

Managing Intellectual Property

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TIPS FOR USING THE POST-GRANT OPPOSITION SYSTEM

06 September 2017

Masayuki Ogura of Shiga International Patent Office compares Japan's opposition system to that of other countries, and provides tips for opponents and patent owners



The patent opposition system in Japan was included in the patent invalidation trial system by the Patent Law amendment in 2003, and reintroduced in 2015. With this background, there was a need for a system in which patent applications are rapidly examined in a brief procedure in order to gain a stable patent right early. In this article, I discuss the use of the post-grant opposition system two years after it was reintroduced and note some points to keep in mind when using the post-grant opposition system.

Post-grant opposition system in Japan

The patent opposition system was introduced to achieve the public purpose of enhancing confidence in patent rights. It aims to achieve this by providing a wide opportunity for third parties to revise a patent right for a certain period after grant. When a claim is filed, the JPO examines whether the patent should be cancelled or not, and makes a correction if the patent has a defect. Table 1 compares post-grant opposition and invalidation trials in Japan and figure 1 shows the procedures in the post-grant opposition system.

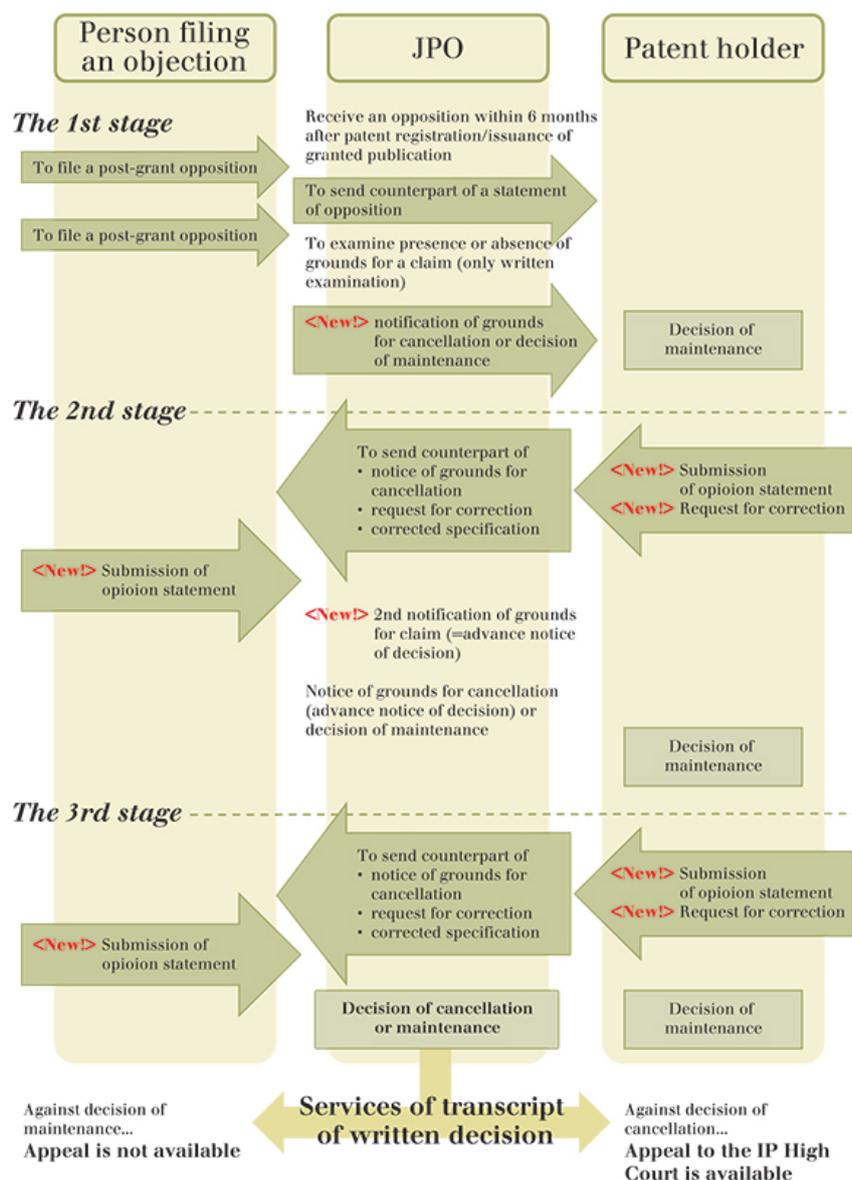


TABLE 1

	Post-grant opposition	Invalidation trial
Opponent/demandant	Anyone	Interested party
Allowable period for filing	Six months from issuance of granted publication	Any time after registration (even after expiration)
Procedure	<i>ex parte</i>	<i>inter partes</i>
Corrections (amendments)	Possible	Possible
Official fee	\$16.50 +\$24/claim	\$49.50 +\$55/claim
Lawsuit against a decision	Only patentee is allowed (Defendant: JPO)	Either party is allowed (Defendant: other party)

Comparison with other systems

In major countries except for Japan, what system is there as a procedure after grant of patents? Table 2 shows the presence or absence of systems categorised into "opposition", "reexamination", and "invalidation trial" in major countries.

