

# **Outline of Utility Model System**

Japan Patent Office  
Asia-Pacific Industrial Property Center, JIII

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## **I. Purpose of Utility Model Systems**

The utility model system has the closest relationship to the patent system .

In the patent system or industrial countries, the creation of a technical idea is protected only under patent law whereas it is protected under two separate laws in Japan, i.e., the Patent Law and the Utility Model Law.

The Patent Law and the Utility Model Law in Japan had very similar legal systems and was in general closely related.

However, the present Utility Model Law incorporated a non-examination registration system in its revision in 1993, which made the two legal systems very different.

A utility model system is a system which has been developed to complement a patent system in a country where so-called petty inventions are not given proper consideration and often refused patents under patent law yet such inventions needs to be actively protected and promoted from an industrial viewpoint.

The Japanese patent system was established in 1885. Through its operations, it was later found that the technical level of Japanese inventions was low compared with the majority of inventions relating to the improvement of basic technologies introduced from abroad. From an industrial viewpoint, the necessity was raised to separately establish a utility model system which can actively protect and promote petty inventions. In 1905, the Japanese Utility Model Law was adopted based on the German Utility Model Law.

The law was then revised in 1909 and 1921. In 1959, the present Utility Model Law was adopted. From 1960, the year after the adoption of the Utility Model Law, to 1980, the number of utility model applications continued to surpass that of patent

applications. In 1981, the relationship between utility model applications and patent applicants reversed with the number of utility model applications dropping to 77,101 in 1993, less than one quarter of patent applications totaling 366,486 in that year.

To counter this, the Utility Model Law was significantly revised in 1993 with all revisions put into effect beginning January 1, 1994, whereby the system excluded a substantive examination when registering.

Furthermore, the law was again revised in 2004, with all revisions put into effect beginning April 1, 2005, whereby Utility Model Applications could be changed to Patent Applications, and the duration and scope of corrections were both expanded.

Some countries currently employing a utility model system besides Japan include Germany, France, Italy, Spain, Portugal, Brazil, Poland, Mexico, the Philippines, Uruguay, South Korea, Taiwan, Australia, Chile, Morocco, OAPI member countries in Africa, China, Greece, Finland, Malaysia, Guatemala, Indonesia, Russia, and Ukraine, Estonia.

Among utility model systems adopted in these countries, France's certificates d'utilite is different from others in that the laws are not designed to protect petty inventions (requiring the same inventiveness as required under the Patent Law and providing the same protection as provided under the Patent Law, covering a process invention). This system supplemented the Patent Law and distinguished the period of its protection from that of a patent. In this respect, the French system is similar to the petty patent system in Australia and the utility model system in China.

## **II. History of the Utility Model System**

### 1. Utility Model System of 1905

#### (1) Utility Model Systems in Other Countries

The world's first utility model system was the Designs and Copyright Act promulgated in Britain in 1843, under which the novel device of a product for a utility purpose was granted three years of protection.

This ordinance was adopted as supplementary provisions to the design ordinance promulgated in 1842. Forty years later, the ordinance was abolished and replaced by the Patents, Designs and Trademarks Act in 1883 under which a model equipped with a utility purpose like a model equipped with an aesthetic purpose, judged as an industrially novel, was protected as a design.

In Germany whose utility model system provided a basis for the utility model system in Japan, the "Law Concerning Copyrights of Designs and Models (Gesetz betreffend des urhe berrecht an Mustern und Modellen)" was adopted in 1876 to promote the German craftwork and industry. The move was largely supported by the Association of German Engineers (Verein Deutsche Ingenieure) which was at that time campaigning for the adoption of a unified patent law.

The drafter of the law and the people concerned expected that under the law defining the subject of protection as a "novel and special design," a novel design including a utility model, whether it is equipped with a utility purpose or an aesthetic purpose, can be protected as a design.

However, the Federal German High Court of Commerce in 1878 ruled that the subject of protection applicable under the law should be limited to a novel and creative patterns, colors and shapes of articles satisfying the taste of people, i.e.,

a design equipped with an aesthetic purpose, and the law should not be applicable to a device equipped with a utility purpose.

In Germany before the enforcement of its civil code, industrial property rights were not largely recognized in court, the situation called for various legislative measures to be taken to protect industrial property rights. The German Patent Office had to increasingly refuse low-tech patent applications. The Association of German Engineers pointed out the need for a law to protect utility models and demanded for the establishment of a utility model law. In 1876, a committee was set up to study a revision of the patent law and, as a result of its study, admitted the necessity to adopt a special law concerning utility models.

In 1891, the “Utility Model Protection Law” was promulgated as the world’s first independent law of its kind, on which many countries besides Japan have based their respective utility model systems, including countries such as Poland, Spain, Italy, Portugal, Brazil, etc. The present German utility model law, last revised in 1990, features the following.

