

JAPAN INTELLECTUAL PROPERTY NEWS

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COURT DECISION

The highest compensation amount in the history of intellectual property lawsuits in Japan

On March 19, 2002, the Tokyo District Court decided on a patent infringement case to order a total compensation of approximately 64 million dollars.

ARUZE, a major Pachislot machine* manufacturer, claimed a right to collect a total compensation of approximately 91 million dollars from two manufacturers in the same industry on the grounds of patent infringement. ARUZE sued both SAMMY, a major Pachislot machine manufacturer, and NET, a manufacturer in the same industry.

The Tokyo District Court decided that "SAMMY manufactured Pachislot machines that belong in the technological scope of ARUZE's patent, thus infringed upon the patent right," and ordered SAMMY to pay approximately 57 million dollars (for 39,600 units based on the estimated profit per unit of 1,440 dollars) to ARUZE for damage compensation. This amount of approximately 57 million dollars for compensation is the highest in the history of lawsuits on intellectual property rights in Japan.

Further, the Tokyo District Court found similar patent infringement also in the lawsuit wherein



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ARUZE claimed a right to recover damage of approximately 14 million dollars from NET, and ordered NET to pay approximately 7.7 million dollars (for 5,279 units) for damage compensation.

The infringement was found for the patent that relates to a device, which removes random number control when a certain condition is met, thus allows the player to use his/her skills to stop the device with a desired design.

Incidentally, the highest compensation amount in the history of intellectual property lawsuits before this decision was approximately 23 million dollars, which the same district court ordered Fujimoto Pharmaceutical Corp. to pay, in a lawsuit on the manufacturing method for "H2 Blocker," a medicine for the treatment of stomach ulcers.

*1 Slot-machines installed in Pachinko halls in Japan. Players earn coins, which can be traded for gifts.



IP LINKS

Japan Patent Office
<http://www.jpo.go.jp/indexj.htm>

Industrial Property Digital Library
http://www.ipdl.jpo.go.jp/homepg_e.ipdl

Japan Patent Attorney Association (JPAA)
<http://www.jpaa.or.jp/english/index.html>

AIPPI (International Association for the Protection of Industrial Property)
<http://www.aippi.org>

Supreme Court of Japan
<http://www.courts.go.jp/english/ehome.htm>

Institute of Intellectual Property (IIP)
<http://www.iip.or.jp/e/index.html>

INFORMATION ON JP LAW

Time limits for entering national/regional phase under PCT Chapters I and II

New PCT Article 22 (1) has been applied to pending International Applications from April 1, 2002. With this new rule, without filing a request for International Preliminary Examination with the International Preliminary Examination Authority, the deadline for entering into national phase will be extended to 30 months from an international filing date.

However, Japan has not accepted the new rule yet. Therefore, the new Article 22 (1) is not applicable for Japan. If you would like to extend the deadline for entering into Japanese national phase from 20 months to 30 months, you still need to file the request for international preliminary examination with the In-

ternational Preliminary Examination Authority within 19 months as before.

For further information, please visit <http://www.wipo.int/pct/en/index.html>.

*In Japan, the Cabinet decided on “the bill on a law to partially revise the Patent Law” on February 19, and submitted the bill to the Diet on February 21. According to this bill, the submission period for all domestic documents will be 2 years and 6 months in Japan starting January 1, 2003. Further, with regard to a Japanese translation that must be filed with a domestic document regarding a patent application in a foreign language, the applicant will be allowed to file the translation within two months of the filing date of the domestic document.

FOCUS

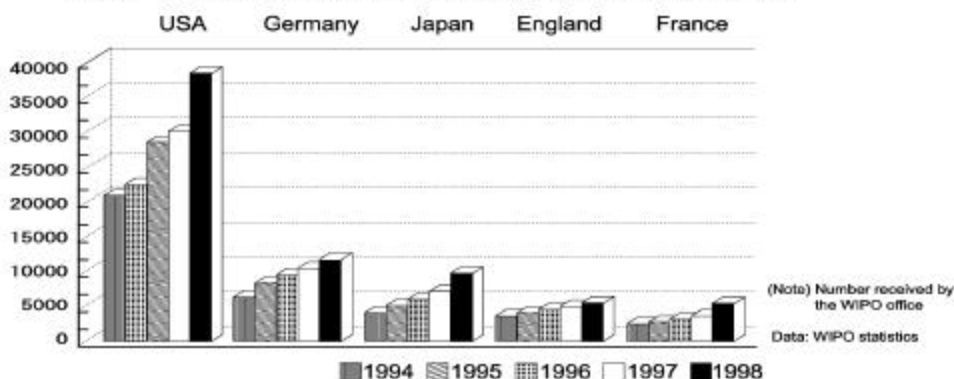
Domestic and Foreign Application in Each Country

Although the number of international applications in Japan is lower than the other countries, it is in an increasing trend (See Fig. 1).

