

September 3, 2012

Utility Models in Japan

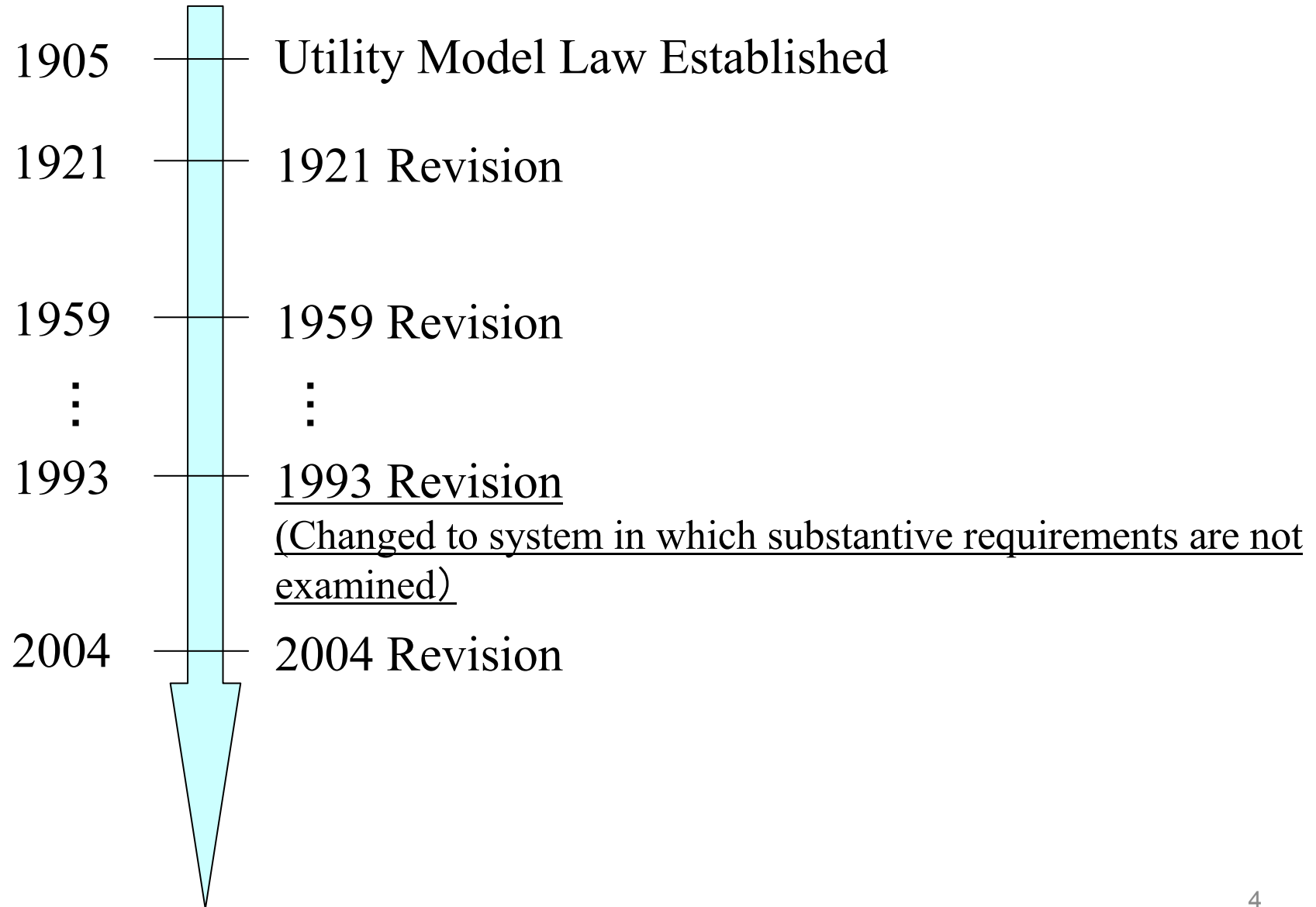
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The Japan Patent Office



