

1 Dispute Resolution Systems for Industrial Property in Japan and Foreign Countries

The importance of prompt and reasonable settlement of industrial property disputes has been made obvious not only among the parties to the disputes, but also to the related organizations.

This report focuses on the reforms of the JPO's appeal/trial system and other systems that have been required in the Intellectual Property Policy Outline. Specifically, in order to provide foundation material for the 2003 amendment of the Patent Law, the legal systems of various other countries were studied and compared with those systems under the current Japanese law, with respect to the following two issues: (1) issues concerning the opposition system and the invalidation trial system; and (2) issues pertaining to post-grant corrections. Foreign countries' practices have been reviewed regarding the eligibility for a demandant of a trial, examination of evidence ex officio, attack/defense opportunities, and prevention of rehashing of disputes as the issues relating to (1) above, while those issues reviewed relating to (2) include the outline of the correction system, provisions on suspending pending disputes, and practices in infringement litigation. Study has been also conducted on the design and trademark systems from the same viewpoints.

Furthermore, a questionnaire survey was conducted to those who have actually used the JPO's Hantei system (advisory opinion on the technical scope of a patented invention), in order to analyze the present-day significance of that system.

Introduction

With the growth in the number of industrial property disputes^(*), it has become a prime task to design a dispute settlement system that allows both the Japan Patent Office (an administrative organ) and courts (judicial organs) to function efficiently and also produces satisfactory results for the parties to the disputes.

For the purpose of providing foundation material for deliberating the 2003 amendment of the industrial property rights laws, the structures of such systems in the United States and major European and Asian countries were studied, and a questionnaire survey was conducted to the users of the Hantei system (advisory opinion on the technical scope of a patented invention). The findings of these investigations are reported herein.

Settlement of Patent Disputes

1 Systems for settling disputes over the validity of a patent

(1) Outline of the current systems

The systems for settling disputes over patent validity under the current Japanese law are the post-grant opposition system and the invalidation trial system. The post-grant opposition system was introduced by the partial amendment of the Patent Law in 1994 to respond to the needs for prompt

grant of patents and international harmonization of the systems.

However, the post-grant opposition system, which has been in use for six years, is currently presenting a number of problems. First is the increased burden on patentees and the redundant trial examination in the Japan Patent Office (JPO) due to the coexistence of the opposition system and the invalidation trial system. Second is the growing user needs for allowing the opponents to take active participation in the trial examination in the opposition procedure. Third is the problem of co-pendency of multiple invalidation trials for a single patent, pertaining to the limited attack/defense opportunities under the invalidation trial system.

In addition, questions are arising with regard to the eligibility for a demandant of an invalidation trial on the ground of protecting public interest, and trends are observed in other countries to abolish the opposition system or to integrate the system with the invalidation trial system.

(2) Comparison of the systems of other countries

Based on the above, the systems of the United States, Germany, the United Kingdom, and under the European Patent Convention (EPC) were studied with respect to each item below.

(i) Eligibility for a demandant

① United States

Any person may file a request for an ex parte reexamination or an inter partes reexamination^(*).

(*)1 The Japan Patent Office, ed., "Japan Patent Office Annual Report 2002," Japan Institute of Invention and Innovation (2002), p. 183.

(*)2 35 U.S.C. §302, 311(a).

However, in requesting an inter partes reexamination, the written request must include the identity of the real party in interest so as to ensure an estoppel effect on the requester or its successor^{(*)3}.

② Germany

Any person (but only the injured party in the case of usurpation) may give notice of opposition to a patent^{(*)4}. However, the patentee may not file an opposition^{(*)5}.

③ United Kingdom

Any person may file an application for revocation of a patent^{(*)6}. However, the application must not be filed in the name of a third party.

④ EPC

Any person may give notice of opposition to a patent^{(*)7}, but the patentee may not file an opposition^{(*)8}. An opposition may be filed in the name of a third party as long as it is not regarded as abuse of right^{(*)9}.

(ii) Time limit for the demand

① United States

Reexamination may be requested during the period in which the patent right can be enforced, which is from the patent issuance to six years after the expiration of the term of the patent^{(*)10}.

② Germany

An opposition may be filed within three months of the publication of grant^{(*)11}. An action for a declaration of nullity of a patent shall not be brought as long as opposition may still be filed or opposition proceedings are pending^{(*)12}.

③ United Kingdom

An application for revocation of a patent may be filed after the publication of a notice that a patent has been granted in the journal until six years from the lapse or expiration of the term of the patent^{(*)13}.

④ EPC

An opposition may be filed within nine months from the publication of the mention of the grant of the European patent^{(*)14}.

