



## Post-Grant Opposition System: The First Two Years

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### Summary

Almost two years have passed since the post-grant opposition system was reinstated on April 1, 2015, after a 12-year hiatus since 2003. The re-instatement of the opposition system was welcomed since it was expected to provide an easier and more effective means to nullify a third party's patent than the conventional invalidation trial system. However, statistics of the first two years (2015 and 2016) indicate that the actual system is somewhat different from what we expected. This article summarizes the opposition system in comparison with the invalidation trial system, and reviews the current situations thereof as a guidance in determining which of these procedures should be chosen for specific cases.

### I. Summary/Comparison

The features of the post-grant opposition system are summarized in comparison with the invalidation trial system below. The flowcharts of these procedures are shown in Annexes 1 and 2.

		Post-grant opposition system	Patent Invalidation trial system
1	Aim	Elimination of defective patents for stabilizing the patent system	Resolution of dispute between opposing parties over the validity of patents
2	Proceeding	<i>Ex-parte</i>	<i>Inter-partes</i>
3	Eligibility for Filing	Any party	Only a party having interests in the patent
4	Time Limit for Filing	Only within six months after the issuance of patent-grant gazette	At any time after the registration of a patent (even after the expiration of the patent right)
5	Unit to Be Challenged	Each claim	Each claim
6	Withdrawal	Not possible after the issuance of a Notice of Reasons for Revocation	Possible until decision becomes conclusive, but requires the patentee's consent after the patentee files a reply brief



		Post-grant opposition system	Patent Invalidation trial system
7	Grounds for Challenge	Only grounds relating to public interest	Grounds relating to: - Public interest; - Ownership of rights; and - Grounds for invalidation arising after patent grant
8	Proceedings	Documentary proceedings (No oral proceedings)	Basically oral proceedings (Documentary proceedings are also possible)
9	Substantive Examination	<i>Ex officio</i>	<i>Ex officio</i>
10	Co-pending Proceedings	Usually amalgamated	Usually proceed separately
11	Both Parties' Involvement in the Proceeding	*Patentee: - Can file an argument and/or a correction (post-grant amendment) in response to a Notice of Reasons for Revocation - Can request the collegial body of trial examiners for interview *Opponent: - Can file a supplemental argument only when the patentee made a correction	Both the demandant and the patentee can fully involve in the <i>inter-partes</i> proceeding (e.g., by filing a brief and/or attending oral hearings)
12	Intervention	Can be made by any interested third party, but only in order to assist the patentee.	Can be made by any interested third party for assisting the patentee or the demandant or, if eligible, as a co-demandant.
13	Correction (Post-Grant Amendment)	Possible	Possible
14	Advance Notice on the Decision	Issued when the collegial body considers that the patent should be revoked	Issued when the collegial body considers that the patent should be invalidated
15	Decision	To revoke or maintain the patent, or to dismiss the opposition	To invalidate or maintain the patent, or to dismiss the demand
16	Appeal	*Plaintiff: Losing patentee (losing opponent is ineligible) *Defendant: JPO Commissioner *Jurisdiction: IP High Court	*Plaintiff: Losing party (Demandant or Patentee) *Defendant: Prevailing party *Jurisdiction: IP High Court



		Post-grant opposition system	Patent Invalidation trial system
17	Estoppel (Prohibition of Double Jeopardy)	No (the losing opponent can file an invalidation trial based on the same grounds/evidence)	Yes, but no effect on third parties (the losing demandant cannot file another invalidation trial based on the same grounds/evidence, but a third party can)
18	Official fees	JPY 16,500 + (JPY 2,400 × the number of claims for which opposition is demanded)	JPY 49,500 + (JPY 5,500 × the number of claims for which invalidation trial demanded)

## II. Statistics

Graph 1 indicates the numbers of oppositions and invalidation trials filed per year during the period from 1997 to 2016. Under the pre-2003 system, more than 3,000 oppositions were requested per year. The number of oppositions filed under the new system only reached 1334 in 2016, still about one third of the average number of the former oppositions.

