

POST-GRANT OPPOSITION SYSTEM IN JAPAN

❖ OVERVIEW OF NEW POST-GRANT OPPOSITION SYSTEM

The new post-grant opposition system was introduced in order to provide third parties with the opportunity to have a patent holder's patent rights revoked. When a motion is made within a certain period after a patent is granted, the Japanese Patent Office (JPO) examines whether the patent should be cancelled or not, and by investigating any mistakes and correcting any defects in the patent, the JPO's public goal of enhancing confidence in patent rights will be attained.

The re-introduced post-grant opposition system has notable features regarding patent holders and demandants which the old system did not have. Firstly, a patent holder has the opportunity to submit an opinion statement twice. On the other hand, the demandant has an opportunity to submit an opinion statement only if a patent holder files a "request for correction".

As explained above, this system contains the means for the JPO to review their administrative decision to grant a patent right and to resolve potentially unnecessary patent litigations.

The grounds for opposition are limited to the following, which are provided in Japanese Patent Law, Article 113. It is not possible to file an opposition on the grounds that a person lacked the right to file the patent application.

Grounds for opposition

- Patent eligibility
- Novelty and inventive step
- Secret prior art
- Description requirements
- Addition of new matter
- Double patenting
- Industrial applicability
- Insufficient disclosure
- Enablement requirements etc.

❖ COMPARISON BETWEEN OPPOSITION AND INVALIDATION

Chart 1 below is a comparison between the post-grant opposition system and the invalidation trial system in Japan. An opposition can be filed by anyone within six months from the issuance of a granted publication. The post-grant opposition system is a less demanding approach in terms of cost than an invalidation trial.

[Chart 1]

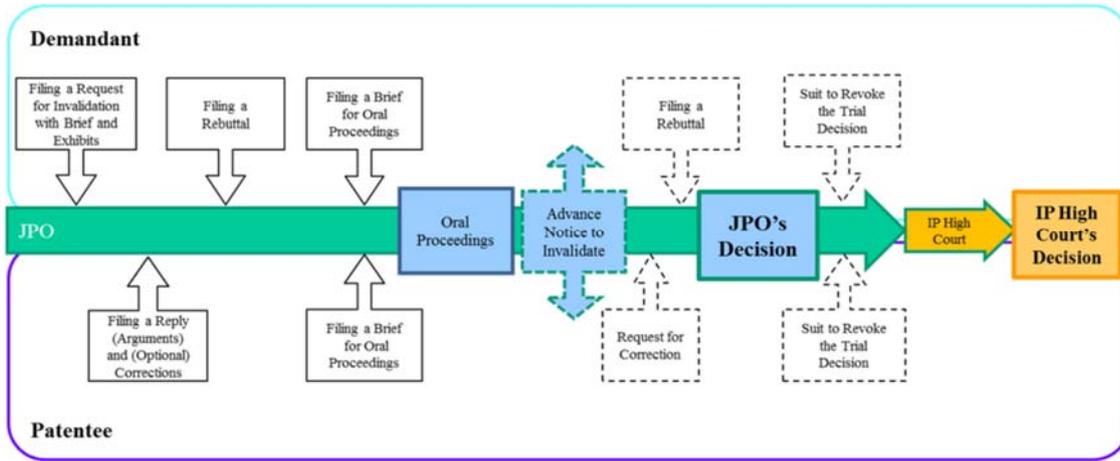
	Post-Grant Opposition	Invalidation Trial
Opponent / Demandant	Anyone	Interested party
Allowable Period for Filing	6 months from issuance of patent publication	Any time after registration (even after expiration)
Procedure	<i>ex parte</i>	<i>inter partes</i>
Corrections (Amendments)	Possible	Possible
Official Fee	16,500+2,400/claim JPY	49,500+5,500/claim JPY
Lawsuit against a Decision	Only patentee is eligible (Defendant: JPO)	Either party is eligible (Defendant: Other party)

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❖ PROCEDURAL COMPARISON BETWEEN OPPOSITION AND INVALIDATION TRIAL

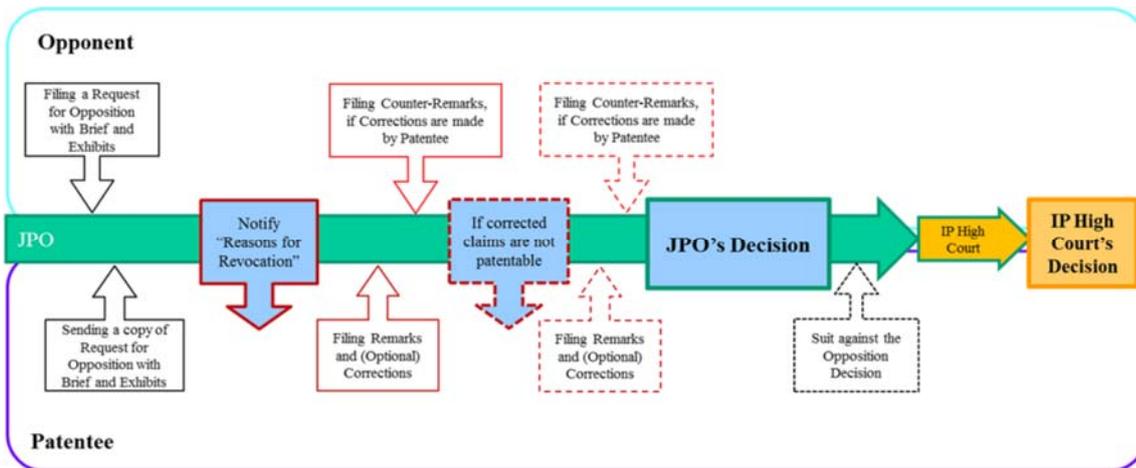
Chart 2 below shows the invalidation trial procedures and Chart 3 shows the procedures of the post-grant opposition system.