(iii) Examination of evidence ex officio

① United States

In reexamination proceedings, the U.S. Patent and Trademark Office (USPTO) may study even the grounds and evidence not stated or produced by the requester or the parties to the proceedings (in the case of inter partes reexamination)^{(*)15}.

② Germany

According to case law, the German Patent and Trade Mark Office (GPTO) must first examine the grounds of opposition stated by the parties to the proceedings in opposition proceedings^{(*)16}. In opposition proceedings, the German Federal Patent Court (Patent Court) may not independently use new opposition evidence, and the matters to be examined in the proceedings are decided by the opponent who submitted the written opposition. The Patent Court is also basically bound by the claims by the plaintiff in an action for revocation of a patent.

③ United Kingdom

The U.K. Patent Office Comptroller is endowed a power to revoke a patent on his/her own initiative^{(*)17}. Even when a person who filed an application for revocation of a patent withdraws the application during the revocation proceedings, the Comptroller may still revoke the patent if it would benefit the public interest^{(*)18}.

④ EPC

Although opposition proceedings are fundamentally carried out based on the grounds stated by the parties to the proceedings, an additional ex officio search may be conducted as an exception when, due to correction of patent claims, a patentability search becomes necessary on an aspect that had not been taken into consideration in the pre-grant examination phase^{(*)19}. The Enlarged Board of Appeal has ruled earlier that, since the proceedings by the Boards of Appeal have a strong nature of judicial proceedings, ex officio search should be allowed more limitedly than in

(*)3) 35 U.S.C. §311(b).

(*)4) §59(1) German Patent Law.

(*)5) German Patent and Trade Mark Office, Opposition Guidelines §III.3.

(*)6) §72(1) U.K. Patents Act.

(*)7) Art. 99 European Patent Convention (EPC).

(*)8) G9/93 "Opposition by patent proprietor/PEUGEOT and CITROEN."

(*)9) This would be violation of R.55(a)(b) EPC.

(*)10) 35 U.S.C. §286.

(*)11) §59(1) German Patent Law.

(*)12) §81(2) German Patent Law.

(*)13) §113 U.K. Copyright, Designs and Patents Act.

(*)14) Art. 99(1) EPC.

(*)15) Provisions on substantive examination, which are stipulated in 37 C.F.R. §1.104-1 to 115, are applied mutatis mutandis in 37 C.F.R. §1.550(a) with regard to ex parte reexamination and in 37 C.F.R. §1.937(b) with regard to inter partes reexamination.

(*)16) The Aluminium-Trihydroxid case, German Supreme Court decision, GRUR 1995, p. 333.

(*)17) §73(1) U.K. Patents Act.

(*)18) Emergi-Lete Safety Systems' Patent, BL O/178/00.

(*)19) Guidelines for examination in the EPO, D, VI, 5.

proceedings by the Opposition Division.

(iv) Attack/defense opportunities for the parties

① United States

In reexamination proceedings, amendment can be made in response to a notice of rejection of claims^(*20). The requester may submit a new reference, if the patent claims are not rejected due to amendment by the patentee.

② Germany

The patent claims can be amended both in opposition proceedings and in an action for revocation. The patentee may amend the patent claims at a discretionary time.

③ United Kingdom

The revocation proceedings in the U.K. Patent Office (UKPO) are conducted in the order of: i) a written application for revocation of a patent by the applicant of the proceedings; ii) a written counter-statement by the patentee; iii) evidence by the applicant; iv) evidence by the patentee; and v) further evidence by the applicant. Any subsequent procedure is left to the discretion of the Comptroller^(*21).

④ EPC

The patentee is given an opportunity to submit a written argument and a written amendment in response to a notice of opposition within a certain time limit^(*22). The opponent is required to make a counter-statement if a written amendment is submitted by the patentee.

(v) Prevention of rehashing of disputes

① United States

A third-party requester of an inter partes reexamination may not, in principle, request another inter partes reexamination of the patent claims that could not be invalidated on the grounds he/she stated^(*23). Similarly, in a civil action, a third-party requester of an inter partes reexamination may not assert invalidity of patent claims that have been judged valid in the previous inter partes reexamination.

② Germany

Once the final and conclusive decision has been given in an action for declaration of nullity, the same plaintiff may not bring another action based on the same grounds for nullity^(*24).

③ United Kingdom

Based on the doctrine of res judicata, parties to litigation are prohibited from bringing another action on matters for which they have already received an unfavorable judgment^(*25). However, it is possible to allege invalidity of a patent based on

already disposed issues in civil proceedings where infringement of a patent is in issue^(*26).

④ EPC

Since a patent may only be revoked under the law of a Contracting State, no repeated requests for revocation proceedings are made to the European Patent Office (EPO).