- ① The scope of protection extends to chemical substances not covered by process, circuits, etc. with three-dimensional requirements abolished.
- ② The term of protection is a maximum of 10 years (initially three years, extendable for three years and then twice for another two years, totaling 10 years).
- ③ A registration is granted without an examination.
- ④ A search report system is available.

## (2) History of the Utility Model System in Japan

Under the Exclusive Patent Ordinance adopted in 1885 as the first patent

system in Japan, the principle of examination was employed. Less than one third of all patent applications was granted a patent under the system.

The Patent Law revised in 1899 allowed foreigners to file patent applications in Japan. If patent applications filed by Japanese were examined by the standards applicable to patent applications filed by foreigners, the Japanese applications would most likely fail because of their low-tech design. In response to this the Japanese adopted the Utility Model Law as a system to protect inventions which cannot be granted protection under the Patent Law.

### (3) Major Items of Contents

#### ① Scope of Protection for Utility Model

In the Utility Model Law, a utility model was defined as a “novel device with utility relating to the shape, construction or a combination of industrial articles.”

The German law however stipulates that “the model of the whole or part of a work tool or a utility good shall be protected where it is suitable for a work or utility purpose having a novel shape, combination or construction.” Commonly protected as a utility model in the two countries were the “shape, construction or a combination of articles.” The Japanese Utility Model Law did not employ “model” and “a work or utility purpose” as adopted in the German law and employed, instead, “with utility” which distinguished a utility model from an invention under the Patent Law and a design under the Design Law.

“A work, a tool or a utility good” in the German law is defined as “industrial articles” in the Japanese Utility Law. Furthermore, a “device” in

the Japanese Utility Model Law is equivalent to an “invention” in the Patent Law.

In the scope of protection provided by the two laws, the Japanese Utility Law was wider than the German law. This part of the Utility Model Law referring to a utility model as “devices relating to the shape or construction of articles or a combination of articles” has not changed.

## ② Novelty

Unlike novelty under the Patent Law, novelty is recognized with respect to a device that is not publicly known in Japan:

“A device independent of the following shall be recognized as novel:

1. a device or an article similar thereto publicly used in the Empire with respect to an identical or similar article before the filing of an application for the registration of a utility model, and
2. a device or an article similar thereto published before the filing of an application for the registration of a utility model making it possible to easily apply it to an identical or similar article.”

## ③ Unregistrable Devices

Devices identical with or similar to the imperial chrysanthemum crest or liable to contravene public order, morality or public health were unregistrable.

## ④ Principle of Examination and Trial

The adoption of the principle of examination for the utility model system

was unique to Japan. Under this principle, the earliest applications were required by the Director-General of the Patent Office to have a utility application model examined by an examiner who determined whether the application falls into the category of unregistrable devices or under prior application-related provisions to grant a registration.

An examiner had to refuse a utility model application that did not satisfy the requirements for registration. A person dissatisfied with a decision of refusal could demand a re-examination. No complaint against a decision made through this re-examination could be sent to a trial court. Nor could an appeal be made to the Supreme Court.

An action could be taken to the Supreme Court, demanding the invalidation of a registration, the confirmation of a right or a retrial of a trial decision. This measure gave consideration to utility model applications filed by Japanese applicants only. It was assumed that the lack of legal support for a utility model registration which is passive in nature, short in life and lacks rights would not damage the interests of utility model applicants.

#### ⑤ Person Entitled to File an Application

A person entitled to file an application for the registration of a utility model is the creator of a device or a successor.

The Utility Model Law did not stipulate a joint application with more than one person sharing a device and an misappropriated application with another person's device misappropriated as an applicant's.

⑥ Utility Model Right

A utility model right took effect upon its registration in the Utility Model Registration Register. The owner of a utility model right could allow a third party to work the utility model right.

The term of a utility model right is three years from the date of its registration and could be renewed for a period of three years upon demand, totaling a maximum of six years.

As for limits on the effects of a utility model registration, a utility model registration which cannot be worked without using an invention of an earlier-filed patent application, a registered design or a third party's utility model registration could not be worked without consent from the owner of the latter. The Utility Model Law did not provide for a compulsory license.

Otherwise, the Utility Model Law provided for no limits on a right of use based on prior use and the effects of a utility model registration, including a non-voluntary license due to prior use. The law did not provide for sharing of a utility model right.

⑦ Regulation for the Coordination of Utility Model Registration with Patent and Design Right

A utility model registration which cannot be worked without using an invention of an earlier-filed patent application, a registered design or a third party's utility model registration could be worked only where consent was obtained from the owner of the latter.

This regulation for the coordination of rights was based on the first-to-file rule but not on an examination of an infringement of one invention on

another under the Patent Law.

⑧ Features of Application Procedures

Many procedures under the Utility Model Law were common to those under the Patent Law. The Utility Model Law still featured the following.

⑨ Type of Application

Besides a normal utility model application, the Utility Model Law provided for the following applications.

