



# WINDS FROM JAPAN

The Licensing Executives Society Japan

## Message from the New President

By Junko Sugimura\*



It was a great honor to be nominated as the 23<sup>rd</sup> president of the LES Japan at the LES Japan general assembly meeting held on February 17, 2016. I feel very flattered and, with a great sense of responsibility, would serve as the president of LES Japan, which has more than 40 years of tradition.

Needless to say, LES Japan, like other LES societies, plays an important role in providing networking opportunities not only among the national members of corporate managers, attorneys and professors, but also with members of other societies around the world. The opportunities for sharing knowledge and ideas are the best fruits given to the members. In my tenure as president of LES Japan, I would like to make every effort to manage this society, while maintaining its good tradition, to foster changes in order to meet challenges from our changing social environment.

Our Action Plan 2016 is as follows:

### Action Plan 2016

**In order to achieve the objective prescribed in Article 3 of the by-laws of the Licensing Executives Society Japan, the main focus will be placed on “returning the fruits of activities to members”.**

**1. Broadcast the activities of LES Japan to the members, and generate a stronger sense of belonging to this unique organization.**

In order to do so, it is important to communicate society's value proposition to the members, provide more opportunities to communicate among the

members, and attract more members to participate in the conferences and other activities. The activities of LES Japan can only be established through the participation of its members. We will reestablish LES Japan as “an organization of the members, by the members, for the members.”

**2. Utilize the website of the LES Japan for publishing the activity reports of committees and working groups to provide our members with more information.**

There are many attractive and unique committees and working groups in LES Japan. In order to encourage members to participate in them, first we have to let our members know about such activities in detail. As the first step, we launched a project to redesign our website in order to gather and deliver reports on the activities of the committees and working groups to our members in a more timely and accessible fashion.

**3. Redesign the English pages of the website so as to announce the activities of the LES Japan internationally.**

Currently, the Website Committee is working on the new design and additional informational contents of the new website so as to make it more accessible and useful to our friends in and outside Japan. The website is indeed an important tool to increase the international and domestic presence of LES Japan, and it is crucial to increase the amount of information delivered in English through the website.

**4. Liaise closely with LES International and LES Asia Pacific Committee, and encourage collaboration with international societies.**

We would like to share the activities of LES Japan with our friends in Asia and in all societies of LES International, including non-Asian societies, so as to strengthen international ties and cooperation.

**5. Work with other national and international organizations and co-host seminars on themes that can be useful to the members of LES Japan.**

There are many international and domestic organizations relating to intellectual property, such as JIPA (Japan Intellectual Property Association), AIPLA (American Intellectual Property Law Association) and WIPO (World Intellectual Property Organization). We would like to create more opportunities to exchange information and ideas and cooperate closely with them toward the healthy development of the global IP system. We may also co-host seminars with other organizations which would be beneficial to our members.

**6. Hold a successful LES Japan Annual Meeting in Matsuyama July this year.**

This year's annual meeting of LES Japan will be held in the city of Matsuyama in Ehime Prefecture on the 1<sup>st</sup> and 2<sup>nd</sup> of July. Matsuyama is located on the

island of Shikoku, and is the largest city of the island. Matsuyama is well known for its beautiful castle, popular hot spring, Dogo-Onsen, and historical sites. You will enjoy a traditional Japan and a modern city at the same time. Matsuyama is very accessible with many flights from Haneda (Tokyo) and Osaka Airports. We invite all of you to be our guests at the meeting.

**LES International Conference 2019 in Yokohama**

Lastly, LES Japan will be hosting an LES International Conference in Yokohama in 2019. We have started the preparation for this huge event, and we sincerely ask LES Japan members, board members, and members of our fellow societies around the globe for your support, advice, and participation in making this conference a big success.

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\* *President of LES Japan/ Patent Attorney, Sugimura, Tamura & Partners*

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## Japanese Patent Act Revision 2015

**By Yasuo Fujii, Ph.D.\***

Japanese Patent Act (JPA) Revision 2015 became effective on April 1, 2016. This article outlines two major aspects of the revision: one relating to the employee invention system, and another relating to the introduction of procedures for accession to Patent Law Treaty (PLT).

