

# 1 ‘Feature Statements’ in Applications for Design Registration

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*This study examined the feature statement system, eight years after its introduction, by comprehensively surveying and analyzing the actual use of the system by applicants and their awareness of the system.*

*An applicant can submit a feature statement on a voluntary basis while the relevant application is pending. Although the content of a feature statement is published in a design bulletin, it is not deemed to be a basis for determining the scope of a registered design. Therefore, a feature statement does not have any direct influence on the “scope of right.”*

*In this study, a questionnaire survey and an interview survey were conducted, and the contents of feature statements published in design bulletins were analyzed. In addition, similar systems in other countries, which have both common points and various differences with the Japanese feature statement system, were studied.*

*Moreover, the possibility that the feature statement system could develop into a more beneficial system in promoting the creation of designs, which are one kind of intellectual property, was considered, as well as the meaning of the system from a legal perspective.*

## I Introduction

The feature statement system was introduced when the Design Act was revised in 1998.

A feature statement can be submitted by an applicant voluntarily, and its content is not supposed to be used as a direct ground for finding a design pertaining to an application for a design registration, for determining similarity, or as a reason for refusal in design examination/trials. However, by seeing the content of the statement, it is possible, for example, to obtain reference information for determining the correct scope of search in examination.

Where an application for which a feature statement has been submitted is registered, the contents of the “features of the design” and “explanatory drawings” are published in a design bulletin, and the applicant’s subjective intention concerning the creation of the registered design can be made known to third parties. On the other hand, such contents do not have any direct influence on the “scope of right,” since they are not used as a basis for determining the scope of a registered design prescribed in Article 24 of the Design Act.

Now that eight years have passed since

the introduction of the feature statement system, this study was conducted to understand how users have accepted and used the system so far, and to consider a desirable future feature statement system that improves service for users. To do this, the study employed (1) a survey on the introduction and use of the system, (2) questionnaire surveys and interview surveys with domestic companies, (3) an overseas survey and (4) discussion by a committee.

## II Trends Surrounding Feature Statements

### 1 Background of Introduction of the System

The feature statement system was introduced when the Design Act was revised in 1998, in order to achieve appropriate and prompt substantive examination and with the aim of contributing to the interpretation of the scope of right.

Prior to the 1959 Act, the scope of a claim for design registration was also supposed to be stated under the design system. However, the statement of said scope was not adopted in the 1959 Act, because that system had lost substance, and because the appearance of the

form of an article is a design and is subject to protection in its entirety. After that, prior to the 1998 revision, discussions were held at a study level on whether the “claim statement system” or the “feature statement system” was the effective method of clarifying rights.

## **2 Use of Feature Statements**

The applications for design registration filed between January 1, 1999 and December 31, 2006 were surveyed, targeting those for which a design registration had been granted, and the total number of feature statements published in design bulletins by May 20, 2007 was found to be 1,721.

For the top 600 companies that had filed the most applications for design registration (total number of applications filed: 143,012), a statistical survey was conducted on the use of feature statements for applications filed between January 1, 1999 and December 31, 2006 for which a design bulletin had been published by May 20, 2007. According to the survey, in terms of the use (status of submission) of feature statements, there has been an almost constant decrease from the 218 cases (use rate: 1.38%) in the first year (1999), and the use rate has remained at almost the same level from 2004 onwards, at 0.2% to 0.3%.

## **3 Typological Analysis of Actual Feature Statements Published in Design Bulletins**

The details of example uses of feature statements actually submitted and published in a design bulletin were organized from the following five viewpoints, and subjected to typological analysis.