- Conversion of an Application

Under the Utility Model Law of 1905, a patent application or a design application was allowed to be converted into a utility model application in the following two cases.

A person who has been served a decision of refusal with respect to a patent or design application files a utility model application with respect to an invention or a design covered by the original patent or design application within 30 days from the notification of a decision of refusal, together with a copy of the decision, the utility model application was accorded the date of filing of the patent or design application with its actual filing date retroactive to that date.

A person who has filed a patent or design application was allowed to convert the application into a utility model application with the original filing date accorded as its filing date, unless the first action has been taken.

- Division of Application

A division of a utility model was allowed. When a utility model

application is divided, a new utility model application needs to be filed and the original part of the application corrected. In this case, the divided utility model application was granted the filing date of the original utility model application with its filing date retroactive to that date.

⑩ Consultations on Applications Filed on the Same Date

Unlike in the Patent Law, the Utility Model Law employed the first-to-file rules under which persons who filed their respective utility model application on the same day needed to select a person entitled to file an application through consultations. In case where no agreement was reached through consultations, no registration was granted to any of the applications. In case where utility model applications were filed on the same day with respect to the same or similar article, the Director-General of the Patent Office was required to notify the persons concerned to notify a person selected through consultations to file an application, designating an adequate time limit set in the notification. In case where an invited notification was not filed within the given time limit, it was deemed that consultations reached no agreement.

⑪ Examination Procedures

Like the Patent Law, the Utility Model Law employed the principle of examination which called for the Director-General of the Patent Office to have a utility model application examined by an examiner. Examination procedures were almost the same as those under the Patent Law. An examination was conducted with respect to novelty and the presence of

matters falling into the category of unregistrable devices and a prior application. The Utility Model Law employs the first-to-file rule and therefore did not provide for an infringement examination and a prior art examination.

⑫ Registration of the Creation and Renewal of a Utility Model Registration

A utility model registration took effect upon its registration. A person requesting the registration of a utility model registration was required to submit a written registration along with a revenue stamp equivalent to the registration fee to the Director-General of the Patent Office within 30 days from the transmittal of a decision of registration. The Director-General of the Patent Office then registered a utility model registration in the Utility Model Registration Register and issued a certificate.

The term of a utility model registration was basically three years but could be renewed for another three years on demand. A person requesting a renewal was required to submit a written request with a revenue stamp equivalent to the renewal fee, and a certificate of the utility model registration, to the Director-General of the Patent Office within one month prior to the expiration of the term of one's utility model.

A request for a renewal of the term of a utility model registration filed within one month prior to the expiration of the original term required the payment of a special handling fee. In case where such a request was filed, the Director-General of the Patent Office registered a renewal of the term of a utility model registration in the Utility Model Registration Register and issued a certificate of renewed.

(4) Status of Use

The number of utility model applications exceeded that of patent application in 1906, the year after the law was promulgated (patent applications totaling 4,509 and utility model applications totaling 7,952).

This trend continued for more than 70 years thereafter until 1981 when the number of patent applications exceeded that of utility model applications.

(5) Later Revisions

After promulgated in 1905, the Utility Model Law was revised in 1909 and 1916.

① Law of 1909

The law was revised together with the Patent Law and the Design Law, with no major changes made to the Utility Model Law of 1905. As the law was similar to the Patent Law in many areas, most of changes were made to match revisions in the Patent Law.

The Utility Model Law was not revised except for a few minor changes made in relationship with other laws.

As a practical revision, the Utility Model Law incorporated the definition of the effect of a utility model registration that allowed its owner to have an exclusive right to commercially manufacture, use, sell or distribute articles it covered. The expression “commercially” was added in the Design Law but not included in the Patent Law.

② Law of 1916

In this revision, the term of a utility model registration was made

renewable for another four years in order to give the owners of utility model registrations more protection.

In other words, the term of a utility model registration was basically for three years, renewable for another three years and then for four years , totaling 10 years.

The extension of the term of a utility model registration was explained as follows.

- a. The term of a utility model registration totaling six years with the basic term of three years and the once only renewal period of three was not sufficient enough to allow the acquisition of a utility model registration to gain profits after marketing articles covered by the right.
- b. Although different from the Patent Law and the Design Law in nature, the Utility Model Law was a law designed to stimulate inventing. The six-year term of a utility model registration stipulated by the law was too short compared with 25 years for a patent (including an extendable period of 10 years) and 10 years for a design.
- c. The term of a utility model registration had been extended in Germany on whose utility model law the Japanese Utility Model Law was based.

## 2. Utility Model System of 1921

### (1) Grounds for Revision

Grounds for revisions made to the Utility Model Law in 1921 are the same as those for revisions made to the Patent Law in the same year.

## (2) Major Items of Content

Major revisions made with particular consideration given to the nature of a device were explained as follows:

### ① Subject of Utility Model Registration

It has been long argued that a subject of a utility model registration, that is, a device, does not differ from an invention.

