

Country Comparative Legal Guides

Japan: Intellectual Property

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This country-specific Q&A provides an overview to intellectual property law in [Japan](#).

It will cover intellectual property rights, licensing, enforcement, establishing infringement or liability, and challenges to intellectual property.

This Q&A is part of the global guide to Intellectual Property. For a full list of jurisdictional Q&As visit <http://www.inhouselawyer.co.uk/index.php/practice-areas/intellectual-property/>

1. What different types of intellectual property rights exist in this jurisdiction to protect?

(a) Inventions (e.g. patents, supplementary protection certificates, rights in confidential information and/or know-how);

Patents, including utility model rights

Japan has a two-tier patent system:

The Patent Act, which covers exclusive rights to inventions based on technical ideas using natural laws; and The Utility Model Act, which covers exclusive rights to devices based on technical ideas using natural laws in connection with a device's shape, structure, or a combination thereof.

The scope of the subject matter protected by the Utility Model Act is narrower than that protected by the Patent Act, and the level of technical complexity required by the Utility Model Act is lower than that required by the Patent Act.

Trade secrets and confidential information

Confidential information, which is defined as 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.

(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);

Trade marks

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

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

(c) Other creations, technology and proprietary interests (e.g. copyright, design rights, semiconductor topography rights, plant varieties, database rights, rights in confidential information and/or know-how).

Copyright

Under the Copyright Act, copyright arises automatically upon creation of a work in

which thoughts or sentiments are expressed in a creative way and which falls in the literary, academic, artistic or musical domain.

Design rights

Under the Design Act, a “design” means the shape, pattern, colour, or combination thereof of an article which has an aesthetic sense. A graphic image that is provided for use in the operation of an article (limited to operations carried out in order to enable the article to perform its functions) and is displayed on the article itself or another article that is used with the article in an integrated manner, can also be protected by the Design Act.

Unregistered designs can be protected under the Unfair Competition Prevention Act and/or the Copyright Act.

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 (including utility model rights)

A patent is effective upon registration and expires 20 years from the application filing date. In the fields of pharmaceuticals and agrochemicals, the patent term can be extended by a period not exceeding 5 years.

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

Registered Trademarks

Protection under the Trademark Act arises upon registration and lasts for 10 years.

Registrations can be renewed any number of times by filing a renewal application and paying a fee.

Copyright

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

Design rights

Protection under the Design Act arises upon registration and lasts for 20 years.

Who is the first owner of each of these intellectual property rights

3. **and is this different for rights created in the course of employment or under a commission?**

Previously, for patents, utility model rights and design rights, the right to obtain the intellectual property rights created by an employee in the course of employment was held by the employee without exception, and the employer only had a non-exclusive licence of the right. However, the Patent Act, the Utility Model Act and the Design Act (amended in May 2015) have made it possible for employers to reserve, from the outset, the right to obtain the IP rights in employee inventions if they so provide in employment contracts, work rules, or any other stipulations in advance.

Copyright in a work created by an employee in the course of employment vests in the employer unless otherwise stipulated by contract, work rules, or similar instruments.

4. **Which of the intellectual property rights described in questions 1-3 are registered?**

Patent rights, utility model rights, trademarks under the Trademark Act and design rights are protected through registration with the Japan Patent Office (the JPO).

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

Patents (including utility model rights)

In principle, an inventor, or someone who was assigned the right to obtain a patent from the inventor, can apply for registration. To obtain a patent, an applicant needs to make a request for examination with the JPO within 3 years from the filing date.

Registered Trademarks

A person who conducts, or is planning to conduct, business in connection with the designated goods or services can apply for registration.

Design rights

A person who creates a design that is industrially applicable, or someone who was assigned the right to obtain a patent from such person, can apply for registration.

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

The average application procedure length in 2014 is as follows:

Patents (including utility model rights)

15.2 months from a request for examination to an issue of rights.

Registered Trademarks

6 months from filing to an issue of rights.

Design rights

7.1 months from filing to an issue of rights.

7. Do third parties have the right to take part in or comment on the registration process?

During the application process for patents, utility model rights or trademarks, any person can anonymously provide information to oppose an application before the JPO.

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

An applicant for patents, trademarks or design rights may file a request for a trial with the JPO against the examiner's decision of refusal, within 3 months from the date when the transcript of the examiner's decision has been served.

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

See "Schedule of fees" at www.jpo.go.jp.

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?

In the case of a failure to pay renewal fees, registered rights shall be deemed to have been extinguished. Remedies are available, such as a limited extension of the payment period.

11. What are the requirements to assign ownership of each of the intellectual property rights described in questions 1-3?

For Patents (including utility model rights), registered trademarks and design rights,

registration with the JPO is required; for copyrights, trade secrets and confidential information, no registration or other formality is required. Note that, to assert a copyright assignment against a third party, registration with the Agency for Cultural Affairs is required.

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?

In the case of failing to register an assignment of patents, utility model rights, registered trademarks or design rights, the assignment does not take effect.

13. What are the requirements to licence a third party to use each of the intellectual property rights described in questions 1-3?

In principle, licences require no formalities. However, in the case of certain types of exclusive licenses, i.e., exclusive licences to use the rights (senyo-jisshi-ken or senyo-shiyo-ken) for patents, utility model rights, trade marks and design rights, registration with the JPO is required for the license to take effect.

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?

See 13. In the case of certain types of exclusive licenses, if a license is not registered, such exclusiveness of the license does not take effect.

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?

Exclusive licensees (licensee of senyo-jisshi-ken or senyo-shiyo-ken, see 13) of patents, utility model rights, trade marks and design rights can seek an injunction against, or an award of damages from, the infringer (within the scope of the license), while in principle, other types of licensees cannot seek an injunction or damages.