(vi) Various systems concerning proceedings before the patent office (e.g., involvement of external experts in examination/proceedings before the patent office; structure of the judging body; the system for ensuring consistency of decisions in proceedings before the patent office; and open/closed proceedings)

① United States

Examination of patent applications never involves external experts. A patent application is examined by one examiner, while each appeal and interference is heard by a panel of three judges of the Board of Patent Appeals and Interferences (BPAI). Although proceedings are not made public in principle, the oral hearing by the BPAI is made public if the patent is already published.

② Germany

The Nullity Chambers of the Patent Court generally consist of judges with a technical background, so external technical experts are usually not required. In the opposition proceedings in the GPTO, three GPTO members (at least including two technical members) make a decision. In the nullity proceedings, the decision is made by a collegial body in the Patent Court consisting of two legal members and three technical members. A collegial body of judges in the Patent Court can allow the parties to appeal to the German Supreme Court by indicating that another collegial body of judges has made a decision different from the decision it intended, in order to ensure consistency in case law.

③ United Kingdom

The UKPO Comptroller may appoint advisers to assist him/her in any proceedings before him/her. The advisers do not have a right to decide or participate in collegial consultation. One hearing officer participates in the proceedings before the UKPO, and one judge participates in the proceedings before the High Court.

④ EPC

In any proceedings before the EPO, the means of obtaining evidence may include opinions by experts^(*27). In order to ensure uniform application of the law, or if an important point of law arises, a

(*20) 37 C.F.R. §1.111.

(*21) §75 U.K. Patents Rules.

(*22) Guidelines for examination in the EPO, E, VIII, 1.2(ii).

(*23) 35 U.S.C. §317(b).

(*24) The Konditioniereinrichtung case, German Supreme Court decision, GRUR 1964, p.18.

(*25) CIPA Guide to the Patents Acts s72.28.

(*26) §72(5) U.K. Patents Act.

(*27) Art. 117 EPC and R. 73 EPC.

Board of Appeal refers any question to the Enlarged Board of Appeal either of its own motion or following a request of a party to the proceedings. The EPO President may also refer the question to the Enlarged Board of Appeal when two Boards of Appeal take different decisions on a question of legal principles^(*28).

2 Post-grant corrections and litigation

(1) Outline of the current systems

The Japanese Patent Law has a system of trial for correction as a means for the patentee to correct its registered patent. A patentee may demand a trial for correction from the JPO at any time except during the pendency of an opposition trial or an invalidation trial. When an opposition trial or an invalidation trial is pending before the JPO, the grounds for revocation or invalidation can be circumvented by making a demand for correction.

According to a High Court decision in 1999 (the large square steel tube case), the court must reverse the JPO's trial decision of invalidation when a correction becomes final and conclusive after an action has been filed against a JPO decision, such as a trial decision^(*29). When a trial decision of invalidation is reversed, the trial for invalidation is resumed in the JPO. Sometimes, another action is filed against the outcome of this invalidation trial. Such to and fro of a case between the JPO and the court is called a "pitch and catch phenomenon." This pitch and catch phenomenon may be the consequence of the present role-sharing between the court and the JPO^(*30), but it cannot be overlooked that the present system, which allows unlimited amendment opportunities, has caused this phenomenon and has given rise to wasted legal proceedings, prolonged trial proceedings in the JPO, and increased burden on the parties to the proceedings.

(2) Comparison of the systems of other countries

(i) Post-grant corrections

① United States

The patentee can generally choose either ex parte reexamination^(*31) or reissue application^(*32) as a means for voluntarily amending patent claims after patent issuance. The ex parte reexamination is a procedure to request reexamination of the validity of a patent by presenting prior art documents. On the other hand, a reissue application is filed based on an acknowledgment that one's own patent is invalid in whole or in part due to erroneous patent issuance. This procedure can be taken to broaden the claims within two years from the patent issuance^(*33).

② Germany

The patentee may voluntarily amend the patent claims by having a retroactive effect^(*34). The GPTO only determines whether the amendment requested by the patentee actually limits the claims and does not determine the patentability of the amended claims^(*35). The voluntary amendment procedure has no limitation as to frequency or time period. In addition, amendment can also be made during opposition proceedings and proceedings for a declaration of nullity.

③ United Kingdom

The UKPO Comptroller (or, the court when the dispute is pending before the court) may allow the patentee to amend the specification of the patent upon request of the patentee. Whether or not to allow the amendment is left to the discretion of the Comptroller. Any person may give notice of opposition to an amendment proposed by the patentee^(*36).

④ Austria

Only very limited amendment is allowed for patented claims^(*37). The applicant and patentee are not the only persons who can amend patent claims, but the Nullity Department of the Austrian Patent Office (APO) may also amend the claims ex officio. When patent claims are amended, the Nullity Department modifies the specification according to the new claims. Amendment of patent claims cannot be sought in proceedings before the Supreme Patent and Trademark Chamber.

