

Commentary on Opposition System — Overview of New System and Practical Notes — *

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1 Introduction

In May 2013, the Act to Partially Amend the Patent Act and Other Legislation was promulgated. This revision includes revival of the post-grant opposition system, which will be explained in this article. Other revisions include the expansion of remedial procedures contributing to improvement in users' convenience, the development of rules for collectively filing design applications in multiple countries based on the Geneva Act of the Hague Agreement in the Design Law, and expansion of protected items such as colors and sound and of entities which register community trademarks. A revision of the Patent Attorney Act for clarifying the patent attorneys' mission has also been included.

The post-grant opposition system was subsumed by the invalidation trial system as a result of the previous 2003 revision, to promote the one-time resolution of disputes. Since the opposition system was abolished in 2003, however, dramatic acceleration in examination procedures and increasing development of the global activities of Japanese corporations have revealed problems concerning low quality patents. Now, in spite of criticism from the point of view of legal stability, the opposition system has been revived, approximately 10 years following its abolition. The revival of the opposition system will be examined and explained below.

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2 Background of Revision

(1) Potential Existence of Defective Patent Rights

The number of oppositions filed had exceeded 3,000 a year until the conventional post-grant opposition system was subsumed by the invalidation trial system as a result of the 2003 revision. In 2003, at least 2,000 patent rights a year were revoked or maintained after correction under the opposition system. The number of trials for invalidation filed, however, has not substantially increased since the 2003 revision. Therefore, the potential existence of defective patent rights corresponding in number to the above, without the opportunity to be reviewed, has been pointed out.

(2) Acceleration of Examination and Globalization

Examination procedures have dramatically sped up in recent years, due to slower growth in the number of domestic applications filed, and the various measures taken to accelerate examination procedures. With this increase in speed, examination capacity has become sufficient and an environment for reviving the post-grant opposition system has been set toward the rectification of defective patent rights.

With the furtherance of the obtainment and utilization of global rights, there has been an increase in the use of the patent prosecution highway (PPH) program utilizing results from the examination of patents obtained in Japan. Under the PPH program, the existence of defects in Japanese patent

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rights serving as the basis for global rights should be avoided as much as possible, and such demands have increased with the prevalence of the PPH program.

Under such circumstances, in order to positively develop the obtainment and utilization of rights in foreign countries based on Japanese patent rights, it has increasingly become important to promptly secure strong and stable patent rights in Japan.

3 Overview of the System

(1) Positioning of the System

The opposition system is positioned mainly as a system for the review of granted patents through re-examination, and aims to correct defective patent rights and promptly secure strong and stable rights.

On the other hand, the invalidation trial system is positioned mainly as a system for contesting the validity of a patent between parties which have a dispute over the patent right.

(2) Procedure for Filing Opposition

"Any person" may file an opposition, Based on the intended purpose of the system to widely seek opportunities for the review of patents by third parties, interest by the party filing the opposition is not required.

The period during which an opposition may be filed is limited to within six months from the publication of the Gazette containing the patent, in consideration of the prompt stabilization of rights and to lower the burden imposed on patentees.

The grounds for opposition are limited to public interest grounds such as lack of novelty, lack of inventive step, introduction of new matter, or inappropriate description. Grounds relating to the private attribution of rights, such as in the case of misappropriated

applications or failure to meet the requirements for joint applications, and hindsight-based grounds, do not constitute grounds for opposition.

In the written opposition, the name of the opponent should be specified.

An amendment to the written opposition is limited to an amendment to grounds or evidence, and is available only until the earlier timing of i) a lapse of the period during which the opposition may be filed, or ii) issuance of the Notice of Grounds for Revocation.

The fee is 16,500 yen per opposition case plus 2,400 yen per one claim.

(3) Opposition Examination Method

A board of three or five trial examiners will conduct the opposition examination. To fulfill the desire for promptness, the opposition examination is conducted using only documentary evidence.

When an opposition is filed, the board initially conducts an ex officio proceeding to review the contents of the opposition. In the event the board finds grounds for revocation as a result of the opposition examination, the patentee will be notified of that fact, and at this stage, the patentee will be given an opportunity for the submission of remarks and the filing of a request for correction.

When a request for correction is filed, the opponent is given an opportunity for the submission of remarks. In the previous opposition system, absence of an opportunity for the opponent to present opinions during the examination resulted in complaints, and requests for involvement of the opponent in the examination procedure was taken into account. In consideration of users who desire minimum involvement in the procedure, however, the submission of remarks is not necessary unless the opponent so desires.

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(4) Decision and Appeal

The patentee or the intervenor may institute an action against a decision for revocation before the Tokyo High Court (the Intellectual Property High Court). Not the opponent, but the Commissioner of the Patent Office will be the defendant (Japan Patent Act, Article 179). On the other hand, an opponent cannot appeal against the decision for maintenance of a patent. Prohibition of double jeopardy is not applicable, and an opponent who is dissatisfied with the decision for maintenance of a patent can still file an application for a trial for invalidation if desired.

4 Involvement in Procedures by Parties

The number of cases of trials for invalidation did not increase following the 2003 revision abolishing the previous opposition system. This may be because the trial for invalidation has been positioned as means for settling a dispute between parties over a patent right using an adversarial system, and the procedural burden imposed on the parties and burden in the oral proceedings have been great.

The opposition system, in which granted patents are reviewed based on a third party's knowledge, is designed as a system which is easy for users to utilize, with minimal procedural burden being imposed on the opponent. Therefore, instead of adoption of the adversarial system, heavy in procedural burden, in the opposition system, the rulings are written and a primary ex officio examination by the trial examiners is conducted. The patentee is involved by filing a response at the time when the notice of grounds for revocation is issued (submission of the remarks and request for correction).