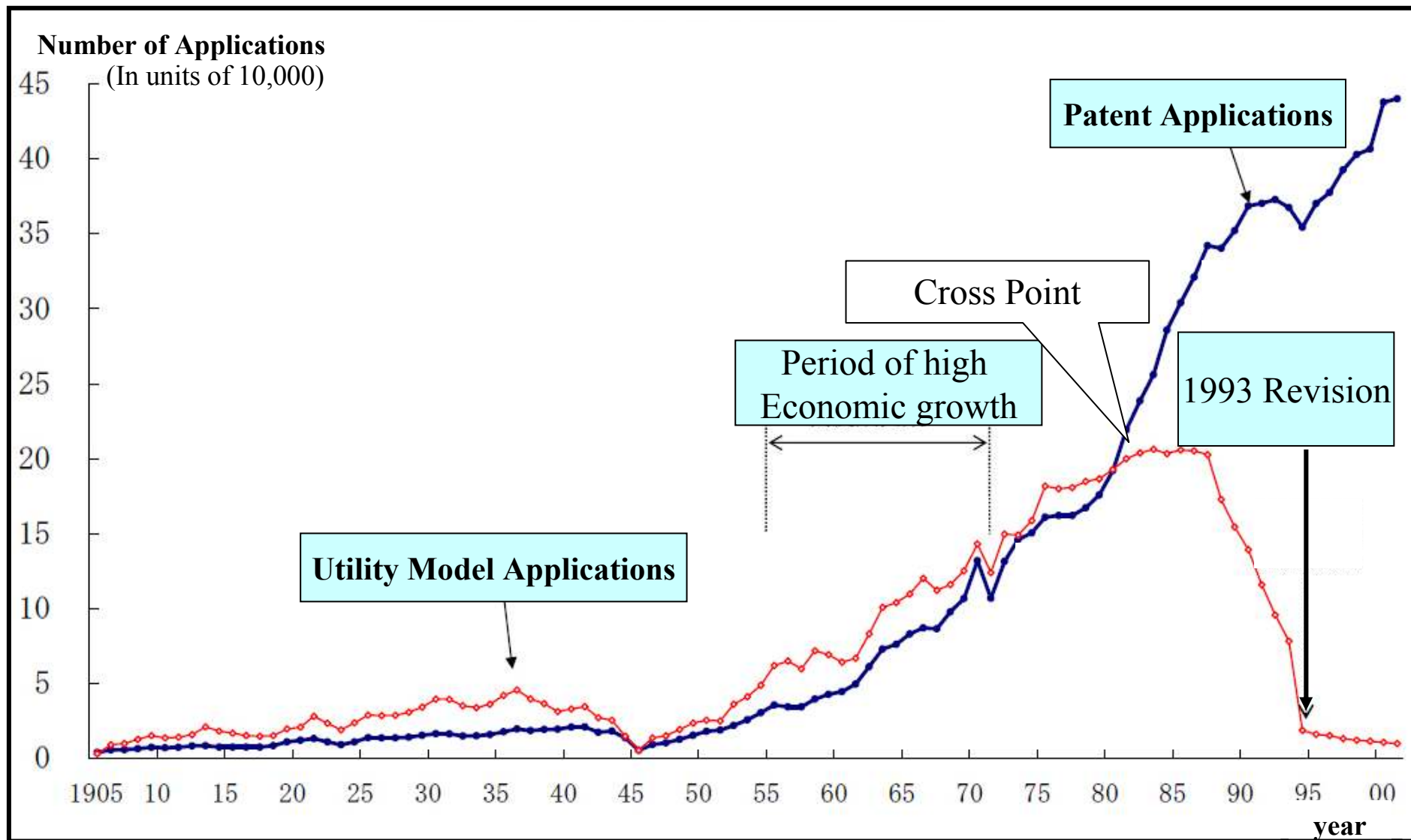
- 1. Objectives of the Utility Model System:
UM Law Revised to Grant UM Rights Faster*
- 2. Evaluations of UM System by Users
after the 1993 Revision*
- 3. Introduction of Reports on Technical Opinion;
and Procedures of Enforcement*
- 4. Comparison of the Utility Model System
among Japan-China-Korea*

***1. Objectives of the Utility Model System;
UM Law Revised to Grant UM Rights
Faster***

Milestones of the Utility Model System



Number of Patent and Utility Model Applications



Issues before Utility Model Law was established

- Many patent applications filed by foreign enterprises were patented
- Many patent applications filed by domestic enterprises filed were rejected

(Due to technological gap between Japan and developed countries at that time)



Utility Model Law established in 1905

- Protecting minor inventions
- Encouraging development of domestic industries

Utility Model Law

Article 1

The purpose of this Act is to encourage the development of **devices** by promoting the protection and utilization of such devices as they relate to **the shape** or **structure** of an **article** or **combination** of articles, and thereby contribute to the development of industry.

- Methods **cannot** be protected under the Utility Model Law.
(Methods can be protected under the Patent Law)

Background of the 1993 Revision



Issues before the 1993 revision

UM applications were examined in the same way as patent applications.

