Overview of Trial for Invalidation and Opposition Systems in Japan

March 2017
Trial and Appeal Department
Japan Patent Office
Roles of Trial and Appeal Department of JPO

◆ Reviewing the examination
  - 1. Resolve the appeal from applicants (appeal against an examiner's decision of refusal)
  - 2. Improve the reliability of rights (opposition to grant of patent)

◆ Facilitating the dispute resolution
  - 1. Determine the validity of rights (trial for invalidation)
  - 2. Correction of patent claims, etc. (trial for correction)
  - 3. Expert opinion of scope of rights (Hantei)
Mechanisms to Review Validity of Granted Patent at the Office

@ Trial and Appeal Department of the JPO

✓ Trial for Invalidation
✓ Opposition to Grant of Patent

@ Patent Trial and Appeal Board of the USPTO

✓ Inter Partes Review
✓ Post-Grant Review
A Flow of a Trial for Patent Invalidation

Patentee (Demandee) → Panel (JPO) → Demandant

1. Written request for trials

2. Written answer → Invitation to reply
   OR
   Request for correction

3. Written answer

EXAMINATION

Oral proceedings
A Flow of a Trial for Patent Invalidation (cont.)

OPTION A (in case to be likely invalidated)

1. Request for correction
2. Advance notice of trial decision
3. Invitation to reply
4. Written answer
5. Written answer

RE-EXAMINATION & DECISION

- Decision to invalidate the patent
- Decision to maintain the patent

OR

OPTION B (in case to be maintained)

Decision to maintain the patent
Trial for Invalidation – the Number of Requests and Pendency Periods

- **Number of requests:**
  - Patents and Utility models
  - Designs
  - Trademarks

- **Average pendency periods:**
  - Patents and Utility models
  - Designs
  - Trademarks

### Graph Details:
- **X-axis:** Year of requests / Year of trial decisions
- **Y-axis:**
  - Number of requests
  - Average pendency periods (months)

### Data Points:
- **Patents and Utility models**
  - 2008: 300
  - 2017: 10.6

- **Designs**
  - 2017: 165

- **Trademarks**
  - 2010: 60
  - 2011: 91
  - 2012: 14
  - 2013: 4
  - 2014: 12
  - 2015: 11
  - 2016: 12
  - 2017: 91

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**Note:** The data and graph illustrate the number of requests and average pendency periods for patents, utility models, designs, and trademarks over a series of years, showing trends and changes in the judicial process.
Figures on results of Trial for Patent Invalidation

Note: the percentage of invalidation = the percentage of board decisions invalidating the patents (including decisions invalidating a part of the patents) / a total number of requests for invalidation trial processed (prepared by the JPO)
### Comparison between Trial for Patent Invalidation and IPR

<table>
<thead>
<tr>
<th></th>
<th>Trial for Patent Invalidation</th>
<th>IPR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Person(s) eligible</strong></td>
<td>Interested person</td>
<td>Any persons</td>
</tr>
<tr>
<td><strong>Grounds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Grounds of public interest (novelty, inventive step, new matter, description requirement, etc.)</td>
<td></td>
<td>Novelty and non-obviousness on the basis of prior art consisting of patents and printed publications</td>
</tr>
<tr>
<td>2. Inventorship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Invalidation Reasons occurring after the grant of patent</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Period of time to file</strong></td>
<td>Any time after the registration of patent</td>
<td>9 months after the grant of patent or the termination of PGR, whichever later</td>
</tr>
<tr>
<td><strong>Examined by</strong></td>
<td>Panel of Administrative Judges (Trial and Appeal Department of JPO)</td>
<td>Panel of Administrative Judges (PTAB of USPTO)</td>
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<td><strong>Amendment (correction) of Patent</strong></td>
<td>Twice in principle Not allowed to enlarge/change scope of claims or introduce new matter</td>
<td>Once in principle Not allowed to enlarge scope of claims or introduce new matter</td>
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<td><strong>Appeals</strong></td>
<td>Demandant or patentee may appeal to the IP High Court</td>
<td>Petitioner or patentee may appeal to the CAFC</td>
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Distinctive Features of Trial for Patent Invalidation (in contrast with IPR).

✓ All cases be subject to substantial examination at the JPO
✓ Opportunity to request for correction / amendment
✓ Claim construction at the JPO be the same as at the Courts
Proceeding at trial for patent invalidation is instituted without evaluation of the information described in request.

Requests for trial for invalidation

- 100%

Dismissal※

- 3%

Institution of trial for Invalidation

- 97%

Average pendency period for Trial for Patent Invalidation: 10.6 months

(Note) A survey was conducted on cases of which certified copies of the trial decisions were served between January 2015 and December 2017 (excluding the cases of which the requests were filed before April 2012).

※ A request may be dismissed only if there are excessive deficiencies in the written request.
The patentee shall have an opportunity to file a request for correction \textit{twice} during the trial proceedings so as to maintain the patent.

