

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



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RYUKA:

Founded: 1998

Members: 101

Attorneys: 41

Patent Transactions:

Anonymous acquisition

Wifi SEP evaluator for SISVEL

Committing to proactive communication



They say:

|                                     |                |
|-------------------------------------|----------------|
| <i>Rising Star in Japan IP,</i>     | <i>ILASA</i>   |
| <i>Top 5 Japan Patent Firm,</i>     | <i>Asia IP</i> |
| <i>Top 10 Japan Trademark Firm,</i> | <i>Asia IP</i> |
| <i>Top 20 Japan Patent Firm,</i>    | <i>MIP</i>     |
| <i>Top 20 Japan Trademark Firm,</i> | <i>MIP</i>     |

|                    | Third Party<br>Observations       | Oppositions                       | Invalidation<br>Trials            |
|--------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Fees (JPY)         | <b>Inexpensive</b>                |                                   |                                   |
| Attorney<br>Office | 40,000～                           | 400,000～                          | 1,000,000～                        |
|                    | 0                                 | 16,500+2,400/<br>challenged claim | 49,500+5,500/<br>challenged claim |
| Oral hearing       | No                                |                                   | Yes                               |
| Standard           | Reasonable doubt of patentability |                                   |                                   |
| Claims             | <b>Can be amended</b>             |                                   |                                   |
| Decisions          | - -                               | ~1 year<br>from grant             | ~9 months<br>from request         |
| Res Judicata       | No                                |                                   | <b>Yes</b>                        |