- Long pendency of examination process

- Applicants want to use devices right after filing
- Some devices have short product lives

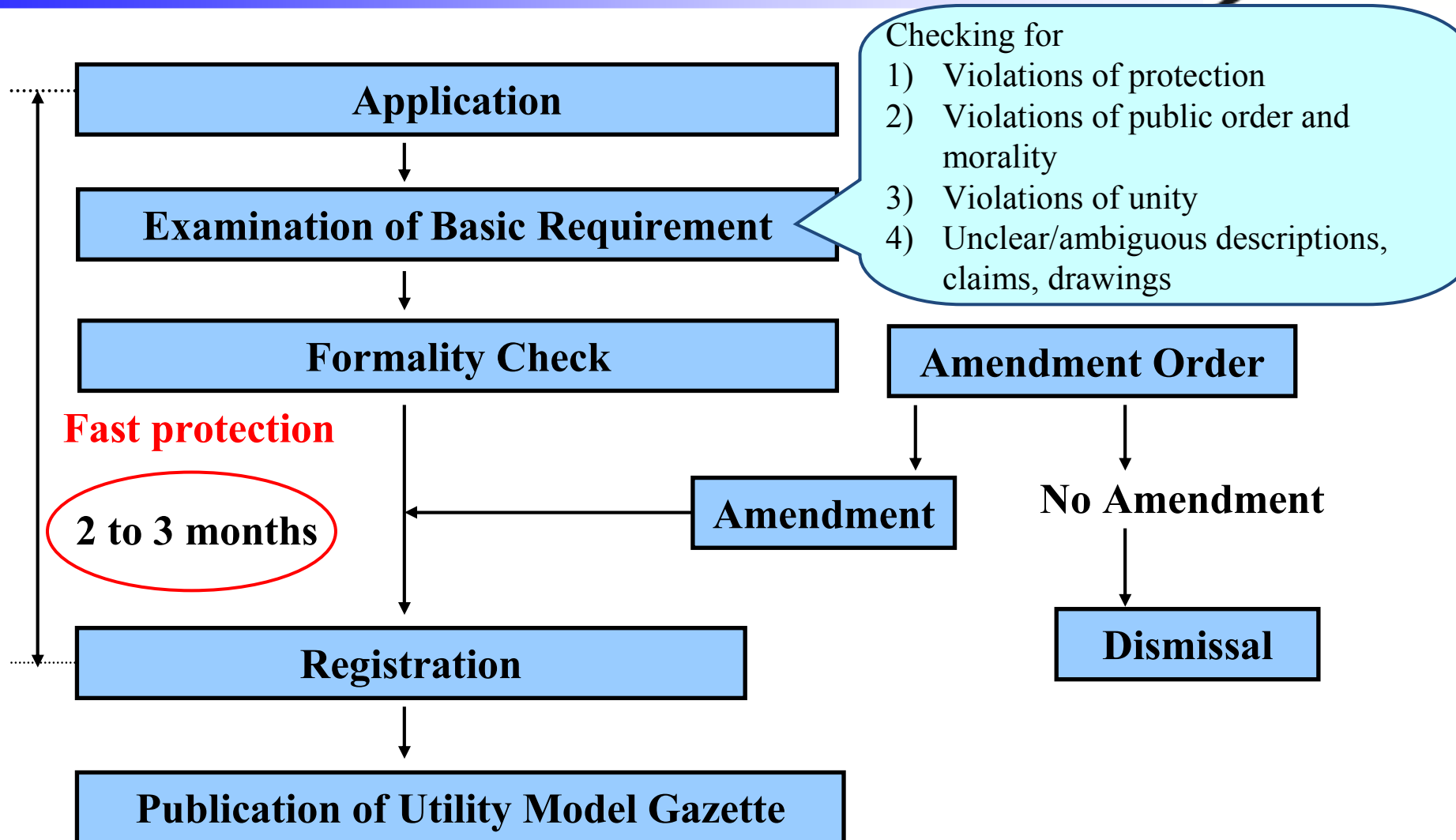
**Insufficient
protection**



Overview of the 1993 revision

- Substantive requirements such as novelty and inventive step are not examined
- Only basic requirements and formality were examined/checked.
 - This resulted in faster protection of these devices