**Employee Invention System**

*Solution for Instability of Ownership*

Before the JPA revision, a right to obtain a patent for “an employee invention” stipulated in Article 35 initially belonged to the employee, even where there was a provision, such as a contract or an employment regulation, which stipulated in advance that the employee’s right to the employee invention shall be assigned to the employer.

Thus, while the employer was able to acquire the right for the employee invention by a contract or an employment regulation, there were problems of instability of the employer’s ownership of the employee invention, especially in the following Cases I and II.

Case I: Companies have recently seen more opportunities to engage in joint research ventures with other companies or research institutes (including universities). In this regard, for example, in a joint research venture between two companies where an employee from each company jointly develops an employee invention, the right to obtain a patent for the employee invention initially belonged to the

employees before the JPA revision. This was the case, even where a proper contractual obligation between each respective employee and employer stipulated in advance that the right for the employee invention shall be assigned to their respective employers. The employers’ rights to obtain a patent in the joint invention were further frustrated by Article 33(3) of the JPA. Specifically, Article 33(3) of the JPA stipulates that where a right to obtain a patent is jointly owned, no joint owner may assign his share of the right without the consent of all the other joint owners. Consequently, despite the contractual provision in advance noted above, the companies were not able to acquire their respective employee’s share of the right to obtain a patent without the consent of the employee of the other company. This may have made the procedures for assignment burdensome and thus may have inhibited joint research ventures between different entities.

Case II: Even in a case where the employer acquired the right for an employee invention by the provision in advance above (e.g., via contract), it usually takes some time before the employer can file a patent application for the employee invention. Alternatively, the employer may decide to keep the employee invention a trade secret. Before the JPA revision, the employer’s delay in filing a patent application or the employer’s decision not to file a patent application could have given rise to a third party obtaining the employer’s patent rights. Specifically, Article 34(1) of the JPA stipulates that the assignment of a right to obtain a patent for an

invention prior to filing a patent application for the invention shall have no effect on any other third party unless the assignee in title files the patent application. Consequently, despite the provision in advance above (e.g., the employee's contractual obligation to the employer), if the employee redundantly assigned his/her right to a person other than the employer and thereafter that person filed a patent application for the employee invention prior to the employer's filing, the assignment of the employee's right to the employer by the provision has no effect on any other third party including the Japan Patent Office.

In view of the problems noted above, the revised JPA introduced the new Article 35(3) which stipulates that where there is a contract or an employment regulation that stipulates in advance that the employer is allowed to acquire a right to obtain a patent for an employee invention, the right belongs to the employer as of the date the employee invention is made.

This revision to the JPA solves the problems in Cases I and II outlined above by the existence of a provision which stipulates in advance that the employer is allowed to acquire a right for an employee invention. Specifically, the employers in the Case I now acquire the right as of the date the employee invention is made without the consent of the employees of the other company. Furthermore, in the Case II, the employee cannot now assign his/her right to a person other than the employer because the right for the employee invention initially belongs to the employer as of the date the employee invention is made.

#### *Flexible Incentive to Employee and Enhancement of Legal Predictability for Employer*

Before the revision, the JPA stipulated that the employee has a right to receive reasonable "value" in return for the assignment of his/her right for the employee invention to the employer. In this regard, the word "value" was interpreted to mean monetary remuneration. However, the employee may desire remuneration other than money, where such a remuneration may also be favorable for the employer.

In addition, before the revision, the JPA stipulated that where the value above is stipulated in a provision such as a contract or an employment regulation, the payment of the value shall not be considered unreasonable in light of circumstances etc. including circumstances of (i) negotiation between the employer and the employee to set standards for the determination of the value, (ii) disclosure of the set standards, and (iii) hearing the opinions of the employee on calculation of the amount of the value. However, it was not very clear for the employer what specific procedures should have been taken for avoiding the conclusion that the payment of the value was considered unreasonable.