Graph 2 indicates the numbers of oppositions and invalidation trials filed per month in 2015 and 2016. The oppositions significantly increased from around September 2015, i.e., about six months from the start of the new opposition system. The number of invalidation trials did not substantially change between before and after the reinstatement of the opposition system in April 2015.

Graph 3 breaks down the status of the oppositions indicated in Graph 2 as of the end of 2016. Of 1578 oppositions requested in 2015 and 2016, 866 cases were still pending while 712 cases had finished by the end of 2016, due to dismissal/withdrawal or decisions.

Graph 4-1 summarizes the results of the 712 oppositions finished by the end of 2016. 57.7% cases ended with all claims maintained without amendments and 32.7% maintained with amendments, while all or some claims were revoked only in 7.7% cases.

Graph 4-2 summarizes the results of the oppositions filed under the old system in 2003, and Graph 4-3 summarizes the results of the invalidation trial during the period from 2011 to 2015. Patents were revoked in 37.0% of the opposition cases in 2003 under the old opposition system, while patents were invalidated in 25.3% of the invalidation trial cases from 2011 to 2015. Compared to these figures, the revocation rate of 7.7% under the new opposition system is significantly low.

All data are based on the statistics<sup>1</sup> and references<sup>2</sup> published by the JPO.

<sup>1</sup> <http://www.jpo.go.jp/english/statistics/statistics/index.html>

<sup>2</sup> <http://www.jpo.go.jp/english/statistics/references/index.html>



### III. Which Is Chosen: Opposition or Invalidation Trial?

If you or your client is considering nullifying a competitors' patent application, you should decide which to file, a post-grant opposition or an invalidation trial, fully taking into consideration the advantages/disadvantages of these systems listed below.

<b>Post-Grant Opposition</b>	<b>Invalidation Trial</b>
<u>Advantages</u> <ul style="list-style-type: none"> <li>- Can be filed by anyone, even without any interests in the patent.</li> <li>- Can be filed via a straw man.</li> <li>- Can be filed with lower fees.</li> <li>- Requires minimum workload to proceed.</li> </ul>	<u>Advantages</u> <ul style="list-style-type: none"> <li>- Allows the demandant to fully involve in the proceeding on the <i>inter-partes</i> basis.</li> <li>- Can be demanded at any time after the patent grant (even after the expiry of the patent).</li> </ul>
<u>Disadvantages</u> <ul style="list-style-type: none"> <li>- Can be filed only within a limited period of six months from the issuance of a patent-grant gazette.</li> <li>- Does not allow the opponent to file an additional argument unless the patentee submits a correction (post-grant amendment).</li> <li>- Does not allow the opponent to involve in the proceeding (no oral proceeding) or conduct an interview with the collegial body of trial examiners (while the patentee can conduct an interview).</li> <li>- Does not allow the opponent to appeal against a decision to maintain the patent.</li> </ul>	<u>Disadvantages</u> <ul style="list-style-type: none"> <li>- Can only be demanded by anyone who has interests in the patent.</li> <li>- Cannot be demanded anonymously or via a straw man.</li> <li>- Requires higher fees to demand.</li> <li>- Requires heavy workload to proceed (e.g., by attending oral hearings).</li> <li>- May take a long time before a decision is rendered.</li> </ul>

Overall, however, we believe that the post-grant opposition system is advantageous to the patentee, especially in that the patentee can amend (correct) the claims at least once (sometimes twice or more) and can participate in the proceeding by conducting an interview with the collegial body of trial examiners, while the opponent cannot add new grounds or substantial arguments (except for those relating to the patentee's first amendment) and cannot conduct an interview. The *ex-parte*, document-based proceeding and lack of oral hearing would also count in favor of the patentee. These advantages for the patentee apparently resulted in the significantly low revocation rate (7.7%: 2015-2016) under the new opposition system, compared to the revocation rate under the old system (37.0%: 2003) or the invalidation rate under the trial system (25.3%: 2011-2015)<sup>3</sup>.