- When request for trial for invalidation is made
- When advance notice of trial decision is received

\begin{itemize}
  \item Requests for trial for invalidation
    \begin{itemize}
      \item Request for correction not filed: 46\% (Not allowed: 6\%, Allowed: 94\%)
      \item Request for correction filed: 54\% (Trial decision to invalidate: 100\%)
    \end{itemize}
  \item Advance Notice of the Trial Decision
    \begin{itemize}
      \item Request for correction not filed: 25\% (Trial decision to invalidate: 100\%)
      \item Request for correction filed: 75\% (Trial decision to maintain: 45\%)
    \end{itemize}
\end{itemize}

(note) A survey was conducted in the same time period as the survey in the previous page.
Claim construction by Courts and the Patent Office.

✓ @US  “BRI (broadest reasonable interpretation)” standard in IPR versus “The plain meaning” standard in the court proceedings

✓ @JP  “The examiner takes the description, drawings and the common general knowledge at the time of filing into consideration in interpreting the meanings of words in the claims.”

(Examination Guidelines for Patent and Utility Model in Japan 3-1-1)
A Flow of Opposition to Grant of Patent

- **Patentee (Demandee)**
- **Panel (JPO)**
- **Patent Opponent**

**EXAMINATION**

- Notification of reasons for revocation
- Decision to maintain or revoke
- Request for correction
- Written opinion
- Advance notice of decision
- Decision to maintain or revoke
- Request for correction
- Written opinion
- Decision to revoke or maintain

**RE-EXAMINATION**

- Written patent opposition
- Written opinion
Number of Decisions for Opposition by Year (as of December, 2017)

- **Withdrawn**: 68.1% (1927)
- **Dismissed**: 31.1% (879)
- **Maintained (Corrected)**: 6.5% (183)
- **Maintained (not Corrected)**: 31.9% (901)
- **Pending**: 0.3% (9)

**2017**
- **Total**: 35.4% (430)
- **Withdrawn**: 29.5% (833)
- **Dismissed**: 31.1% (879)
- **Maintained (Corrected)**: 1.8% (23)
- **Maintained (not Corrected)**: 65.6% (820)
- **Pending**: 0.2% (2)

**2016**
- **Total**: 93.5% (1135)
- **Withdrawn**: 21.7% (271)
- **Dismissed**: 10.7% (134)
- **Maintained (Corrected)**: 1.8% (23)
- **Maintained (not Corrected)**: 65.6% (820)
- **Pending**: 0.5% (6)

**2015**
- **Total**: 99.5% (362)
- **Withdrawn**: 34.3% (417)
- **Dismissed**: 47.6% (578)
- **Maintained (Corrected)**: 1.5% (18)
- **Maintained (not Corrected)**: 9.4% (114)
- **Pending**: 0.5% (6)

- *1 Maintained opposed claims without correction
- *2 Maintained opposed claims with correction
- *3 Revoked all or part of opposed claims
## Comparison between Opposition to Grant of Patent and PGR

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<td>Within 6 months from the publication of the Gazette of patent</td>
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EPO appeal proceedings

PTAB Bar Association Conference, Washington, 21 – 23 March 2018
The EPO grants patent protection:

- for up to 38 EPC contracting states two extension and four validation states (as at 1 Dec 2017)
- based on a single application
- in one of the three official languages (English, French, German)
Overview of procedures before the EPO

Applicant

- European patent application
- Filing and formalities examination
- Search and search report together with a preliminary opinion on patentability
- Pubication of the application and search report
- Observations by third parties possible (Art. 115 EPC)

Public

- European Patent Office
- Substantive examination
- Grant of a European patent
- Publication of the patent specification
- Appeal proceedings (Art. 106 to 111 EPC)
- Review (Art. 112a EPC)

Grant procedure

- Refusal of the application
- Limitation or revocation proceedings (Art. 105a to 105c EPC)

Post-grant

- Validation in the designated states
- Opposition proceedings (Art. 99 to 104 EPC)
- Intervention of an assumed infringer (Art. 105 EPC)

Appeal procedure (pre-/post-grant)

- Decisions or opinions on points of law (Art. 112 EPC)
- Intervention of an assumed infringer (Art. 105 EPC)
Review of first-instance decisions

Receiving Section
Examining Divisions
Opposition Divisions
Legal Division

Decision

Appeal

Boards of Appeal

First instance

Second instance

President

Referral

Enlarged Board of Appeal

Referral

Decision

Review
Judicial function of the Boards of Appeal

- EPO first-instance decisions appealable only before the boards (with suspensive effect)
- Members enjoy judicial independence
  - appointed by Administrative Council (Art. 11(3) EPC), for five-year term – re-appointable (Art. 23(1) EPC)
  - "In their decisions the members of the Boards shall not be bound by any instructions and shall comply only with the provisions of this Convention." (Art. 23(3) EPC)
- Substantive review of decision based on request(s) of appellant(s)
- Boards' decisions are final, except that:
  - Very exceptionally (fundamental procedural defect), review by Enlarged Board (Art. 112a EPC)
  - Validity of granted/maintained EP patents can be challenged before competent national courts
Organisational diagram of the Boards of Appeal

