

WINDS FROM JAPAN

The Licensing Executives Society Japan

Newly Registered Designs *Effect of the 2019 Design Act Revision*

By Mitsuo Kariya *

The 2019 design act revision came into force on April 1, 2020 and the Japan Patent Office (JPO) started receiving applications for the expanded scope of registrable designs. According to the revision, graphic image designs which are neither recorded in articles nor displayed on articles, building designs and interior designs, became registrable.

Registered Designs

The Japan Patent Office announced that a graphic image design, two building designs and two interior designs were registered as a first step.

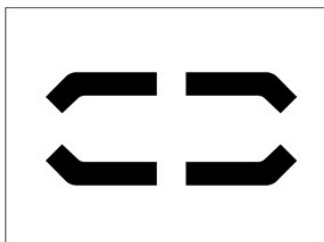
<https://www.meti.go.jp/english/press/2020/1109001.html>

<https://www.meti.go.jp/english/press/2020/1102001.html>

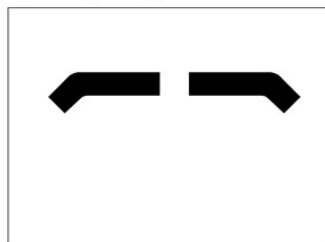
1) Graphic Image Design

Japan Design Registration No. 1672383: “Graphic Image for Displaying Information on Situation of Vehicle”
(Applicant: Koito Manufacturing Co., Ltd.)

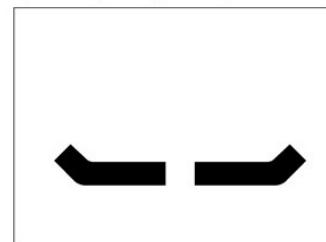
【Graphic image view】



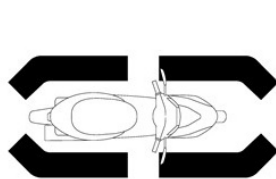
【Graphic image view 1 representing a change in the performance】



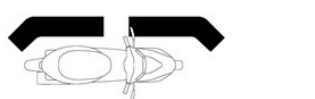
【Graphic image view 2 representing a change in the performance】



【Reference view 1 of the graphic image representing a state of use】



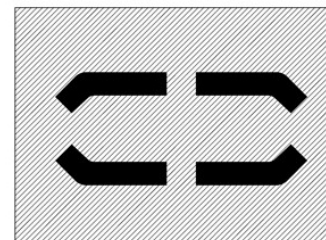
【Reference view 2 of the graphic image representing a state of use】



【Reference view 3 of the graphic image representing a state of use】



【Reference view representing a transparent section】



Reference: “Area Marker” (registered trademark; Koito Manufacturing Co., Ltd.)

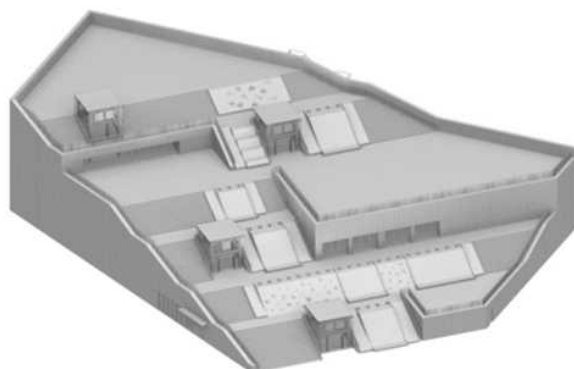


Prior to the 2019 Design Act Revision, a registrable image design needed to involve a movable object. For example, graphic images recorded in a smartphone or displayed on the screen of a smartphone were registrable, however graphic designs which are projected onto a wall or a human body were not registrable because the designs were not displayed on a movable object. The Design Registration No. 1672383 was registered for the design displayed onto a road surface, which is not a movable object, under the revised Design Act. The registered graphic image design represents the light which is projected onto a road surface by a device on a vehicle. The graphic image is projected to areas around the vehicle, thereby helping others to visibly recognize the

existence of the vehicle. The graphic image also helps the driver recognize the road surface around the vehicle. The graphic image changes according to the change of traveling direction as shown in the graphic image views 1 and 2. The design is considered to fulfill the requirement if the graphic image is used for operating a device or the graphic design is displayed as a result of the function of a device. Such graphic user interface image designs are eligible for design protection. However, ornamental wallpaper image designs for a personal computer and movie or game content image designs are not registrable because they are not related to any functions of an associated device and they do not directly improve the added value of the device.