<sup>3</sup> This analysis owes Mr. Naoyuki Tamai's article on "Patent" (Japanese journal published by Japan Patent Attorneys Association), (2017), Vol.70, No.2, pp.60-68.



Taking these into consideration, our recommendations would be as follows:

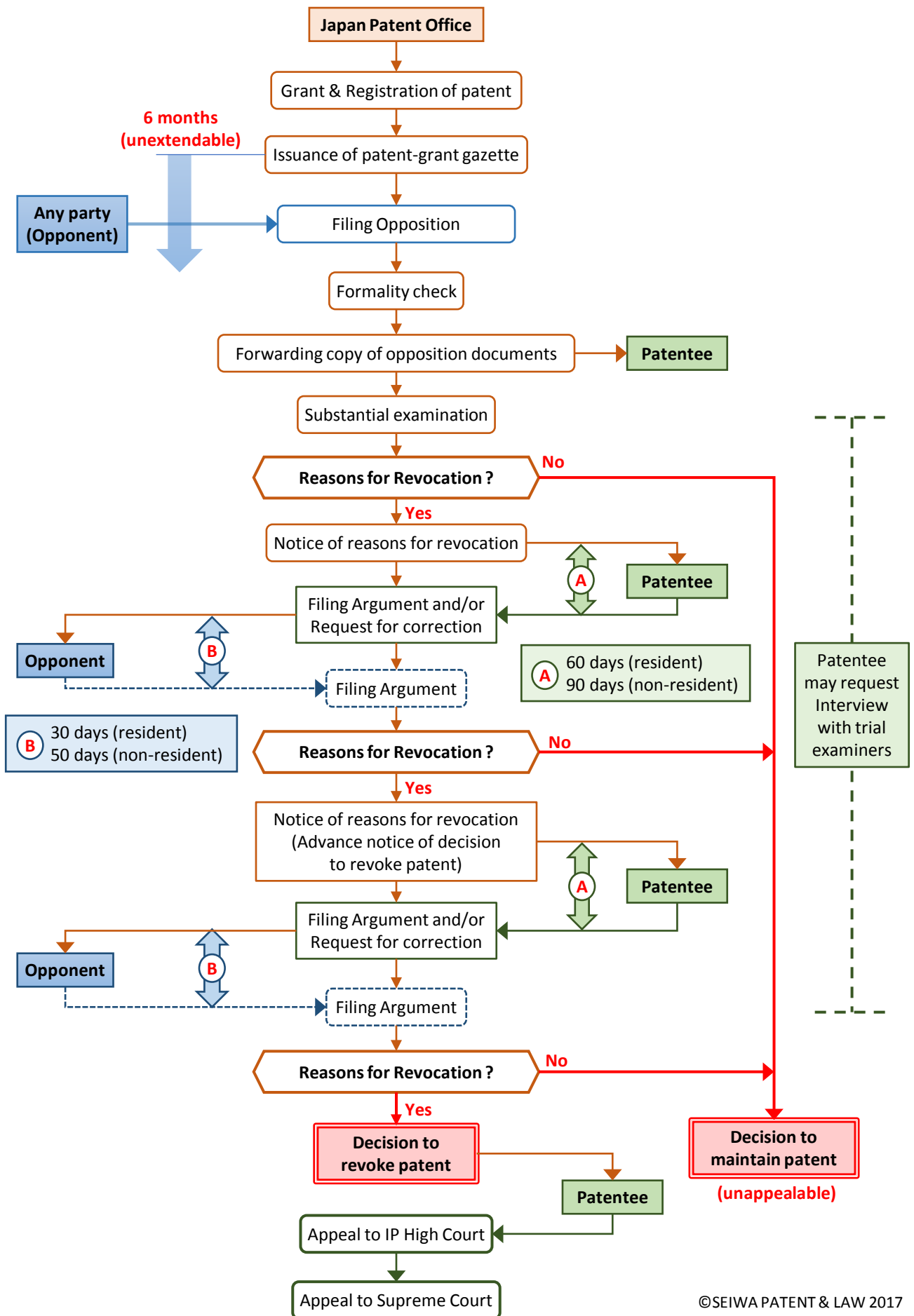
If you or your client is interested in a competitor's patent application, you should start monitoring the status of the application as early as possible, at least from an early stage of examination (you can check the status of a patent application almost in real-time on the J-Plat-Pat website or the Global Dossier website). It would also be advisable to try to avoid the application from being granted by submitting prior-art references by a third-party submission at an early stage (you can file a third-party submission anonymously without any official fee). If the application is once granted, then you should consider filing a post-grant opposition only if you have a strong prior-art reference, e.g., one that can challenge the novelty of the patent. Otherwise, it will be difficult to nullify the patent by filing a post-grant opposition. Although no estoppel exists between oppositions and invalidation trial, we believe that once a patent is maintained as a result of the opposition proceeding, it will become much more difficult to nullify the patent by demanding an invalidation trial, considering that oppositions and invalidation trials are both examined by trial examiners. Accordingly, if a competitor's patent really matters to you or your client, then you should consider demanding an invalidation trial without filing an opposition.

