

# Third Party Observations, Oppositions & Invalidation Trials of Patents in Japan



**Aki Ryuka**

Japanese Patent Attorney  
Attorney at Law, California, U.S.A.

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	Third Party Observations	Oppositions	Invalidation Trials
Fees (US\$)	<b>Inexpensive</b> (assumed 1US\$=110*, rounded)		
Attorney	200~	4K~	10K~
Office	0	150+22/ challenged claim	450+50/ challenged claim
Oral hearing	No		Yes
Standard	Reasonable doubt of patentability		
Claims	<b>can be easily limited</b>		
Decisions	--	~1 year from grant	~9 months from request
Res Judicata	No		<b>Yes</b>

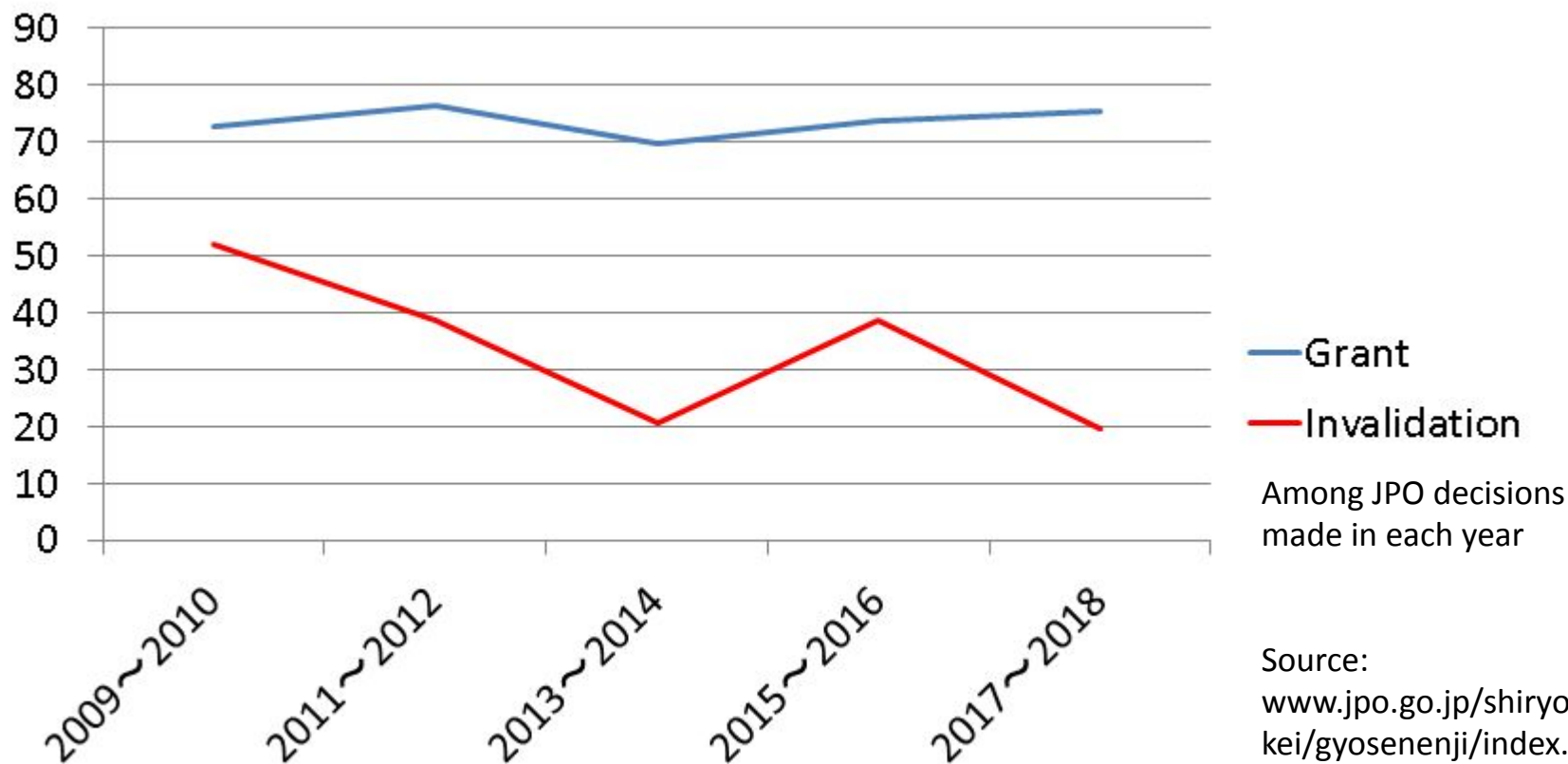
\* As of February 19, 2021

	Third Party Observations	Oppositions	Invalidation Trials
Who can file?	<b>Anyone</b>		Party in interest
Anonymous	<b>OK</b>	No	
When	Anytime, even after Grant	Within <b>6 months</b> from patent publication	When patent is enforceable
Grounds  Unity of invention cannot be challenged	Novelty Inventive Step Double Patent Non-Statutory Subject Matter New Matter <b>Claim Clarity</b> <b>Enablement</b>	Same grounds as third party observations + ▪ Personal Ineligibility ▪ Against Public Order	Same grounds as oppositions + ▪ Inventorship ▪ Invalid correction

# Recently, patents are rarely invalidated

**Invalidation Rate (%):** ↓ 50 -> 20

**Cf. Grant Rate (%):** 70's



# Disadvantages (Cons)

## Cons: Challenges to a patent may reinforce it

- Surviving a challenge serves to prove the validity of the patent over the submitted references
- Thus, the challenge **strengthens** the position of the patentee

# Cons: Patent owner having a pending application zealously prosecutes it

- Challenge indicates patent's importance
- A patentee having a **pending** application **in Japan** or a **foreign country** may:
  - **investigate** competitors' products,
  - **amend** the claims to cover the products,
  - **accelerate** the examination,
  - keep **divisional** applications pending, and
  - obtain **more patents**.

# Cons: Un-submitted prior art references can be a negotiation tool for obtaining a more favorable license

- If a prior art reference invalidates a patent, then the patentee cannot exclude anyone or obtain any license fees.
- By submitting the prior art references, **this bargaining chip is lost.**
- The effect is larger, if there are many competitors or other competitors are larger.



