

Contributing firm
Kyowa Patent and Law Office



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Legal framework

The protection of designs is governed by the Design Act, which provides *sui generis* rights for designs registered through substantive examination by the Japan Patent Office (JPO). Unregistered designs may be protected under the Unfair Competition Prevention Act under certain conditions. Additionally, copyright protection under the Copyright Act is available for the protection of applied arts in limited circumstances.

Unregistered designs

The Unfair Competition Prevention Act states that two types of unfair competition action may be used to protect unregistered designs. Injunctions and damages are available as remedies against such actions.

Exact copy

Article 2(1)(iii) of the Unfair Competition Prevention Act provides that the act of assigning,

leasing, displaying, exporting or importing goods which imitate the configuration (excluding a configuration that is indispensable to ensure the function of such goods) of another person's goods is an act of unfair competition. 'Imitate' means to create goods with a configuration that is practically identical to that of another person's goods, based on the configuration of the goods of that person. Since Article 2(1)(iii) does not require other conditions to be satisfied, it is convenient for the protection of designs under some circumstances. However, Article 2(1)(iii) does not apply to:

- such acts once three years have elapsed from the date on which the genuine goods were first sold in Japan; or
- goods which are similar to the genuine goods, rather than not substantially identical.

Therefore, design applications before the JPO are highly recommended for longer-term and broader design protection.

Famous designs

Article 2(1)(i) of the Unfair Competition Prevention Act provides that an act that creates

confusion with another person's goods by using an indication of goods or business that is identical or similar to that person's indication of goods or business, which is well known among consumers or other purchasers, constitutes an act of unfair competition. If a configuration of goods is famous as an indication of goods, the owner of such famous design may enjoy remedies under the act. However, it is generally difficult to use Article 2(1)(i) for design protection because the source identifiers of famous goods are often trademarks or the manufacturer's trade name, and thus the design itself does not serve as a source identifier.

Copyright protection

An alternative approach to unregistered design protection is copyright protection. However, the courts are unwilling to grant copyright protection to applied art or industrial designs, taking the position that the scope of the Design Act (for industrial designs) should be distinguished from the scope of the Copyright Act (for fine art). The courts usually set a high threshold for copyright protection for applied art or industrial designs, such that the artistic value of such designs amounts to that of fine art. For instance, in 1991 the Supreme Court denied copyright protection to the 'NY Chair', designed by Takeshi Nii, because the chair was not recognised as an artistic work for an appreciation. However, some judgments grant copyright protection to applied art or industrial designs, such as engraving parts of a Buddhist altar and a traditional Japanese clay doll.

Registered designs

Ownership

The creator of a design or its successor in title can file a design application for registration. A design rights holder has the exclusive right to use a design which is identical or similar to the Japanese registered design.

Designs to be protected

Article 2(1) of the Design Act provides that a 'design' is the shape, pattern or colour, or any combination thereof, of the whole or part of an article, which creates an aesthetic impression that is received visually. 'Part of an article' includes screen images which are used to operate the article for performing its function

(eg, a touch-key on a screen). However, the design must be integrally incorporated in the article. Therefore, intangible graphic designs (eg, graphic symbols and icons), get-ups or typographic typeface designs are excluded from the scope of subjects to be protected as a design.

The Design Act allows a registered design to subsist in appearance features of the component parts of a complex product or repair parts, unless such design consists solely of a shape that is indispensable for securing functions of the component parts or repair parts. The protection of component or repair parts under such a registered design may cover the use of the registered design even for the purpose of restoring its original appearance or repairing the product.

Application and registration fees

With regard to design applications and registrations, as of October 2013 the JPO set the schedule of official fees as follows:

- design application – ¥16,000; and
- annual registration fee – ¥8,500 (for years one to three) and ¥16,900 (for years four to 20).

Procedures

Representation requirements

An applicant must file with the JPO a request for registration and drawings which represent the design. A request for registration must contain the name of the product in which the design is intended to be incorporated or to which it is intended to be applied. It must also include the description of the product, which not only is used to determine the scope of searching for prior arts in the examination, but also affects the scope of protection of the registered design. The design must be described in drawings, including photographs and computer graphics, by a set of six direction views (ie, front, rear, left side, right side, top and bottom), which are depicted using the orthographic method.