On the other hand, if your or your client's patent is opposed, then there will be good chance for you to protect the patent, even without amending the claims (please again note that 57.7% patents were maintained without amendments and 32.7% with amendments in 2015-2016). You should prepare multiple options and file them one by one, from the broadest one, since you will be given an opportunity to amend (correct) the claims at least once, sometimes twice or more. You should also fully utilize the patentee's right to conduct an interview in order to convince the collegial body of trial examiners.

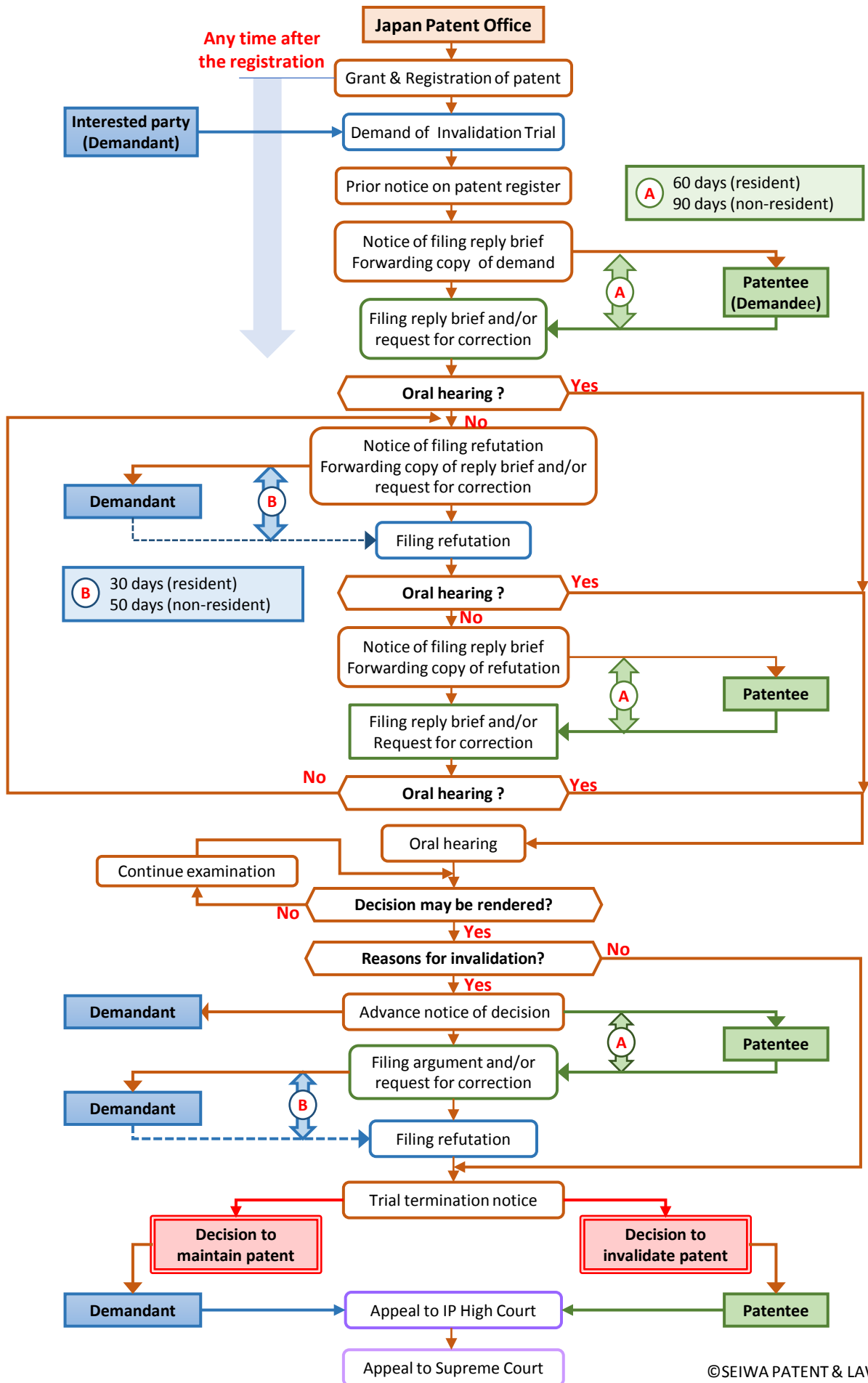
Of course, the current tendency of the opposition system may change in the future. In any event, we should keep monitoring any future developments occurring in these systems.