In this section, I compare systems, which correspond to post-grant opposition systems in Japan, from the United States (USPTO), Europe (EPO), and Korea (KIPO) (yellow in table 2). Regarding the US, since there are several similar systems, the reexamination and invalidation trial system are also included (blue in table 2).

TABLE 2

TABLE 2			
	Opposition	Re-examination	Invalidation trial
The US	○A	○*B	○*C
Europe	○		
Korea	○		○
China			○
Japan	○		○

The United States

At the United States Patent and Trademark Office (USPTO), inter partes re-examination was abolished by the Leahy-Smith American Invents Act (AIA) in 2011. Alternatively, post-grant review (PGR) (marked *A in table 2) and inter partes review (IPR) (marked *B in table 2) were established as post-grant procedures. Including the conventional system, ex parte reexamination (marked *C in table 2), there are three choices of procedure to take a legal action regarding the validity of patents at the USPTO. We will briefly compare these three systems.

Both A and B are inter partes procedures and they have a number of common points regarding the process of trial examination. However, there are also some differences such as the allowable period for filing and the grounds for a claim (see table 3). A PGR can be filed under any grounds for invalidation. On the other hand, grounds for a claim of IPR are limited to (1) lack of novelty and (2) obviousness, and prior art taken

account of is limited to printed publications, which is similar to inter partes re-examination before the AIA. Therefore, since only infringement of novelty and non-obviousness based on patents and printed publications are claimed during IPR, if you would like to take a legal action for validity of patents at the USPTO, you should file a PGR within nine months from the publication date of the patent registration.

Since the conventional system, ex parte reexamination (EPR), is processed between a patent holder and the USPTO, a person filing an objection has few chances to be involved in procedures and the time in which to argue is very limited, unlike IPR and PGR.

TABLE 3

TABLE 3						
	Japan	United States			Europe	Korea
	Post-grant opposition	PGR (Post-Grant Review)	IPR (Inter Partes Review)	EPR (ex-parte reexamination)	Opposition	Cancellation
Opponent/demandant	Anyone (no anonymity)	interested party (no anonymity)	Interested party (no anonymity)	Any (anonymity available)	Anyone (no anonymity)	Anyone
Allowable period for filing	Within six months from issuance of granted publication	Within nine months from grant of patent	Within nine months from either grant of patent or end date of opposition, whichever is later	Anytime after grant of patents	Within nine month from notice of grant of patent	Within six months from issuance of granted publication
Procedure	ex parte	inter partes	inter partes	ex parte	inter partes	inter partes
Grounds for opposition/invalidation	<ul style="list-style-type: none"> • Patent appropriability • Novelty and inventive step • Expanding prior application • Description requirement • New matter addition • Prior application etc. 	<ul style="list-style-type: none"> • Patent appropriability • Novelty • Inventive step • Description requirement 	(based on patents or printed publications) <ul style="list-style-type: none"> • Novelty • Invention step 	(based on patents or printed publications) <ul style="list-style-type: none"> • Novelty • Invention step 	<ul style="list-style-type: none"> • Patent appropriability • Novelty and expanding prior application • Inventive step • Industrial availability • Insufficient disclosure/enabling requirement/lawful amendment or deviation (new matter addition) etc. 	<ul style="list-style-type: none"> • Novelty • Inventive step • Prior application • Expanding prior applications

	Japan	United States			Europe	Korea
Examination method	Written trial examination (no oral hearing)	Written trial examination (oral hearing available)	Written trial examination (Oral hearing available)	Written trial examination (Patent holder can request for oral hearing)	Written trial examination (Oral hearing available)	Written trial examination by panel of administrative judge
Official Fee	16,500JPY+ (2,400JPY × the number of claims) (150USD + (22USD × the number of claims))	30,000USD~ *the total of file and startup fee	23,000USD~	12,000USD~	785Euro (942USD)	Low costs
*Exchange rate on September 4, 2017. (1USD = 110JPY, 1Euro = 1.2USD)						

Europe

The patent opposition system is established at the European Patent Office (EPO) as at the JPO. Although they share the same name – "opposition system" – there are some differences from the JPO. First, the opposition system at the EPO is an inter partes procedure between an opponent and a patent holder while the patent opposition system at the JPO is an ex parte procedure. In addition, the examination of appeals at the JPO is a written trial examination. On the other hand, at the EPO, oral hearings are conducted as needed, and the persons concerned actually request an oral hearing in most cases. At the JPO, only patent holders who receive a decision of cancellation of a patent can file an appeal, whereas at the EPO, which is different from the JPO, an opponent and a patent holder who receive decisions of both cancellation and maintain of patents can file an appeal. Furthermore, at the EPO, the case is examined at the Boards of Appeal after the appeal and there is no way to file an appeal against an appeal decision of the Boards of Appeal, which is also a unique point for the opposition system at the EPO.

Korea

At the Korean Intellectual Property Office (KIPO), a patent cancellation system was introduced under the law amendment which came into effect on March 1 2017. This system is equivalent to the patent opposition system in Japan, and anyone can file an objection within six months from the registration date. Before the introduction of the patent cancellation system, there was an invalidation trial system which was how a third party cancels a patent. In the new system, the patent cancellation system was added and this applies to patent rights registered on or after March 1 2017.

