



Seiwa Patent & Law (IP Information Section)

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Review of Current Status of Post-Grant Opposition System in Comparison with Invalidation Trial System

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Summary

One year has passed since the post-grant opposition system was reinstated on April 1, 2015, after a 12-year hiatus since 2003. The re-introduction of the post-grant opposition system has provided an alternative means to nullify a third party's patent, in addition to the conventional patent invalidation trial system. This article summarizes the differences between these two systems and reviews the current situations thereof, as a guidance in determining which procedure to be chosen for specific cases.

I. Comparison of the systems

The post-grant opposition is compared with the invalidation trial system below.

Post-Grant Opposition System	Invalidation Trial System
1. Aim: The post-grant opposition (or also referred to simply as “opposition”) system is intended to collect adverse information on a granted patent widely from the public so that the Japan Patent Office (JPO) can review and revoke the patent, if necessary, thereby improving public confidence in the Japanese patent system.	1. Aim: The patent invalidation trial (or also referred to simply as “invalidation trial”) system is intended to resolve disputes between opposing parties over the validity of a patent. An invalidation trial is commonly used in connection with a patent infringement litigation, as a countermeasure for an alleged infringer against the patentee.
2. Procedure: The substantive proceeding of an opposition after a formality check is carried out on an <i>ex parte</i> basis, by a collegial body of 3 or 5 JPO trial examiners. An opponent cannot directly dispute with the patentee in the proceeding.	2. Procedure: The substantive proceeding of an invalidation trial after a formality check is carried out on an <i>inter parte</i> basis, under the direction of a collegial body of 3 or 5 JPO trial examiners. A demandant can directly dispute with the patentee in the proceeding.



<p>3. Eligibility for Opponent: Any party can file an opposition. No interests in the patent are necessary. Accordingly, an opposition can be filed in the name of a straw man, but NOT on an anonymous basis. A party who does not have a domicile or residence in Japan (non-JP resident) can file an opposition only via a Japanese representative.</p>	<p>3. Eligibility for Demandant: Only a party interested in the patent can demand an invalidation trial. The demandant must prove its interests as necessary. An invalidation trial cannot be demanded either on an anonymous basis or through a straw man. A non-JP resident can demand an invalidation trial only via a Japanese representative.</p>
<p>4. Time Limit for Filing Opposition An opposition may be filed against a granted patent only within six months after the issuance of its patent-grant gazette. This six-month term cannot be extended for any reason, even if the opponent is a non-JP resident. An opponent must submit all grounds for an opposition together with relevant evidence by no later than the six-month time limit. An opposition cannot be filed after the patent right expires.</p>	<p>4. Time Limit for Demanding Invalidation Trial An invalidation trial can be demanded at any time after the patent right is established, even even after the patent right expires.</p>
<p>5. Unit of Opposition An opposition may be filed against each claim of a multi-claim patent.</p>	<p>5. Unit of Invalidation An invalidation trial may be demanded against each claim of a multi-claim patent.</p>
<p>6. Withdrawal of Opposition An opponent can withdraw the opposition up until the issuance of a Notice of Reasons for Revocation.</p>	<p>6. Withdrawal of Demand A demandant can withdraw the demand for the invalidation trial up until the decision becomes final and conclusive. In order to withdraw the demand after the patentee submits a reply brief, the demandant must obtain the patentee's content.</p>
<p>7. Grounds for Opposition The grounds for filing an opposition are limited to those relating to public interests, most of which are substantive patentability requirements. An opposition cannot be filed on grounds relating to private interests, such as a misappropriated application or violation of a joint-filing requirement.</p>	<p>7. Grounds for Invalidation The grounds for demanding an invalidation trial are basically the same as the grounds for rejection of a patent application in the examination stage.</p>