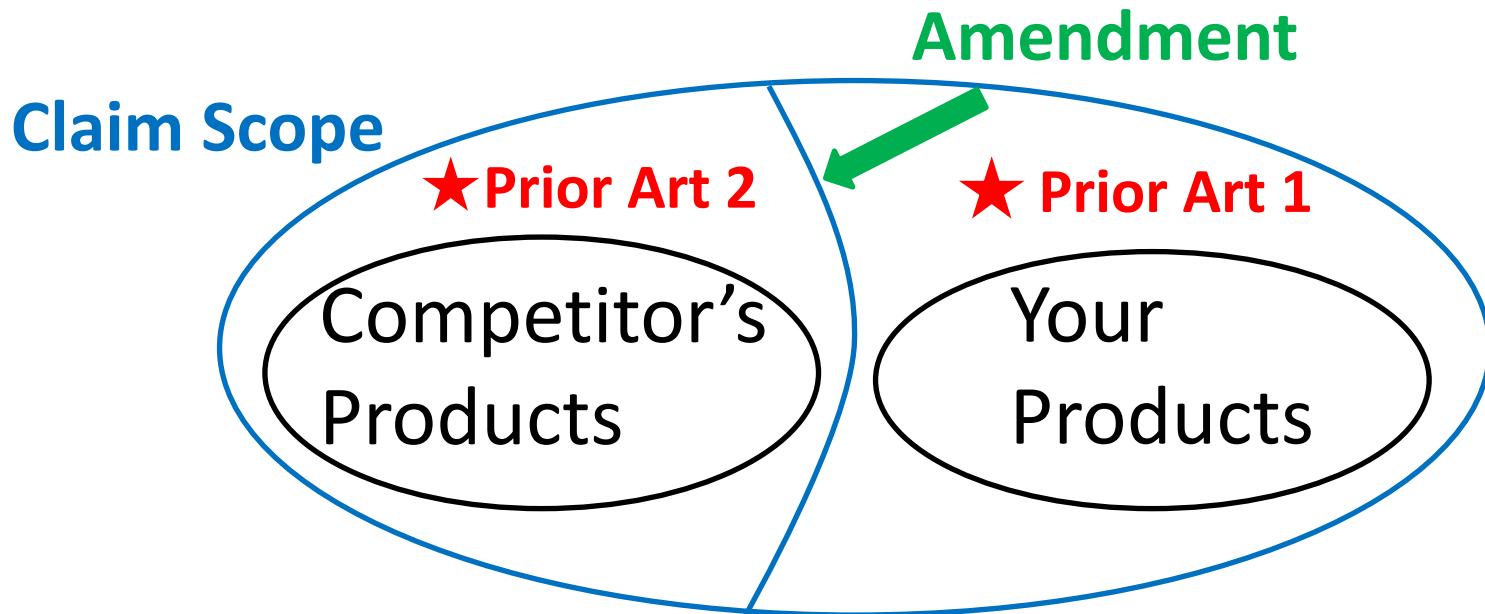
# Suggestions to challengers

## Cons: It may be preferable to allow a competitor's patent to exist

- The presence of a competitor's patent excludes other competitors
- If there are other competitors, and a license can be obtained, then the **patent benefits** you.

# Suggestions: Filing an opposition to carve out your products

- Carving out your products from the patent, while trying to **maintain** the patent for the purpose of excluding others.



**Do not submit Prior Art 2**

**Suggestions: Not challenging the patent if many or larger competitors use the invention in the **same manner** as you do**

Exceptional Situations (ex.):

- You are likely the target of the patent, and no application is pending in countries of your business
- You can use the invention **differently** from others.

Our suggestions depend on the specific business circumstances of each client.

# Suggestions: Filing third party observation or opposition under a third party name

- Challenging party reads claims **broadly** in invalidation,
- But tries to read claims **narrowly** to avoid infringement.
- Inconsistent arguments affect the party's credibility.

⇒ Filing third party observation or opposition under a third-party name, e.g. JP attorney.

Inconsistent argument can be filed in the future.

No opportunity for appeal, anyway.

# Suggestions: Filing third party observation and opposition to create file wrapper estoppel

- By using a third party, claims can be read broadly.
- Patent owner's reply creates file wrapper estoppel.
- Helpful for securing non-infringement.

# Suggestions: Requesting your Japanese firms to provide “watch” services for potential oppositions

Japanese firms can routinely search for new patents of specific designated parties

Request Japanese firms to report:

1. Specification of corresponding English application
2. Machine translation of claims, if different from 1.
3. Information about any **divisional** application
4. Information about **foreign pending** applications

# Advice to the applicants and patentees



# Advice to the applicants:

## Challenge indicates patent's importance

- **In Japan** and **foreign countries**:
  - **investigate** competitors' products,
  - **amend** the claims to cover the products,
  - **accelerate** the examination, as necessary,
  - keep **divisional** applications pending, and
  - obtain **more patents** for possible variations.

# Advice to the applicants:

Later examined patents tend to be valid more (ex. JP v. US)

Examined in Japan (JP) first:

- Japanese language references are discovered
- US claims are amended, considering references in JP
  - **Valid US patent**
- US English references were not considered in JP
  - **Invalid JP patent**

Same in vice versa, if examined in the US first.

**Order of the Examination is Important**

# To obtain a valid patent in the US:

Leave a continuation application until foreign counterpart applications are examined.

-- or ---

**Other countries** Accelerate the exams.



**US (continuation)** Respond to the OA considering the references cited in other countries

# Advice to Patentees:

Wait until after the opposition period passes before sending warning letters

- Remaining measure is invalidation trial, which cannot be filed by a third party with no interest.
- The true party tries to avoid inconsistent arguments before the JPO and the court.
  - ⇒ Harder to read claims broadly
  - ⇒ More difficult to invalidate the patent.

# Patent Invalidation