- President of the BoA
  - Enlarged Board of Appeal
  - Legal Board of Appeal
  - 28 Technical Boards of Appeal
  - Disciplinary Board of Appeal
  - Legal Research/Administration
    - Registry
    - Administrative Support
    - Legal Research Service
    - Business Processes and Data Management

- 3.2. Mechanics (8)
- 3.3. Chemistry (10)
- 3.4. Physics (3)
- 3.5. Electricity (7)
Technical Boards of Appeal (Art. 21(1), (3)(a), (b), (4) EPC)

- Appeals against decisions of examining and opposition divisions
- Composition: 2 technically qualified members and 1 legally qualified members
- Board may be enlarged by 1 technically and 1 legally qualified member
- Workload 2017:
  per Board (organisational unit): average 83 cases settled (T ../..)
Enlarged Board of Appeal (Art. 22 EPC)

- **Referral for decision or opinion (Art. 112 EPC)**
  - uniform application of law
  - clarification of point of law of fundamental importance

- **Composition (Art. 5 BDS/EBA):**
  - 5 legally qualified and 2 technically qualified members (optional: 1 or 2 legally qualified external members replacing internal legally qualified members)

- **Mechanism**
  - referral of a point of law by a board (→ for decision) of its own motion or following request of a party
  - referral by EPO President (→ for opinion) where two boards have given different decisions

2017: two decisions (G 1/15, G/16), no new referrals

Main steps of the appeal proceedings

- Filing the appeal
- Ex parte cases: Interlocutory revision (by Exam. Division)
- Admissibility check
- Examination of the merits
  Often: oral hearing
- Decision
- Review (only under very specific conditions)
Examination of appeal (1)

• Primarily *review of impugned decision*, not re-opening of examination
  – limits imposed by Art. 12(4) RPBA

• Party disposition v. examination of own motion (Art. 114(1) EPC)

• Late submissions
  – at board’s *discretion* (Art. 114(2) EPC, Art. 13 RPBA)
  – more discretion than at first instance, but “*convergent*” approach
Examination of appeal (2)

- **Ex parte proceedings (examination appeals):**
  - board has power to examine whether application meets **EPC requirements** (G 10/93)
  - new issues may be examined
  - withdrawal of appeal terminates appeal proceedings

- **Inter partes proceedings (opposition appeals):**
  - appellant's requests determine board's power to decide (G 9/91 and G 10/91)
  - new grounds of opposition only with **patentee’s consent**
  - withdrawal of only appeal/all appeals terminates appeal proceedings
Written proceedings and oral proceedings

- **Role of rapporteur** (Art. 5 RPBA)

- **Written communications to the parties**
  - communications as often as necessary (R. 100(2) EPC)
  - communication helping **concentration on essentials** during oral proceedings (Art. 15(1) RPBA)

- **Oral proceedings** (Art. 116 EPC, Art. 15 RPBA)
  - at request of party or at instance of board
  - public, provided application has been published
Decision on the appeal (Art. 111, R. 101-103, 111(1) EPC, Art. 15(6) RPBA)

• Decision usually announced **orally** at end of oral proceedings (exceptionally, proceedings may be continued in writing)

• **Written reasoned decision** issued later, generally within three months

• If **remittal**, first-instance department bound by board decision in so far as facts are the same
Boards of Appeal – overall figures

• In 2017
  – 2,851 appeals received
  – 2,324 appeals settled (i.e. decided by the boards or otherwise terminated)
  – 1,168 oral proceedings

• Boards of Appeal staff at 01.01.2018:
  – 27 chairmen and 121 members of the boards of appeal, forming
    28 technical boards, the Legal Board and the Enlarged Board of Appeal
  – 205 staff in total
Revision of the Rules of Procedure (1)

Aims:

• **Harmonisation of approach of case law and RPBA**
  
  by codifying and further streamlining “best practice”,
  
in particular by providing for more consistent exercise of discretion,
  
  thus increasing predictability for parties.

• **Improved efficiency of the appeal procedure as a whole**
  
  in particular for rapporteur and board (active case management),
  
  by tightening up procedure and facilitating exercise of discretion,
  
  in order to continuously reduce the number of backlog cases so as to bring
  about steady reduction of backlog and pendency times.
Revision of the Rules of Procedure (2)

• Improved procedural guidance for parties
  by transparent and predictable structure of proceedings,
  by increasing parties’ responsibility for procedural economy,

• while
  respecting parties’ fundamental right to fair proceedings,
  recognising parties’ general interest in having
  appeal case dealt with and decided in a timely manner,
  maintaining quality of boards’ decisions.
User consultation on the revision of the Rules of Procedure of the Boards of Appeal

You are kindly invited to comment on the proposed amendments by 30 April 2018 at http://www.epo.org/law-practice/consultation/ongoing.html.

All replies received will be considered in due course, and it is intended that a further draft will be issued in good time before the user conference planned for late autumn 2018.
Thank you very much for your attention!

• Case Law of the Boards of Appeal of the EPO, 8th edition 2016
• OJ EPO Supplementary publications:
  “EPO Board of Appeal Case Law”, "Case Law from the Contracting States to the EPC"