<p>*Grounds for Opposition:</p> <ul style="list-style-type: none"> - Addition of new matter by amendment - Enjoyment of rights by foreign nationals - Subject matter eligibility - Industrial applicability - Novelty - Inventive step - First disclosure - Public order and morality - Double-patenting - Requirements of treaties relating to patents which prevail over Japanese Patent Law - Requirements relating to description of specification and claims 	<p>*Grounds for Invalidation:</p> <ul style="list-style-type: none"> - Addition of new matter by amendment - Enjoyment of rights by foreign nationals - Subject matter eligibility - Industrial applicability - Novelty - Inventive step - First disclosure - Public order and morality - Requirements of joint application - Double-patenting - Requirements of treaties relating to patents which prevail over Japanese Patent Law - Requirements relating to description of specification and claims - Misappropriated application - Grounds for invalidation arising after patent grant - Non-legitimate correction (post-grant amendment)
<p>8. Examination Procedure</p> <p>The examination of an opposition is carried out only based on the documentary proceeding. No oral hearing is held. The collegial body of trial examiners may request an interview with either the patentee or the opponent. The patentee can request an interview with the collegial body, while the opponent cannot.</p>	<p>8. Examination Procedure</p> <p>The examination of an invalidation trial is normally carried out based on the oral proceeding, and typically includes at least one oral hearing. However, the collegial body of trial examiners may, in response to a petition by either party or <i>ex officio</i>, decide to carry out the examination on the documentary basis.</p>
<p>9. Ex Officio Examination</p> <p>The examination of an opposition is carried out on an <i>ex officio</i> basis. The collegial body of trial examiners may examine the patent on grounds for revocation which are not pleaded by the opponent, but cannot examine claims against which the opposition was not demanded.</p>	<p>9. Ex Officio Examination</p> <p>The examination of an invalidation trial is carried out on an <i>ex officio</i> basis. The collegial body of trial examiners may examine the patent on grounds for invalidation which are not pleaded by the demandant, but cannot examine claims against which the invalidation trial was demanded.</p>



<p>10. Co-pending Oppositions If two or more oppositions are filed against one patent, the oppositions are generally amalgamated.</p>	<p>10. Co-pending Trials If two or more invalidation trials are demanded against one patent, the trials are generally proceeded separately without being amalgamated.</p>
<p>11. Parties' Involvement in Proceeding Patentee: If the collegial body of trial examiners determines that the patent should be revoked, it sends a Notice of Reasons for Revocation to the patentee. In response, the patentee can file an argument and/or a request for correction (post-grant amendment) within 90 days (where the patentee is a non-JP resident) or 60 days (where the patentee is a JP resident) from the mailing date of the notice.</p> <p>Opponent: When the patentee makes a correction, the opponent can submit a supplemental argument within 50 days (where the opponent is a non-JP resident) or 30 days (where the opponent is a JP resident) from the mailing date of the correction. On the other hand, when the patentee makes no correction, e.g., when the patentee only files an argument, the opponent cannot submit a supplemental argument.</p>	<p>11. Parties' Involvement in Proceeding Both the patentee and the demandant can fully involve in the proceeding. The JPO sends a copy of the written demand for invalidation trial to the patentee. In response, the patentee can file a reply brief and/or a request for correction (post-grant amendment) within 90 days (where the patentee is a non-JP resident) or 60 days (where the patentee is a JP resident) from the delivery date of the copy of the written demand. In response, the demandant can file a refutation within 50 days (where the demandant is a non-JP resident) or 30 days (where the demandant is a JP resident) from the mailing date of the reply brief. Typically, at least one oral hearing is held, although depending on the case. Both the demandant and the patentee can attend the oral hearing.</p>
<p>12. Intervention: Any third party having interests in the decision of the opposition can intervene in the opposition proceeding, but only in order to assist the patentee.</p>	<p>12. Intervention:</p> <ul style="list-style-type: none"> - Any third party having interests in the decision of the opposition can intervene in the trial proceeding, in order to assist either the patentee or the demandant. - Any third party who is eligible as a demandant can also intervene in the trial proceeding, as a co-demandant.