2) Building-exterior Designs

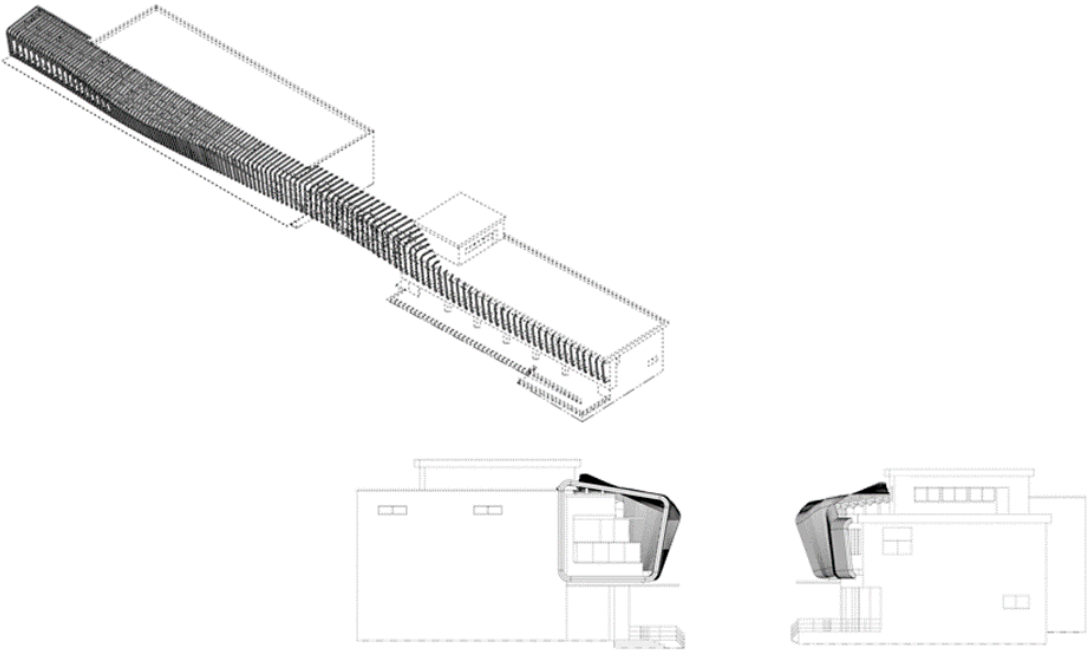
(i) Japan Design Registration No. 1671773: “Commercial Building” (Applicant: Fast Retailing Co., Ltd.)



Reference: UNIQLO PARK Yokohama Bayside Store (picture provided by Fast Retailing Co., Ltd.)



(ii) Japan Design Registration No. 1671774: “Station Building” (Applicant: East Japan Railway Company)



Reference: Koenguchi Station Building, Ueno Station (picture provided by East Japan Railway Company)

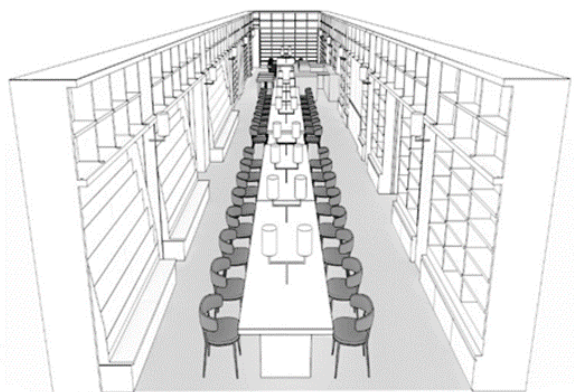
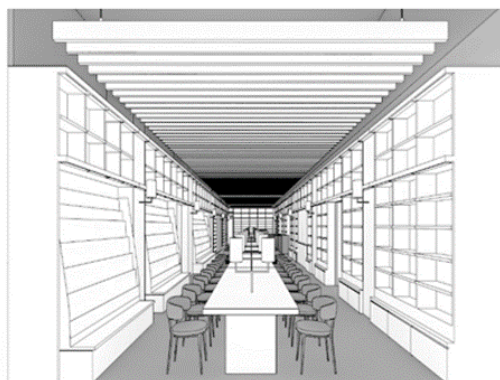