In view of the problems noted above, the revised JPA stipulates in Article 35(4) that the employee has a right to receive reasonable "money or any other economic benefit" in return for the assignment of his/her right for the employee invention to the employer.

In addition, the revised JPA introduced the new Article 35(6) which stipulates that the Minister of Economy, Trade and Industry defines and publishes guidelines about the circumstances mentioned above to be taken into account for determining whether the giving of the economic benefit is considered unreasonable, where the guidelines should be prepared through hearing the opinions of the Industrial Structure Council.

While the final guidelines will be published after the effective date of the revised JPA, the draft guidelines have already been publicly disclosed by the Japan Patent Office, where it seems that there will be no or little change in the draft guidelines for finalization.

The draft guidelines show the specific examples of the reasonable economic benefit other than money, such as an opportunity for studying overseas, stock options, a promotion accompanied with monetary improvement. In this regard, the draft guidelines note that the benefit must have economic value and that the reason for giving the benefit to the employee must be that the employee invention is made by the employee. The reasonable economic benefit in line with the guidelines will give more flexible incentives to the employee.

The draft guidelines also show the specific examples of the procedures for the circumstances of (i) the negotiation, (ii) disclosure and (iii) hearing as mentioned above, which will be taken into account for determining whether the giving of the economic benefit is considered unreasonable. While the guidelines have no legal binding power, it is expected that the guidelines will be highly respected among the parties concerned because the guidelines are stipulated in the JPA and they are published by the Minister of Economy, Trade and Industry in view of the opinions of the Industrial Structure Council. Thus, by taking the procedures in line with the guidelines, the employer can reduce the risk that the giving of the benefit is considered to be unreasonable.

#### **Procedures for Accession to PLT**

Japan will accede to the PLT in the near future. Thus the JPA revision introduced the procedures corresponding to those stipulated in the PLT.

#### *Remedy for Time Limits*

Article 5(1) of the JPA stipulates that where the Commissioner of the Patent Office, the chief trial examiner, or the examiner has designated a time limit by which procedures are to be taken under the JPA, the official may, upon request or ex officio, extend

the time limit. However, before the revision, the applicant was not able to request the extension of the time limit after expiration thereof.

In this regard, the revised JPA has introduced the new Article 5(3) which stipulates that the applicant can request the extension of the time limit within two months after the expiration thereof, while the Article is applied only for the time limit stipulated in the Ordinance of the Ministry of Economy, Trade and Industry.

#### *Notification*

The revised JPA has introduced the new Articles described below which stipulate that the Commissioner of the Patent Office notifies the applicant in the following cases (i)-(iii) and then the applicant can take procedures to comply with the requirement within two months:

(i) where the Japanese translations were not submitted within the statutory period for “a foreign language written application” stipulated in Article 36-2 (new Articles 36-2(3)(4));

(ii) where the documents for claiming priority were not submitted within the statutory period stipulated in Article 43(2) (new Articles 43(6)(7)(8));

(iii) where the appointment of a patent administrator for the overseas resident applicant of the international application was not submitted within the statutory period stipulated in Article 184-11(2) (new Articles 184-11(3)(4)(6)).

#### *Complementary Procedure for Filing Date*

The revised JPA has introduced the new Article 38-2 which stipulates that the Commissioner of the Patent Office shall permit the date on which the application was filed to be the filing date of the application except in the following cases:

(i) where an indication for requesting the grant of patent is not clear;

(ii) where a name of the applicant is missing or is not clear enough to identify the applicant;

(iii) where a description is not attached to the application.

In the cases (i)-(iii) above, the applicant receives a notification from the Commissioner of the Patent Office and then the applicant can file a complementary document to comply with the requirements within two months. In a case where the complementary document was filed, the Commissioner of the Patent Office shall permit the date on which the complementary document was filed to be the filing date of the application.

#### *Application in Foreign Language other than English*

The Ordinance of the Ministry of Economy, Trade and Industry has been revised to stipulate that the foreign language written application stipulated in Article 36-2 of the JPA can be filed in not only English, but also any other foreign language.