<p>13. Opportunity for Correction</p> <p>The patentee can request a correction at least either:</p> <p>(a) during a designated period for responding to a Notice of Reasons for Revocation; or</p> <p>(b) during a designated period for responding to an Advance Notice on the Decision.</p>	<p>13. Opportunity for Correction</p> <p>The patentee can request a correction at least either:</p> <p>(a) during a designated period for filing a reply brief; or</p> <p>(b) during a designated period for responding to an Advance Notice on the Decision.</p>
<p>A correction can be allowed only for the purpose of:</p> <p>(i) restriction of the scope of a claim(s);</p> <p>(ii) correction of a misdescription or mistranslation;</p> <p>(iii) clarification of an ambiguous statement(s); and/or</p> <p>(iv) amendment of a dependent claim to independent form.</p>	<p>A correction can be allowed only for the purpose of:</p> <p>(i) restriction of the scope of a claim(s);</p> <p>(ii) correction of a misdescription or mistranslation;</p> <p>(iii) clarification of an ambiguous statement(s); and/or</p> <p>(iv) amendment of a dependent claim to independent form.</p>
<p>14. Advance Notice on the Decision</p> <p>If the reasons for revocation are overcome by the patentee's argument and/or correction, the collegial body of trial examiners issues a decision to maintain the patent. If not, the collegial body issues an Advance Notice on the Decision to revoke the patent. In response thereto, the patentee may file an argument and make another request for correction within 90 days (where the patentee is a non-JP resident) or 60 days (where the patentee is a JP resident), from the mailing date of the notice. However, if the patentee does not respond to the Notice of Reasons for Revocation, or if the patentee requests not to receive an Advance Notice on the Decision, the collegial body of trial examiners does not issue an Advance Notice on the Decision before rendering a decision.</p>	<p>14. Advance Notice on the Decision</p> <p>If the reasons for invalidation are overcome by the patentee's argument and/or correction, the collegial body of trial examiners issues a decision to maintain the patent. If not, the collegial body issues an Advance Notice on the Decision to invalidate the patent. In response thereto, the patentee may file an argument and make another request for correction within 90 days (where the patentee is a non-JP resident) or 60 days (where the patentee is a JP resident), from the mailing date of the notice.</p>



<p>15. Decision</p> <p>In consequence of substantive examination, the collegial body of trial examiners renders a decision to revoke the patent or to maintain the patent for each claim in writing, including a decision to allow or reject a request(s) for correction, if any. When a decision to revoke the patent becomes final and conclusive, the patent right is deemed never to have existed.</p>	<p>15. Decision</p> <p>In consequence of substantive examination, the collegial body of trial examiners renders a decision to invalidate the patent or to maintain the patent for each claim in writing, including a decision to allow or reject a request(s) for correction, if any. When a trial decision to invalidate the patent becomes final and conclusive, the patent right is deemed never to have existed, or in the case where the reason for invalidation arose after the patent grant, the patent right is deemed never to have existed from the time the reason arose.</p>
<p>16. Appeal</p> <p>In response to a decision to revoke the patent, the patentee may file a suit for rescinding the decision against the JPO Commissioner at the Intellectual Property (IP) High Court, within 120 days (where the patentee is a non-JP resident) or 30 days (where the patentee is a JP resident) from the mailing date of the decision. On the other hand, in response to a decision to maintain the patent, the opponent cannot file an appeal against the decision.</p>	<p>16. Appeal</p> <p>In response to a trial decision (either to invalidate the patent or to maintain the patent), the losing party may file a suit for rescinding the decision against the prevailing party at the IP High Court, within 120 days (where the losing party is a non-JP resident) or 30 days (where the losing party is a JP resident) from the mailing date of the decision.</p>
<p>17. Doctrine of Estoppel</p> <p>The doctrine of estoppel (prohibition of double jeopardy) does not apply to a conclusive decision of an opposition. Therefore, a losing opponent (or any other interested party) may further challenge the same patent by initiating another opposition or an invalidation trial at the JPO, based on the same facts and evidence as presented in the original opposition.</p>	<p>17. Doctrine of Estoppel</p> <p>The doctrine of estoppel (prohibition of double jeopardy) applies to a conclusive decision of an invalidation trial. Accordingly, a losing demandant cannot further dispute the patent by initiating another invalidation trial at the JPO, based on the same facts and evidence as presented in the original invalidation trial. However, any other interested party can file an invalidation trial at the JPO, based on the same facts and evidence as presented in the original invalidation trial.</p>