(*28) Recent decisions of the Enlarged Board of Appeal include "Opposition on behalf of a third party" (G 3/97, G 4/97), "Designation fees" (G 4/98), "Reformatio in peius/3M" (G 1/99), and "Six-month period/DEWERT" (G2/99), which concerns the calculation of the six-month period referred to in Art. 55 EPC.

(*29) Supreme Court decision on March 9, 1999 [1995 (gyo tsu) no. 204] Minshu vol. 53, no. 3, p. 303.

(*30) The decision in the large square steel tube case (*supra* note 29) was based on an earlier decision in the knitting machine case (Supreme Court decision on March 10, 1976 [1967 (gyo tsu) no. 28] Minshu vol. 30, no. 2, p. 79), which stated that a ground for invalidation in light of publicly known facts that was not examined and determined in the JPO's trial proceedings may not be asserted as a ground for a decision denying or supporting the appropriateness of the JPO's trial decision. In short, a court may only determine the appropriateness of the JPO's decision itself.

(*31) 35 U.S.C. §301

(*32) 35 U.S.C. §251

(*33) The claims that have been narrowed during examination cannot be broadened again.

(*34) §64 German Patent Law.

(*35) Remark by the German Supreme Court in GRUR 1964, 308, "Dosir-und Mischanlage."

(*36) §75(2) U.K. Patents Act.

(*37) BA 1998/04/27, PBI 1999/40, etc.

⑤ China

There is no such system as a trial for correction under the Chinese Patent Law. Therefore, after a patent has been granted, any corrections of the patented claims will be made in invalidation proceedings. No correction is allowed in the proceedings on appeal from a decision of the State Intellectual Property Office of the People's Republic of China (SIPO) to the people's court.

⑥ South Korea

Correction proceedings may be requested not only during the term of the patent, but also after the expiration of the patent term. However, the request may not be made while opposition or invalidation proceedings are pending before the Korean Intellectual Property Office (KIPO).

(ii) Action on appeal from the patent office's decision and correction during its pendency

① United States

A reissue application can be filed during pendency of an appeal from a decision of the BPAT. The appeal proceedings are continued if only slight amendment is made to the claims as a result, but otherwise, the case is remanded to the BPAT. When an ex parte reexamination and an action seeking a declaratory judgment of invalidity are co-pending, whether or not to stay the procedure is decided at the discretion of the judge.

② Germany

An action for declaration of nullity would not be stayed even if a voluntary amendment were made during its pendency. Furthermore, voluntary amendment is possible during pendency of appeal from a decision on an opposition or a decision on a declaration of nullity. The pending proceedings are not stayed by the amendment in this case either.

③ United Kingdom

The amendment proceedings are an independent procedure, but in fact, they are often carried out in parallel with a procedure concerning patent validity or infringement. Therefore, the questioning for making an amendment is usually conducted at the same time as the trial of the issues of validity or infringement. Accordingly, unless an opposition is made to the amendment, the amendment proceedings do not have a staying effect on court proceedings.

④ Austria

Even when patent claims were amended in the course of the proceedings of appeal from the final decision of the Nullity Department to the Supreme Patent and Trademark Chamber, the proceedings before the Supreme Patent and Trademark Chamber would be continued.

⑤ China

There is no procedure for correcting the

specification during the proceedings on appeal from a SIPO decision to the people's court. Amendment is shut out.

⑥ South Korea

Judicial proceedings on appeal from a KIPO decision may be suspended until a trial decision on correction becomes final and conclusive, but it is left to the discretion of the patent court^(*38). The court is likely to suspend the judicial proceedings when there is a high probability for the correction to be allowed.

(iii) Treatment in infringement litigation

① United States

When an ex parte/inter partes reexamination is requested or a reissue application is filed during the pendency of an infringement action, whether or not to stay the judicial proceedings is decided at the discretion of the judge. If amendment has been allowed in ex parte reexamination or reissue proceedings, the court conducts the proceedings based on the amended specification.

② Germany

When a voluntary amendment is made during an action for infringement, the judicial proceedings are not necessarily stayed. However, when opposition proceedings or nullity proceedings are launched, the judicial proceedings are temporarily stayed only if the patent is very likely to be revoked as a result.

③ United Kingdom

A court carrying out infringement proceedings may determine the patent invalid in response to the defendant's defense of patent invalidity. The court may also make a decision as to whether or not amendment of patent claims should be allowed.

④ Austria

If the defendant in infringement litigation alleges nullity of the patent, the court must suspend the proceedings and wait for the Nullity Department's decision on the nullity of the patent. However, the court continues the infringement litigation when it is obvious that nullity will be denied^(*39).

