymous basis.

## 8. What (if any) steps can the applicant take if registration is refused?

When a patent application, a design application or a trademark application is refused, the applicant can file an appeal with the Trial and Appeal Department of the Japan Patent Office. A board of trial examiners then hears the appeal. If the board of trial examiners renders a trial decision dismissing the appeal, the applicant can file with the Intellectual Property High Court for litigation seeking to revoke the trial decision.

## 9. What are the current application and renewal fees for each of these intellectual property rights?

See the "Schedule of fees" on the Japan Patent Office website.

<https://www.jpo.go.jp/e/system/process/tesuryo/hyou.html>

## 10. What are the consequences of a failure to pay any renewal fees and what (if any) steps can be taken to remedy a failure to pay renewal fees?

If a patentee fails to pay any patent fee, he/she can pay the patent fee plus a patent surcharge in the same amount as the patent fee within six months from the payment deadline to maintain the patent.

If the patentee fails to pay the patent fee plus the patent surcharge within six months from the payment deadline, the patent lapses as of the payment deadline. The same applies to utility models and designs.

If a patentee has reasonable grounds for failing to pay the patent fee and patent surcharge within six months from the payment deadline, the patentee may still apply for restoration of the patent, however, the JPO rarely finds that a patentee has reasonable grounds. The 2021 Amendment to the Patent Act changed this system. After

this amendment, which will come into effect at latest in May 2023, a patentee may apply for restoration of the patent for a certain period of time after the expiration of the six month period, which is to be determined later, unless the patentee chooses not to pay the patent fee and patent surcharge.

A renewal fee must be paid at the same time as the filing of a renewal application for a trademark. If a trademark owner fails to pay the renewal fee, the trademark is not renewed.

## 11. What are the requirements to assign ownership of each of the intellectual property rights described above?

To assign a patent, a utility model, a design or a trademark, registration of the assignment is required.

There are no requirements to assign a copyright.

## 12. Is there a requirement to register an assignment of any of these intellectual property rights and, if so, what is the consequence of failing to register?

The assignment of a patent, utility model, design or trademark is not effective unless the assignment is registered.

The assignment of a copyright is not effective against a third party unless the assignment is registered.

## 13. What are the requirements to licence a third party to use each of the intellectual property rights described above?

There are no requirements for granting an ordinary license (including an exclusive ordinary license) to a patent, utility model, design or trademark or for granting a license to a copyright to a third party.

On the other hand, to grant an exclusive registered license to a patent, utility model, design or trademark to a third party, registration of the license is required. The license is not effective unless it is registered.

## 14. Is there a requirement to register a licence of any of these intellectual property rights and, if so, what is the consequence of failing to register?

An ordinary license (including an exclusive ordinary license) to a patent, utility model, design, trademark, semiconductor circuit layout right or a breeder's right or a license to a copyright cannot be registered.

As for the registration of an exclusive registered license, see the answer to #13.

**15. Are exclusive and non-exclusive licensees given different rights in respect of the enforcement of the licensed IP, and if so, how do those rights differ?**

As for a patent, utility model, design and trademark, the statute sets forth only the difference between an exclusive registered license and an ordinary license. The licensee of an exclusive registered license has the same right that the right owner has against the infringer to seek an injunction and compensation for damages.

The statute does not distinguish between an exclusive ordinary license and a non-exclusive ordinary license, but there are court precedents that give some advantages to an exclusive ordinary license.

According to the court precedents, the licensee of an exclusive ordinary license can recover damages from an infringer. Additionally, in limited circumstances, the licensee of an exclusive ordinary license can seek an injunction against the infringer on behalf of the patent owner.

As for a copyright, there is no difference.

**16. Are there criminal sanctions for infringement of any intellectual property rights, and if so, what are they and how are they invoked?**

There are criminal sanctions for infringement of intellectual property rights. For example, a person who commits patent infringement is subject to punishment by imprisonment with work for a term of up to ten years and/or a fine of up to JPY 10,000,000. Criminal sanctions are imposed based on the investigation conducted by the police and the filing of an indictment with the court by a prosecutor. A complaint from the injured party is required to file an indictment for copyright infringement. Indictments based on trademark infringement are frequently issued while those based on patent infringement are almost never issued.

**17. What other enforcement options are available for each of the intellectual property rights described above? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.**

Infringement litigation (civil litigation) is a popular means of enforcing intellectual property rights. Neither intellectual property office proceedings nor administrative proceedings are available as a means for enforcing intellectual property rights. Alternative dispute resolution is also available, but is not a popular option.

As for border enforcement by customs, see the answer to #20.