[Chart 2] The Invalidation Trial Procedure



[Chart 3] Post-Grant Opposition System

In cases where the Board of Opposition believes that “Reasons for Revocation” exist.



Patentee: Response to the First Notice of “Reasons for Revocation”

Response: Remarks and (Optional) Corrections

Response Period: 90 days (if the patent holder resides outside Japan)

Opponent: Opportunity to file Counter-Remarks against Corrections (non-mandatory)

except when:

- 1) corrections do not satisfy requirements;
- 2) corrections are clerical errors;
- 3) corrections are deletion of claims; or
- 4) corrections are for claims for which opposition is not requested.

Response Period: 50 days (if the opponent resides outside Japan)

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Patentee: Response to a second Notice of “Reasons for Revocation”

Response: Remarks and (optional) Corrections

Response Period: 90 days (if the patent holder resides outside Japan)

Opponent: Opportunity to file Counter-Remarks against Corrections (non-mandatory)

except when:

the above 1) to 4) conditions apply;

5) Board of Opposition decides to revoke the patent; or

6) Board of Opposition has definite reasons to maintain the patent.

Response Period: 50 days (if the opponent resides outside Japan)

❖ POINTS TO KEEP IN MIND FOR UTILIZING OF THE POST-GRANT OPPOSITION SYSTEM IN JAPAN

It is possible to utilize the post-grant opposition system within six months from the issuance of a granted publication. It must be kept in mind that all sources of evidence must be prepared within six months.

The post-grant opposition system is a less demanding method in terms of labor and expense compared to the invalidation trial system. It also has a significant advantage in that the opponent is able to file an opposition request under anonymity.

In order to utilize the post-grant opposition system, we recommend periodically checking the pending application status of a competitor so that you will be able to begin immediate preparations for filing a post-grant opposition in case the pending application is granted. In which case, it is better to review granted claims thereof (whether the grounds for opposition are applicable) and evaluate the impact within the Japanese market (whether it is worthwhile to file a post-grant opposition).

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❖ REFERENCE - BACKGROUND OF POST-GRANT OPPOSITION SYSTEM -

In Japan, since the establishment of the current patent law in 1954, an opposition system and an invalidation trial system have coexisted. The invalidation trial system has been revised several times from the viewpoint of improving user convenience and resolving conflicts promptly and efficiently. Meanwhile, from the viewpoint of early granting of rights and international harmonization, by revisions to the law in 1994, the opposition system that utilizes knowledge of third parties shifted from a system which petitions before the granting of rights to a system which petitions within a certain period of time after the granting of rights. However, after filing an opposition, the opponent was not given the opportunity to express his/her opinion during the trial, and if the opposition was not accepted, the opponent was unsatisfied and had to file an invalidation trial to pursue revocation of the patent. As a result, disputes were prolonged, and the burden on both the opponent and the patentee was heavy. For this reason, from the viewpoint of a single solution of the conflict and the reduction of the burden on the parties, the opposition system was consolidated into the invalidation trial system by revision of the law in 2003.

Although the number of requests for invalidation trials increased temporarily after consolidation of the previous opposition system (hereinafter referred to as the "old system") into the invalidation trial system, the number of requests for invalidation trials remained at the level before the law revision. It was pointed out that the invalidation trial system can be strictly enforced procedurally, yet it was difficult to use by universities and others who do not manufacture products since it was based on oral proceedings in principle. The procedural burden of the parties is large, and it was also pointed out that there were disadvantages in terms of time and cost for users far away from Tokyo.

For Japanese companies and others seeking to obtain patents early in Japan and to acquire and utilize patents globally by using technology originating in Japan, a suitable environment is being established, such as expansion of the Patent Prosecution Highway (PPH), which enables early obtaining of rights overseas with simple procedures by utilizing the results where an invention was judged to be patentable in Japan, and a shortened waiting period for examination, etc. In fact, the number of global applications by Japanese companies, etc. is rapidly increasing. On the other hand, if a patent right becomes invalid after making a large investment in business development, it may cause fatal damage for the applicant company. For this reason, the importance of early securing of a strong and stable patent right in Japan is increasing more and more.

Based on the above, it would be prudent to introduce a new system for giving the opportunity to re-examine the grant of patents in a certain period after the patent is granted, as a result of resolving the problems of the old system and devising a system to give new meaning to today's institutional measures. In addition, it is important to secure opportunities for the parties to express their opinions by simple procedures without relying solely on ex officio examination by the Japanese Patent Office and to make it possible to reach final judgments promptly by efficient examination in the new system such that the benefit of speeding up the examination is not lost. With this in mind, a new opposition system has been introduced in consideration of key points such as (i) the difference between the respective purposes and features of the opposition system and the invalidation trial system, (ii) the purpose of the law revisions of 2003, (iii) a balance between the ease of use and prevention of abuse of the opposition system, and (iv) improvement of attractiveness of the opposition system based on operational measures.