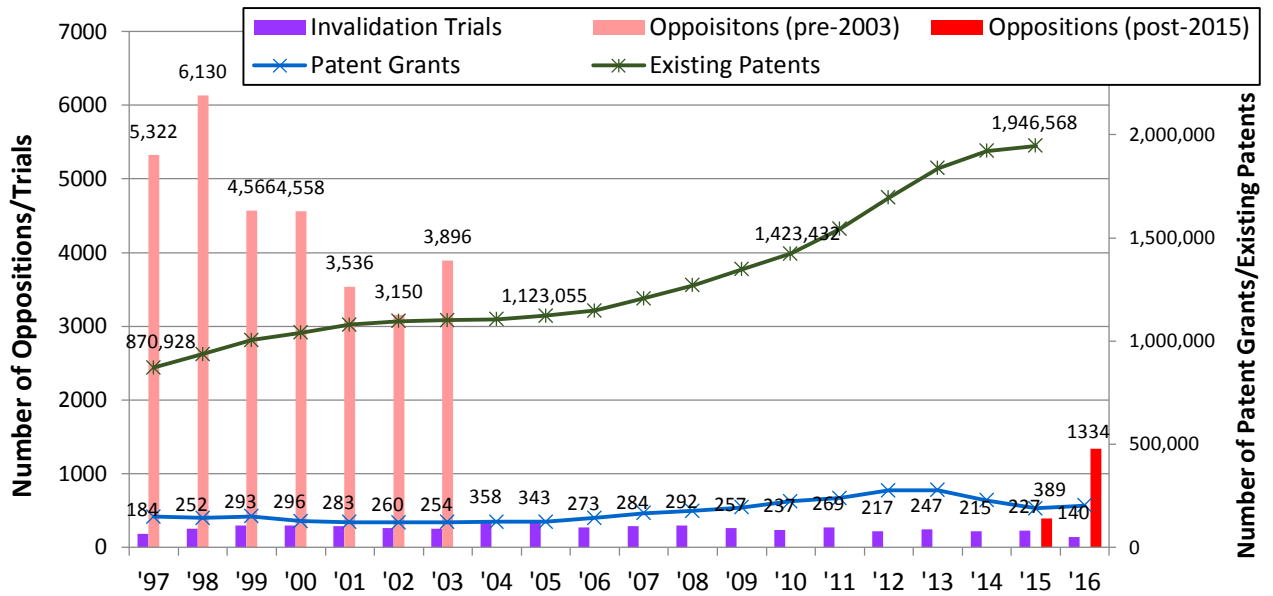
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# Appendix 1: Post-Grant Opposition Procedure Flow