Number of designs allowed in application

An applicant must file an application for each design separately, except for a 'set design' (eg, a tea set). The inclusion of several designs in one application is grounds for refusal.

Substantive examination

The JPO examines whether a design application complies with the substantive requirements

provided in the Design Act (eg, novelty and creativity). An applied design lacks novelty if a design that is identical or similar to the applied design was publicly known or described in a distributed publication in Japan or a foreign country before filing of the application. In addition, an applied design lacks creativity when, before filing of the application, a person ordinarily skilled in the art of the design would have been able to create the design easily based on a shape, pattern or colour, or any combination thereof, that was publicly known in Japan or a foreign country. If a reason for refusal is found, the JPO examiner grants the applicant an opportunity to submit a written argument and/or amendment that would overcome the reason(s) for refusal. If no reason for refusal is found, the JPO will register the design following payment of the registration fee. Examination of a design application typically takes six to 10 months. The average design registration rate during the past five years is more than 80%.

Appeal procedures

If the JPO examiner refuses a design application, the applicant may appeal to a JPO trial board consisting of three examiners. If the trial board still refuses the application, the applicant may appeal to the IP High Court. The applicant may further appeal to the Supreme Court, but the Supreme Court may decide not to accept the appeal at its discretion.

Publication of registered design

After registration of an applied design, the JPO publishes the registered design in the *Design Gazette*. To adjust the timing of publication, an applicant may request that the design be kept secret for a period of not more than three years from the date of registration. Such a request may be filed at the time of either filing the application or paying the registration fee.

Removal from register

The Design Act does not provide for opposition, cancellation or revocation procedures.

Surrender

The surrender of a registered design shall be declared by the rights holder under an agreement with the licensee. It does not take effect until it has been entered in the JPO register.

Invalidation

Anyone can file a request for invalidation of a registered design with the JPO. A trial for invalidation is an *inter partes* proceeding. A JPO trial board handles the invalidation proceeding, which is similar to a court proceeding.

Enforcement

Civil enforcement

A rights holder may take legal action against alleged infringers in order to seek civil remedies such as a permanent injunction, destruction of the infringing goods and compensatory damages. A defendant may file a design invalidity defence before the court and/or file a request for invalidation of the registered design before the JPO. Typically, it may take 12 to 15 months for the court to render a first-instance decision in design cases. A rights holder may also file a preliminary injunction seeking suspension of the alleged infringing goods. The court procedures in preliminary injunction cases are similar to those in ordinary civil suits, while procedures in preliminary injunction cases are quicker than in ordinary civil suits.

Before instituting court action, the rights holder may send a cease-and-desist letter to the alleged infringer requesting cessation of the infringement. Although it is usually difficult to obtain damages from infringers through out-of-court negotiation, especially in small cases, sending a cease-and-desist letter is relatively effective for stopping infringement in Japan.

Criminal prosecution

In Japan, the infringement of IP rights, including design rights, constitutes a criminal offence. The infringer of a registered design right may be punished by imprisonment for up to 10 years, a fine of up to ¥10 million or a combination thereof.

Although the police may initiate a criminal investigation involving infringing goods on their own initiative, an investigation typically starts when the rights holder brings a case to the police. Consulting with a police agency and urging it to initiate an investigation may be a powerful option, particularly in cases involving socially harmful forces or anonymous infringers whose identity cannot be ascertained through private investigation.

However, the criminal intent of the alleged infringer must be established in order to

prosecute the infringement. In addition, it is at the discretion of the police whether to initiate an investigation. Since the police must also investigate more serious cases, criminal investigations into IP infringements may not be conducted in a timely manner. Therefore, civil enforcement should be the first option to combat infringing products directly.

Border measures

Rights holders can seek import or export injunctions through Customs. Moreover, such injunctions can now also be used to target issues of unfair competition relating to famous indications of goods and the configuration of goods.

