

# How to deal with Japanese ethical requirements for the successful IP business?



**Aki Ryuka**

Japan Patent Attorney, Qualified for IP Litigation

Attorney at Law, California

August 31, 2021

# Disclaimer

## **No Legal Advice**

This information is provided for general informational purposes only, and is not intended as legal advice. Because every case is unique, readers should not take any action, or refrain from acting based on this information without first consulting their own attorneys. The law is constantly developing, and this information may not be updated with each and every development.

## **No Information Liability**

The mere presentation of this information does not create an attorney-client relationship with RYUKA IP Law Firm. RYUKA IP Law Firm specifically and wholly disclaims liability for this information.

## **Only Personal Suggestions**

Any suggestions or opinions contained in this information and presentation are those of the presenter and not of AIPLA, Japan Patent Attorney Association, or Japan Attorney Association.

## **Not Attorney at Law in Japan**

While the information and presentation extend to the Japan Attorney's Law, the presenter is a Patent Attorney, qualified for IP litigation, not an Attorney at Law in Japan.

# Index

1. Three Attorneys in Japan
2. Independent Ethical Requirements for Bengosi and Benrisi
3. Differences from the US standards
4. US Attorneys in Japan
5. Ethics in Asia for Business Success

# Three Attorneys in Japan

# There are three different qualifications in Japan

1. Attorney at Law (Bengosi)
2. Patent Attorney (Benrisi)
3. Patent Attorney qualified for IP Litigations (Fuki Benrisi)

The differences are important for retaining or asking questions to a suitable Japanese attorney.

Suggested to check the qualifications on the Website or business card beforehand

# Attorney at Law (Bengosi)

Qualified to represent any legal matters before any Japanese courts and Customs

Can also join Japan Patent Attorney Association

Can also file and prosecute patent, trademark, utility model and design applications before the Japan Patent Office (JPO) without any additional qualifications or experiences.

# Patent Attorney (Benrishi)

Qualified to represent all IP cases before the JPO

Different from the U.S. Patent Agent in that Benrishi is also qualified to represent :

1. Cases appealed from the JPO to the IP High Court or the Supreme Court,
2. Arbitrations before the Japan Arbitration Center for IP arbitrations, and
3. Import Suspensions before the Japan Customs over IP infringements

# Patent Attorney (Benrishi) - continued

Also qualified to:

4. Provide infringement or validity opinions,
5. Draft IP license agreements, and
6. Assist Bengosi in IP litigations (similar with German "beistand")

“IP” includes not only patents, trademarks, designs, and utility models, but also copyrights (IP rights) and unfair competitions that involve the IP rights.



# Patent Attorney qualified for IP Litigation (Fuki-Benrisi)

If Benrisi passes the IP Bar Exam, <sup>\*1</sup>



Can represent IP infringements litigations jointly with Bengosi before all courts including the Supreme Court

The IP Bar Exam. is limited to the knowledges relevant for IP litigations.

**Ex.** Family laws and Wills are not covered.

Doctrine of equivalence, prosecution estoppel, and likelihood of confusions are often asked.

<sup>\*1</sup> The examination for Fuki Benrisi registration

# Statistics of Fuki-Benrisi

Fuki-Benrisi: 30% of Benrisi have been qualified <sup>\*1</sup>

IP Bar Exam Passing Rate: 60% in 2016

Knowledges for IP Bar Exam are important also for :  
IP prosecutions, infringement opinions,  
license agreements, and negotiations,  
although the qualification is not required.

Generally, the qualifications can be confirmed from the  
business card or website.

\*1 as of September, 2017

# Two Independent Ethical Requirements

# Bengosi and Benrisi are independently supervised by different associations under different laws

	Bengosi	Benrisi and Fuki-Benrisi
<b>Governing Law of Ethics</b>	<p>Bengosi Law</p> <p><a href="http://www.japaneselawtranslation.go.jp/law/detail/?printID=&amp;id=1878&amp;re=02&amp;vm=02">http://www.japaneselawtranslation.go.jp/law/detail/?printID=&amp;id=1878&amp;re=02&amp;vm=02</a></p>	<p>Benrisi Law</p> <p><a href="http://www.japaneselawtranslation.go.jp/law/detail/?printID=&amp;id=1906&amp;re=02&amp;vm=02">http://www.japaneselawtranslation.go.jp/law/detail/?printID=&amp;id=1906&amp;re=02&amp;vm=02</a></p>
<b>Rules of Ethics</b>	Bengosi Association's Rules for Lawyer's Profession	Benrisi Association Rules Benrisi Association Order
<b>Supervising Association</b>	Bengosi Association	Benrisi Association
<b>Administrative Body in Charge</b>	None	Ministry of Economy, Trade and Industry