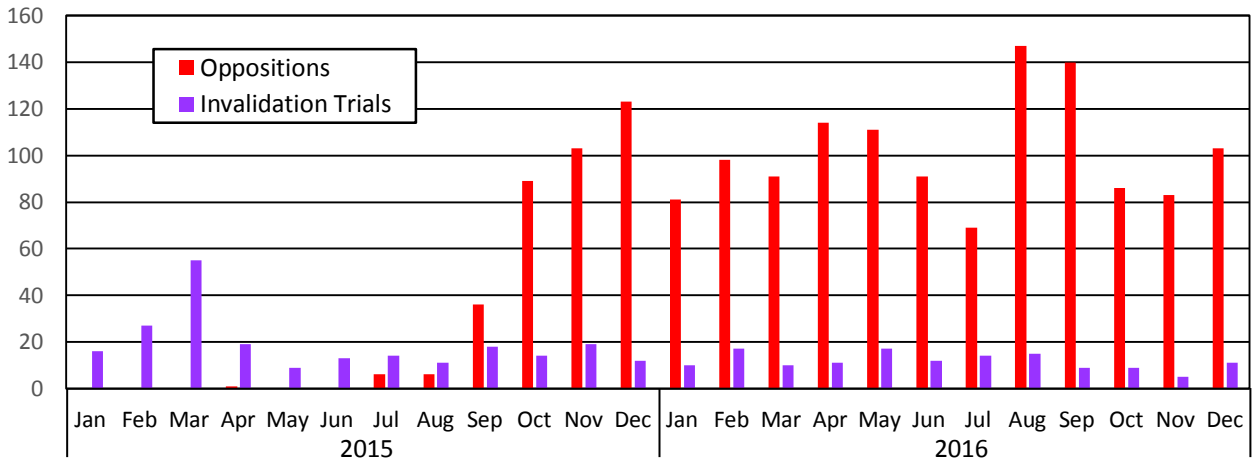


# Appendix 2: Invalidation Trial Procedure Flow

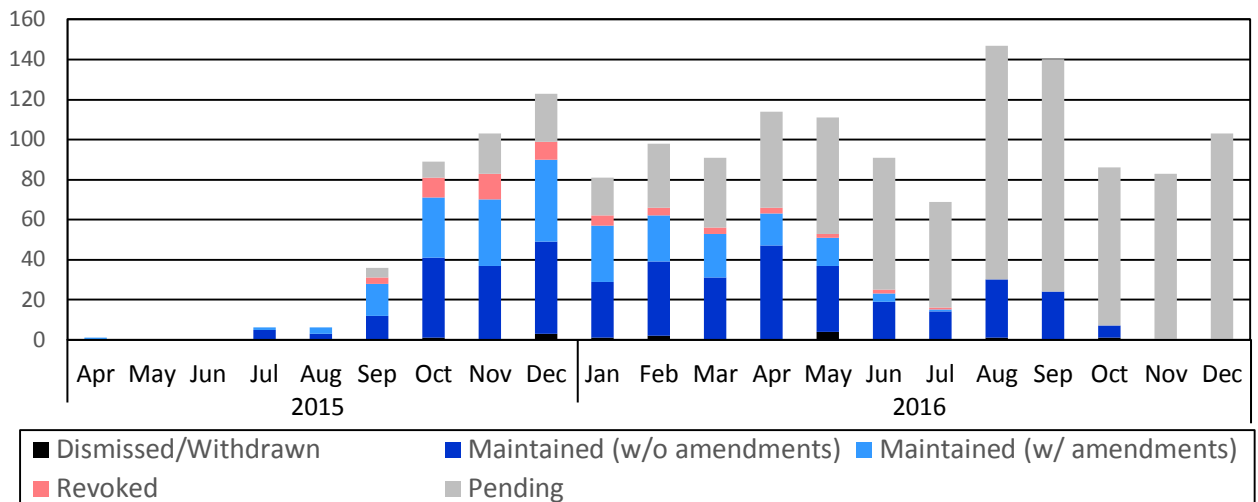




Graph 1: Oppositions and invalidation trials filed per year from 1997 to 2016

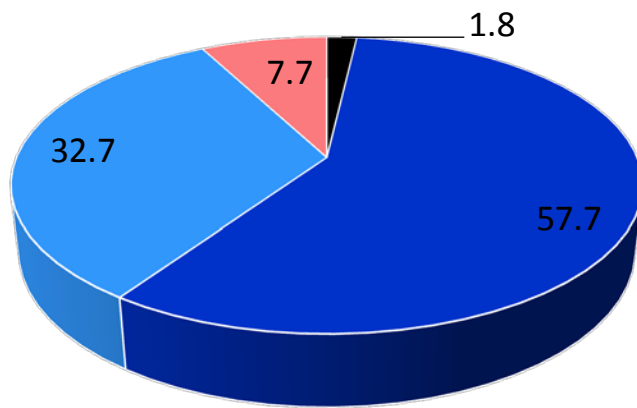


Graph 2: Oppositions and invalidation trials filed per month in 2015 and 2016

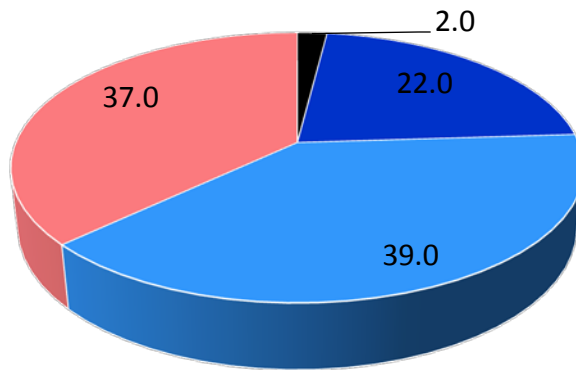