Procedures for Obtaining Utility Model Rights



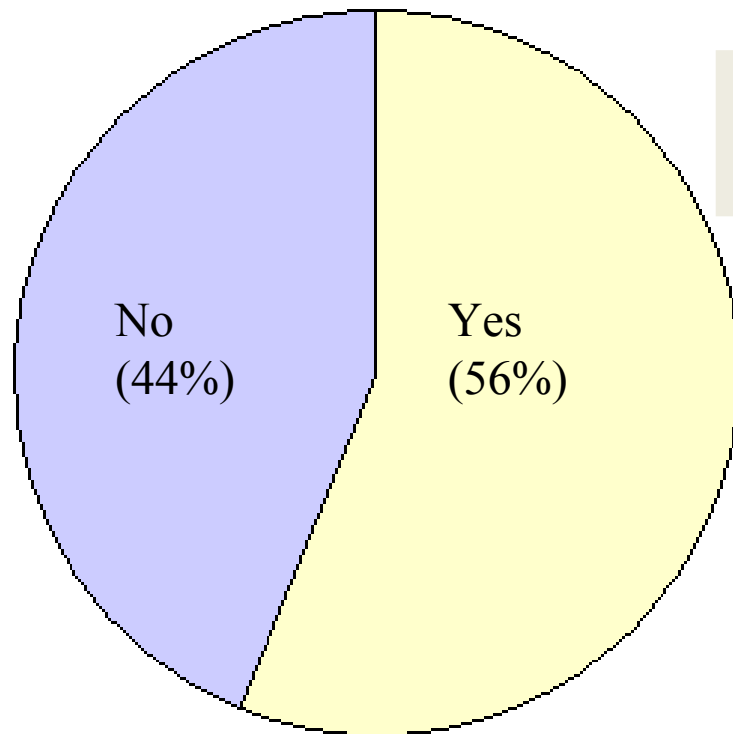
The Substantive Requirements (Novelty and Inventive Step etc.) are not required to obtain a Utility Model Right.

2. Evaluations of UM System by Users after the 1993 Revision

Corporations capitalized at 100 million yen or more

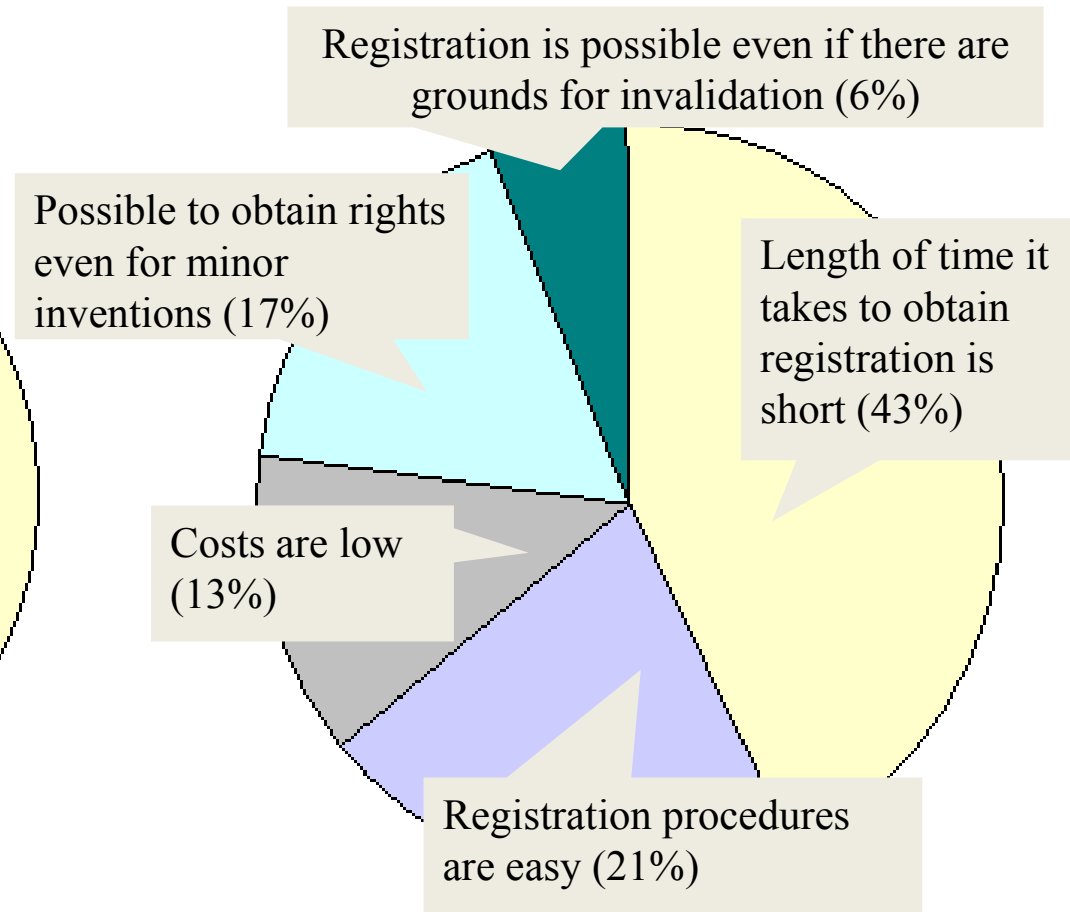


Are there any merits to using the UM System?