On the other hand, as mentioned earlier, in the previous opposition system which existed until the 2003 revision, there were complaints about the system in which the opponent could not be involved in the procedure. In the revived opposition system, the opponent is given an opportunity for submission of remarks when the patentee requests correction in response to the notice of grounds for revocation.

As mentioned above, the opponent will not be given an opportunity for the submission of remarks unless the opponent so desires. Though in the previous opposition system the examination was, in principle, using only documentary evidence, in reality oral proceedings were sometimes conducted ex officio or in response to the opposition. In the revived opposition system, however, all cases are examined using only documentary evidence, and in this regard, attention is being paid to suppress adversariness.

5 Trends in Other Countries

(1) Systems in Which Third Parties Are Involved in Determination of Patent Validity

Documents subject to prior art search during examination have increased year by year, and utilization of third-party knowledge has been demanded for supplementing the examination. As systems for utilizing third-party knowledge in determining validity of patents, various systems have been adopted in countries and regions. For example, as a system entitling anyone to contest the validity of patent rights, the invalidation trial system and the invalidation litigation system for seeking invalidity before the court are available. There is also a system in which the defendant can claim invalidity of a patent as a defense in an infringement suit. The pre-grant opposition system and the post grant review system are the systems available for requesting review before and after the grant of patents. As systems for third parties to state information or opinions before the Patent Office, the pre-grant information statement system and the post grant information statement system are also available.

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The table below shows the various systems above in specific countries and regions.

	Re-examination	Opposition	Trial for invalidation	Litigation for invalidation	Invalidity defense	Information statement
United States	○	○	○		○	○
EPO		○				○
Germany		○				○
Japan		(○)	○		○	○
Korea			○		○	○
China			○			○

(2) Trends in the United States and Germany

In the United States, the lowering of "patent quality" has given rise to problems, and discussions and attempts to maintain and improve patent quality have been made. One of such trends is the use of stricter examination standards for the determination of unobviousness, in view of the Decision delivered by the Supreme Court in the KSR case. In the Leahy-Smith America Invents Act (AIA) in September 2011, a post grant review (PGR) program comparable to the opposition system was created as one of the revisions.

In Germany, where there has previously been an opposition system, in the patent act revision that came into force last year, as expansion of the opposition system, the period during which an opposition may be filed was extended from 3 months to 9 months.

Thus, in the United States and Germany as well, there is a trend to make use of and reinforce the opposition system as a post-grant review system for patents, and the recent system revision in Japan also keeps with such trends.

6 Some Practical Notes

(1) Opponent Side

(i) Opportunity for Submission of Remarks

An opportunity for submitting remarks is granted to the opponent only when the patentee requests correction against the notice of grounds for revocation, and is not granted when the patentee's response involves only arguments in the remarks.

(ii) Change of Gist of Grounds for Opposition

When the grounds for revocation are notified, change of the gist of grounds for opposition (addition of grounds for opposition or evidence (prior art documents)) will not be permitted. In a trial for invalidation, change of the gist of grounds for trial is permitted when correction is requested, however, in the opposition, change of gist of the grounds for opposition will not be permitted even when a correction is requested in response to the notice of grounds for revocation. The opponent will have to assert new grounds for opposition or evidence in the remarks.

(iii) Withdrawal of Opposition

An opposition cannot be withdrawn after the notice of grounds for revocation is issued. Withdrawal of a request for trial for invalidation can be withdrawn if the patentee approves, although withdrawal is in principle not allowed after submission of the reply. An opposition, however, cannot be withdrawn even though the patentee approves.

(iv) Appeal

The opponent cannot file an appeal against the decision to maintain the patent, and if the opponent desires to further contest, the opponent will have to file an application for a trial for invalidation. When the patentee files an application for a trial with the Intellectual Property High Court against the decision for revocation, the Commissioner of the Patent Office will be the defendant, and

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this case as well, the opponent will not be a party of the suit.

(2) Patentee Side

(i) Opportunity for Request for Correction

No procedure is provided corresponding to advance notice for an appeal decision, as in a trial for invalidation or an opportunity for a request for correction in response thereto. An opportunity for a request for correction is given only when a response to a notice of grounds for revocation is filed, as in the previous opposition system. On the other hand, under the previous opposition system, a trial for correction could be requested unless the opposition was already pending before the Patent Office, that is, after the decision was made. Under the new system, however, a trial for correction cannot be filed until the decision is finalized. This is in contrast to the previous opposition system, however the effect of the opportunity for correction during the examination of the opposition is the same as during the previous opposition system, which is strict for the patentee. A patentee should note the fact that the response to the notice of grounds for revocation is the only opportunity for the patentee to make any correction after the opposition has been filed.

7 Conclusion

The present revision has created a situation whereby the invalidation trial system and the opposition system again co-exist. A trial for invalidation, however, can be used when an actual dispute occurs, whereas the opposition system can be used as a simple system when a future dispute is desired to be avoided.

The opposition system cannot be expected to have an effect unless a certain number of oppositions are filed in view of the object of the system to widely seek review of granted patents. In the 2003 revision in which the conventional opposition system was subsumed by the trial for invalidation, an invalidity defense could also be made in an infringement suit (the Patent Act, Article 104-3) and validity of a patent could be determined not only by the Patent Office but also in the infringement suit. In the present day, when the Patent Act, Article 104-3 has been legislated, there is a concern about whether or not the number of oppositions filed will grow as expected. Effective functioning of the present opposition system, the review of defective patent rights, and the effective use of strong patent rights are highly expected.