18. Official Fees *Filing Opposition: The official fee is determined on the basis of the number of claims for which the opposition is demanded, as follows: $\text{JPY } 16,500 + (\text{JPY } 2,400 \times \text{the number of claims for which the opposition is demanded})$	18. Official Fees *Filing Invalidation Trial: The official fee is determined on the basis of the number of claims for which the invalidation trial is demanded, as follows: $\text{JPY } 49,500 + (\text{JPY } 5,500 \times \text{the number of claims for which the invalidation trial is demanded})$
*Request for Correction: Correction may be requested for each claim. The official fee is calculated based on the number of corrected claims, as follows. $\text{JPY } 49,500 + (\text{JPY } 5,500 \times \text{the number of corrected claims})$	*Request for Correction: Correction may be requested for each claim. The official fee is calculated based on the number of corrected claims, as follows. $\text{JPY } 49,500 + (\text{JPY } 5,500 \times \text{the number of corrected claims})$
19. Co-pending Opposition and Invalidation Trial If both an opposition and an invalidation trial are pending for the same patent, the opposition procedure is typically suspended until a decision of the invalidation trial is issued and becomes conclusive.	

The comparison above is summarized in Annex 1 below.

The flowcharts of these procedures are indicated in Annexes 2A and 2B below.

II. Which procedure should be chosen?

A party who intends to nullify another party's patent should consider the advantages/disadvantages of these systems listed below in determining which system to use.

Post-Grant Opposition	Invalidation Trial
<u>Advantages</u> <ul style="list-style-type: none"> - Can be filed by anyone, even without any interests in the patent. - Can be filed via a straw man. - Can be filed with lower fees. - Requires minimum workload to proceed. 	<u>Advantages</u> <ul style="list-style-type: none"> - Allows the demandant to fully involve in the proceeding on the <i>inter partes</i> basis. - Can be demanded at any time after the patent grant (even after the expiry of the patent).
<u>Disadvantages</u> <ul style="list-style-type: none"> - Can be filed only within a limited period of six months from the issuance of a patent-grant gazette. - Does not allow the opponent to involve in the proceeding unless the patentee submits a correction. - Does not allow the opponent to appeal against a decision to maintain the patent. 	<u>Disadvantages</u> <ul style="list-style-type: none"> - Can only be demanded by anyone who has interests in the patent. - Cannot be demanded anonymously or via a straw man. - Requires higher fees to demand. - Requires heavy workload to proceed (e.g., by attending oral hearings). - May take a long time before a decision is rendered.



III. Statistics Information

Fig. 1 indicates the number of oppositions filed from April 1, 2015 to March 8, 2016, and the number of patent granted during year 2014, in different technical fields. As shown in Fig. 1, the total number of oppositions filed during this 11-month period was approximately 600. Fig. 2 indicates the number of oppositions and invalidation trials filed per month in 2015. As shown in Fig. 2, the number of oppositions significantly increased from around September 2015 (i.e., about six months from the start of the new opposition system). Fig. 3 indicates the number of oppositions and invalidation trials filed per year from 1996 to 2015. As shown in Fig. 3, the number of oppositions filed under the former system was about 3,000 per year. The number of oppositions filed under the new system has not reached such a high rate, but is expected to approach the former level soon.

Fig.1: The number of post-grant oppositions filed between April 1, 2015 to March 8, 2016, and the number of patents granted in 2014, in different technical fields