#### *Application by Reference to a Previously Filed Application*

The revised JPA has introduced the new Article 38-3 which stipulates that the applicant can file a patent application without attaching a description and drawing but by a reference to a patent application previously filed by the applicant except in the following cases:

(i) where an indication for requesting the grant of patent is not clear;

(ii) where a name of the applicant is missing or is not clear enough to identify the applicant;

(iii) where the application to be filed is a foreign language written application;

(iv) where the application to be filed is a divisional application stipulated in Article 44(1), a converted application stipulated in Article 46(1) or (2), or a patent application based on a utility model registration stipulated in Article 46-2(1).

Then the applicant who has filed the application by the reference above shall subsequently file the documents including a description and drawing within four months. It should be noted that if the matters described in the subsequently filed description and drawing are not within a scope of the matters described in claims, description or drawing of the previously filed application, the application shall be deemed to have been filed at the time of subsequently filing the description and drawing.

#### *Complementary Procedure for Missing Part*

The revised JPA has introduced the new Article 38-4 which stipulates that the Commissioner of the Patent Office notifies the applicant if a part of a description and drawing is missing in establishing the filing date and then the applicant can file a complementary document for filing the missing part within two months, except in a case where the application is a divisional application stipulated in Article 44(1), a converted application stipulated in Article 46(1) or (2), or a patent application based on a utility model registration stipulated in Article 46-2(1) JPA.

In a case where the complementary procedure has been taken within the term above, the application shall be deemed to have been filed at the time of filing the complementary document except for a case where the application claims a priority based on the previously filed application and the missing part was completely included in the previously filed application.

#### *Maintenance Fee by Any Person*

Before the revision, the JPA stipulated in Article 110(1) that an interested person may pay the patent fees even against the will of the person by whom the patent fees are to be paid.

In this regard, the revised Article 110(1) stipulates that an interested person and any other person may pay the patent fees even against the will of the person by whom the patent fees are to be paid.

While this article outlined the revision to the JPA regarding the two major aspects, please be noted that

some details including exceptions were omitted for the sake of simplicity. Thus, it is recommended to consult your expert for more details.

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\* Editor / Patent Attorney, Haruka Patent & Trademark Attorneys

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## JFTC amends IP Guidelines to deal with FRAND issues

**By Jinzo Fujino\***

On January 21, 2016, Japan Fair Trade Commission (JFTC) announced partial amendments of the Guidelines for the use of Intellectual Property under the Antimonopoly Act. The amendment, adding new provisions to the present IP Guidelines, is supposed to clarify the policies and principles of JFTC to deal with the issue of FRAND-declaration for standard-essential patents.

The Antimonopoly Act (AMA) statutorily exempts the enforcement of intellectual property rights from its application (Article 21). The amendment, however, makes it clear that FRAND-declaration would cause a violation of the AMA if the owner of a standard-essential patent withdraws its declaration of a FRAND license to refuse the license or seeks an injunction order from the court against a potential licensee who desires a FRAND license. The effect of the amendment extends to the assignee(s) of the SEP if a FRAND license has once been declared for it. The amendment also clarifies that a determination of whether a potential licensee is willing to license can be made on a case-by-case basis in light of attitude and attentiveness toward negotiations with the SEP owner.

For reference to readers, the amendment in full text is cited at the end of this article. The rest of the IP Guidelines remains unchanged and is still effective. Those who are interested are suggested to visit the JFTC website at:

[http://www.jftc.go.jp/en/pressreleases/yearly-2016/January/160121.files/IPGL\\_Frand\\_attachment.pdf](http://www.jftc.go.jp/en/pressreleases/yearly-2016/January/160121.files/IPGL_Frand_attachment.pdf)

JFTC issued the Patent Pool Guidelines in June 2005 in order to promote patent pool arrangements in Japan. In this guideline, JFTC discusses examples of patent pool arrangements which may cause a violation of the AMA. And in 2007, JFTC issued the present IP Guidelines which covers not only patent and know-how licensing but also licensing of other forms of intellectual property rights. Recognizing that these guidelines were insufficient to deal with the FRAND issue, JFTC has added specific paragraphs.

