Utility Models in Japan

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Director of Regional Policy Office,
The Japan Patent Office
1. Objectives of the Utility Model System: UM Law Revised to Grant UM Rights Faster

2. Evaluations of UM System by Users after the 1993 Revision

3. Introduction of Reports on Technical Opinion; and Procedures of Enforcement

4. Comparison of the Utility Model System among Japan-China-Korea
1. **Objectives of the Utility Model System; UM Law Revised to Grant UM Rights Faster**
Milestones of the Utility Model System

- 1905: Utility Model Law Established
- 1921: 1921 Revision
- 1959: 1959 Revision
- 1993: 1993 Revision
  (Changed to system in which substantive requirements are not examined)
- 2004: 2004 Revision
Number of Patent and Utility Model Applications

Number of Applications
(In units of 10,000)

- Patent Applications
- Cross Point
- Period of high Economic growth
- 1993 Revision

Utility Model Applications
Objectives of the Utility Model Law

Issues before Utility Model Law was established
- Many patent applications filed by foreign enterprises were patented
- Many patent applications filed by domestic enterprises filed were rejected

(Due to technological gap between Japan and developed countries at that time)

Utility Model Law established in 1905
- Protecting minor inventions
- Encouraging development of domestic industries
Subject of the Utility Model Law

Utility Model Law

Article 1
The purpose of this Act is to encourage the development of devices by promoting the protection and utilization of such devices as they relate to the shape or structure of an article or combination of articles, and thereby contribute to the development of industry.

- Methods cannot be protected under the Utility Model Law. (Methods can be protected under the Patent Law)
Issues before the 1993 revision

UM applications were examined in the same way as patent applications.
- Long pendency of examination process

- Applicants want to use devices right after filing
- Some devices have short product lives

Overview of the 1993 revision

- Substantive requirements such as novelty and inventive step are not examined
- Only basic requirements and formality were examined/checked.
  - This resulted in faster protection of these devices
Procedures for Obtaining Utility Model Rights

Application

Examination of Basic Requirement

Formality Check

Amendment Order

Registration

Publication of Utility Model Gazette

Checking for
1) Violations of protection
2) Violations of public order and morality
3) Violations of unity
4) Unclear/ambiguous descriptions, claims, drawings

Fast protection

2 to 3 months

Amendment

No Amendment

Dis dismissal

The Substantive Requirements (Novelty and Inventive Step etc.) are not required to obtain a Utility Model Right.
2. Evaluations of UM System by Users after the 1993 Revision
Corporations capitalized at 100 million yen or more

Are there any merits to using the UM System?

Yes (56%)  
No (44%)  

N=414

Specific Merits

Registration is possible even if there are grounds for invalidation (6%)
Possible to obtain rights even for minor inventions (17%)
Length of time it takes to obtain registration is short (43%)
Costs are low (13%)
Registration procedures are easy (21%)

N=453  
(Multiple responses possible)

Evaluations conducted between July 25, 2003 and Aug 20, 2003
Corporations capitalized at less than 100 million yen

Are there any merits to using the UM System?

Yes (85%)  No (15%)

N=206

Specific Merits

Registration is possible even if there are grounds for invalidation (7%)

Possible to obtain rights even for minor inventions (22%)

Registration procedures are easy (25%)

Costs are low (17%)

Length of time it takes to obtain registration is short (30%)

N=428

(Multiple responses possible)

Evaluations conducted between July 25, 2003 and Aug 20, 2003
**Individuals**

**Are there any merits to using the UM System?**

- **Yes (85%)**
- **No (15%)**

Evaluations conducted between July 25, 2003 and Aug 20, 2003

**N=73**

**Specific Merits**

- Registration is possible even if there are grounds for invalidation (8%)
- Length of time it takes to obtain registration is short (26%)
- Costs are low (19%)
- Registration procedures are easy (18%)
- Possible to obtain rights even for minor inventions (29%)
## Comparison of the Specific Merits

<table>
<thead>
<tr>
<th>Category</th>
<th>Length of time it takes to obtain registration is short</th>
<th>Possible to obtain rights even for minor inventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporations capitalized at 100 million yen or more</td>
<td>43%</td>
<td>17%</td>
</tr>
<tr>
<td>Corporations capitalized at less than 100 million yen</td>
<td>30%</td>
<td>22%</td>
</tr>
<tr>
<td>Individuals</td>
<td>26%</td>
<td>29%</td>
</tr>
</tbody>
</table>
3. Introduction of Reports on Technical Opinion; and Procedures of Enforcement
Objectives of Reports on Technical Opinion

No substantive examination

- The Utility Model system has no substantive examination.
- A party has to determine whether a registered utility model right would satisfy the substantive requirements.