1. Gist of the claim in statements
2. Disclosure of publicly known prior designs, etc.
3. Method of using explanatory drawings
4. Statements peculiar to the related design system or the partial design system
5. Changes in the ways of using the

feature statement system

The feature statement system was introduced with the aim of enabling applicants themselves to explain novelty and difficulty of creation by indicating publicly known designs. However, the feature statements that were actually submitted contained wide-ranging statements, methods of expression and methods of using explanatory drawings, beyond what was intended at the time the system was introduced. There were indications of the features of an article, explanations of technical features, explanations of parts that constitute a design, materials, statements concerning variations or interpretation of a right, colors, intention of creation and supplementary explanations of drawings, in addition to distinctive parts and explanations through comparison with publicly known designs. Regarding the methods of using explanatory drawings, in some cases drawings that explained the design in the application concerned in more detail or photographs were submitted, in addition to drawings of publicly known designs. Moreover, with respect to recent uses of feature statements, compared when the system was first introduced, fewer applicants disclose publicly known designs or state explanation through comparison with publicly known designs, while more applicants explain the design in the application concerned.

## **III Awareness of the Feature Statement System among Users of the Design Registration System**

### **1 Questionnaire Survey**

A questionnaire survey was conducted targeting companies and agents that have filed numerous applications for design registration.

(Recognition of the feature statement system and the details thereof)

About 80% of respondents are familiar with the feature statement system, and most respondents are aware that feature

statements are not taken into account when determining the scope of designs (Article 6(2) of the Ordinance for Enforcement of the Design Act).

(Advantages of using a feature statement)

Many respondents chose the following three answers: “the applicant can inform the examiner/trial examiner of the features of the design for which the applicant intends to obtain a right” (78.9%), “the applicant can explain novelty and creativity” (39.9%), and “the applicant can explain in writing features that are difficult to understand from drawings alone” (65.3%).

(Disincentives for using a feature statement)

As for disincentives for using a feature statement, many respondents answered that they found no advantages in using feature statements (55.8%). As reasons for this, many respondents chose the following answers: “concerns about estoppel” (57.0%), “no influence on the scope of right” (23.8%) and “no influence on examination” (14.0%).

(Awareness of use of feature statements)

In response to the question of whether they would use feature statements in the future, most respondents answered “depending on the content of the design application” (55.5%), while 21.4% of respondents thought that they would not use feature statements. There is a difference between respondents who have experience of using feature statements and those who do not have such experience. For the former, many intend to continue using feature statements. Specifically, over 80% of respondents intend to use feature statements in the future (“will actively use” [11.9%] and “depending on the content of the design application” [70.2%]). Only 4.8% think that they “will not use” them.

In addition, regarding desired improvements in the feature statement system, respondents were divided between the following answers: “feature statements are made subject to examination / interpretation of rights” (31.2%) and “it is guaranteed that feature statements will not be used in interpreting rights” (31.8%).

(Awareness among respondents who have

experience of using feature statements)

In response to the question concerning the circumstances of filing, most respondents answered that they decided whether to use a feature statement depending on the application (58.3%). However, some answered that they did not use feature statements at present, although they had used them when the system was first introduced (16.7%).

As for the impressions of using feature statements, most respondents felt that it was a convenient system (38.1%). On the other hand, some respondents found no advantages (13.1%), and others felt that a feature statement might cause a disadvantage (16.7%).

(Awareness of written information in the design system)

A survey was also conducted on items concerning the way that written information is perceived in the design system, targeting not only respondents who were familiar with the feature statement system but also those who were not familiar with it.

As a result, more than half of the respondents (57.8%) were positive about the supplementary explanation/identification by written information of a design that is subject to protection, as indicated in the result for question 31. Behind this result seems to be the fact that the respondents have experienced difficulty in understanding a design from drawings alone when confirming the relevant design bulletin (72.2%).

## **2 Interview Survey with Domestic Companies**

Out of the companies that responded to the aforementioned questionnaire survey, interview surveys were conducted with ten companies that had answered that they had experience of using the feature statement system or was familiar with it.