When requesting an injunction based on an IP right, an applicant must make a *prima facie* showing of infringement. In practice, an applicant usually meets customs officers before filing an injunction application to explain that the goods for which the injunction is sought infringe its IP right, and that there is a concrete possibility of such infringing goods being imported. The applicant can request an injunction term of up to two years.

Customs may suspend the import or export of goods that infringe IP rights *ex officio*. If Customs believes that certain goods infringe IP rights, their release is suspended and the rights holder and importer are notified in order to undertake identification procedures. If the suspended goods are found to be infringing, Customs can destroy or confiscate them on its own initiative.

Ownership changes and rights transfers

Assignment of design rights

A design right may be assigned to anyone by agreement between the assignor and the assignee, even without a written agreement, under Japanese contract law. However, except for a transfer arising from general succession (including inheritance), the transfer of a registered design right must be registered with the JPO in order to take effect, and the JPO requires the assignee to provide a deed of assignment for registration of such an assignment. Therefore, at minimum, a brief deed of assignment must be executed for the assignment of a registered design right.

Licensing of design rights

The rights holder may grant a licence to anyone

by written or oral agreement. However, it is recommended that a licence agreement be executed in writing in order to avoid future disputes regarding such licence.

There is no registration system for design licence agreements in Japan, except for *Senyo Jisshi-ken*, which is an exclusive licence under which even the rights holder cannot use the registered design. The registration system for design licences other than *Senyo Jisshi-ken* was abolished in 2012 because the Design Act (as well as the Patent Act and the Utility Model Act) introduced a new provision that a licence for a registered design right shall have effect on anyone that subsequently acquires the registered right, even without registration of the licence; therefore, the registration system was no longer considered necessary. On the other hand, *Senyo Jisshi-ken* must be registered with the JPO in order to take effect. However, this is rare as *Senyo Jisshi-ken* is a very strong right for a licensee and the lapse of such right must be registered in the registry to take effect – this can be difficult if disputes arise between the licensor and the licensee.

Related rights

3D trademarks

A product's design is not usually considered to be eligible for trademark registration because such a design is not generally considered to be a source identifier of goods. However, if such design acquires secondary meaning through use of the product in which the design is incorporated and is distinctive, the appearance of the product may be registered as a three-dimensional (3D) trademark. Although the threshold for registration of the 3D trademark registration is high, the IP High Court has held (June 29 2011) that the shape of the 'Y-Chair' designed by Hans J Wegner was registrable as a 3D trademark.

Converting from patent application

One of the notable features of the Japanese IP protection system is that the applicant can convert a patent application to a design application within the extent of the design represented in the drawings of the original patent application. Consequently, an applicant can seek more favourable protection after filing the patent application while enjoying the benefit of the filing date of the original application. [WTR](#)

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Masashi Kurose graduated from the Department of Production and Mechanical Engineering at the Kyoto Institute of Technology in 1970. After working for a machine manufacturer, he joined Kyowa Patent and Law Office and registered as a patent attorney in 1977. He obtained an MBA from Hitotsubashi University in 2002. He is an international counsellor of the Asian Patent Attorneys Association, a board member of the Licensing Executives Society Japan, a planning committee member for the International Intellectual Property Protection Forum and a visiting professor of the IP master's programme at the Specialist Graduate School, Tokyo University of Science. Mr Kurose possesses vast experience of IP dispute settlements in Asia.



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Manabu Miyajima graduated from the Department of Engineering at the University of Tokyo in 1997. He was admitted to the bar and registered as a patent attorney in Japan in 2001. He received his LLM in trade regulation from New York University School of Law (Fulbright scholar) in 2008 and was admitted to the bar in California in 2009. Since he joined Kyowa Patent and Law Office in 2001, he has handled numerous IP infringement lawsuits, administrative lawsuits against trial decisions of the Japan Patent Office, negotiations to settle IP disputes, arbitration, licensing, and infringement and validity searches. Mr Miyajima has considerable experience in dispute resolution in patent, design, trademark, copyright and unfair competition cases.



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