Difficulty in determining the validity of UM rights

- Determining the validity of UM rights requires capable, technical experts in the field.

Introducing reports on utility model technical opinions

- The JPO provides objective opinions to determine the patentability, i.e., novelty, inventive step, etc. of claimed devices. (Reports do not include judgment of description requirements of description and claims.)
Enforcement of Utility Model Rights

1. Registration
2. Finding infringements
4. Warning given based on Report on Technical Opinion (Article 29-2)
5. Enforcement of Utility Model Rights
Responsibility of UM Rights Owners

- Owners of UM Rights are liable to compensate for damage when the subject rights are deemed to be invalid (Article 29-3).

Exception

- However, in the case rights were exercises or warnings were given based on positive opinions in the report on technical opinion, owners can be exempted from any liability to compensate for damage (Article 29-3).

According to Utility Model System in Japan, a devise can be registered without substantive examination.

Therefore, Article 12 (Requesting the report), 29-2 (Warning with the report), and 29-3 (Responsibility of owners) are important regulations in Japan.
4. Comparison of the Utility Model System among Japan-China-Korea
### Merits & Demerits of Each Country’s System

<table>
<thead>
<tr>
<th>Administrative perspective:</th>
<th>Japan</th>
<th>China</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In terms of procedural costs</td>
<td>Average (Non-substantive examination; however, applicants must request reports on technical opinion before they can exercise their rights.)</td>
<td>Low (Non-substantive examination)</td>
<td>High (Substantive examination)</td>
</tr>
</tbody>
</table>

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<tr>
<th>Right holders perspective:</th>
<th>Japan</th>
<th>China</th>
<th>Korea</th>
</tr>
</thead>
<tbody>
<tr>
<td>• In terms of the possibility of exercising rights that have a high possibility of being invalidated in the first place</td>
<td>Average (Applicants must give warnings in which reports on technical opinion are to be submitted, prior to exercising their rights.)</td>
<td>High (Non-substantive examination)</td>
<td>Low (Substantive examination)</td>
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<tr>
<th>Third-parties’ perspectives:</th>
<th>Japan</th>
<th>China</th>
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Overview of Comparison among Japan-China-Korea

Procedural Costs

High

Predictability is high

Validity of right before litigation

Predictability is low

Low

General substantive examination

Non-substantive examination based on a special system*

General non-substantive examination**

* Japan requires applicants to give warnings in which they submit reports on technical opinion, prior to exercising their rights.
** China does not require reports on technical opinion to be submitted before rights are exercised.
## Comparison of the Utility Model Law

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<tr>
<th></th>
<th>Japan</th>
<th>China</th>
<th>Korea</th>
</tr>
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<tbody>
<tr>
<td><strong>Subject matter</strong></td>
<td>shape or structure or combination of an article (s)</td>
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<td>shape or structure or combination of an article (s)</td>
</tr>
<tr>
<td><strong>Terms of protection (from the filing date)</strong></td>
<td>10 years</td>
<td>10 years</td>
<td>10 years</td>
</tr>
<tr>
<td><strong>Substantial examination before registration</strong></td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Obligation to present report on technical opinion before exercising rights</strong></td>
<td>Yes</td>
<td>No</td>
<td>No (Already evaluated through substantial examination)</td>
</tr>
<tr>
<td><strong>Eligible claimants for reports on technical opinion</strong></td>
<td>Any person can request</td>
<td>Owner or Interested party</td>
<td></td>
</tr>
<tr>
<td><strong>Number of requests that can be made to receive reports on technical opinion</strong></td>
<td>No limitation (any number possible)</td>
<td>Only once</td>
<td></td>
</tr>
<tr>
<td><strong>Owner of the UM right has liability to compensate for damage when the exercised UM right is deemed invalid.</strong></td>
<td>Yes (compensation for damage)</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
Under the Utility Model system in Japan, substantive examination of requirements is not conducted in registering the UM rights, in order to provide protection of rights as soon as possible.

**Merit:** enables rights for minor inventions to be exercised quickly.

On the other hand, before rights can be exercised, a warning containing the report on technical opinion must be given.

**For rights-holders and third parties, this provides a system that increases the level of predictability in regard to the validity of the rights.**

Whenever deciding to set up a new UM system, all concerned individuals and entities need to give sufficient consideration to both the merits and demerits that could arise in line with introducing such a system.
Thank you