Prior to the 2019 Design Act Revision, building designs such as designs of knockdown houses were registrable if the buildings are manufactured industrially and treated as movable objects at the time of sale even though they are treated as pieces of real

estate at the time of use. Under the revised Design Act, it became possible to protect the building designs even if the buildings are not treated as movable objects at the time of sale.

3) Interior Designs

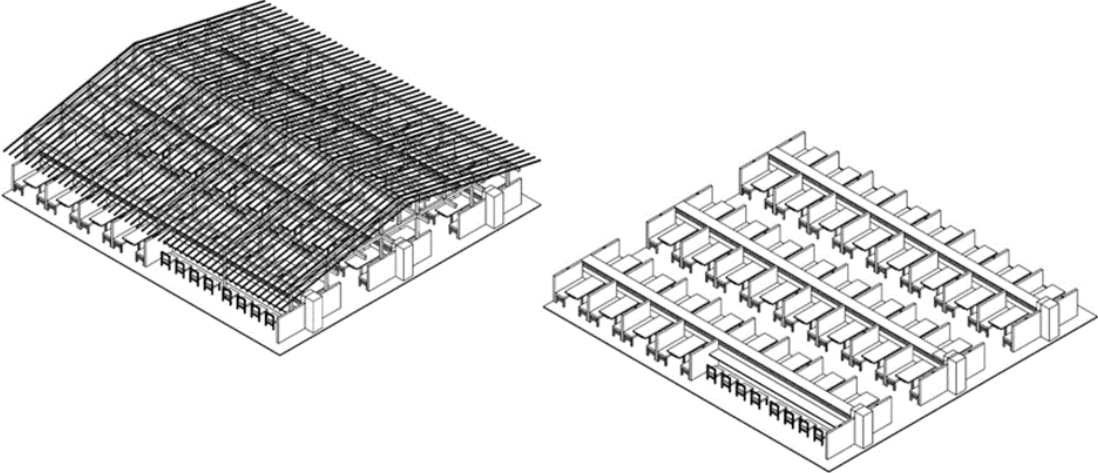
(i) Japan Design Registration No. 1671152: “Book Store Interior” (Applicant: Culture Convenience Club Co., Ltd.)



Reference: Store of Tsutaya Books Co., Ltd. (picture provided by Culture Convenience Club Co., Ltd.)



(ii) Japan Design Registration No. 1671153: “Interior of Conveyor Belt Sushi Store” (Applicant: Kura Sushi Inc.)





Prior to the 2019 Design Act Revision, interior designs including designs of combinations of multiple articles (e.g., tables, chairs, lighting fixtures) and interior decorations (e.g., on walls and floors) were not registrable because such designs did not fulfill the requirement of one application per design under Article 7. Under the revised Design Act, it became registrable as a single design if designs of multiple articles (e.g., tables, chairs) and interior decorations (e.g., on walls and floors) together form a single aesthetic. On April 1, 2021, the JPO will start receiving applications which include multiple designs,

although the multiple designs included in an application will be examined and registered design by design.

Design Applications for the expanded scope of registrable designs

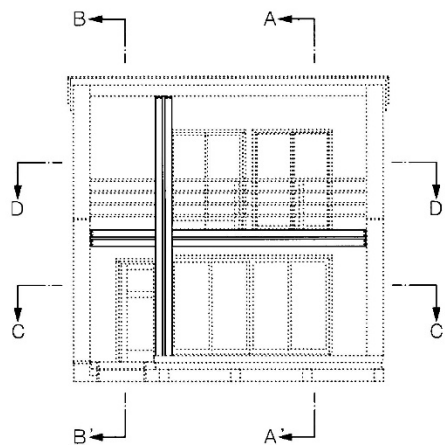
The JPO received the following number of applications for graphic image designs, building-exterior designs and interior designs according to the available data as of October 1, 2020. The numbers do not include the number of the international design applications according to the Hague Convention.