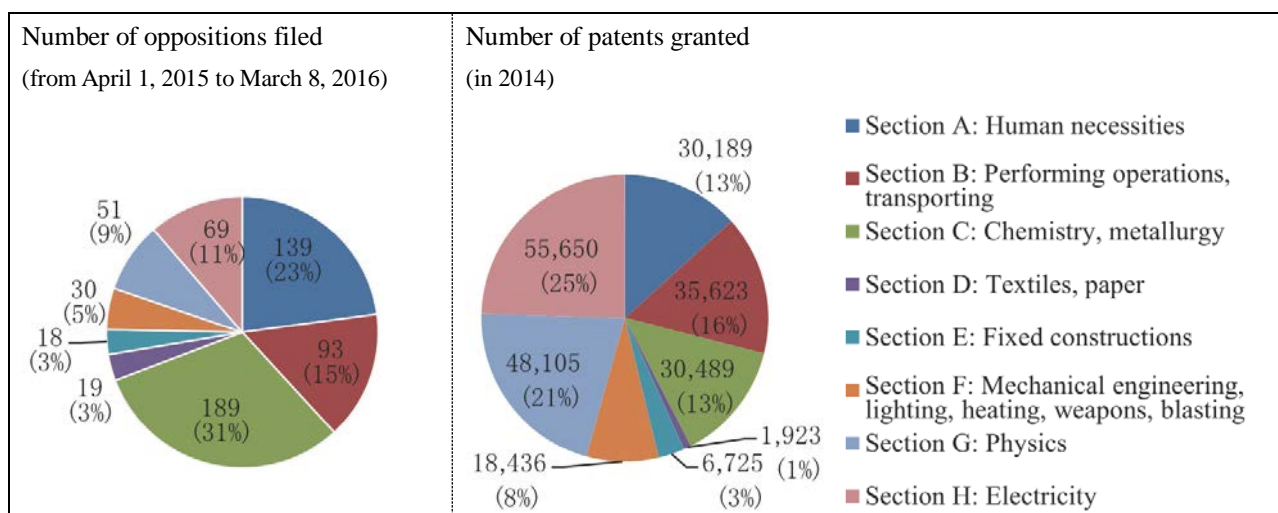


Fig.2: The number of oppositions and invalidation trials filed per month in 2015

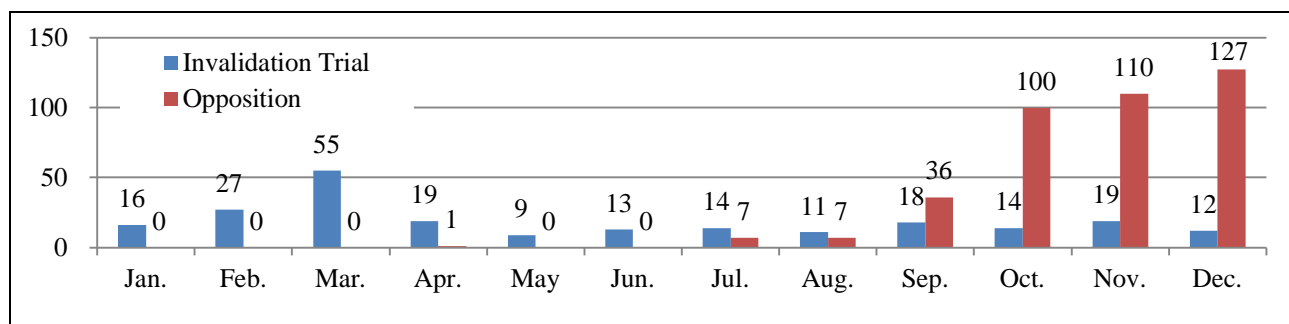
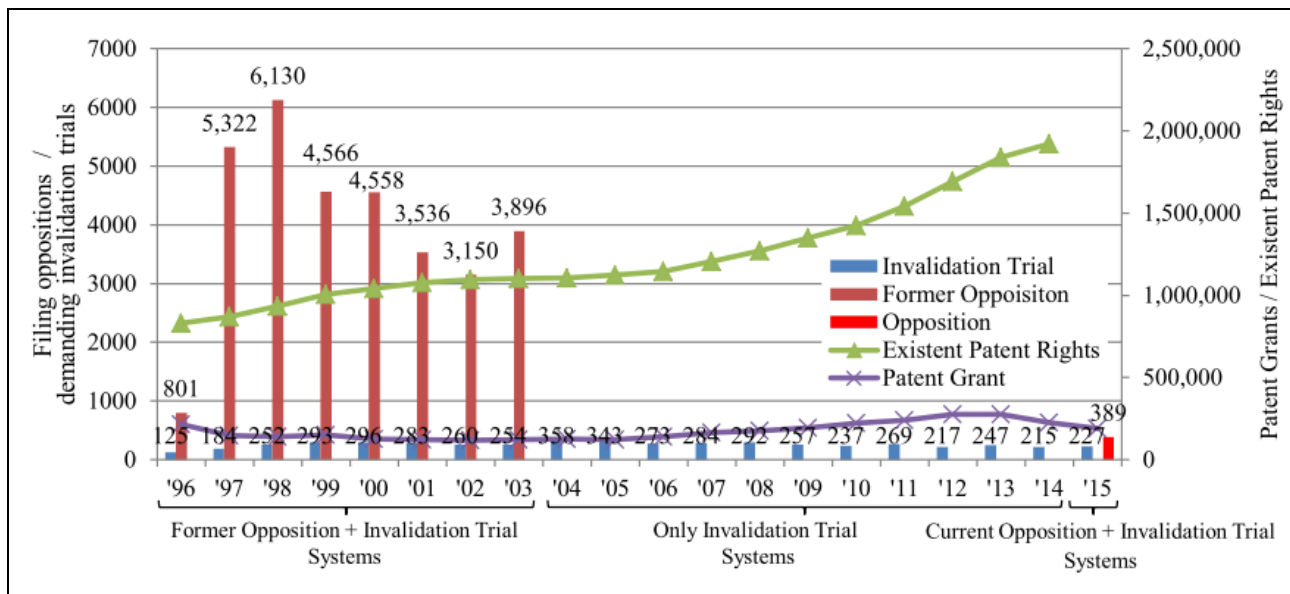