Graph 3: Status of the oppositions filed per month in 2015 and 2016 (as of the end of 2016)

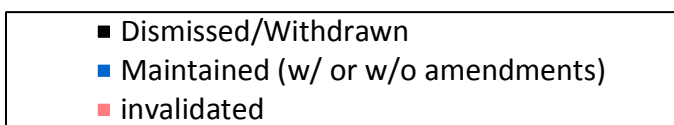
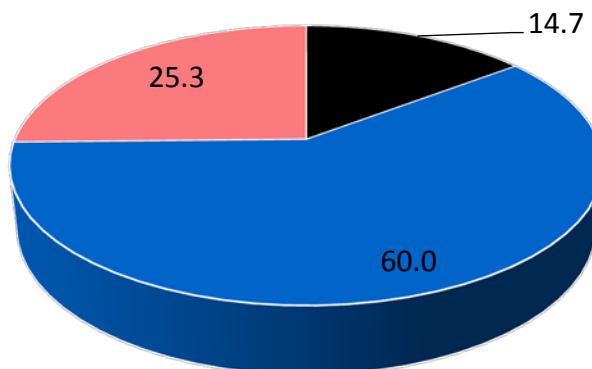




Graph 4-1: Results of the oppositions filed under the new system (in 2015 and 2016)



Graph 4-2: Results of the oppositions filed under the old system (in 2003)



Graph 4-3: Results of the invalidation trials (during 2011 to 2015)