

2021 Revisions of the IP Laws

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Abstract

On 2021, the Law to revise the IP Laws¹ was promulgated. Some provisions of the Law will be effective on April 1, 2022. The revised IP Laws were set triggered by the spread of the COVID-19 pandemic, etc. This article shares the features of the revised IP Laws.

CONTENTS

- I. Aim and outline of the revision
- II. Development of new procedures, e.g., digitalization of procedures
- III. Review of the protection of rights in corporate activities
- IV. Enhancement of the foundation of the intellectual property system
- V. Date of Enforcement

I. Aim and outline of the revision

Triggered by the spread of the COVID-19 pandemic, the contactless lifestyle has spread among people. Consumer behavior has also changed because of the influx of counterfeit products associated with the rapid growth of electronic commerce. In addition, companies have changed their IP-related activities, as found in patent licensing with larger scale and more complexity, especially in the telecommunication technology field. The revision of the IP Law is intended to address the pandemic, support protecting rights, and enhance the foundation of the intellectual property system.

The revision mainly includes;

- Developing new procedures, e.g., digitalization of procedures,
- Reviewing the protection of rights, and
- Enhancing the foundation of the intellectual property systems.

II. Development of new procedures, e.g., digitalization of procedures

¹ The Law on the Partial Revision of the Patent Law and Other Laws was passed into law on May 14, 2021 and was promulgated as Law No. 42 on May 21, 2021. The Patent Law and Other Laws, or the IP Laws, cover the Patent (P), Utility Model (U), Design (D), Trademark (T), Patent Attorney (A) Laws, etc.

1. Oral proceedings for trials/appeals by video conference (P/U/D/T)

Oral proceedings for trials and appeals may be conducted via a video conference.

(Art. 71 (3), 145 (6) (7) and 151 of the Patent Law, applying mutatis mutandis to the Utility Model Law, the Design Law and the Trademark Law)

2. Changes in fee payment manner (P/U/D/T)

Advance payment with bank transfer and payment with credit cards are newly accepted.

3. Digitalization of procedures related to international design and trademark applications

(1) Service of decision of grant (D/T)

The JPO Commissioner is legally obliged to serve a written decision of grant on the applicant of an international application for design registration or international application for trademark registration (hereinafter respectively “international design application” and “international trademark application”, and collectively “international design/trademark application”). By the revision, with regard to the application under the Hague Design System and the Madrid Trademark System, the JPO Commissioner will be able to serve the decision of grant for an international design/trademark application electronically via the International Bureau (WIPO) on the applicant of the international design/trademark application (holder of an international registration for design or trademark designating Japan).

Before Revision

When a decision of grant for an international design/trademark application was rendered, the JPO would serve a written decision of grant on the applicant of an international design/trademark application through international postal services, and then electronically send the statement of grant of protection to the applicant through WIPO.

After Revision

The JPO may send the decision of grant electronically through WIPO to the applicant of an international design/trademark application, instead of serving the written decision of grant by postal services. In other words, the communication from the JPO at the time of decision of grant is unified to an electronic notification through WIPO. (Art. 60-12-2 of the revised Design Law, Art. 68-18-2 of the revised Trademark Law)

Under the revised Laws, the JPO may continue with the procedures to grant a design or

trademark right even when international postal services are suspended due to the spread of a pandemic, etc.

(2) Filing manner of certificates in the procedure for requesting application for exception to lack of novelty (novelty grace period) (D)

An applicant of an international design application may submit the certificates proving that the subject design has been publicly known or disclosed before the filing date, together with the international application at WIPO.

Before Revision

The applicant of international design application could request application for exception to lack of novelty when the international application was filed at WIPO, but the certificates proving that the design had been publicly known or disclosed before the filing date would have to be submitted directly to the JPO within 30 days after the international publication.

After Revision

The applicant of international design application may file the certificate together with the request for application for exception to lack of novelty at WIPO on the filing date of the international application. The JPO regards the certificate submitted at WIPO together with the international application designating Japan as the certificate filed with the JPO on the date of international registration. (Art. 60-7 (1) (2) of the revised Design Law)

Under the revised Law, applicants of international applications for design designating Japan may file the certificates electronically, even when international postal services are suspended due to the spread of a pandemic, etc.