Fig.3: The number of oppositions and invalidation trials filed per year from 1996 to 2015



Reference Source:

JPO website, "Situation of Filing of Oppositions"

https://www.jpo.go.jp/tetuzuki/sinpan/sinpan2/igi_moushitate_ryuuiten.htm

JPO website, "Patent Applications Statistic Preliminary Report"

https://www.jpo.go.jp/shiryuu/toukei/syutugan_toukei_sokuho.htm

JPO website, "Japan Patent Office Annual Report", 2005 and 2015

https://www.jpo.go.jp/shiryuu/toushin/nenji/nenpou2015_index.htm#toukei_shiryuu

END



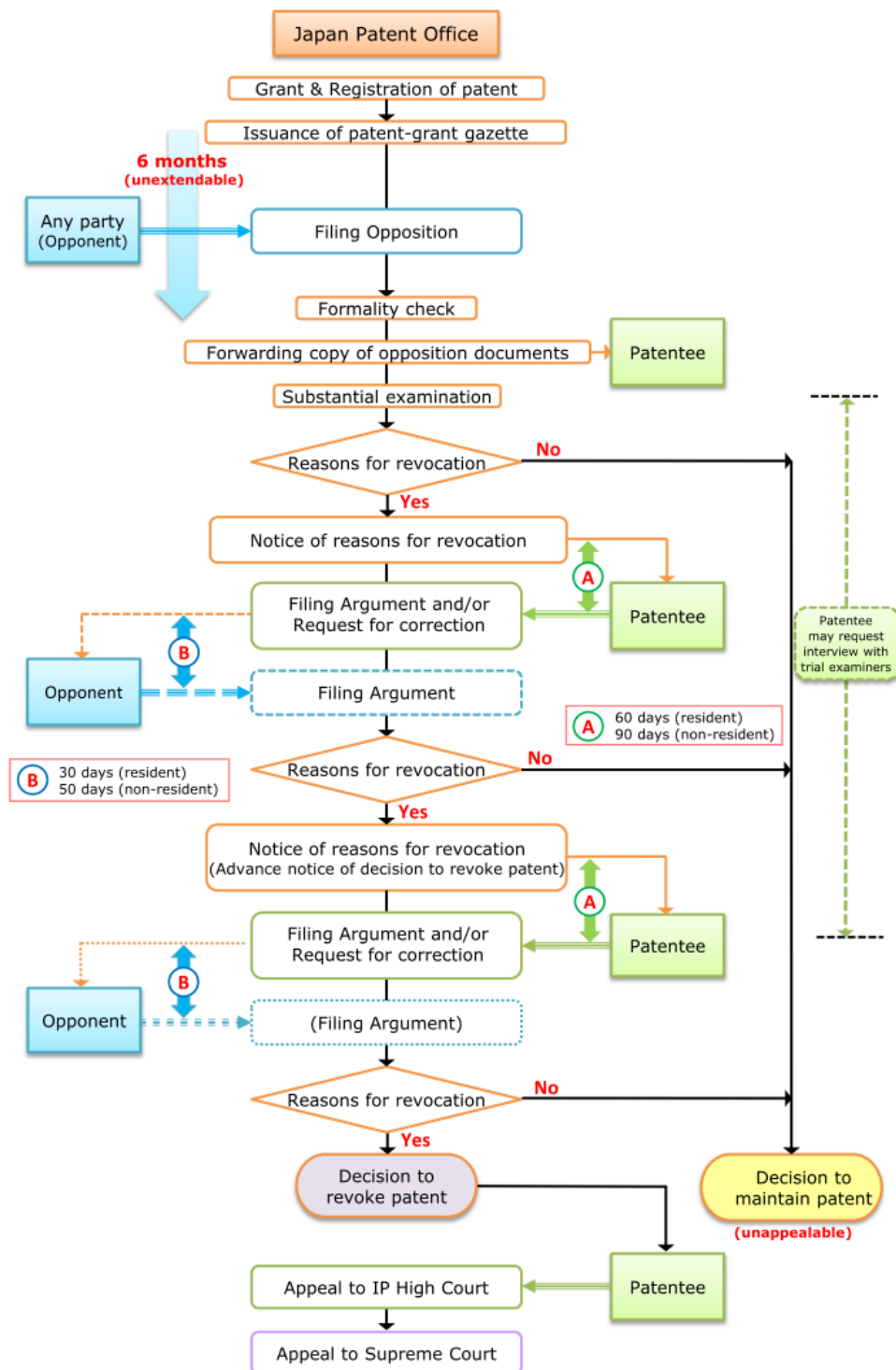
ANNEX 1: Summary table comparing the post-grant opposition system and the patent invalidation system