**18. What is the length and cost of such procedures?**

The average length of IP litigation before district courts in the first instance is 12.3 months (FY2018). This is the average of all IP cases, and patent cases tend to take longer compared to other IP cases.

The cost (the fees to be paid to the court) depends on the amount of the claims. For example, for a claim totaling JPY 100,000,000, the court fee for the first instance is JPY 320,000. This figure does not include attorneys' fees.

**19. Where court action is available, please provide details of which court(s) have jurisdiction, how to start proceedings, the basics of the procedure, the time to trial, the format of the trial, the time to judgment and award of relief and whether any appeal is available.**

For litigation concerning patents and utility models, or program copyrights, the Tokyo District Court or the Osaka District Court has exclusive jurisdiction as the court of first instance.

For litigation concerning other intellectual property rights (designs, trademarks, or copyrights except program copyrights), as in other litigation, a district court having jurisdiction over the defendant's residence has jurisdiction over the case. Additionally, in IP infringement litigation, a district court having jurisdiction over the place where the defendant sells the infringing products (as the place where the tort occurred) has

jurisdiction over the case. In addition, the Tokyo District Court or the Osaka District Court has concurrent jurisdiction as the court of first instance.

To initiate proceedings, the plaintiff (the right owner) files a complaint with a district court. In general, the court holds the first hearing in about a month after the filing of the complaint. The court usually holds a hearing once a month or once every two months. Both parties submit briefs and evidence from time to time. A hearing generally takes about 15-30 minutes. The court reads and examines the briefs and evidence submitted by the parties before the hearing, poses questions to the parties accordingly, discusses the plans for the next hearing with the parties and sets the next hearing date. The proceedings are mainly based on the documents submitted by the parties. Witness examinations are usually not conducted in IP litigation.

As for the length of the proceedings, see the answer to #18.

When the plaintiff (the right owner) prevails, the court usually grants an injunction and awards damages if the plaintiff has sought them.

The losing party in the first instance can appeal the judgment of the first instance. For litigation concerning patents, utility models, or program copyrights, the Intellectual Property High Court has exclusive jurisdiction as the court of second instance. For litigation concerning other intellectual property rights, a high court corresponding to the court of first instance has jurisdiction as the court of second instance.

The losing party in the second instance can file a final appeal with the Supreme Court; however, very limited grounds exist for filing a final appeal.

## **20. What customs procedures are available to stop the import and/or export of infringing goods?**

An IP right owner can file an application for suspension of import/export with Customs requesting that Customs initiate identification procedures in the case where Customs detects import/export goods suspected of infringing the IP rights.

If it is decided that the goods infringe the IP rights through the identification procedures, Customs can confiscate and destroy the infringing goods.

## **21. Are any non-court enforcement options**

### **or dispute resolution mechanisms mandatory in respect of intellectual property disputes in any circumstances? If so, please provide details.**

No.

## **22. What options are available to settle intellectual property disputes?**

In the course of IP litigation, courts often hold a settlement hearing and the judges in charge of the litigation act as mediators by individually speaking with each party in turn. When the parties reach an agreement, the agreement is reflected in the case record as a judicial settlement, thereby ending the litigation. Out-of-court settlement agreement is also an available option.

## **23. What is required to establish infringement of each of the intellectual property rights described above? What evidence is necessary in this context?**

Patents: the patent owner is required to prove (i) in the case of the infringement of a product invention patent, that the alleged infringer produces, uses, "Assigns, etc." (i.e. to assign or to lease, including, in the case where the product is a computer program, to provide through electrical communication line), exports, imports, or offers to "Assign, etc." the product as part of its business; (ii) in the case of the infringement of a method invention patent, that the alleged infringer uses the method as part of its business; and (iii) in the case of the infringement of a patent of an invention for a method for production of a product, that the alleged infringer uses the method or uses, "Assigns, etc.," exports, imports, or offers to "Assign, etc." the product produced by the method as part of its business. Instead of the above acts (direct infringement), the patent owner may prove the elements of indirect infringement. To prove typical indirect infringement of a product invention patent, the patent owner must prove that (i) the alleged infringer produces, "Assigns, etc.," imports, or offers to "Assign, etc." a product as part of its business, (ii) the product is used for the production of the patented product, (iii) the product is essential for the resolution of the problem that was resolved by the patented invention, and (iv) the alleged infringer is aware that the invention is a patented invention and that the subject product is used for the implementation of the patented invention.

Utility models: the registered utility model owner is required to prove that the alleged infringer

manufactures, uses, assigns, leases, exports, imports or offers to assign or lease (including to display for the purpose of assignment or lease) the device. Instead of the above acts (direct infringement), the registered utility model owner may prove the elements of indirect infringement.