(3) Payment of individual fee (T)

Two-phased payment of the individual fee for international trademark applications, i.e., the 1st individual fee (corresponding to the filing fee) and the 2nd individual fee (corresponding to the registration fee), is abolished, in order to reduce the trademark holder's burden, as well as to harmonize with the majority of the Madrid Member States.

Before Revision

An applicant of an international trademark application had to pay to WIPO the 1st part of the individual fee before the international registration and separately pay the 2nd part thereof at the time of registration in Japan.

After Revision

The applicant shall pay the 1st and 2nd individual fees in a lump sum to WIPO before the international registration. (Art. 68-19 (1), 68-30, 68-35 of the revised Trademark Law) (Art. 68-19 (1), 68-30, 68-35 of the revised Trademark Law)

4. Exemption from surcharges by missing the statutory time limit (P/U/D/T)

Surcharges for late payment of patent fee or registration fee may be exempted.

Before Revision

When the owner of a patent right, utility model right, design right, or trademark right missed the statutory time limit for paying patent fees or registration fees, the owner could make a late payment of those fees within 6 months after the expiration of the time limit, but with an inevitable surcharge.

After Revision

The above surcharge may be exempted in a case where missing of the time limit is due to a reason not attributable to the right owner.

(Art. 112 (2) of the revised Patent Law, Art 33 (2) of the revised Utility Model Law, Art. 44 (2) of the revised Design Law, Art. 43 (1) (2) of the revised Trademark Law)

However, the requirement “a reason not attributable to the right owner” is considered to be exceptional and strictly judged, and thereby may be satisfied only in rare cases, such as natural disasters or other truly unavoidable incidents.

III. Review of the protection of rights

1. Tightening regulations relating to counterfeit products from overseas (D/T)

The definition of work of a design and use of a trademark is revised.

Before Revision

The definition of “importing”, which constitutes work of a design and use of a trademark, does not include acts of overseas vendors to have someone else bring a counterfeit product into Japan.

After Revision

The definition of “importing” includes acts of overseas vendors to have someone else bring a counterfeit product into Japan.

(Art. 2 (2) (i) of the revised Design Law, and Art. 2 (7) of the revised Trademark Law)

According to conventional Laws, the acts of overseas vendors to have someone else,

such as international transport service provider, bring counterfeit products into Japan for private use was considered not to constitute infringement of a design or trademark right. Therefore, those counterfeit products could not be suspended at Customs. Under the revised Laws, those counterfeit products can be suspended at Customs, regardless of whether they are for private use or not.

2. Review of requirements for correction/abandonment of the rights

Requirement for post-grant correction and abandonment of the rights is changed.

(1) Correction trial (P/U)

Before Revision

An owner of a patent right or utility model right may request a trial for correcting the claims, specification or figures after grant (hereinafter “correction trial”) only when all of an exclusive licensee, non-exclusive licensee, and pledgee of the right consent to the correction.

After Revision

The right owner may request a correction trial with only the consent of an exclusive licensee and pledgee. The consent of a non-exclusive licensee is not required.
(Art. 127 of the revised Patent Law)

Under conventional Laws, it was difficult for an owner of a patent right or utility model right with a large number of non-exclusive licensees to rectify a defect in the right by requesting a correction trial. Therefore, such a right owner may have hesitated to grant a license for fear that they would not be able to rectify a defect in the right when such defect was found regarding the right. Under the revised Laws, the right owner may request a correction trial regardless of whether a non-exclusive licensee of the right has consented or not. The revision is expected to encourage right owners to grant non-exclusive licenses.

(2) Request for correction (P/U)

Likewise, under the revised Laws, an owner of a patent right or utility model right may request a correction of the claims, specification or figures during an invalidation trial or a post-grant opposition with only the consent of the exclusive licensee and the pledgee.

(3) Abandonment of the rights (P/U/D)

Under the revised Laws, an owner of a patent right, utility model right, or design right may abandon the right with only the consent of the exclusive licensee and the pledgee.