N=414

Specific Merits



N=453

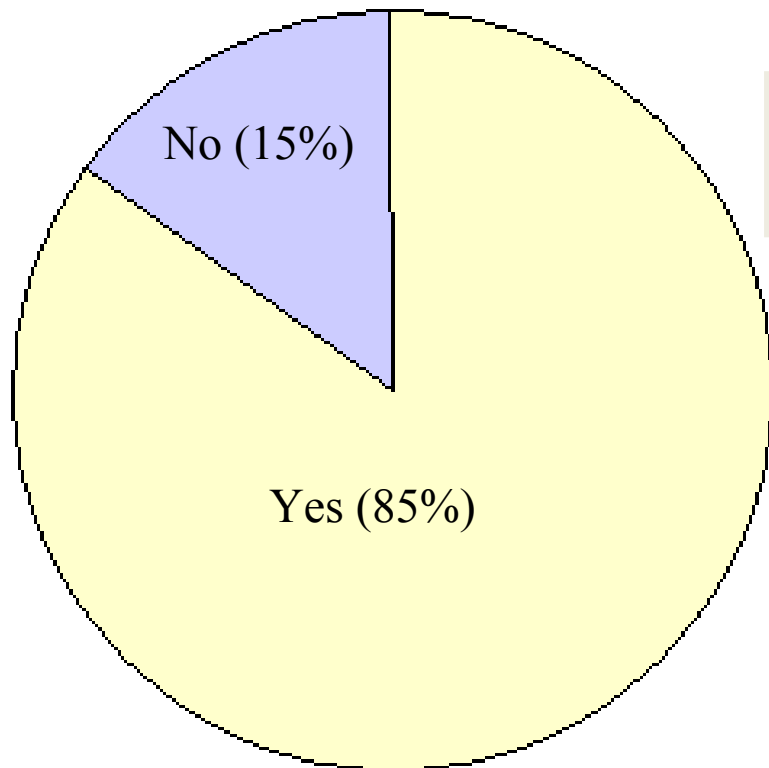
(Multiple responses possible)

Evaluations conducted between July 25, 2003 and Aug 20, 2003

Corporations capitalized at less than 100 million yen

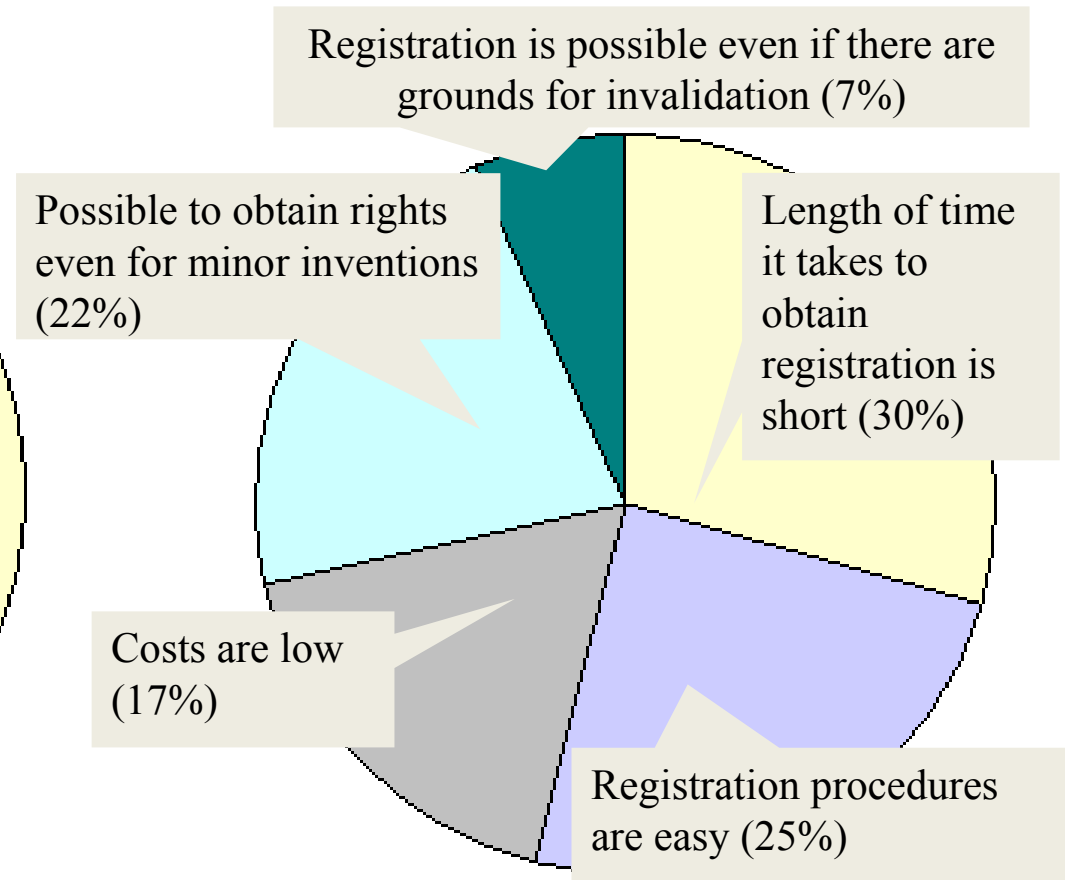


Are there any merits to using the UM System?