Designs: the registered design owner is required to prove that the alleged infringer manufactures, uses, assigns, leases, exports, imports or offers to assign or lease (including to display for the purpose of assignment or lease) an article having the design. Instead of the above acts (direct infringement), the registered design owner may prove the elements of indirect infringement.

Trademarks: the registered trademark owner typically must prove that the alleged infringer (i) affixes the registered trademark or a trademark similar to the registered trademark to the designated goods or goods similar to the designated goods or packages thereof or (ii) displays items to be used for the provision of the designated services or services similar to the designated services to which the registered trademark or a trademark similar to the registered trademark is affixed for the purpose of providing the services. The Trademark Act sets forth many other circumstances where the registered trademark is infringed.

Copyrights: the copyright owner is required to prove that the act of the alleged infringer is within the act covered by each divisible right. Divisible rights are (i) right of reproduction, (ii) right of performance, (iii) right of presentation, (iv) right of public transmission, (v) right of recitation, (vi) right of exhibition, (vii) right of distribution, (viii) right of transfer of ownership, (ix) right of lending, and (x) right of adaptation.

They are generally demonstrated by documentary evidence, including written statements, experiment reports, and written expert opinions.

**24. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so? In particular a) Is there a technical judge, a judge with technical experience, a court appointed expert, an expert agreed by the parties, and/or parties' expert witness evidence? b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?**

The Court obtains both factual and technical information

from the evidence submitted by the parties.

- a. In most cases, judges do not have technical expertise, although there may be one or more judges who have had a technical education by chance. There are technical assistants who work full-time and research and report technical issues to the judges in the Intellectual Property High Court, Tokyo District Court, and the Osaka District Court. Most of the technical assistants are seconded from the Japan Patent Office and the remaining technical assistants are former patent agents. In some cases where highly technical issues are disputed, the court can appoint technical advisors on a case-by-case basis. The technical advisors are typically leading experts, such as university professors or researchers at public institutions. The court usually does not conduct expert witness examinations; however, the parties may submit written expert opinions by technical experts as evidence.
- b. In general, each party submits the evidence within his/her possession that he/she believes is useful to support his/her arguments. A party can request the court to issue an order against the other party to produce documents, but the court cannot order the production of documents when the other party has just cause for refusal.

By way of the 2019 Amendment to the Patent Act, which came into force in November 2020, an on-site inspection system was introduced for patent infringement litigation and utility model infringement litigation. Under the new system, the court can appoint a technical expert as an inspector and order the inspector to inspect plants and other sites of the alleged infringer. The inspector can enter the plants or other sites of the alleged infringer and operate equipment, take measurements, perform experiments or take measures permitted by the court. The inspector then submits an inspection report to the court. The alleged infringer can file a motion not to disclose all or a part of the inspection report to the IP right owner. The IP right owner can request a copy of the inspection report only after the court has ruled on such motion of the alleged infringer.

**25. How is information and evidence submitted to the court scrutinised? For example, is cross-examination available and if so, how frequently is it employed in**

**practice?**

Courts independently examine the credibility of the evidence submitted by the parties by applying various rules of thumb.

Theoretically, parties can request witness examinations and the court can conduct witness examinations to determine disputed facts or to determine the credibility of evidence. However, courts rarely conduct witness examinations in IP litigation. Such rare situations include, for example, where inventorship is disputed, or where public use prior to the filing date is disputed.

**26. What defences to infringement are available?**

For patents, utility models, designs, and trademarks, the invalidity defense and prior use defense are available. For trademarks, the parallel import defense is also available.

For copyrights, the private use defense is available and many other defenses are available in accordance with specific situations. Also, by the amendment of the Copyright Act in 2018, which came into effect in January 2019, a flexible defense to deal with the progress of digitalization and networking has been introduced. For example, use of copyrighted work without the intent to enjoy the thoughts or sentiments expressed in the work is broadly exempted from copyright infringement. By this exemption (defense), provision of copyrighted works to an AI for the purpose of the development and growth of the AI is exempted.

**27. Who can challenge each of the intellectual property rights described above?**

For patents, only interested parties can file for an invalidation trial with the Japan Patent Office. An opposition can be filed with the Japan Patent Office by any person.

For utility models and designs, any person can file for an invalidation trial with the Japan Patent Office except in the case where the grounds for invalidation is false creatorship (i.e. argument that the applicant of the utility model or design is not the creator or his/her assignee), in which case only interested parties can file for an invalidation trial.