⑤ China

The patent validity is never determined in infringement litigation. Unless the Patent Reexamination Board declares a patent invalid, the people's court must treat the patent as being valid. A decision declaring a patent invalid has no retroactive effect on any judgment or ruling of patent infringement that has been pronounced and enforced by the people's court^(*40).

⑥ South Korea

When rendering a decision in infringement litigation before a KIPO trial decision on correction becomes final, the judge taking charge of the

(*38) Art. 164(2) South Korean Patent Act.

(*39) §156(3) Austrian Patent Law.

(*40) Art. 47 Patent Law of the People's Republic of China.

infringement litigation decides on infringement based on the patent claims at the point when the hearing in the infringement litigation ended, instead of determining whether or not the correction is allowable.

(iv) Participation of the patent office in a higher instance

① United States

In the case of appealing a BPAI decision on ex parte reexamination or reissue proceedings to the Court of Appeals for the Federal Circuit (CAFC) or the U.S. District Court for the District of Columbia, the defendant would be the USPTO Director. Thus, the USPTO Director becomes a party to litigation^(*41).

② Germany

The GPTO President may, if he/she considers it appropriate to safeguard the public interest, make written statements in appeal proceedings before the Patent Court, be present at hearings and make representations therein^(*42). The Patent Court may give the GPTO President the opportunity to intervene in appeal proceedings at its own discretion^(*43).

③ United Kingdom

The court carrying out proceedings may, on request of a party to the proceedings or ex officio, order the UKPO to inquire into and report on any question of fact or opinion that occurred in the process of the proceedings^(*44).

④ Austria

The APO may not participate either in infringement litigation or appeal proceedings before the Supreme Patent and Trademark Chamber. In addition, the APO may not submit a written argument in these proceedings.

⑤ China

The Patent Reexamination Board becomes the defendant in an appeal from a SIPO decision to the people's court. However, SIPO may not participate in infringement litigation.

⑥ South Korea

KIPO becomes a party to the legal proceedings as the defendant in an appeal from a KIPO Industrial Property Tribunal's decision on an opposition to the patent court, but it does not become a party in an appeal from the Tribunal's decision on invalidation of a patent. KIPO has never become a party in an appeal from the Tribunal's decision on invalidation in the past.

Settlement of Design and Trademark Disputes

1 Systems for settling disputes over the validity of a design

(1) Outline of the current system

The Japanese design system does not have an opposition system similar to the one found in the patent system, but only an invalidation trial system. Most of the system applies mutatis mutandis the provisions under the Patent Law. The Design Law does not allow correction after registration, so no problems occur pertaining to correction after registration.

(2) Comparison of the systems of other countries

The systems of Germany, the United Kingdom, Austria, South Korea, and the Office for Harmonization in the Internal Market (OHIM) were studied with respect to settlement of disputes on oppositions to and invalidation of designs. The United States and China apply the same system as that for patents to settle disputes on oppositions to and invalidation of designs.

(i) Eligibility for a demandant

① Germany

The registration of a design can be cancelled at the request of the registered owner or another person. When another person requests cancellation, an official or officially certified document in which the registered owner renounces the design or gives his consent to cancellation must also be submitted. Consent to cancellation can be demanded from the registered owner in legal proceedings^(*45).

② United Kingdom

Only a person having interest may apply for a declaration of invalidity^(*46).

③ Austria

An application for a declaration of invalidity may be made at any time after the design has been registered^(*47).

④ South Korea

Any person may file an opposition to the grant of an unexamined design. A trial to invalidate a design registration may be requested by an interested person or an examiner.

⑤ OHIM

A declaration of invalidity of a registered Community design may be applied for by any persons, entities, and the appropriate authority of the Member State in question.

(*41) 35 U.S.C §141, 145, and 306.

(*42) §76 German Patent Law.

(*43) §77 German Patent Law.

(*44) §99A U.K. Patents Act.

(*45) §10c German Law Concerning Copyright in Industrial Designs.

(*46) §11ZB U.K. Registered Designs Act.

(*47) §24 Austrian Federal Law of June 7, 1990, on the Protection of Designs.

(ii) Time limit for the demand

① Germany

The request can be filed with the GPTO any time. The same applies to the legal proceedings for requesting cancellation.

② United Kingdom

An application for a declaration of invalidity may be made at any time after the design has been registered^(*48).

③ Austria

A request for a declaration of nullity may be filed at any time after the registration of a design right.

④ South Korea

An opposition to the grant of an unexamined design may be filed within three months from the date of publication of the registration of the design. An invalidation trial may be requested at any time^(*49).

⑤ OHIM

A declaration of invalidity may be applied for even during the pendency of infringement litigation or after the Community design has lapsed^(*50).