All companies with experience of using the feature statement system submitted a feature statement only with regard to applications for which the submission had been considered necessary after careful

consideration. A number of companies expressed the opinion that they hoped that the feature statement system would continue to exist as a system that they could use when they wanted to, even though they did not use it for all applications. Many companies expressed the hope that the system would be made more user-friendly through indicating examples of statements and uses.

In addition, every company thinks that the statements in a feature statement clarify or limit the scope of the relevant design right. Companies that want to clarify the scope of design rights are positive about the feature statement system, and tend to actively submit feature statements for design applications for which they consider it better to submit one. They also expressed the expectation that the feature statement system would be developed as a system that contributes to clarifying the scope of rights for registered designs.

#### **IV Status of Overseas Systems Similar to the Feature Statement System**

##### **1 United States**

Claims are essential matters that must be stated. 37CFR 1.154(b)(5) provides that the specification should include a feature description. According to section 1503.01 II of the MPEP (Manual of Patent Examining Procedure), “a ‘characteristic features’ statement describing a particular feature of the design that is considered by applicant to be a feature of novelty or nonobviousness over the prior art” is permissible in the specification. However, characteristic features are seldom stated voluntarily in actual practice.

The stated description is published in the Official Gazette, and is also used in interpreting the scope of protection of the relevant design right. The MPEP states that there is a court precedent in which a statement describing novelty or nonobviousness in the specification was interpreted as limiting the claim. For design

right infringement cases, there were no court precedents found in which a description of the design or a feature statement caused a disadvantageous judgment.

##### **2 Europe (EC, Germany and France)**

Under the Community Design System and systems in Germany and France, applications for design registrations are subject to formality examination, but are registered without being examined in terms of novelty and originality.

Although it is possible to submit or state a “description of the design” on a voluntary basis, under these systems, a “description of the design” is only allowed to describe the appearance of the design indicated in drawings, and is not allowed to contain statements concerning novelty, creativity, disclosure of prior designs or technical descriptions. In practice, a “description of the design” is rarely stated, and the content thereof is merely the direction of drawings of the design and an explanation of dashed lines, etc.

A “description of the design” is stated for recording purposes, and it is not used in interpreting the scope of protection of the relevant design right.

The method of publication in a bulletin differs among the systems. Under the Community Design system, the fact of submission alone is published. In Germany, a “description of the design” is published upon application by the applicant, while in France the content of a description of the design is published.

##### **3 South Korea**

There are both a design system in which a design is registered after going through substantive examination, and a non-substantive examination system for specific articles in which a design is registered without going through substantive examination. For a written description, a “description of the design” and the “gist of creation” are essential matters that must be

stated. The “gist of creation” is a statement similar to a feature statement in Japan, and is supposed to be stated (i) plainly, simply and clearly, (ii) through comparison with prior designs if possible, (iii) with a focus on the originally created content if the design was created based on a famous motif, and (iv) within 300 words.

The “gist of creation” is an essential matter that must be stated, but it is not used in interpreting the scope of protection of design rights. If the “gist of creation” is not stated, a notice of amendment is issued for the reason of violation of the formality requirements. However, a change made in this regard is not treated as a change of the gist.

Prior to a revision in 2001, the “gist of creation” was an essential matter that must be stated, and the method of stating it was predetermined. In addition, the “gist of creation” was supposed to be used in interpreting the scope of protection of design rights. However, since the content stated therein had already lost substance, after the revision, it has not been taken into account any more in interpreting the scope of protection of design rights, and it has become possible to state the “gist of creation” in any form.