In the revised law, therefore, it is made clear that a device and an invention are different in nature and a device is defined as a utility model relating to the shape, construction or a combination of articles.

### ② Period of Exclusion from Invalidation of Registration

The period of exclusion from a claim for the invalidation of a utility model registration was set at three years against five years set for a patent.

### ③ Adoption of a Compulsory License System

In case where a utility model registration cannot be worked without the use of a model registration or design of a third party who is not working a right and refuses to license the right without legitimate reason, the owner of the utility model registration can force a license of the third party right through a trial and the third party owner of the right forced to be licensed can force a license of the compulsory licensee to be licensed.

However, there was no way available for the owner of a utility model registration to force a license of a patent. The reason for this was given that a compulsory license of a patent right if granted does not serve to stimulate inventiveness and provide protection for patent rights since it forces the

owner of the patent to give up a unique invention achieved through an extremely high degree of efforts in favor of a utility model registration for a later-made simple improvement.

④ Term of a Utility Model Registration

The term of a utility model registration was extended to 10 years with an annual fee employed after an annuity for a patent.

Through its partial revision in 1916, the Utility Model Law of 1909 provided for the term of a utility model registration to be extendable up to 10 years. With this renewal system abolished, the Utility Model Law set the term of a utility model registration uniformly at 10 years.

⑤ Trial for Approval of Correction

It was made possible to demand a trial for the approval of a correction.

⑥ Criminal Charge against Provisional Protection

Unlike the Patent Law, the Utility Model Law of 1921 did not provide compensation for an infringement on rights of a laid-open utility model application to provisional protection. Therefore, a utility model application if infringed upon during its provisional protection period could not be compensated.

### **III. Recent Utility Model Systems**

#### 1. Utility Model System of 1959

##### (1) Grounds for Revision

Section 1 of the Utility Model Law of 1921, if literally construed, called for a registrable device to satisfy two legal requirements, a “model” and a “device.” Although the law itself required to be otherwise revised, fait accompli that an examiner’s decision, a trial decision and a court decision in practice were inevitably inclined to weigh in either a “model” or a “device” with an emphasis had come to be corrected by a legislative means.

If the “model-oriented” theory is adopted, a minor difference in a model needs to be granted a different right, allowing for a simple design alteration by an engineers in the field to easily registered changes. As a self-defense measure given that situation, one needed to file a utility model application with respect to minor alterations which was not otherwise register worthy but was required only to prevent it from being granted to a third party. Huge utility model applications thus filed had come to affect the acceleration of the examination process. This opposed the purpose of the law to contribute to the development of technology and was an obstacle to the development of technology.

To prevent the adverse effects of this “model-oriented” theory, the following concepts were conceived.

##### ① “Model-Absolute” Theory

This represents a view which counts in only the model aspect of a device.

Under this theory, a utility model application needs to be filed based on a

device indicated in a manufacturing drawing in the process of actual designing, with its description attached only for explanatory purposes.

② “Device-Absolute” Theory

This theory recognizes a device as a petty invention. Under this theory, a “device” constituting a utility model and an invention should be viewed the same. The theory represents a view that a device and an invention should be protected as petty and large inventions. However, it was argued that by allowing no substantial difference between the two it would no longer warrant the existence of a utility model system separate from a patent system.

③ Limited-to-Article Theory

This is a view that, like the German utility model law, limits the subject of protection to work tools and daily necessities. It would however be difficult to determine ways of defining subject articles.

④ Abolition-Favoring Theory

This is a view representing the natural conclusion of a theory completely opposite to the “Device Absolute” theory. If the Utility Model Law is abolished, devices to be protected under the Patent Law or the Design Law will be absorbed into patents or designs. A question was raised over a possible major difference in the concept and scope of an invention before and after the abolition of the Utility Model Law.

(2) Outlines of Utility Model-Related Recommendations by Industrial Property Laws' Revisions Study Council

Utility Model Law-related recommendations by the Industrial Property Laws' Revision Study Council based on its study on revisions of the industrial property-related laws are outlined below:

① Requirements for a Utility Model Registration

It is required to stipulate that a person who creates a novel and inventive device relating to the shape, construction or a combination of articles, which is industrially applicable, can acquire a utility model registration with respect to the device.

A device is considered as "inventive" when it cannot be readily inferred from devices, etc. known before a utility model application concerned by a person with ordinary skill in the art to which the device belongs.

② Exception to the Loss of Novelty

In case where a device of a utility model application has come to lose its novelty against the will of a person entitled to acquire a utility model registration with respect to it, the device is deemed to be novel only if a utility model application concerned is filed within six months.

③ One-Device-per-Application

It should be pointed out that only one utility model application can be filed per device.

④ Conversion of Application

When a patent application or a design application is converted into a utility model application, the patent application or the design application is deemed withdrawn.