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 each right. In principle, complaints are not necessary to invoke criminal proceedings for such infringement. However, for most types of copyright infringement, the Copyright Act specifies that no prosecution can be instituted without victim's complaint.

17. What other enforcement options are available in your jurisdiction for each of the intellectual property rights described in questions 1-3? For example, civil court proceedings, intellectual property office proceedings, administrative proceedings, alternative dispute resolution.

Civil court proceedings are available for each rights. Alternative dispute resolution procedures, including mediation and arbitration, are also available.

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

Regarding civil court proceedings, the average length of the proceedings at district courts in 2016 regarding the intellectual property rights is 13.3 months. The filing cost for a civil lawsuit is specified by law, in accordance with the amount of a claim(s).

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.

The basics of a lawsuit at a Japanese court for a civil infringement case are as follows:

a plaintiff submits a complaint to a court, and the court then specifies the first court hearing date and serves to a defendant the complaint. The defendant needs to submit an answer 1 week before the first hearing date. After the first hearing date, each party submits briefs and evidence to each other, and after examining evidence, the court makes a decision. Since Japan does not adopt a jury system in civil cases, judges conclude both factual and legal issues.

For the time to judgment, see 18. For the award of relief, see 31.

The jurisdiction for civil infringement cases is as follows:

Patents, including utility model rights, and Copyrights for Computer Programs

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

Trade Secrets, Registered Trademarks, Copyrights (other than those for Computer Programs) and Design Rights

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

20. How does the court acquire any necessary information (fact or technical) and in what circumstances does it do so?

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?

A court may, after hearing opinions of the parties, appoint a “technical adviser” to hear his/her explanation based on expert knowledge. There is no technical judge system.

b) What mechanisms are available for compelling the obtaining and protecting of evidence? Is disclosure or discovery available?

Parties may file with a court a petition for an order to submit a document, by specifying a document(s) and the other information. Also, for intellectual property cases, protective orders are available under the Patent Act, etc. to limit the use and disclosure of the trade secrets that are included in briefs and evidence.

21. 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?

Parties may file with a court a request for an examination of a witness. Generally, a witness is examined in the following order: by the party who has requested the examination, the other party, and the presiding judge.

22. What customs procedures are available to stop the import and/or

export of infringing goods?

Under the Customs Act, the right holder may file with the Director General of the Customs an application for a verification procedure of infringement goods, after which the Director may stop the import and/or export of them.

23. 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.

24. What options are available to settle intellectual property disputes in your jurisdiction?

See 17. Parties may seek settlements to disputes in these procedures.

25. What is required to establish infringement of each of the intellectual property rights described in questions 1-3? What evidence is necessary in this context?

Patents

The grounds are:

- Direct infringement: Producing, using, or assigning patented products or using patented methods, and so on.
- Indirect infringement: Producing or assigning products exclusively used for patented products, or methods for commercial purposes, and so on.

Trade Secrets

Grounds for an action include acquiring, using or disclosing through wrongful acquisition. The other grounds are specified in the Unfair Competition Prevention Act.

Registered Trademarks

Infringing actions include:

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

Copyright

Grounds include:

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

Design Rights

The grounds are:

- Direct infringement: Manufacturing, selling, etc. a registered design or any similar design for commercial purposes.
- Indirect infringement: Producing, assigning, etc. any product to be used exclusively for the production of a product using a registered or similar design for commercial purposes.

Generally, documents to show the accused constructions/operation of products, process and/or services, etc are important as evidence.

26. What defences to infringement are available?

Patents

Defenses include:

- Use for experimental or research purposes, etc.
- Patent invalidity
- Prior user's right
- Non-infringement
- Patent exhaustion

Trade Secrets

Defenses include:

- The alleged trade secret does not meet the requirements specified in the Unfair Competition Prevention Act (see A.1.(a)).
- Non-infringement
- The trade secret was used or disclosed under a right acquired by the defendant

Registered Trademarks

Defenses include:

- Using a person's own name, famous abbreviations, etc.
- Non-use as a trade mark
- Invalid right
- Prior user's right
- Non-infringement

Copyright

Defenses include:

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

Design Rights

Defenses include:

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

27. Who can challenge each of the intellectual property rights described in questions 1-3?

Patents

Any party can file with the JPO an opposition to a granted patent within 6 months after issuance of the official gazette in which the patent is published. Only interested parties can file for an invalidation trial at the JPO at any time.

Registered Trademarks

Any party can file with the JPO an opposition to a patent registration within 2 months after issuance of the official gazette in which the trade mark is published. Only interested parties can file for an invalidation trial at the JPO at any time.

Utility model rights and Design Rights

Any party can file for an invalidation trial at the JPO at any time.

When may a challenge to these intellectual property rights be

28. **made (e.g. during any registration process or at any time during the subsistence of the right)?**

See 27.

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?**

Patents

The grounds for invalidation include:

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

The grounds for opposition include all of the grounds listed above, except falsification of inventorship.

Regarding the forum and the procedure, see 27.

Registered Trademarks

The grounds for invalidation and opposition include:

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

30. **Are there any other methods to remove or limit the effect of any of the intellectual property rights described in questions 1-3, for example, declaratory relief or licences of right?**

No.

31. What remedies (both interim and final) are available for infringement of each of the intellectual property rights described in questions 1-3?

Remedies include:

- Interim/preliminary and/or final injunction (including measures necessary to suspend and prevent infringement)
- Compensation for damage
- Measures to restore credibility

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?

The costs of civil enforcement proceedings at courts generally include (i) court costs and (ii) attorney fees. The defeated party shall bear court costs. To recover attorney fees, a plaintiff needs to specify the amount of assumed attorney fees as damages in a complaint. For cases in which a plaintiff has no address in Japan, there is a procedural mechanism requiring security for court costs.