N=206

Specific Merits

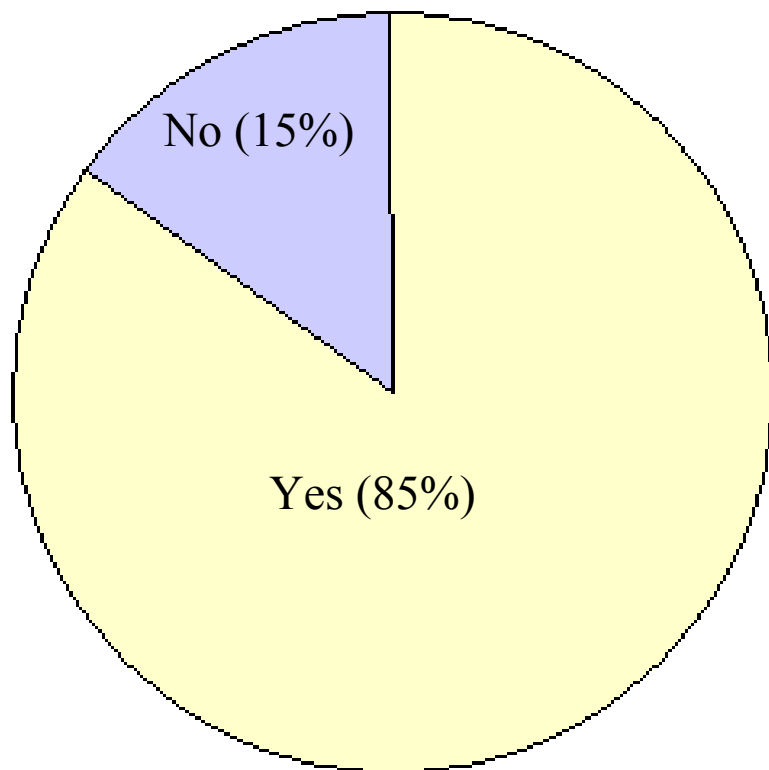


N=428

(Multiple responses possible)

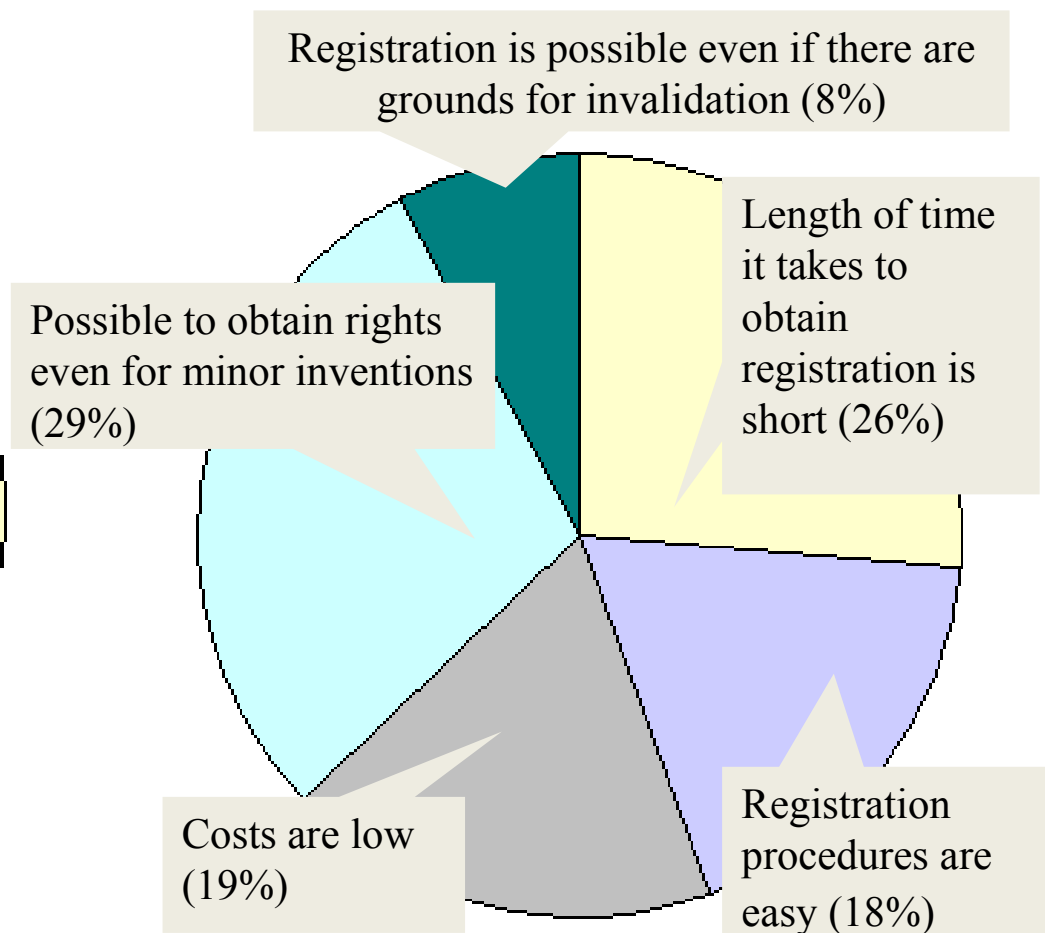
Evaluations conducted between July 25, 2003 and Aug 20, 2003