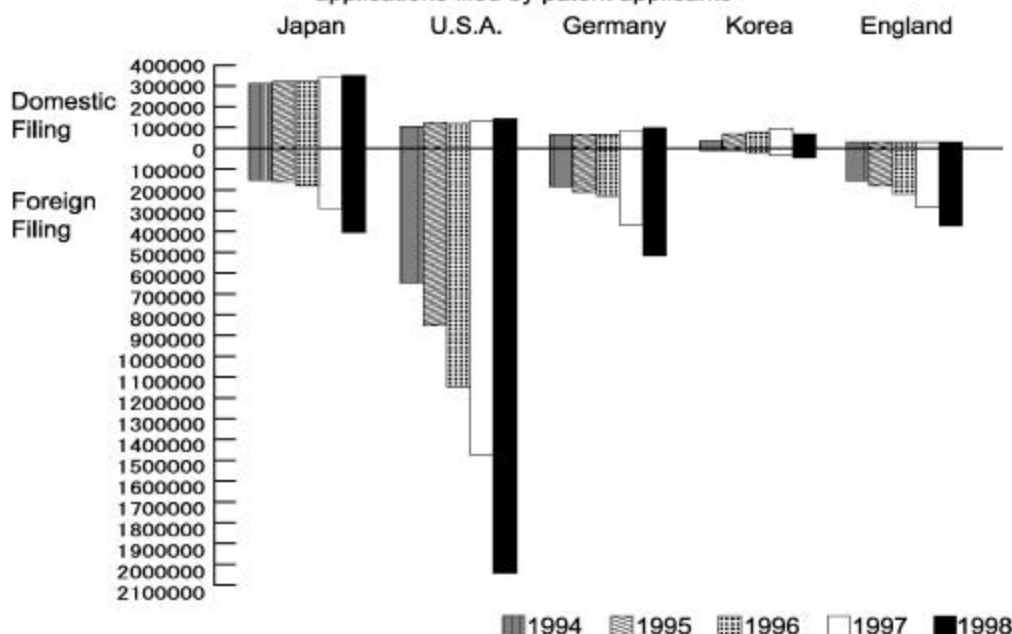
In recent years, the number of applications from the United States to

foreign countries is in an increasing trend. Especially, the number of PCT applications specifying many countries is particularly increasing rapidly in the United States (See Fig. 2).

[Fig. 1] Number of international applications made from top countries



[Fig.2] Change over time of the number of domestic and foreign applications filed by patent applicants



Japan Intellectual Property Association (JIPA)
<http://www.jipa.or.jp/english/index.html>

Japan Patent Information Organization (JPIO)
<http://www.jpio.or.jp/welcome2.html>

License Exchange Society Japan (LES)
<http://www.lesj.org>

Asia-Pacific Industrial Property Center (APIC)
<http://www.apic.jiii.or.jp>

The Japan Commercial Arbitration Association (JCAA)
<http://www.jcaa.or.jp/e/index-e.html>



COLUMN

General Information on Obtaining Patents in Japan (Part 2)

Application Procedures

A. Electronic vs. Paper Filing

The JPO has been operating its electronic filing system since 1990. On-line nationalization of PCT applications will also become available this year. Currently the on-line applications are filed through ISDN lines, which directly connect the JPO with most patent attorneys in Japan but, as mentioned earlier, the Internet is supposed to replace these ISDN lines in the near future.

Since applicants have to pay the JPO a very expensive surcharge for paper filing, about 90% of applications are currently filed on-line.

B. Claiming priority on applications filed abroad

Since the U.S. and Japan are both members of the Paris Convention and the World Trade Organization, WTO, an applicant in the U.S. may claim priority to apply in Japan based

on domestic and international applications filed in the U.S. The period for which the applicant can claim this priority is 1 year.

Most applications from the U.S. to Japan are either ones with this Paris Convention priority or ones filed under the national phase of the PCT, which will be described next.

In either case, the most important thing to recognize is that the English and Japanese languages are considerably different from each other. These two languages are far more different than Americans typically think they are.

Also, just like patent specifications in English, Japanese patent specifications require a very specific writing style and better language skills than those of a normal Japanese. A simple translation is not good enough and, in itself, would become a reason for rejection.

For these reasons, Japanese pat-

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ent specifications need to be prepared by patent attorneys or engineers with patent knowledge who understand the invention.

In order for Japanese patent attorneys to prepare better written documents, they have to have enough time for the preparation and plenty of materials to help understand the invention.

C. Nationalizing a PCT Application

A PCT application needs to be nationalized within 30 months if an international preliminary examination is requested within 19 months. This international preliminary examination is stipulated in the second chapter of PCT. If an international preliminary examination was not requested, the nationalization has to be filed within 19 months*. More specifically, it is required to file a Japanese translation of the claims, specification and text in the drawings of the PCT application to the JPO within these periods. Also this filing should comply with the on-line application format.

It is not mandatory to file a translation of amendments to PCT Articles 19 and 34, so if these amendments do exist, US company have to explicitly

state in a written order to the Japanese patent attorney whether these amendments should be filed.

If Applicants are uncertain whether to file a request for examination of the Japanese application, we recommend applicant not file the translation of the amendments at the time of the application to save the cost. The translation can be filed with the request for examination, or the amendments can be directly filed to match a claim granted in the U.S. without filing the translation for the amendment under PCT Article 19 or 34.

* The submission period for all domestic documents will be 2 years and 6 months in Japan starting January 1, 2003.

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Patents and Trademarks

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Our Services in the U.S.A.

- preparation of Japanese specifications to be filed with Japanese Patent Office, based upon translation and review of English specifications.
- review of drafts of Japanese specifications.
- translation of specifications, laid-open publications and other technical documents from Japanese into English.
- research on Japanese patents, licenses and trademarks.