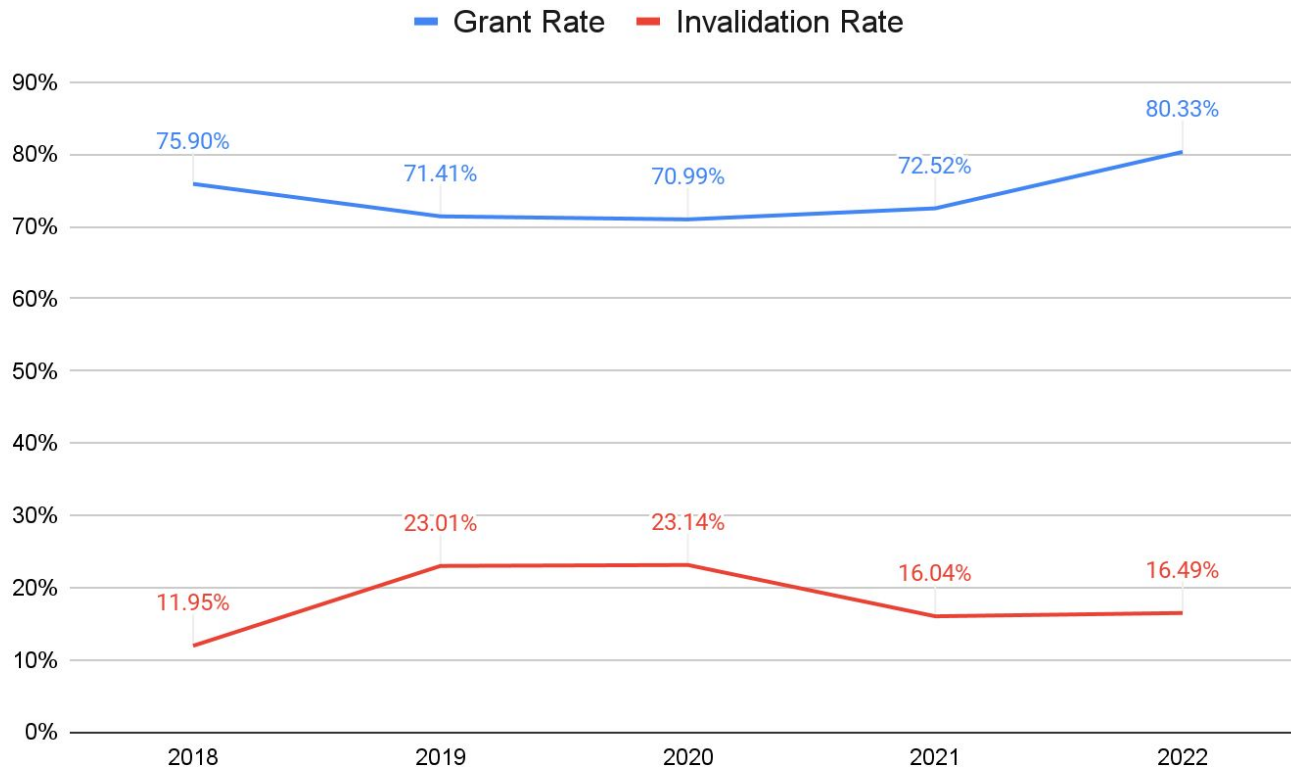
\* As of February 19, 2021

|  | 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<br><br>Unity of invention cannot be challenged | Novelty<br>Inventive Step<br>Double Patent<br>Non-Statutory Subject Matter<br>New Matter<br><b>Claim Clarity</b><br><b>Enablement</b> | Same grounds as third party observations<br>+<br>▪ Personal Ineligibility<br>▪ Against Public Order | Same grounds as oppositions<br><br>+<br>▪ Inventorship<br>▪ Invalid correction |

# Recently, patents are rarely invalidated

**Invalidation Rate (%): < 20**

**Cf. Grant Rate (%): 80**



Among JPO decisions  
made in each year

Source:  
<https://www.jpo.go.jp/resources/report/nenji/2023/>

# 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.

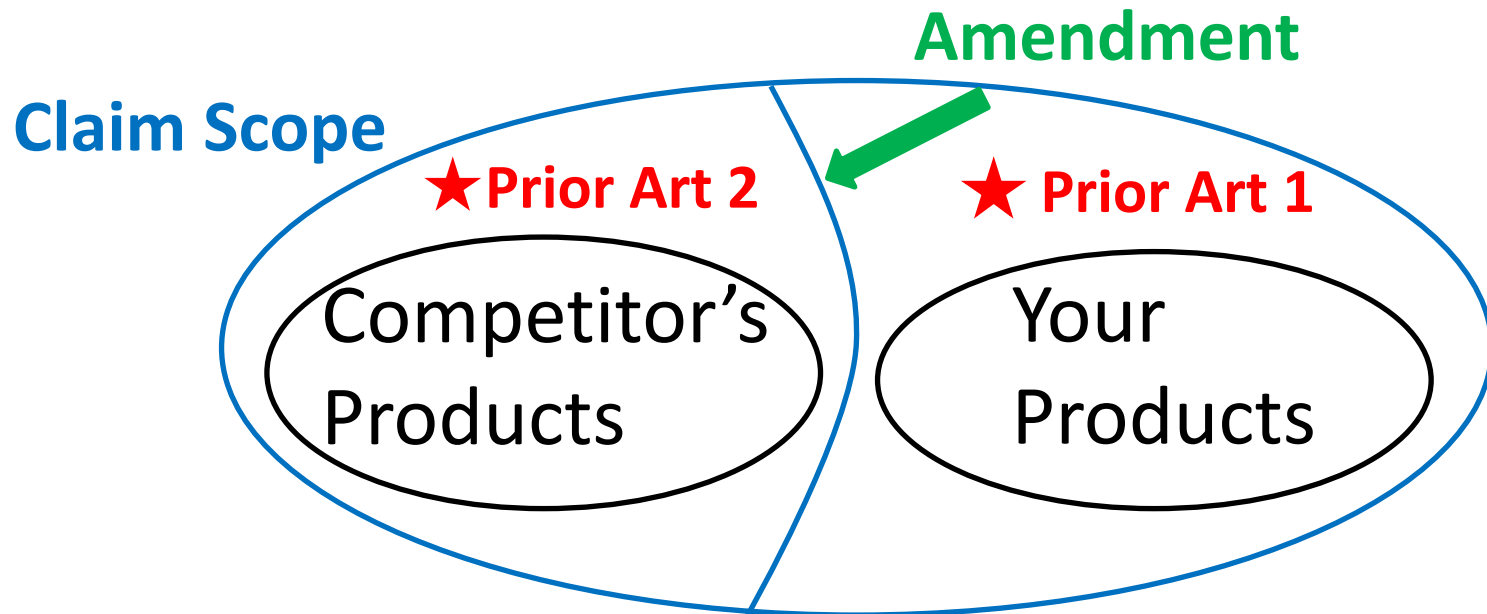
# Suggestions to challengers

## 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.

➡ Curve out patents

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 a 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: Setting surveillance searches for oppositions

You/we can set the surveillance searches by keywords, IP Classification, and party names.

The following information is also available.

1. Counterpart English application
2. Machine translation of claims.
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 office action considering the references cited in other countries

# Advice to Patentees:

Wait until after the opposition period passes before sending a warning letter

- 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.

Flowcharts for your references (linked)

[Patent Examination](#)

[Patent Opposition](#)

[Patent Invalidation](#)