⑤ Relationship Between the Filing Dated of a Utility Model Application and a Patent Application

In case where an invention of a patent application and a device of a utility model application are the same, their relationship with respect to the filing dates needs to be determined. In case where an invention of a patent application and a device of a utility model application are the same, the earlier-filed application is granted a patent or a utility model registration. In case where a patent application and a utility model application fall on the same day, the applicants are required to consult with each other and neither of them is granted a patent or a utility model registration in the absence of consent reached through the consultations.

⑥ Relationship with the Right to Acquire a Patent Application

It should be stipulated that as for the relationship of the right to acquire a utility model registration with the right to acquire a patent, a person who succeeds the right to acquire a patent is deemed to have succeeded the right to acquire a utility model registration with respect to a device which is the same as the invention.

⑦ Term of a Utility Model Registration

The term of a utility model right terminates upon the lapse of six years from the date of its publication. However, it cannot exceed eight years from the filing date of the utility model application concerned.

(3) Major Items of Contents

Based on recommendation by the Council, the Utility Model Law was revised as outlined below:

① Range of Protection by a Utility Model Registration

The subject of protection under the Utility Model Law was defined as “industrially applicable devices relating to the shape, construction or a combination of articles” and a “device” as “the creation of technical ideas by which a natural law is utilized.” (Section 2)

Compared with the Utility Law of 1921, the expression “utility” was deleted and the definition and scope of a device stipulated in detail.

② Incorporation of a Provision for the “Inventive Step of a Device”

It was stipulated that a device which can be created “extremely easily” based on a device already publicly known or publicly used is not registrable. Thus, a device lacking creativity was not granted a utility model registration.

③ Relationship between a Utility Model Application and an Earlier-Filed Patent Application, a Design Application and a Conversion of a Utility Model Application

In light of the recognition that a device (utility model) and an invention (patent) are the same in nature, the following were stipulated.

In case where an invention of a patent application and a device of a utility model application are the same, the first to file was entitled to obtain a right. With respect to one subject, only one right, either a patent or a utility model registration could be assigned.

The conversion of an application was admitted among a utility model application, a patent application and a design application. This was designed to coordinate three kinds of applications to ensure that with respect to the same subject, only one right, either a utility model registration, a patent or a design right could be assigned.

④ Term of a Utility Model Registration

The term of a utility model registration was fixed at 10 years, not exceeding 15 years from the filing date of a utility model application.

⑤ Others

The inclusion of foreign publications into public publications, an expansion of exceptions to the loss of novelty, an exclusive right of use, a non-exclusive right of use based on an arbitration, acts deemed to be an infringement on a utility model registration and the calculation of the sum of damages were stipulated in accordance with revisions made to the Patent Law.

## 2. Later Transition of the Utility Model System

### (1) Utility Model Law of 1965

In 1962, the Industrial Property Laws' Revisions Study Council started its review of the Utility Model Law. The Council came to conclude that devices for nearly protected under the Utility Model law should be protected under the Patent Law which resulted in the abolishing of the Utility Model Law. This however would create problems over technical standards applicable to inventions. In order not to discourage creativity and keep the technical level of inventions high, the Council concluded, it was adequate to protect devices with the scope of protection limited through a simple system separate from the patent system. Based on this conclusion, the Council made the following recommendations

With consideration given to overseas trends along with technical development, a simplified examination system should be adopted for the utility model system.

#### ① Examination

Applications before being laid open or examined, should be conducted only with the respect to the following:

- Application contravening public order or public morality
- Application unclear in technical contents
- Application without a technical scope described in a claim

An application falling into either of the above should be served a decision of refusal.

No voluntary amendment would be admitted.

② Laying-Open

Applications three months after their filing, except for ones withdrawn, invalidated or served a decision of refusal, would be printed in full and laid open with their classification fixed.

③ Provision of Information

The provision of information would be invited with respect to laid-open applications. A period for the provision of information would be set at three months from the laying-open date. Information should include reasons why an application should be refused accompanied with the necessary documents. The system would not require a strict procedure as required for an opposition to a utility model registration (including the transmittal of a copy to the applicant, the submittal of a statement of arguments, the application of a trial procedure and a decision on an opposition). No fee would be charged.

④ Examination after Laying-Open

With respect to an application which information had been provided within three months after being laid open would be subject to determine whether to approve or refuse a utility model. An application which information had been provided would be examined with respect to reasons for its refusal as given in the provided information. In case where an examiner finds a substantial reason to refuse an application, a decision of refusal was given.

The application would be notified of the decision through the transmittal

of a copy of the decision.

A notification of reasons for refusal would be made.

A person dissatisfied with a decision would be able to demand a trial within 30 days from the transmittal of a notification of the decision. In the process of a trial, an amendment would be admitted. A demand for a trial, if filed, would be sent to an examiner. If the examiner found the request reasonable and rendered a decision of utility model registration, the request would be extinguished with its purpose attained.