Before finalizing the partial amendment, however, JFTC released a draft amendment to seek public comments in July 2015. Reportedly, fifty four comments were submitted from in and outside Japan including one from LES Japan. It was the first time that JFTC sought public comments for the purpose of amendment of guidelines under the AMA.

[The newly inserted provisions are cited below. (source: JFTC website)]

*Part 3. Viewpoints from Private Monopolization and Unreasonable Restraint of Trade*

*(1) Viewpoints from Private Monopolization*

*(e) The standard setting organization or trade association (hereinafter referred to as the "SSO") generally makes the document (IPR Policy) describing principles for license of patents (including the other intellectual property rights) essential for implementation of the standards (hereinafter referred to as the "Standard Essential Patent"). It is specified in IPR Policy that, in order to prevent exercise of right in respect of Standard Essential Patents from impeding research & development, production or sale of the products adopting the standards and to broadly diffuse the standards, it makes the participants in standard setting clearly show whether they hold any Standard Essential Patents and their intention for licensing for fair, reasonable and non-discriminatory conditions (such conditions are generally called "FRAND conditions"). A Standard Essential Patent holder's declaration in writing to show that it is willing to grant licenses under FRAND conditions to the SSO is generally referred to as the "FRAND Declaration". According to the IPR policy, the SSO will study change of the standards to exclude the technology protected by such if such declaration is not made. Since FRAND Declaration makes it possible for the Standard Essential Patent holders to receive reasonable compensation for the use of the Standard Essential Patent and also makes it possible for those who research & develop, produce or sell the products adopting the standards to access Standard Essential Patents under FRAND conditions, FRAND Declarations promote research and development investment of the technologies concerning the standards and also promote positive investments*

required for research & development, production or sale of the products adopting the standards.

Refusal to license or bringing an action for injunction against a party who is willing to take a license by a FRAND-encumbered Standard Essential Patent holder, or refusal to license or bringing an action for injunction against a party who is willing to take a license by a FRAND-encumbered Standard Essential Patent holder after the withdrawal of the FRAND Declaration for that Standard Essential Patent may fall under the exclusion of business activities of other entrepreneurs by making it difficult to research & develop, produce or sell the products adopting the standards. The description above shall be applied no matter whether the act is taken by the party which made the FRAND Declaration or by the party which took over FRAND-encumbered Standard Essential Patent or is entrusted to manage the FRAND-encumbered Standard Essential Patent. (The same holds for the case described in Part4-(2), (iv).)

Whether a party is a “willing licensee (who willing to take a license on FRAND terms)” or not should be judged based on the situation of each case in light of the behavior of the both sides in licensing negotiations etc. (For example, the presence or absence of the presentation of the infringement designating the patent and specifying the way in which it has been infringed, the presence or absence of the offer for a license on the conditions specifying its reasonable base, the correspondence attitude to the offers such as prompt and reasonable counter offers and whether or not the parties undertake licensing negotiations in good faith in light of the normal business practices.)

Even if a party which intends to be licensed challenges dispute validity, essentiality or possible

infringement of the Standard Essential Patent, the fact itself should not be considered as grounds to deny that the party is a “willing licensee” as long as the party undertakes licensing negotiations in good faith in light of the normal business practices.

#### Part 4. Viewpoints from Unfair Trade Practices

##### (2) Inhibiting the Use of Technology

(iv) The acts described in Part3-(1), (i), (e), such as refusal to license or bringing an action for injunction against a party who is willing to take a license by a FRAND-encumbered Standard Essential Patent holder, or refusal to license or bringing an action for injunction against a party who is willing to take a license by a FRAND-encumbered Standard Essential Patent holder after the withdrawal of the FRAND declaration for that Standard Essential Patent may deprive the entrepreneurs who research & develop, produce or sell the products adopting the standards of trading opportunities or impede the ability of the entrepreneurs to compete by making it difficult to research & develop, produce or sell the products adopting the standards.

Such acts are considered to be Unfair Trade Practices (Paragraph (2) and (14) of the General Designation) if they tend to impede fair competition, even if the acts do not substantially restrict competition in the product market and are not considered to be Private Monopolization.