(iii) Examination of evidence ex officio

① Germany

Since a request for cancellation of the registration of a design is based on a certified document containing an oath of the registered owner, no examination of evidence is conducted ex officio.

② United Kingdom

The registrar examines the case solely based on the written statements and evidence produced by both parties.

③ Austria

The Nullity Department never uses new grounds or evidence on its own discretion.

④ South Korea

Examination of evidence ex officio is allowed both in an opposition and an invalidation trial by applying mutatis mutandis the provisions under the Patent Act.

⑤ OHIM

Although provisions on examination of the facts ex officio are stipulated, the OHIM's examination in proceedings relating to a declaration of invalidity is restricted to the facts, evidence, and arguments provided by the parties to the proceedings.

(iv) Ex parte/inter partes proceedings

① Germany

The legal proceedings for cancellation of the registration of a design in court are inter partes proceedings. The court has the authority to determine whether or not the registered design satisfies the requirements for protection of designs

under the German design law.

② United Kingdom

The declaration of invalidity proceedings are inter partes proceedings.

③ Austria

Nullity proceedings instituted by a third party are inter partes proceedings. The effect of a court's decision of nullity in an infringement case only extends to the parties to the proceedings.

④ South Korea

The opposition proceedings are inter partes proceedings. The opponent may not appeal from a decision on maintenance. The invalidation trial proceedings are inter partes proceedings. The other party becomes the defendant in an appeal from a decision on invalidation to the court.

⑤ OHIM

The proceedings for a declaration of invalidity are inter partes proceedings. After a decision of a Community design court becomes final, the party to the proceeding may not allege invalidity based on the same ground, according to the doctrine of res judicata.

2 Systems for settling disputes over the validity of a trademark

(1) Outline of the current systems

The systems for disputing over the validity of a trademark right under the Japanese Trademark Law are the post-grant opposition system and the system of invalidation trial. Both systems apply mutatis mutandis many of the provisions under the Patent Law, although there are slight differences.

In addition, there is the system of trial for cancellation of trademark registration. For example, a trial for cancellation of an unused trademark is a system in which, where a registered trademark has not been continuously used for three years or more in respect of each item of the designated goods or designated services, any person may demand a trial for cancellation of registration of the trademark with respect to such designated goods or designated services. There are time limits for demanding a trial for cancellation of trademark registration based on specific grounds.

The Trademark Law does not allow correction after registration, so no problems occur pertaining to correction after registration.

(2) Comparison of the systems of other countries

The systems of the United States, Germany, the United Kingdom, Austria, China, South Korea, and the OHIM were studied with respect to settlement of disputes on oppositions to and invalidation of trademarks.

(*48) §11ZB(6) U.K. Registered Designs Act.

(*49) Art. 68(2) South Korean Design Act.

(*50) Art. 24(2) Council Regulation on Community Designs.

(i) Eligibility for a demandant

① United States

An opposition can be filed by any person who has or is likely to have substantial interest in the trademark.

② Germany

A post-grant opposition can be filed only by the proprietor of an earlier trademark. A request for cancellation of the registration of a trademark and an action for cancellation request based on absolute grounds for refusal can be filed by any person^(*)51), while an action for cancellation request based on relative grounds for refusal can be filed by the proprietor of an earlier right and a person having interest^(*)52).

③ United Kingdom

Any person may file a pre-grant opposition, an application for the revocation of a registration, or an application for a declaration of the invalidity of a registration^(*)53).

④ Austria

Any person may apply for cancellation of a mark on grounds other than double registration and unused/well-known marks^(*)54). A person holding a mark that is competing with the trademark in question may request cancellation of the mark based on double registration, while a user of the mark may request cancellation on the ground of an unused/well-known mark.

⑤ China

Any person may file a pre-grant opposition^(*)55). Any person may apply for an adjudication to cancel a trademark on grounds for protecting public interest, while the owner of an earlier trademark or an interested party may apply for the adjudication based on such grounds as a famous trademark and attribution of the right.

⑥ South Korea

Any person may file a pre-grant opposition to a trademark registration^(*)56). An invalidation trial may be demanded by an interested person or an examiner. The eligible requester of a trial for cancellation of a trademark registration differs according to the grounds of cancellation; an interested person may file a request for a trial based on non-use of a trademark or violation of the limitations to assignment of a trademark right, and the trademark owner may file a request for a trial based on illicit registration of a trademark by an

agent or a representative of the trademark owner. Any person may file a trial for cancellation based on any other grounds.

⑦ OHIM

Only an interested person may file a pre-grant opposition or apply for a declaration of invalidity based on relative grounds. Any person may apply for a declaration of revocation or for a declaration for invalidity based on absolute grounds.