For trademarks, only interested parties can file for an invalidation trial with the Japan Patent Office. An opposition can be filed with the Japan Patent Office by

any person. A non-use cancellation trial can be filed for with the Japan Patent Office by any person.

**28. When may a challenge to these intellectual property rights be made (e.g. during any registration process or at any time during the subsistence of the right)?**

An invalidation trial against patents, utility models or designs can be filed for at any time, even after the expiration of the right.

An opposition against patents can be filed within six months from the issuance of the patent gazette.

An invalidation trial against trademarks can be basically filed for at any time, even after the expiration of the right. However, for some grounds for invalidation, an invalidation trial must be filed for within five years from the registration of the trademark.

An opposition against trademarks can be filed within two months from the publication of the relevant trademark gazette.

A non-use cancellation trial against trademarks can be filed for at any time.

**29. Briefly, what is the forum and the procedure for challenging each of these intellectual property rights and what are the grounds for a finding of invalidity of each of these intellectual property rights?**

An invalidation trial against a patent, utility model, design or trademark can be initiated by filing a request for an invalidation trial with the Japan Patent Office. Any failure to meet the requirements for such right (such as novelty and inventive step) can be the grounds for invalidation. An invalidation trial is generally based on an adversarial system, but the board of examiners of the Japan Patent Office can make a finding with respect to a ground for invalidation that has not been raised by the parties.

An opposition against a patent or trademark can be initiated by filing an opposition with the Japan Patent Office. The grounds for opposition are somewhat limited compared to that of invalidation. For example, false inventorship cannot be raised in an opposition. An opposition is not based on adversarial system, but is rather like an extension of the examination procedure.

A non-use cancellation trial against a trademark can be



filed for with the Japan Patent Office when the registered trademark has not been used by any of the trademark owner or its licensees for three consecutive years or longer.

### **30. Are there any other methods to remove or limit the effect of any of the intellectual property rights described above, for example, declaratory relief or licences of right?**

Any person may, when there is a threat to his/her legal position, file a litigation seeking a declaratory judgment. Typically, when an intellectual property right owner sends a letter indicating his/her intent to enforce the right against a person, the person can file a litigation seeking a declaratory judgment (a judgment declaring that the person is not liable for damage claims or that he/she is not subject to an injunction).

### **31. What remedies (both interim and final) are available for infringement of each of the intellectual property rights described above?**

Injunction and compensation of damages are available as remedies for infringement. An injunction is almost automatically issued when the right owner seeks it. The amount of damage that can be awarded is limited to the compensatory damages. Any damages that exceed the compensatory damages, including punitive damages, cannot be awarded.

### **32. What are the costs of enforcement proceedings and is any kind of costs recovery available for successful parties? Is there a procedural mechanism enabling or requiring security for costs?**

As for costs, please see the answer to #18. The court determines who should bear the cost (the court fee) and to what extent in the judgment. In general, the losing party shall bear the cost (the court fee). It does not

include attorneys' fees. In general, attorneys' fees shall be borne by each party. However, the court may include some of the attorneys' fees in the amount of damages when the court finds causation between the infringing act and the attorneys' fees.

In the case where the plaintiff does not have a domicile, a business office or other office in Japan, upon a motion by the defendant, the court shall order the plaintiff to provide security for the costs (court fee).

### **33. Has the COVID-19 pandemic caused any changes (temporary or permanent) to the protection or enforcement of intellectual property? For example, changes to deadlines, filing or evidence requirements or court processes.**

No changes have been made to the statutes, rules or regulations related to intellectual property due to the COVID-19 pandemic but the existing remedial measures to deal with extreme circumstances may apply to a failure to meet deadlines during the course of procedures before the Japan Patent Office due to the COVID-19 pandemic.

Please see "Handling of Procedures Affected by COVID-19" and "Relief Measures based on 'Reasons beyond one's Control' and 'Legitimate Reasons' when prescribed procedures are affected by COVID-19" on the Japan Patent Office website.

[https://www.jpo.go.jp/e/news/koho/saigai/covid19\\_procedures.html](https://www.jpo.go.jp/e/news/koho/saigai/covid19_procedures.html)

[https://www.jpo.go.jp/e/news/koho/saigai/covid19\\_legitimate\\_reasons.html](https://www.jpo.go.jp/e/news/koho/saigai/covid19_legitimate_reasons.html)

Further, the 2021 Amendment to the Patent Act enabled the JPO to hold an online invalidation trial. This is not a temporary measure, however, an online invalidation trial is held only when the board of JPO trial examiners decides to do so. As such, the board of JPO trial examiners can decide not to hold an online invalidation trial even if a party, or the parties, requests to do so.

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