	Graphic Image	Building	Interior
Number of design applications	450	204	132

Building Design Infringement Case

The Nikkei News Paper reported that the Tokyo District Court rendered a judgement on an infringement case regarding a building design on November 30, 2020. The court decision granted injunctive relief and awarded damages. The design was registered on part of a knockdown house, i.e., a

combination of the pillar and beam of houses under the design act prior to April 1, 2020. The defendant was selling houses having similar designs and stopped the sale after the court decision. According to the 2019 Design Act Revision, it became possible to protect more building designs in Japan.



In Japan, it is expected that more designs in the expanded scope will be registered to protect outstanding designs which contribute to the promotion of innovation and brand establishment.

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\* Editor / Patent Attorney at Kariya IP Office

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# Patent Licensing in the age of the COVID-19 pandemic

**By Jinzo Fujino\***

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic. In response to this declaration, companies and research institutes announced the launch of their tests on Covid-19 treatments. A French group company bioMérieux S.A. was one of them.

Labrador Diagnostics LLC sued bioMérieux and its subsidiary for patent infringement on March 9, 2020, 3 days prior to the WHO's declaration. Labrador's complaint was based on two US patents which had been assigned from another company. Predictably, this caused an uproar in the public. In a week from the filing of the complaint, Labrador announced that a free license would be available under the patents. It seems that a flood of criticism had coerced Labrador to change its enforcement policy.

This case clearly shows a changed atmosphere around the enforcement of patents in the age of the COVID-19 crisis. The changed atmosphere urges not only patent holders, but national governments to contemplate positive use of compulsory licensing.

This article provides an overview of how national governments deal with compulsory licensing and how private companies work on voluntary licensing in the age of the COVID-19 pandemic.

## **Institutional Framework of Compulsory Licensing**

In the intellectual property arena, it is a shared recognition that a compulsory license is available when emergency takes place due to, for example, the spread of infectious diseases. Compulsory licenses are endorsed in the Paris Convention, by which national governments may allow use of a patented technology or process even if the patent owner is not agreeable. Given an absence of statutory limitation, however, compulsory licenses are conceived to be associated with pharmaceuticals.

The term "compulsory licensing" is not explicit in the TRIPS Agreement. It is inferred from the title of Article 31 ("Other use without authorization of the right holder"). The TRIPS Agreement does not specifically mention reasons for compulsory licenses. It simply lists up phenomena such as national

emergencies, other circumstances of extreme urgency and anti-competitive practices. In any event, a prerequisite is an initial contact to the right holder asking for a normal license on reasonable terms and conditions. When such contact turned out to be unsuccessful, a compulsory license may take a stand.

Compulsory licenses are subject to various conditions. As stated earlier, the requester of a compulsory license must have first attempted to obtain a voluntary license from the right holder. It is not freely available. Adequate remuneration must be paid to the patent holder. An exclusive license is unavailable so the patent holder can continue to produce. In addition, compulsory licenses must be granted mainly for the supply to the domestic market.

These requirements on compulsory licenses were partly amended and adopted in Doha on November 14, 2001 at the height of the AIDS crisis. It was further amended in December 2005, and became effective on January 23, 2017.

Since the outbreak of the COVID-19 crisis, many countries have been inclined to force compulsory licenses. Israel has granted a compulsory license for the importing of a generic version of antiviral medicine lopinavir/ritonavir, which had shown promise in the treatment of COVID-19. Chile and Ecuador have both adopted resolutions allowing for the use of compulsory licenses for patents for the treatment of COVID-19. Canada has actually changed domestic laws regulating compulsory licensing, in order to make the process of granting compulsory licenses independent from the requisite of a prior attempt at negotiation with the patent owner. Germany and France are also taking steps to make compulsory licensing easier to grant in the near future. (Source: *Garrigues Intellectual Property Blog*. For more information; <https://blogip.garrigues.com/en/patents-trade-secrets/covid-19-and-the-compulsory-licensing-of-patents>)

Unlike these countries, there are no moves toward compulsory licenses in Japan where the compulsory license for national interest is set forth in Article 93 of the Patent Act. In theory, a third party may request the patentee to sit for negotiations for a non-exclusive license. When no license is granted by the patentee, the requesting party would be in a position to request



the Minister of Economy, Trade and Industry for an administrative order for the license. Thus-stipulated provisions mirror the Paris Convention, Article 5A(2) which allows the member country of the Union to take legislative measures providing for the grant of compulsory licenses. It should be noted that since the Japan's Patent Act was implemented in 1921, there has been no administrative order issued under Article 93.