⑤ Effects of Laying-Open and Registration

Once a device was granted a utility model registration, it would be granted a right to demand damages and return of unfair profits retroactive to the date of its application being laid open.

The right to seek an injunction should be admitted only after a utility model registration was granted. Measures would be required to prevent the ill effects of the execution of the right to seek an injunction.

⑥ Criminal Charges

Criminal charges would be stipulated.

⑦ Trials

A trial would be conducted by a single trial examiner. An infringement suit and a trial for the invalidation of a utility model registration would follow the present law.

⑧ Term of Right

The term of a utility model right should be set roughly at five years from a laying-open date.

⑨ Relationship with Patent and Design

The relationship of a utility model application with a patent application would follow the present law with respect to reasons for refusal and invalidation.

The conversion of an application from a patent application to a utility model application and from design application to a utility model application would not be allowed.

A law partially revising the Utility Model Law based on the above recommendations was submitted to the Diet together with a law partially revising the Patent Law however, due to late diet proceeding, the laws were eventually dropped.

(2) Utility Model Law of 1970

The Utility Model Law was revised in 1970 along with the Patent Law as outlined below:

① Patent Laying-Open System

Applications, lapsing one year and a half after their filing dates, except for ones already published, were to be laid open to provide a third party an opportunity to view their contents.

Specifications, etc. were to be open for public inspection. In return for

the laying-open of one's application, the applicant was granted the right to demand from a third party working his invention compensation for the sum of money equivalent to its royalty charge but with that right executable only after their publication.

In light of the possibilities that a long period of time may be required from the time of filing of an application to the start of an examination, the applicant may suffer unexpectedly large damages which often could not be recoverable by compensation or a third party working the invention may be adversely affected by a warning served at a time when it is still not clear whether the invention would be patented or not, a preferential examination system was adopted.

## ② Examination Request System

In the past, all applications were subject to an examination. With this revised, an examination was to be conducted only when an examination is requested by an applicant or a third party. An examination request could be made within four years. In the absence of an examination request during this period, an application was to be deemed withdrawn.

The scope of an earlier-filed application was expanded with respect to an application laid open or published. A later-filed application on an invention which is the same as an invention described in the specification or drawings of an earlier-filed application laid open or published after the filing date of the later-filed application was to be refused.

③ Reconsideration by an Examiner before an Appeal

In case where a trial is demanded against a decision of refusal and an amendment to the specification or drawings attached to the request for an application concerned within 30 days from the filing of the demand, the demand was to be first subject to an examination by an examiner before the trial. In the past, roughly 40 percent of all decisions of refusal had been rejected in the process of a trial, most of them were due to changes made to original applications through amendments at various stages of a trial. This is a measure that accelerates the examination process. In such cases the examiner in charge is likely to reach the same conclusion as one examined through a trial and requires less time and labor.

④ Limitation on the Time of Amendment, Division and Alteration

A period during which an amendment is allowed was revised as “during the pendency of the case at the Patent Office.”

After the lapse of one year and three months after the filing of an application, an amendment was not allowed even before the transmittal of a decision of publication except for the following cases.

- An amendment is made together with a request for an examination.
- An amendment is made within three months from the filing of a request for an examination filed by a third party.
- An amendment is made within a time limit designated for the submittal of a statement of arguments in response to a decision of refusal.
- An amendment is made within 30 days from a demand for a trial against a decision of refusal.

A period allowing a division was made the same as that allowing an amendment.

The conversion of an application was allowed during a period allowing a request for an examination to be made or within 30 days from the transmittal of a copy of a decision of refusal.

⑤ Enhancement of Provisional Protection

The Provisional protection after Publication of Examined application (KOKOKU) allows the applicant to seek injunctive relief, and request monetary damages, for unjust actions, because the ratio of the applications rejected by oppositions after KOKOKU has been reduced as a result of the improved quality of the examination process by offering information on the patent application which has been laid open, according to the introduction of the Unexamined Publication (KOKAI) system. To prevent rights from being abused, the enforcing party owes strict liability with respect to enforcement. A law suit for seeking enforcement can be stayed until the decision or judgment of the patent application becomes final.

⑥ Other Matters Revised

The Director-General of the Patent Office or an examiner was allowed to request related government organizations, schools and other organizations to conduct a search necessary for an examination.

It was made possible to submit to the Director-General of the Patent Office information providing grounds for the refusal of a utility model application.

### (3) Revision of 1975

The utility model law was revised in 1975 as well as patent law.

#### ① Adoption of the Multiple claim system

In the claims of the utility model application, the applicant can set forth, in addition to matters necessary to the devised structure, embodied features of the devise. A system allowing multiple claims with respect to a single devise is called the multiple claim system. The reasons for the adoption of the system are as follows: Japan has been expected to change due to internationalization of the application system, where many foreign countries use this system; adoption of the multiple claim system is a premise to affiliate with the PCT. The system allows examiners to easily give reasons for rejection for respective claims, and allows the applicants to also easily respond to the reasons for rejection; in claims, matters necessary to the devised structure are set forth together with embodied features which includes technical limitations and embodied expressions. Consequently, the scope of right becomes clear by itself and convenient for third parties.