		Post-grant opposition system	Patent Invalidation trial system
1	Aim	Elimination of defective patents for stabilizing the patent system	Resolution of dispute between opposing parties over the validity of patents
2	Proceeding	<i>Ex parte</i>	<i>Inter parte</i>
3	Eligibility for Filing	Any party	Only a party having interests in the patent
4	Time Limit for Filing	Only within six months after the issuance of patent-grant gazette	At any time after the registration of a patent (even after the expiration of the patent right)
5	Unit to Be Challenged	Each claim	Each claim
6	Withdrawal	Not possible after the issuance of a Notice of Reasons for Revocation	Possible until decision becomes conclusive, but requires the patentee's consent after the patentee files a reply brief
7	Grounds for Challenge	Only grounds relating to public interest	Grounds relating to: - Public interest; - Ownership of rights; and - Grounds for invalidation arising after patent grant
8	Proceedings	Documentary proceedings (No oral proceedings)	Basically oral proceedings (Documentary proceedings are also possible)
9	Substantive Examination	<i>Ex officio</i>	<i>Ex officio</i>
10	Co-pending Proceedings	Usually amalgamated	Usually proceed separately
11	Both Parties' Involvement in the Proceeding	<p>*Patentee:</p> <ul style="list-style-type: none"> - Can file an argument and/or a correction (post-grant amendment) in response to a Notice of Reasons for Revocation - Can request the collegial body of trial examiners for interview <p>*Opponent:</p> <ul style="list-style-type: none"> - Can file a supplemental argument only when the patentee made a correction 	Both the demandant and the patentee can fully involve in the <i>inter parte</i> proceeding (e.g., by filing a brief and/or attending oral hearings)



12	Intervention	Can be made by any interested third party, but only in order to assist the patentee.	Can be made by any interested third party for assisting the patentee or the demandant or, if eligible, as a co-demandant.
13	Correction (Post-Grant Amendment)	Possible	Possible
14	Advance Notice on the Decision	Issued when the collegial body considers that the patent should be revoked	Issued when the collegial body considers that the patent should be invalidated
15	Decision	To revoke or maintain the patent, or to dismiss the opposition	To invalidate or maintain the patent, or to dismiss the demand
16	Appeal	*Plaintiff: Losing patentee (losing opponent is ineligible) *Defendant: JPO Commissioner *Jurisdiction: IP High Court	*Plaintiff: Losing party (Demandant or Patentee) *Defendant: Prevailing party *Jurisdiction: IP High Court
17	Estoppel (Prohibition of Double Jeopardy)	No (the losing opponent can file an invalidation trial based on the same grounds/evidence)	Yes, but no effect on third parties (the losing opponent cannot file another invalidation trial based on the same grounds/ evidence, but a third party can)
18	Official fees	JPY 16,500 + (JPY 2,400 × the number of claims for which opposition is demanded)	JPY 49,500 + (JPY 5,500 × the number of claims for which invalidation trial demanded)

ANNEX 2A: Flowchart of the procedure of a post-grant opposition



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ANNEX 2B: Flowchart of the procedure of a patent invalidation trial

