

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



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	Third Party Observations	Oppositions	Invalidation Trials
Fees (US\$)	Inexpensive (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	can be easily limited		
Decisions	--	~1 year from grant	~9 months from request
Res Judicata	No		Yes

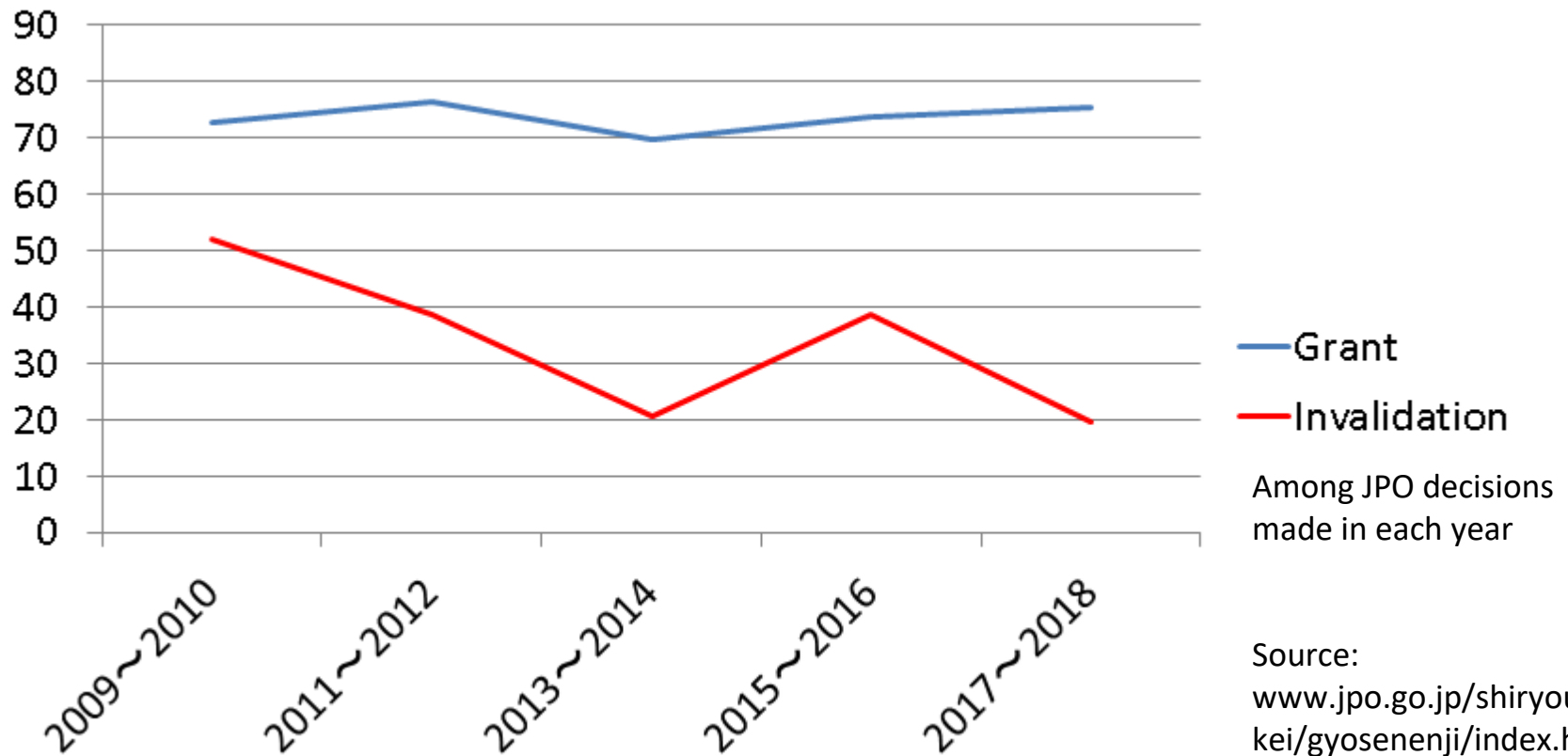
* As of February 19, 2021

	Third Party Observations	Oppositions	Invalidation Trials
Who can file?	Anyone		Party in interest
Anonymous	OK	No	
When	Anytime, even after Grant	Within 6 months 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 Claim Clarity Enablement	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.

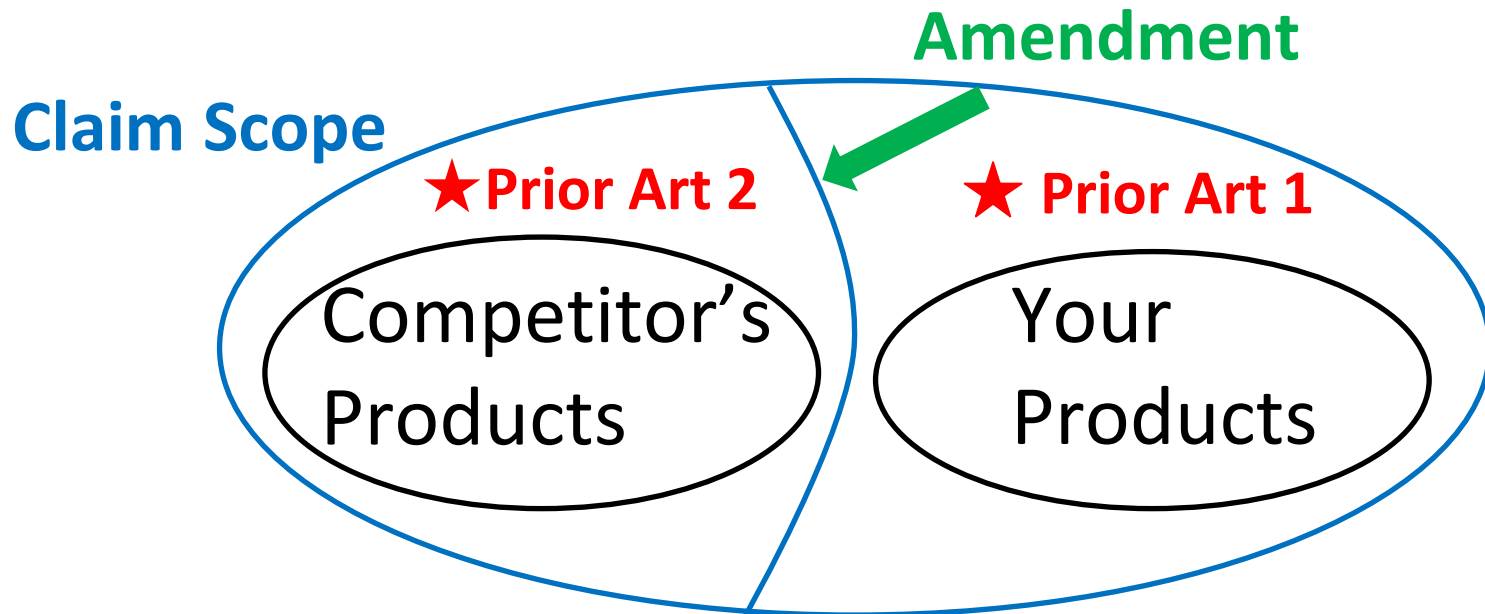
Suggestions to challengers

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