#### ② Trial against a Decision of Refusal after an Application Publication

In case where a trial against a decision of refusal after the publication of an application is to be made, the specification can be amended within a certain period.

### (4) Other Revisions

The Utility Model Law was further revised along with revisions made to the

Patent Law.

Revisions were made in 1978 to comply with the ratified Patent Cooperation Treaty, in 1985 to match the adoption of a domestic priority system and in 1987 to follow an improvement in the multi-claim system.

(5) Utility Model Law-Related Problems

Among problems concerning the Utility Model Law, those relating to the interpretation and execution of the law are presented below:

① Problem with Protection of “Process” in Utility Model Law

This is a problem concerning the adequacy of a process described in a claim for a utility model registration. It is clear that a device relating to a manufacturing process cannot be protected under the Utility Model Law regardless of how good it may be.

However, devices are often found registered by manufacturing methods or steps described in claims for a utility model registration. In such a case, it is legally questionable how the substance of a device should be interpreted. Since the subject of the Utility Model Law is essentially a device relating to the shape of articles, a method (process) for realizing it is not a matter indispensable for the construction of a device relating to a shape.

Therefore, it is widely accepted that a method described in a claim should be interpreted as indirectly describing in the expression of a method of a certain shape to be attained as a result of the method executed. In fact, it is not easy to describe a certain shape in a form distinguishable from a conventional shape or a description to understand its contents. Therefore, it

is allowed in practice to include the description of a method in a claim for a utility model registration.

However, this is admitted only for the sake of convenience. A method described per se is not admitted as a constituent element of a device. In such a case, however, it is considered generally possible to describe a claim without including a method.

Another problem arises from the relationship of the scope of a device with a method described in a claim and the technical scope of the device. Devices with the exactly same shapes which can be realized by a method different from one described in a claim for a utility model registration are the same as a device as far as the two are corresponding to each other in other constituent elements. In judging the technical scope of a device, in other words, a method described in a claim for a utility model registration should not be interpreted as a basis to limit or expand it.

A theory admitting a method as a constituent element of a device and seeing a different method not falling within the same technical scope and a theory excluding method-related elements from a claim for a utility model registration (ignoring constituent elements which should be specified by a method) and seeing other elements falling within the same technical scope if they correspond to each other are both adequate.

The above only applies where constituent elements of a device should be specified by a method described in a claim for a utility model registration. Therefore, it does not apply in other cases (such as a method for use, etc) where it should be determined as inadequate.

In judging the technical scope of a device, consideration is given in some

cases to the method of use. However, because consideration, is given only to the detailed description of the device it is important to clearly state the contents of its construction described in a claim for a utility model registration.

A question is also raised over the adequacy of the indirect protection of a method. A method-related description in a claim for a utility model registration is simply a matter of expression for the sake of convenience to distinguish a new shape from a conventional shape. Subject to a question here are the effects brought about by a new shape.

A device with effects directly arising from its shape and unique effects that cannot be achieved from other shapes is recognized to be novel and inventive irrespective of its manufacturing process, are problem free. In case where such effects facilitate manufacturing, cost reduction, etc., there are two different theories.

Effects attained by a method but not effects attained by a shape should not be taken into account, or a device relating to a method which is not a “device relating to the shape of articles” should not be registered. However there is a view that although effects directly arising from a shape such as the way of manufacturing, they are effects brought about by a new shape should be taken into account as far as they are compared with effects achieved by other methods (theory of indirect protection).

However, the theory of indirect protection may be adequate under the Utility Model Law of 1921 under which only the novelty of the shape of an article is weighed. Under the present Utility Model Law of 1959 under which the subject of its protection is limited to a device relating to the shape

of articles which is equipped with novelty and inventive step, the righteousness of the theory is questionable.

② Theories Favoring Maintenance and Abolition of a Utility Model Law

There was a basic question raised over the very basis of the Utility Model system with respect to whether the Utility Model Law system should be maintained or revised. In Japan, the Utility Model system had been utilized well to an extremely high degree incomparable with any other countries where a similar system was available. Along with the rapid development of industrial technology, a theory favoring the abolition of the Utility Model Law (Theory of Abolition) was advocated at the time of the revisions of 1959 when the present Utility Model Law was adopted and the presentation of a bill revising the Utility Model Law to the Diet in 1965.

In view of this a voice favoring the maintenance of the law was loudly raised, later joined by views favoring the merger of the law with the Patent Law and a modification of the law.