(ii) Time limit for the demand

① United States

A pre-grant opposition may be filed within thirty days after the publication of the mark. A petition to cancel a registration may be filed within five years from the registration date^(*)57). However, there are cases in which the limitations are not applied due to certain grounds.

② Germany

A post-grant opposition may be filed within three months from the date of publication of the registration. There is a time limit of ten years for filing cancellation requests based on absolute grounds of nullity in certain cases^(*)58), and a time limit of five years for filing cancellation requests based on relative grounds of nullity except when the later trademark has been applied for in bad faith^(*)59).

③ United Kingdom

An opposition may be filed within three months of the date on which the application was published^(*)60). With regard to applying for a declaration of the invalidity of the registration of a later trademark, the proprietor of an earlier trademark or any other person having an earlier right loses the right of application when he/she has acquiesced for five successive years in the use of the later trademark while being aware of such use.

④ Austria

A petition on the ground of double registration shall be filed within a period of five years as from the date knowledge is obtained of the use of the mark registered later, while a petition on the ground of an unused, well-known mark shall be applied for within five years from the beginning of the period of protection.

⑤ China

An opposition may be filed within three months from the date of the publication^(*)61). An application for an adjudication to cancel a trademark

(*)51) §49 and 54 German Trade Mark Law.

(*)52) The respective items under §55(2) German Trade Mark Law.

(*)53) §47(3) U.K. Trade Marks Act 1994.

(*)54) §32, 33, 33a, 33b, and 33c Austrian Trademark Protection Act.

(*)55) Art. 30 Trademark Law of the People's Republic of China.

(*)56) Art. 25(1) South Korean Trademark Act.

(*)57) 15 U.S.C. §1064(1).

(*)58) §50(2) German Trade Mark Law.

(*)59) §51(2) German Trade Mark Law.

(*)60) §13(1) U.K. Trade Marks Rules.

(*)61) Art. 30 Trademark Law of the People's Republic of China.

based on grounds, such as a famous trademark and registration by a representative without authority, may only be made within five years from the date of the registration, except where the registration was obtained in bad faith.

⑥ South Korea

An opposition may be filed within thirty days from the date of publication of the application^(*62). Meanwhile, an invalidation trial based on specific grounds may not be requested after five years from the date of registration of the trademark or from the date of registration for the renewal of the term of the trademark right. A trial for cancellation of a trademark registration based on specific grounds may not be requested after three years from the date on which the alleged facts have ceased to exist^(*63).

⑦ OHIM

An opposition may be filed within three months from the publication of a Community trademark application. With regard to an application for a declaration of invalidity, if the owner of an earlier trademark has acquiesced, for a period of five successive years, in the use of a later Community trademark while being aware of such use, he/she shall no longer be entitled to apply for a declaration that the later trademark is invalid on the basis of the earlier trademark^(*64).

(iii) Examination of evidence ex officio

① United States

A discovery procedure similar to that in courts is taken in the Trademark Trial and Appeal Board (TTAB) both when filing a pre-grant opposition and a petition for cancellation of a registration. The TTAB only renders a decision based on the grounds stated by the parties in the discovery procedure.

② Germany

In a post-grant opposition and a cancellation request based solely on relative grounds, the GPTO may only use grounds that have been stated by the opponent or the requester. This also applies to a cancellation request based on absolute grounds of nullity, but the registration can be cancelled ex officio when there are special grounds.

③ United Kingdom

In the opposition procedure, the procedure for revocation of a registration, and the procedure for a declaration for the invalidation of a registration, the authority examines the evidence produced by the parties to the procedure.

④ Austria

Although cancellation proceedings in the Nullity Department are initiated only on request of

a party to the proceedings, once started, the proceedings can be continued ex officio even if the request for cancellation is withdrawn. While the Nullity Department is able to use new evidence ex officio in theory, such a measure is usually not taken in practice.

⑤ China

There are no statutory provisions concerning examination of evidence ex officio. Since it became possible to have the court examine an adjudication of the Trademark Review and Adjudication Board, provisions on examination of evidence ex officio is expected to be stipulated in the near future.

⑥ South Korea

In an opposition procedure, an invalidation trial, and a trial or cancellation of a registration, the examiner may take and use evidence that has not been produced by the opponent or the requester of the trial ex officio^(*65). In that case, the examiner must give the right holder an opportunity to submit a written opinion.

⑦ OHIM

In the proceedings for an opposition, a declaration of revocation, and a declaration of invalidity, the decision is taken based on the grounds stated by the parties to the proceedings in principle. It is possible to examine the facts ex officio under Art. 74 of the Council Regulation on the Community Trade Mark, but the facts are not examined ex officio for an application based on relative grounds or when the right holder does not make an answer^(*66).