## Emerging Voluntary Licensing Schemes

### (1) The Open COVID Pledge

The Open COVID Pledge is a voluntary licensing scheme calling on organizations worldwide to make their patents and copyrights freely available in the fight against the COVID-19 pandemic. The Pledge was originally developed by an international group of researchers, scientists, academics and lawyers seeking to accelerate the rapid development and deployment of diagnostics, vaccines, therapeutics, medical equipment, and software solutions in this urgent public health crisis. Creative Commons supports and helps overcome legal obstacles to the sharing of knowledge and creativity.

The Pledge accepts three types of licenses. The first type is the open COVID standard license that may be adopted by any organization or individual taking the Pledge. The second type is the open COVID compatible license that provides a set of minimum use permissions and other terms that have been determined to be compatible. The last one is the open COVID alternative licenses that are not in the first or second groupings above, but that are still consistent with the Open COVID Pledge. Professor Jorge Contreras, one of the founding members of the Pledge, describes its coverage as follows.

*Pledged IP covers a broad range of equipment, software, network and device applications useful in healthcare, containment, tracking, diagnostics, emergency response and social distancing. It includes 3D-printed respirators, touch screens that use ultraviolet light to prevent the spread of infection, a Wi-Fi enabled floating hospital, methods for designing grocery stores to ensure social distancing, a low-cost, single-use ventilator, software for accelerating disease diagnosis, algorithms for routing emergency vehicles through traffic, a drive-up booth for Covid-19 testing, and much more. The Open COVID Pledge offers a platform that enables holders of patents and copyrights to commit these assets to the fight against Covid-19 on a royalty-free basis. The Pledge, which was launched in April, has attracted some of the world's largest patent holders— firms like IBM, Intel, Microsoft, Facebook, Fujitsu and Uber that collectively hold hundreds of thousands of patents around the world.*

### (2) The Open COVID-19 Declaration

Likewise, the Open COVID-19 Declaration was established in Japan in June 2020 by the IP experts and managers of approximately 100 companies which hold patents that are somehow related to COVID-19 and its treatment. The declaration states that any company or individual in or outside Japan will not exercise their domestic or foreign intellectual property rights against actions to develop, manufacture or market solutions that aim to stop the spread of COVID-19.

According to the terms of the Open COVID-19 Declaration, holders of intellectual property rights have to declare that they will not assert any patent, utility model, design or copyright in and outside Japan against activities for the prevention of COVID-19 and will not seek any consideration or compensation until, in principle, the date on which the World Health Organization (WHO) declares the termination of the COVID-19 crisis. Anyone can use declared intellectual property rights without expending time and money to investigate whether their activities may infringe the IP right or negotiate a license with the rights holder.

For readers' reference, a standard declaration form is copied as follows.

*In view of the global COVID-19 pandemic, we hereby declare, without seeking any compensation, that, for the purpose of establishing an environment in which the owner of intellectual property rights shall not enforce such rights in a manner that might hinder the expeditious provision of medical care, infection control, infection prevention and other countermeasures to prevent the spread of COVID-19:*

- 1. The declarer will not assert any patent, utility model, design or copyright (hereinafter referred to as the "Intellectual Property Rights") against any individual or other entity during the period starting with the date of this Declaration and ending on the date on which the World Health Organization (WHO) declares that the COVID-19 outbreak no longer constitutes a Public Health Emergency of International Concern, with respect to the activities whose sole purpose is stopping the spread of COVID-19, such as diagnosis, prevention, containment and treatment of COVID-19.*
- 2. This Declaration shall not be construed as a warranty, express or implied, of patentability, validity or merchantability, or that any third party's rights would not be infringed by exercise of the Intellectual Property Rights.*
- 3. This Declaration shall not apply to any individual or entity who initiates an infringement warning or suit, or other legal proceeding involving intellectual property, against the declarer of this Declaration.*

4. The declarer shall discuss the possibility and the terms of license under its Intellectual Property Rights in the event that any person or entity wishes to obtain such license after the term of this Declaration.