## **V Consideration of an Ideal Form of the Feature Statement System**

### **1 An Ideal Form of the Feature Statement System Seen from the Legal Perspective**

Article 6 of the Ordinance for Enforcement of the Design Act is the only express provision that can provide a legal basis for the feature statement system. Since the Ordinance for Enforcement of the Design Act is a ministerial ordinance, it is classified, in terms of the source of the law, under “orders” rather than under “laws.” It can be said to correspond to “administrative standards” (administrative legislation) in administrative law study. Administrative standards are divided, in terms of academic

research, into regulatory orders and administrative rules. However, the provisions pertaining to a feature statement (system) are considered to largely have the nature of administrative rules. That is, the ordinance can be understood as a norm that has the nature of a discretionary standard within an administrative organ, by which the Ministry of Economy, Trade and Industry, a superior administrative organ, orders acceptance of a document called a feature statement, which is submitted voluntarily by an applicant to a JPO examiner or trial examiner, when the relevant application for a design registration is pending examination, trial or retrial.

Taking into account that the Ordinance for Enforcement of the Design Act is an administrative rule in terms of academic research, the provision that “what is stated in a feature statement shall not be taken into consideration in determining the scope of a registered design” in Article 6(3) of said ordinance is not supposed to be subject to judicial review, and it should be understood as binding only for the administrative organ that accepts feature statements – specifically, JPO examiners and trial examiners engaged in examination, trial or retrial. This means that Article 6(3) of the Ordinance for Enforcement of the Design Act is not at all binding for judges when the court interprets the scope of a registered design, and that judges can determine how to handle a feature statement at their discretion under the principle of free evaluation of evidence when interpreting the scope of a registered design.

In terms of understanding of the current provisions, a feature statement itself can or cannot be taken into account in interpreting the scope of right, and such “two-sidedness” is considered to turn into uncertainty. It can be reasonably expected that the predictability of use of the system by applicants will be increased if such current theoretical conditions are stipulated in some form by law for the purpose of confirmation. For example, possible actions include (i) stipulating more clearly in the text of the Design Act that the information stated in a

feature statement shall not be used when JPO examiners and trial examiners determine the scope of right and (ii) clearly stipulating in the text of the Design Act that the information stated in a feature statement can be taken into account in interpreting the scope of right.

The problem that the feature statement system suggests is considered to be associated with a huge task, namely the search for the future of the method of identifying the subject-matter of protection under the design system – more specifically, whether the system is designed to entrust to “objective” evaluation by examiners/trial examiners/judges based only on information on shape that is shown in drawings, or whether the system is designed to accept supplementary explanation by written information in addition to the information on shape that is shown by drawings, thereby enabling evaluation that takes “subjective” information provided by applicants into account.

It is extremely meaningful for the protection of design creations to provide supplementary explanation by written information, because identification of the subject-matter of protection based on visual information is considered to have limitations, and because it is essential for ensuring legal stability that the borderline of the subject-matter of protection is made clear to the extent that a strong exclusive right can be established. The author believes that it is also very meaningful to promote further study on the ideal method of identifying the subject-matter of protection under the Japanese Trademark Act in the future, taking the feature statement system as a starting point.

## **2 Position of Designs in Corporate Value and Role of the Design System – Future Significance of Feature Statements**

Regarding the position of the feature statement system in the design system, its direction must be comprehensively

considered with a view to what will be required in the future for the development of industry and the encouragement of creation, which are the purposes of the Design Act. Product designs have come to have incomparably more sophisticated and diverse meanings than before, including brand-building. Considering the position and function of the Design Act for the future, with regard to the subject-matter of protection for a design, it is necessary for the creator (right holder) to at least recognize what he/she has created and what he/she has obtained a right for with respect to the design for which he/she filed an application, and to assert these and communicate the relevant information to third parties, including examiners. A design probably cannot get beyond the realm of sensitivity and distinctiveness unless the creator (right holder) at least recognizes, with regard to the subject-matter of protection for the design, what he/she has created and what he/she has obtained a right with respect to the design for which he/she had filed an application, in relation to prior peripheral designs, and asserts these and communicates the relevant information to third parties, including examiners.

Under the current Design Act, it is legitimate if the name and form of an article is indicated, and the features of a design and information on prior peripheral designs, etc. for proving them are barely disclosed, with the intention of leaving room for broad interpretation of right. That is, it can be said that there is insufficient explanation and that accountability is not fulfilled. Even if third parties, including judges, perceive the functionality and independent distinctiveness of a form, this is just a happy accident.