The judgment whether a party is a “willing licensee” or not is described in Part3-(1), (i), (e).]

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\*Editor / Adjunct Professor of Tokyo University of Science

## IP News from Japan

By Shoichi Okuyama, Ph.D.\*

### TPP-related Bills Introduced

On March 8, 2016, a package of bills related to the Trans-Pacific Partnership (TPP) agreement, which was signed in February 2016 among twelve countries, including Japan and the United States, were authorized by the Cabinet for introduction to the Diet. The TPP is an international agreement covering a very broad range of trade and economic issues, including intellectual property. The entire agreement is said to be more than 1,500 pages long including attachments.

The government is trying to have the Diet pass the bills and allow them to become law during the current Diet session, which must end in June because an

election is planned for July. Once the Diet passes the bills by the end of June, which is likely, most of the provisions will take effect when Japan accedes to the TPP. Important features related to IP are:

(1) Grace period for exemption to loss of novelty for patent applications will increase from 6 months to 12 months,

(2) Patent term extensions will be granted to compensate for JPO examination delays,

(3) Copyright term will increase from 50 years to 70 years from the death of the author, and

(4) Statutory damages for infringement of trademarks and copyrights.

## **Status Report 2016 - the JPO reaches out in English**

On March 29, 2016, the Japan Patent Office (JPO) published its first Status Report on its website. This report contains numerous statistical data and policy statements in both Japanese and English. JPO annual reports have been only in Japanese, and this is the first time the JPO published a newly-styled annual report in both Japanese and English.

The report (5 MB) is available at:

<https://www.jpo.go.jp/shiryou/toukei/pdf/status2016/all.pdf>

Also in March 2016, the JPO published an English summary of "Case Study by Trial and Appeal Experts - Report 2015." This report reviews 14 patent appeal and trial decisions by the JPO that were appealed before the IP High Court, and 2 for designs and 4 for trademarks. A committee started in 2006 to review JPO decisions concerning inventive step among representatives from corporations, patent attorneys, lawyers and appeal examiners at a time when the JPO's strict examination practice on inventive step was heavily criticized, and published a report in Japanese. This committee has now been expanded to cover all areas of industrial property laws.

[https://www.jpo.go.jp/shiryou/toushin/kenkyukai/pdf/sinposei\\_kentoukai/h27\\_houkokusyo\\_youyaku\\_e.pdf](https://www.jpo.go.jp/shiryou/toushin/kenkyukai/pdf/sinposei_kentoukai/h27_houkokusyo_youyaku_e.pdf)

## **Further Fee Reductions and Possible Extensions After Due Dates**

Japan acceded to the Patent Law Treaty (PLT) and the Singapore Treaty on the Law of Trademarks (STLT) on March 11, 2016, and this will take effect in Japan on June 11, 2016. The JPO will reduce certain official fees to a relatively minor extent and allow extensions of a deadline even after the deadline *under certain circumstances* starting April 1, 2016. Extensions after deadlines are very complicated and expensive, and we do not recommend extending after deadlines unless there is no other option.

## **New GI Protection Scheme Started**

In June 2015, the Ministry of Agriculture, Forestry and Fisheries (MAFF) started accepting applications for new geographical indication registrations for agricultural or fishery products. In December 2015, the MAFF announced the first batch of seven registrations, including "Aomori Cassis," "Tajima Beef," "Kōbe Beef," and "Yūbari Melon." Apparently, some 20 applications have been filed according to the publication of applications made by

the MAFF. After examination and publication for public comments (3 months), successful registrations can be made. The GI protection is administratively provided by the MAFF, and registration does not confer any property rights to the registrant.

## **Corporate Slogans as Trademarks**

The JPO recently announced that it would revise its examination guidelines for trademark applications. The new guidelines make it clear that corporate slogans such as "Innovation for Tomorrow" (Daihatsu) and "Inspire the Next" (Hitachi) are registrable trademarks. The requirements are: (1) the mark does not advertise a specific product, (2) the mark is not made up of commonly used terms or phrases, and (3) the mark has been in use for some time. The new practice will start on April 1, 2016.