Are there any merits to using the UM System?



N=73

Specific Merits



N=167

(Multiple responses possible)

Evaluations conducted between July 25, 2003 and Aug 20, 2003

Comparison of the Specific Merits



	Length of time it takes to obtain registration is short	Possible to obtain rights even for minor inventions
Corporations capitalized at 100 million yen or more	43%	17%
Corporations capitalized at less than 100 million yen	30%	22%
Individuals	26%	29%

3. Introduction of Reports on Technical Opinion; and Procedures of Enforcement

No substantive examination

- The Utility Model system has no substantive examination.
- A party has to determine whether a registered utility model right would satisfy the substantive requirements.

Difficulty in determining the validity of UM rights

- Determining the validity of UM rights requires capable, technical experts in the field.

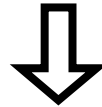


Introducing reports on utility model technical opinions

- The JPO provides objective opinions to determine the patentability, i.e., novelty, inventive step, etc. of claimed devices.
(Reports do not include judgment of description requirements of description and claims.)

Enforcement of Utility Model Rights

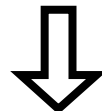
Registration



Finding infringements



Requesting Report on Technical Opinion (Article 12)



Warning given based on Report on Technical Opinion (Article 29-2)



Enforcement of Utility Model Rights

Responsibility of Owners

-Owners of UM Rights are liable to compensate for damage when the subject rights are deemed to be invalid (Article 29-3).

Exception

- However, in the case rights were exercised or warnings were given based on positive opinions in the report on technical opinion, owners can be exempted from any liability to compensate for damage (Article 29-3).




According to Utility Model System in Japan, a device can be registered without substantive examination.

Therefore, Article 12 (Requesting the report), 29-2 (Warning with the report), and 29-3 (Responsibility of owners) are important regulations in Japan.