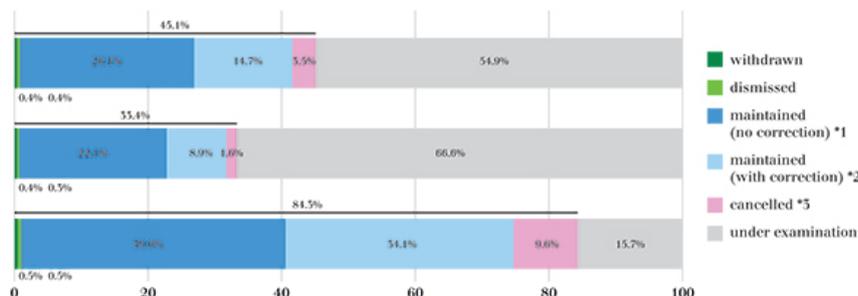
Key points to keep in mind

It has been two years since the post-grant opposition system came into effect in April 2015. The number of post-grant oppositions filed was 1,901 at the end of March 2017, which is five times the number of requested patent invalidation trials. In this section, I summarise the current usage of

the post-grant opposition system and highlight some points to keep in mind for both a person filing an objection and a patent holder.

The situation of examination

Graph 1 shows the percentage and the number of examinations in the patent post-grant opposition system.



Decision on opposition

Table 4 shows the percentage of results of opposition cases filed in 2015 which is excerpted from Graph 1.

The proportion of cases in which there was a decision to maintain without correction was nearly 40% (marked A in Table 4), which indicates that anyone filing an objection should improve the grounds for cancellation. On the other hand, a patent holder needs to handle with care since nearly 50% of cases (B+C) needed to be corrected (for restriction, deletion etc) while there also some cases under examination, and about 20% of cases (C/ (B+C)) were cancelled even with correction.

TABLE 4

TABLE 4					
Withdrawn	Dismissed	A. Maintain (no correction)	B. Maintain (with correction)	C. Cancelled	Under examination
0.5%	0.5%	39.6%	34.1%	9.6%	15.7%

Points for someone filing an objection

It tends to be difficult to invalidate patents because of an increase in the ratio of patents granted and a decrease in the ratio of successful requests for trials. Regarding infringement litigation, the percentage of admitted infringement is never low. Under these situations, there is also a risk of failing to claim the invalidity defence and limited interpretation. The following are possible measures:

- To restrict the technical scope or to obtain claims from a patent holder which can be interpreted in a limited way by filing an opposition.
- To prepare an invalidation trial (in which a person filing an objection is able to be both offence and defence as a person concerned).
- To provide information which is effective at the examination stage.

- To consider the presence or absence of a prior use right.
- To consider receiving an opinion whether sufficient or not and to change the design.

In a post-grant opposition, the following are ways to improve the notice of grounds for cancellation:

- To prepare well in advance, to enhance the evidence and to consider and complement missing information.
- To prepare not only the means for solving the problems (construction) but also commonality of issues and motivation in case non-patent literature which was not cited at the examination stage is cited.
- To consider from diverse viewpoints such as denial of reason for inhibition, design matters and combined claims in addition to motivation.
- To add grounds for deficiencies of written requirement (definiteness requirement, support requirement and enablement requirement) in order to encourage the patent owner to limit delete, and cancel claims.
- To refer to the notice of grounds for cancellation, request for correction and opinion statement in advance on a specific occasion such as an important case, since the response period for counter-argument against the opinion statement of a patent holder is 30 days.

Points for a patent holder

Since the recent proportion of successful patent invalidation trials was approximately 20% and the stability of patent rights is growing, it tends to be easier to utilise rights. On the grounds that the patented invention attracts competitors' attention, a patent holder needs to review the patent rights of the patented invention so that they can use the opportunities of oppositions as a preparation for right utilization.

Handling the opposition system can be thought as advance preparation for an invalidity defence in infringement litigation. Therefore, a patent holder also needs to keep in mind interpretation of the technical scope in each claim, namely allowance for description and application background for interpretation of literature and interpretation of the doctrine of equivalents.

A patent holder needs to pay attention to the claims (claim set) (not by application under Law Amendment in 2011) to satisfy correction requirements. A patent holder needs to consider whether or not competitors' products satisfy the technical scope of the patent based on interpretations of the doctrine of equivalents by taking advantage of the opportunities to make corrections in the two notices of grounds for cancellation and panel interviews.

A patent holder needs to prepare an explanation of the patent invention's features, the evidence and reasons for counter-arguments with grounds for cancellation, in addition to counter-arguments without motivation for grounds for cancellation.

Avoiding litigation

It is important for both opponents and patent holders to utilise the post-grant opposition system to avoid litigation in accordance with the current trend toward stabilisation of patent rights. In addition, it is also important to enhance the capabilities of offence and defence and the capabilities of claims for patentability through handling an opposition case to which both opponents and patent holders are paying attention.

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