5. The declarer may impose any additional limitations on the scope of this Declaration by specifying such limitations in the attached Attachment.

6. All copyrights in and to this Declaration are waived and provided to the public domain.

In witness whereof, the declarer executes this Declaration and submits it to the office of the OPEN COVID-19 DECLARATION. (Source: <https://www.gckyoto.com/covid19-1>. Footnotes are omitted.)

As of February 1, 2021, the number of declarants totals 101 and patents which have been declared to be open for free license are 927,897 in number.

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* Editor / Office of Fujino IP Management

IP News from Japan

By Shoichi Okuyama, Ph.D.*

Amendments to the Japanese Patent Act

On December 24, 2020, the Patent System Subcommittee of the Industrial Structure Council organized within the Ministry of Economy, Trade and Industry (METI) published a report on amendments to the Patent Act. A bill will be drafted based on this report and introduced during the current session of the Diet. It is expected to pass the Diet in May or June of this year, and become a law shortly thereafter.

The report proposes three major changes: (1) introduction of *amicus curiae* in Japan, (2) on-line oral hearings for patent office procedures, and (3) the adoption of the “unintentional” standard for reinstatement of rights.

(1) *Amicus curiae* in Japan

In 2014, the IP High Court asked for submission of opinions from the public during the Apple v. Samsung FRAND case. At that time, Chief Judge Toshiaki Imura took the lead and asked if it was acceptable for the parties to receive public opinions and submit them to the court as part of documentary evidence. This was the very first attempt to gather opinions from the public in a civil case in the history of the judiciary in Japan. Fifty-eight opinions were submitted including opinions from the US and six European countries.

The amendments to the Patent and Utility Model Acts will set a new legal basis for the Japanese *amicus curiae*. The Tokyo and Osaka District Courts, which have exclusive jurisdiction over technology-related infringement cases, as well as the IP High Court will, at their discretion, be able to ask for public opinions. Anyone can submit an opinion to any one of the parties, and the parties will submit received opinions to the court. This third-party submission of opinions will be

possible only for patent and utility model infringement cases.

(2) “On-line” hearings before JPO

The Patent Act will be amended to make it possible to hold oral hearings on-line. In patent invalidation cases, oral hearings are common. They normally take one to three hours, and currently must be held in a trial room at the JPO. It should be noted that interviews with examiners can be held in any way: in-person, telephone, or on-line.

(3) Adoption of “unintentional” standard for reinstatement of rights

In 2016, Japan ratified the Patent Law Treaty (PLT), which was adopted in 2000 with the aim of harmonizing and streamlining formal procedures with respect to national and regional patent applications and patents and making such procedures more user friendly. The PLT provides procedures for avoiding the unintentional loss of substantive rights resulting from failure to comply with formality requirements or time limits in Article 12 (Reinstatement of Rights After a Finding of Due Care or Unintentionality by the Office).

At that time, the JPO chose to use the “due care” standard for reinstatement of rights. This is a relatively high standard compared with the “unintentional” standard. Under the due care standard, although petitioners may not have to pay any official fees, they must prove that they took every measure not to miss deadlines. As it turned out, so far about 90% of petitions for reinstatement have been rejected. Considering the spirit of the PLT, something is not working well.

The JPO has now decided to replace the due care standard with the unintentional standard. Loss of rights

will be reinstated if delays are unintentional with a payment of substantial official fees under the new law.

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\* Editor / Patent Attorney, Okuyama & Sasajima

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## Editors' Note

This issue includes articles, “Newly Registered Designs ~Effect of the 2019 Design Act Revision~” by Mr. Mitsuo Kariya, “Patent Licensing in the age of the COVID-19 pandemic” by Mr. Jinzo Fujino, and “IP News from Japan” by Mr. Shoichi Okuyama.

Thank you for supporting “*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:

<https://www.lesj.org/en/winds/new.php>  
(YF)

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