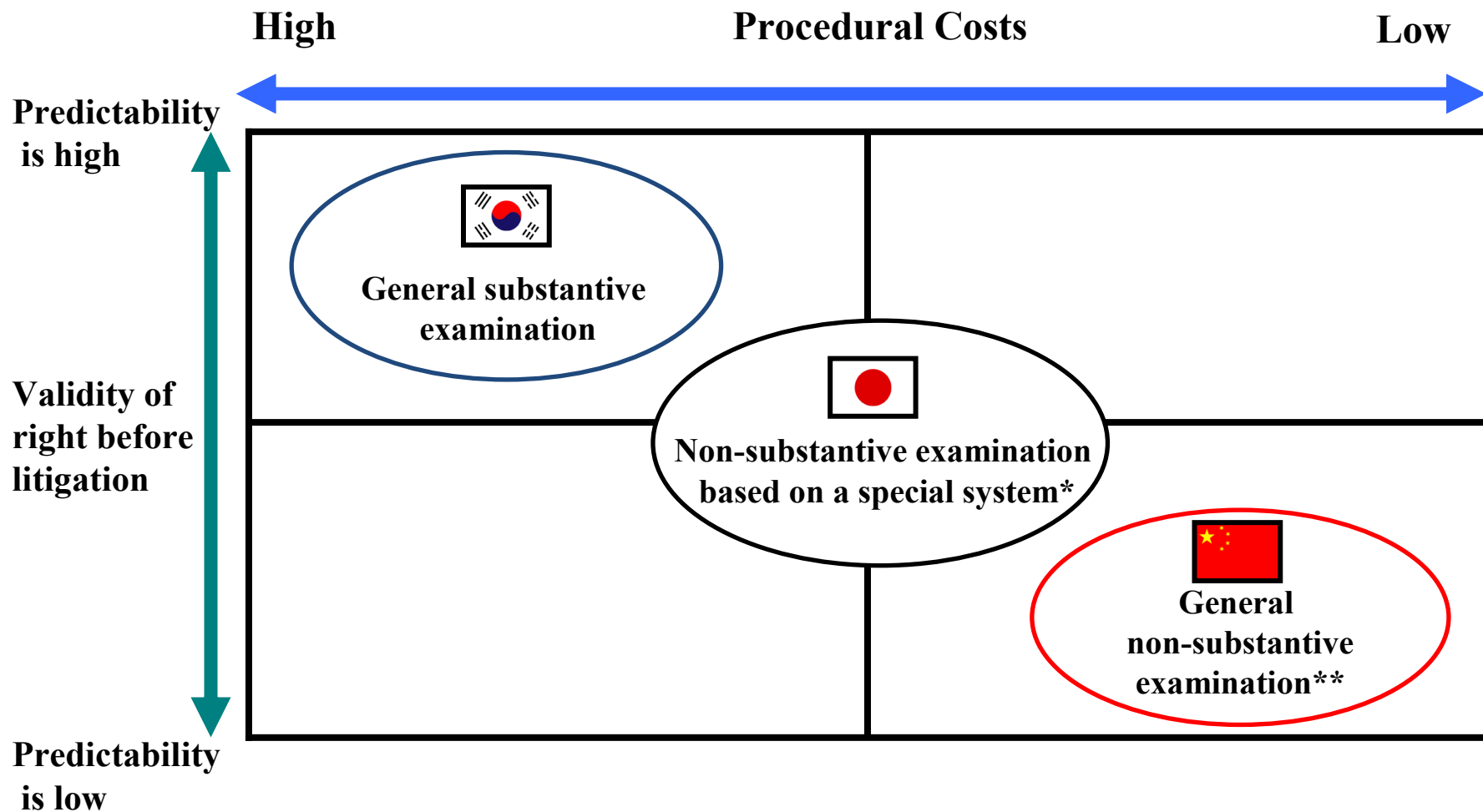
4. Comparison of the Utility Model System among Japan-China-Korea

Merits & Demerits of Each Country's System



	Japan 	China 	Korea 
Administrative perspective: • In terms of procedural costs	Average (Non-substantive examination; however, applicants must request reports on technical opinion before they can exercise their rights.)	Low (Non-substantive examination)	High (Substantive examination)
Right holders perspective: • In terms of the possibility of exercising rights that have a high possibility of being invalidated in the first place	Average (Applicants must give warnings in which reports on technical opinion are to be submitted, prior to exercising their rights.)	High (Non-substantive examination)	Low (Substantive examination)
Third-parties' perspectives: • In terms of the possibility of exercising rights that have a high possibility of being invalidated in the first place	Average (Applicants must give warnings in which reports on technical opinion are to be submitted, prior to exercising their rights.)	High (Non-substantive examination)	Low (Substantive examination)

Overview of Comparison among Japan-China-Korea


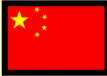



* Japan requires applicants to give warnings in which they submit reports on technical opinion, prior to exercising their rights.

** China does not require reports on technical opinion to be submitted before rights are exercised.

Comparison of the Utility Model Law



	Japan 	China 	Korea 
Subject matter	shape or structure or combination of an article (s)	shape or structure or combination of an article (s)	shape or structure or combination of an article (s)
Terms of protection (from the filing date)	10 years	10 years	10 years
Substantial examination before registration	No	No	Yes
Obligation to present report on technical opinion before exercising rights	Yes	No	No (Already evaluated through substantial examination)
Eligible claimants for reports on technical opinion	Any person can request	Owner or Interested party	
Number of requests that can be made to receive reports on technical opinion	No limitation (any number possible)	Only once	
Owner of the UM right has liability to compensate for damage when the exercised UM right is deemed invalid.	Yes (compensation for damage)	No	No

Features of the Utility Model System



- Under the Utility Model system in Japan, substantive examination of requirements is not conducted in registering the UM rights, in order to provide protection of rights as soon as possible.
 - ➔ Merit: enables rights for minor inventions to be exercised quickly.
- On the other hand, before rights can be exercised, a warning containing the report on technical opinion must be given.
 - ➔ For rights-holders and third parties, this provides a system that increases the level of predictability in regard to the validity of the rights.
- Whenever deciding to set up a new UM system, all concerned individuals and entities need to give sufficient consideration to both the merits and demerits that could arise in line with introducing such a system.

Thank you