(iv) Ex parte/inter partes proceedings

① United States

The following opportunities are given to the parties in the pre-grant opposition procedure: i) the patent applicant's answer to the opposition; ii) the opponent's counterclaim against the answer; and iii) the patent applicant's answer to the counterclaim. The same opportunities are given under law also for the petition to cancel a registration. An appeal may lie from a decision on opposition or cancellation to the CAFC. In that case, the defendant would be the other party in the opposition or cancellation proceedings.

② Germany

A cancellation procedure requested based on absolute grounds of nullity is an inter partes procedure. The cancellation request is notified to the proprietor of the trademark, and if the proprietor fails to object to the cancellation, the trademark is cancelled without undergoing any further procedure^(*67). If the proprietor objects to

(*62) Art. 25(1) South Korean Trademark Act.

(*63) Art. 76 South Korean Trademark Act.

(*64) Art. 53 Council Regulation on the Community Trade Mark.

(*65) Art. 157 South Korean Patent Act as applied mutatis mutandis in Art. 33 South Korean Trademark Act.

(*66) P.A.C.E. van der Kooij, *The Community Trade Mark Regulation* (2000), p. 133.

(*67) §54(3) German Trade Mark Law.

the cancellation, the substantive cancellation procedure is carried out.

③ United Kingdom

The opposition procedure, the procedure for revocation of a registration, and the procedure for a declaration for the invalidation of a registration are all inter partes procedures. When a party appeals from the authority's decision to court, it will still be an inter partes procedure, without the authority becoming the defendant.

④ Austria

When a third party requests cancellation of a trademark, the cancellation proceedings are carried out as inter partes proceedings in the Nullity Department of the APO. An appeal may lie from the final decision of the Nullity Department to the last court of appeal, the Supreme Patent and Trademark Chamber.

⑤ China

The opposition proceedings are inter partes proceedings. When a party is dissatisfied with the decision, he/she can request the Trademark Review and Adjudication Board to review the decision. The proceedings for an adjudication to cancel a trademark are also inter partes proceedings. When a party is dissatisfied with the decision of the Trademark Review and Adjudication Board, he/she may appeal to the people's court. The defendant would be the Trademark Review and Adjudication Board.

⑥ South Korea

The opposition proceedings are ex parte proceedings. The invalidation trial and the trial for cancellation of a registration are inter partes proceedings. In appeals from these trial decisions, the other party in the trial would be the defendant. Even if a ground for invalidation were found for a registered trademark during infringement litigation, a decision on the invalidity cannot be made in the litigation until the decision of invalidity of the trademark registration becomes final in an invalidation trial.

⑦ OHIM

The proceedings for an opposition, a declaration of revocation, and a declaration of invalidity are all inter partes proceedings. A party to the proceedings who is adversely affected by the decision may appeal to the Board of Appeal. The other parties to the proceedings may participate in the appeal proceedings. A party to the proceedings who is adversely affected by the decision of the Board of Appeal may further appeal to the Court of Justice^(*68).

Hantei System (advisory opinion on the technical scope of a patented invention)

1 Outline of the Hantei System

The Hantei system is a system in which the JPO, upon request, provides an advisory opinion on: the technical scope of a patented invention; a registered design or a similar design; or the scope of effect of a trademark right. The Hantei is considered as the JPO's opinion and it is not legally binding. The Hantei proceedings are carried out by a procedure similar to the trial proceedings before the JPO.

2 Summary of the Questionnaire Survey

A questionnaire survey was conducted to find out the needs of those who are actually using the Hantei system and how they evaluate the system.

The results indicated that the main users of the Hantei system were small and medium enterprises (SMEs) and individuals. The requester expects from the Hantei system an objective determination for settling a dispute, so in that sense, the system provides "reassurance" to SMEs and individuals. This is supported by the fact that an outstanding proportion of the respondents answered that they requested a Hantei "because the JPO is a public body." The low fees would be another factor that encourages the use by SMEs and individuals. However, in light of the amount of labor involved in the proceedings, there would be a need to review the appropriateness of the fees from an equity point of view.

At the same time, the fact that the Hantei proceedings are not necessarily speedier than other systems indicate how much the Hantei system is demanded among the users. Since the Hantei proceedings are similar to the trial proceedings before the JPO, it would be quite difficult to speed up the proceedings in actuality. Although private alternative dispute resolution (ADR) services are not so actively utilized as other such systems as the conciliation of civil affairs in Japan, stimulation of use of ADR would be requisite as an alternative means for dealing with such user needs for the JPO's Hantei system. A key challenge in this case would be how the ADR's determination results could win the same level of social credit as the JPO's Hantei results.

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(*68) Art. 63 Council Regulation on the Community Trade Mark.