The content of creation of a form is not limited to the content stated in a feature statement. However, with regard to expectations for extended interpretation in cases where no statements were made, it is necessary to recognize that the risk of reduced interpretation is rather larger, since the right holder has not fulfilled his/her

accountability.

There is concern that strengthening and enriching the feature statement system will cause costs for companies and the JPO to increase. However, it is desired that said system be designed in combination with the future of the design system, since the system is not essential for all product designs, and it is also possible to adopt a method in which the legal effect of the content of a feature statement asserted by an applicant and that of a feature statement that has gone through the examination process are separated.

### **3 Possibility of Development of the Feature Statement System as an Intellectual Property System that Contributes to User Innovation**

In order to maintain its competitiveness, it is important for Japan to continue to produce innovations and accumulate intellectual assets. For this purpose, it seems important to transform innovations by users, which have not been sufficiently used and accumulated in the past, into intellectual assets in an organized and systematic manner. It is possible to ensure that innovations continue to be produced and that intellectual assets are accumulated, by developing a platform that promotes many people who have not gotten involved in innovations (which are accumulated as intellectual assets) in the past mechanism to produce innovations, and by achieving a mechanism that enables new users to produce new innovations using information on those intellectual assets.

In the present circumstances, the content of feature statements is not searchable. However, such information is expected to be developed into a mechanism suited for accumulation as intellectual assets and for information use through linking with other design information by similar image searches or by hyperlinks.

Considering the feature statement system from the viewpoint of aiming at a mechanism in which general citizens who are users of products contribute to the

accumulation of intellectual assets, easily understandable information can be provided if design creators state the points on which they made the best use of their inventiveness in writing. Then, the accumulation of innovations will be possible if people who have made new creations add value to prior designs and clarify the added value as written information.

Applicants have a lot of flexibility in making feature statements. Feature statements also have flexibility, as they are not used in interpreting rights for designs. Therefore, they are easy to use as information. It is also possible to establish a mechanism for accumulating feature statements as intellectual assets.

### **4 Comparative Study with Systems of Other Countries and Consideration (Focusing on the Russian Design System)**

One system in which a feature statement is obligatory and has an important influence on the interpretation of protection of design rights is the design system of Russia. This seems informative when considering a system design that is aimed toward making the Japanese feature statement system obligatory and using feature statements in interpreting the protection of design rights.

The Russian feature statement system, in which features are expressed in writing, is close to the claim system in the United States. The determining factor for the scope of a design is “claims” in the United States, but a “list of essential features” in Russia.

In the United States, claims are expressed by drawings, and in infringement cases, judges express the claims in words based on those drawings. Therefore, careful attention is paid when preparing drawings, so that parts that are neither functional nor features of the design are not claimed.

In contrast with this, in Russia, novelty is determined based on statements in a list of essential features. Even if a publicly known example is cited, reasons for refusal can be avoided by stating parts that are not included

in the publicly known example in a list of essential features through an amendment, within the scope indicated in the original drawings. In infringement cases, the defendant's design does not constitute an infringement unless it has all of the features stated in the relevant list of essential features. Therefore, careful attention is paid when preparing a list of essential features.

The Russian feature statement system can be said to be the best system in terms of clarification of the scope of right, since the scope of right is determined in words at the time of registration. However, in Russia, applicants bear a heavier burden than in Japan and the United States.

## **V Summary**

Through consideration at this study committee, it was confirmed to a certain extent that feature statements can play a considerable role, as written information separate from drawings, in understanding the content of a design for which an application was filed or in creating new designs.

For the future, it is considered reasonable to promote the use of the feature statement system by introducing ways of using and exploiting feature statements to users. In addition, it is considered beneficial to examine a better design of the system based on the current feature statement system, with reference to the systems of other countries.

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