# Which ethics apply to a US Patent or Trademark Attorney who works in Japan?

US Patent or Trademark Attorney has two caps, Agent to the USPTO and Attorney at Law.

⇒ Both Bengosi-ethics and Benrisi-ethics may apply.

Benrisi Association has been working on expanding the scope of Benrisi profession.

Because the professions overlap, two Associations exchange different views from time to time.

Suggested to watch both views.

# Bengosi owes much higher social responsibilities and cannot always follow client's instructions

## Article 1 (Object of the Law), Benrisi Law

Promoting protection and utilization of industrial property rights and thereby contributing to **the development of the economy and industry**.

## Article 1 (The Mission of an Attorney), Bengosi Law

- (1) Protecting **fundamental human rights** and achieving **social justice**.
- (2) Maintaining **social order** and improving **legal system**.

Cf. US A lawyer must exercise her professional judgment solely for the benefit of the client, free of compromising influences.

# Comparisons with US Ethics

# Confidential Information & Privileges

Both Bengosi and Benrisi have duty to maintain **secrets** known via his/her work.

(Article 30, Benrisi law, Article 25, Bengosi law)

⇒ A general confidential agreement is not necessary.

Both have privileges to maintain secrets in litigations in Japan.

⇒ US courts generally recognize those privileges as far as it does not touch or concern US laws.



# Prohibited conflicts are limited in Japan

Bengosi and Benrisi are prohibited from working for the cases in which he/she or his/her firm **supported** the **adverse party**.

(Article 31, Patent Attorney Law, Article 25, Attorney Law)

Other conflict issues are left to general rules such as “faithful representations” and are not clear.

Further, possible competitors are difficult to judge nowadays.

# “Let us know whether you have any conflict” ?

“Conflict” can be:

very limited conflict under the law, or  
much wider business conflict.

The answers from Japanese agents vary.

**For clearing potential conflicts:**

Listing most significant competitors and asking whether the agent has ever served any of those.

# Newsletters and advertising materials

Bengosi Law requires notice of “advertising material”

Lack of the notice may also violate Bernrasi’s dignity requirements according to a “guideline for ethics,” which is published by the Benrasi Association

It is ethical not only under the law, but also in business practices.

Solicitations (to be discussed)

# Paying for referrals

Bengosi is prohibited from providing a counter value for referrals. (Art 13, Bengosi Law)

Reciprocal agreement is likely unlawful.

Benrisi law is silent on this issue.

However, it may violate the general rule of “faithful representation”

# US Attorneys in Japan

For providing US legal services in Japan, the US attorney must be registered to the Japan Ministry of Justice (“MOJ”) as a “Foreign Attorney.” MOJ requires:

- Three years of experiences within his/her State
- (Prospective) office in Japan
- (Prospective) residency in Japan for more than six months a year
- (Prospective) insurance

The residency requirements lead to visa and tax obligations in Japan.

# **Ethics in Asia for Successful Business,**

**- apart from legal requirements -**

# Showing “respect” and “royalty” is considered ethical,

in Japan and Korea.

Can be more important than showing capabilities

## How can we show “respect”?

1. Receiving business card with two hands and reading the card
2. Acknowledging the qualification or position
3. Deepening understandings by asking questions
4. Not interrupting slow English explanations

# How can we show “royalty”?

1. Briefly repeating what client said  
At the meeting or by an email after the meeting
2. Diligently pursuing homework  
Making own homework by offering a small free service at the meeting
3. Precisely following trivial instructions  
Asking and confirming the instructions
4. Accepting occasional discount requests  
Balancing explanations of **rights** and expressions of **royalty**  
Could pursue both