

## History of Opposition to Grant of Patent

Prior to 1996, the Japan Patent Law provided a pre-grant opposition system which allowed the public to complement the examination by substantive examiners. However, concerns over delays in granting patents became stronger,<sup>1</sup> and in 1996, the pre-grant opposition system was replaced by a post-grant opposition system. Consequently, two mechanisms to challenge the validity of granted patents coexisted in Japan, i.e., a post-grant opposition system and trial for invalidation system. The post-grant opposition could be filed by anyone within six months from publication of the gazette containing the patent. However, the opponent could not fully participate in the review process, which was conducted between the patent Office and the patentee. The system was designed so that the patent Office reviews its prior decision based on the evidence provided by the opponent and the counter-argument, if any, submitted by the patentee.<sup>2</sup> Therefore, the previous post-grant opposition system in Japan was conducted mostly *ex parte*.<sup>3</sup> On the other hand, a request for a trial for invalidation, which was an *inter partes* procedure, could be filed by an interested party any time after the registration. Such a dual system was later found problematic, since the same patent could be subject to both post-grant opposition and trial for invalidation in two separate cases. The situation became even more complicated after the Supreme Court's decision in April 2000, in which the Court held that judicial courts were capable of reviewing the validity of patents regardless of the status and outcome of the trial for invalidation at the Japan Patent Office.<sup>4</sup>

In order to streamline the post-grant review procedures, the post-grant opposition system was abolished in 2004, and the mechanism to challenge a granted patent was streamlined into a single procedure, namely the trial for invalidation. The revised trial for invalidation allows, in principle, anyone to file an appeal. In order to maintain a simpler and cheaper option to assist invalidating patents that have been inadvertently granted, the Office has created a mechanism that allows third parties to submit, free of charge, any information which may be relevant to various patentability requirements even after the grant of a patent.<sup>5</sup>

However, although the number of requests for trial for invalidation was temporarily increased after the mechanism to challenge a granted patent was streamlined into a single procedure, the number of requests was back to the level before the legal revision within few years. This is because there is essentially a significant burden of procedures on the parties concerned and also because there is a disadvantage of costs for users in local regions. Furthermore, with a rapid increase in the number of patent applications filed globally by Japanese companies, it has been frequently pointed out that it is

important to support applicants so as to enable them to acquire stable and strong patent rights at an early stage in other Offices for the purpose of utilizing patent rights globally by using technologies that are created in Japan as a core. Under these circumstances, a new patent opposition system was established in Japan in 2015, by devising opportunities for parties concerned to independently state opinions with a simple procedure. It was revised to limit only an interested party to file a request for a trial for patent invalidation while allowing any person to file an opposition to a patent.

<sup>1</sup> In connection with the Structural Impediments Initiative (SII) negotiated between the United States of America and Japan in late 1980s, the former argued that a great number of pre-grant oppositions filed by Japanese firms on the patent applications filed by US firms purposely delayed the grant of patents on US inventions, and thus unfairly benefitted the Japanese industry. Japan responded that its opposition system had not delayed the patent granting process, since among a small number of opposition cases, it was only in very exceptional cases where a great number of opposition requests had been filed on one application.

<sup>2</sup> Goto A, Motohashi K. Construction of a Japanese Patent Database and a First Look at Japanese Patenting Activities. *Research Policy* 2007; 36:1431-42. The authors concludes that the change to the post-grant opposition system from the pre-grant opposition system resulted in the Japan Patent Office accelerating the granting of patents, and all pending patents under the old pre-grant opposition period prior to 1996 were processed in that year.

<sup>3</sup> Haitao Sun, Post-Grant Patent Invalidation in China and in the United States, Europe, Japan: A Comparative Study, 15 *Fordham Intellectual Property, Media & Entertainment Law Journal*, 2004.

<sup>4</sup> *Fujitsu v. Texas Instruments*, 1998(O)No. 364, Supreme Court, April 11, 2000.

<sup>5</sup> While, at present, the academic research providing conclusive evidence on the role of the oppositions systems in enhancing innovation in Japan is scarce, one paper focusing on the topic of patents and incentive to innovate in Japan and the United States of America suggests that the Japanese first-to-file system as compared to the (soon-to-be-replaced) first-to-invent in the United States of America places more information in the public domain sooner, induces the filing of a patent application sooner in the innovation process; and that the opportunity for pre-grant opposition strengthens the incentives to monitor competitors' patent filings early on. (See Wesley Cohen et al., *R&D and Spillover, Patents and the Incentives to Innovate in Japan and the United States*, *Research Policy*, 31 (2002)).