(Art. 97 (1) of the revised Patent Law, applying mutatis mutandis to the Utility Model and Design Law)

It should be noted that, even after the revision, an owner of a trademark right may abandon the trademark right only when all of an exclusive licensee, non-exclusive licensee and pledgee of the trademark right consented to the abandonment as conventional.

(Art. 34-2 of the Trademark Law)

3. Relaxation of requirement for reinstatement of rights (P/U/D/T)

The requirement for reinstatement of rights is relaxed.

Before Revision

When an applicant or a right owner missed the statutory period for carrying out a procedure, the applicant or the right owner could supplement the procedure after the period, only when there was “a legitimate reason” for missing the period.

After Revision

The applicant or the right owner can supplement the missed procedures after the statutory period, when the failure is “unintentional”.

(Art. 112 (2) of the revised Patent Law, Art 33 (2) of the Utility Model Law, Art. Art. 44 (2) of the revised Design Law, Art. 43 (1) (2) of the revised Trademark Law)

“A legitimate reason”, which is a requirement for remedy under conventional Laws, corresponds to the “due care” standard of the Patent Law Treaty (PLT). However, the acceptance rate for remedy before the JPO is lower than that of other countries adopting the “due care” standard and is thus a burden on the applicant or the owner. In light of this situation, the requirement for remedy is revised to the one which corresponds to the “unintentional” standard of the PLT, which is considered a more relaxed standard than the “due care” standard. Therefore, the acceptance rate for remedy is expected to increase.

The details of the requirement for remedy under the revised Laws will be indicated in the JPO guidelines.

The revised remedy is applicable to the following procedures (as conventional);

- Filing translations for foreign-language patent applications (Art. 36-2 (6) and 184-4 (4) of the revised Patent Law)
- Claims for priority based on a prior application (Art. 41 (1) (i), and 43-2 (1) of the

revised Patent Law)

- Request for examination of patent applications (Art. 48-3 (5) of the revised Patent Law)
- Restoration of a patent right by late payment of patent fee (Art. 112-2 (1) of the revised Patent Law)
- Providing a notification of appointment of a patent administrator for overseas residents (Art. 184-11 (6) of the revised Patent Law)

IV. Enhancement of the foundation of the intellectual property system

1. Introduction of a system for calling for third-party comments (P/U)

In litigation relating to infringement of a patent right, utility model right, or exclusive license of those rights, the Court may call for third-party comments on matters necessary for the trials when a party requests such comments and the Court finds it necessary. The details of the procedure are left to discretion of the Court.

(Art. 105-2-11 of the revised Patent Law)

2. Review of fee structures (P/U/D/T)

The fee structure is changed due to the increase in examination burden and digitalization of procedures. For more details, please also refer to [Seiwa IP News dated January 25, 2022](#).

(Art. 107 (1) of the Patent Law, Art. 31 (1) of the revised Utility Model Law, Art. 42 (1) of the revised Design Law, Art. 40 (1) (2), 41-2 (1) (7), and 65-7 (1) (2) of the revised Trademark Law)

3. Review of the patent attorney system (A)

Under the revised Laws, patent attorneys are statutory allowed to engage in providing consultation on matters related to protection of new plant variations and geographical indications.

(Art. 4 (3) (iii) of the revised Patent Attorney Law)

V. Date of enforcement

Enforcement dates of the above revisions are as follows:

Development of new procedures	
1. Oral proceedings by video conference	2021/10/1 (already enforced)
2. Changes of fee payment manner	2021/10/1 (already enforced),

	except for some
3. Digitalization of procedures;	
related to international design applications	2021/10/1 (already enforced)
related to international trademark applications	TBD (within two years from 2021/5/21)
4. Exemption from surcharge	2021/10/1 (already enforced)
Review of the protection of rights	
1. Tightening regulations relating to counterfeit products	TBD (within 18 months from 2021/5/21)
2. Review of requirements for correction/abandonment	2022/4/1
3. Relaxation of requirement for reinstatement of rights	TBD (within two years from 2021/5/21)
Enhancement of the foundation of the intellectual property system	
1. System for calling for third-party comments	2022/4/1
2. Review of fee structures	2022/4/1
3. Review of the patent attorney system	2022/4/1

END