## **Liberalized Standards for Food Patents Limited by a Utility**

Currently, the limitation of a "utility" in claims directed to food products is not generally recognized as a meaningful feature when considering the patentability of such claims. The JPO has decided to change this practice in view of growing markets for foods having specific new functionalities and recently published guidelines for this purpose. Acceptable formats, according to the JPO, include "an agent for X utility comprising component A as an active component," "a composition for X utility comprising component A as an active component," and "a yogurt for X utility comprising component A as an active component." Such claims, of course, must also satisfy standard patentability requirements, including inventive step. The new practice is applicable to applications filed from April 1, 2016.

New guidelines in English

[https://www.jpo.go.jp/iken\\_e/pdf/back\\_20160323\\_guide/01.pdf](https://www.jpo.go.jp/iken_e/pdf/back_20160323_guide/01.pdf)

## **Design Practice Changes**

As reported previously, the JPO began accepting international applications under the Hague System for the International Registration of Industrial Designs from May 13, 2015. Up to December 2015, twenty-one international applications were filed at the JPO. Also, the JPO published revised examination guidelines, according to which it became possible to register designs that would be installed in electronic devices after the sale of such devices. Currently, image designs that are initially installed on devices can be registered. Images that are downloaded into devices for temporary display are still not registrable designs, even under the new guidelines. After

previous failed attempts to amend the Design Act, the JPO opted for this guidelines approach, but image design protection is not yet up to international standards. Furthermore, the JPO recently opened, for public use, a new design database called the "Graphic Image Park," which allows users to search using an image itself.

## Corporate Executive Arrested for Trade Secret Theft

Mr. Yoshiki Tachibana, executive managing director of Kikusui Chemical Industries Co., Ltd., a Nagoya-based publicly traded company, which has annual sales of US\$180 million, was arrested for trade secret theft in February 2016. Mr. Tachibana had previously been employed by Nippon Paint Holdings, which has annual sales of US\$2.3 billion until March 2013, and joined Kikusui in April 2013. Mr. Tachibana allegedly stole secret proprietary data from Nippon Paint. Nippon Paint filed a complaint with Aichi Prefectural Police in July 2015. Kikusui introduced a new water-based paint product in July 2013 and withdrew this and another product from the market after Mr. Tachibana's arrest. According to reports in magazines, Mr. Tachibana was once slated to become president of Nippon Paint, but lost an

internal struggle and was sidelined about five years ago. The new water-based paint Kikusui started selling in 2013 was a commonly available type on the market, according to the reports.

## A Grand Panel Decision on Doctrine of Equivalents

On March 25, 2016, the Intellectual Property High Court rendered a Grand Panel decision concerning the doctrine of equivalents. The Grand Panel of the IP High Court consists of five judges: all four division heads and another judge, as opposed to a regular panel of three judges in the same division. Unlike other courts in Japan, the IP High Court has special discretionary power to have cases reviewed by the Grand Panel. This case relates to the application of the doctrine of equivalents (DoE) to a drug patent that is directed to a manufacturing process (Patent No. 3310301 in the name of the Trustees of Columbia University and Chugai Pharmaceutical, Co., Ltd.). The court found infringement under the DoE and granted injunctions against generic drug makers.

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\* Editor / Patent Attorney, Okuyama & Sasajima

## Editors' Note

This issue includes articles relating to "Greetings from LES Japan President"; "Japanese Patent Act Revision 2015"; "Amended JFTC IP Guidelines for dealing with FRAND issues" and "IP News from Japan."

A new member, Ms. Yoko Natsume joined the editorial board and she will add great values to this newsletter going forward.

Thank you for your support of "*Winds from Japan*." This newsletter will continue to provide you with useful information on activities at LES Japan and up-to-date information on IP and licensing activities in Japan.

If you would like to refer to any back issues of our newsletters, you can access them via the following URL: <http://www.lesj.org> (MK)

### WINDS from Japan Editorial Board Members, 2016

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