- a. The Utility Model Law has already completed its mission and has become obsolete.
- b. Protecting petty invention that are potentially achievable by engineers, server only to encourage technology which is not internationally competitive. The increase of utility model registrations only present problems for companies and harm the industrial development.
- c. Large companies utilize the Utility Model Law (with their applications exceeding those filed by small and medium-size companies).

However, they inevitably do so only to defend themselves from an attack from small and medium-size companies.

- d. The presence of the utility model system has caused a delay in the examination of more important patent applications and has as a result paralyzed the functions of the patent system.

The view favoring the maintenance of the Utility Model Law was largely voiced from small and medium-size companies based on the following grounds:

- a. The Utility Model Law was a law which still remained significant and indispensable for the protection and development of businesses, particularly small and medium-size companies.
- b. As a petty invention is protected under the patent laws in other countries, denying a petty invention protection will lead to weaken the international competitiveness of the countries.
- c. If companies are troubled by utility model rights, they are incorrectly executing their rights.
- d. If the Utility Model Law was abolished, it would cause applications otherwise filed as utility model application to filed as patent applications, Keeping the burden of examining applications the same.

The view favoring the merger of the Utility Model Law with the Patent Law had its grounds as follows:

- a. The presence of the two different laws which are not different in substance is not theoretically warranted and inconvenient.

- b. The merger of the Utility Model Law with the Patent Law is essential to enhance the protection of petty inventions.
- c. The presence of the two different laws are liable to greatly lower the standard of examination of the Utility Models.

The view objecting to the merger was based on the following:

- a. The merger is only a rearrangement of the laws and is not justifiable to unnecessarily cause a great disturbance.
- b. The merger causes in equality.
- c. As seen in general, the merger is liable to greatly lower the standard of examination.

The ground for the modification of the Utility Model Law was that the protection of petty inventions is still required and it is premature to abolish the Utility Model Law. Furthermore, protection which has been too strong regarding petty inventions and application filing procedures which are too strict should be modified, according to the modification advocates.

As measures to lessen protection given to a petty invention, the following were proposed.

- a. Greatly shorten the term of the right compared with that granted for a patent (for example, from 10 years to five years).
- b. Do not grant a right to seek an injunction.
- c. Stipulate no criminal charges.

In order to simplify processing procedures, the adoption of a non-examination system or a simplified examination system (abolition of the patent laying-open system, etc.) was proposed.

Thus, environments surrounding the utility model system were ripening not to allow it left untouched.

The number of patent and utility model applications had been continuing to increase, along with the number of requests. As a result, the time required for an examination had become prolonged, thereby creating a situation where patent administration was threatened. A “delay in examination processing” in Japan was not limited as a domestic issue but expanded as an international issue.

As a medium-term measure particular to the utility model system, a revision of the utility model system came to an issue, leading to a major revision of the Utility Model Law in 1993.

## **IV. Present Utility Model System**

### **1. Reform of Utility Model System**

#### **(1) 1993 Reform of Utility Model System**

The number of utility model application exceeded the 200,000 mark in 1987 but rapidly declined later along with the development of Japan's technological level to total less than 100,000 in 1992. Along with rapid technological development, most utility model applications were only used for a short period of time after their applications were approved as the life cycles of products increasingly shortened.

With this development came a need to protect technology that was worked out at an early stage with a short life cycle. Under the conventional law, a utility model registration required a certain period of time from the filing of an application to the actual granting of a utility model registration. To protect inventions as such, the examination period would have to be shortened and the right to provision protection after the laying-open of an application strengthened.

In 1993, the Utility Model Law was revised, introducing a new system to protect technology with a short life cycle.

#### **(2) 2004 Reform of Utility Model System**

The number of newly filed applications significantly decreased at an unexpected pace under the Utility Model Law as amended in 1993, marking slightly more than 8000 applications in 2002. As a result, some said that the utility model system should be abolished. Demand still existed for protecting technologies requiring quick implementation, however, as well as for continuing

effective use of utility model systems. For this reason, amendments were enacted in 2004 to maintain the utility model system while also making it more attractive in response to criticism that it was not very practical.

## **2. 1993 Amendment of Utility Model Law**

### **(1) Outlines of Recommendations by Council**

#### **① Adoption of an Accelerated Examination System**

In respect to the utility model system, the Intellectual Property Laws' Revisions Study Council stated that i) the maintenance of the utility model system is meaningless today at a time when the number of utility model applications had been declining along with the enhancement of technical levels in Japan, and ii) however, in view of the number of utility model applications, though decreasing, remaining at about 100,000, there had been views disfavoring the abolition of the utility model system. In view of the decline there were still many people desiring to utilize the utility model system, the abolition of the system was not adopted after all these views were studied.

Considering that applications utilizing the conventional utility model system include many devices which have a short life cycle and are worked out at early stages, it was recommended to revise the conventional examination method requiring a substantive examination before granting a utility model registration by adopting adopt an accelerated registration system requiring only an examination of basic requirements such as formality requirements as a system matching needs for early protection.

② Adequate Execution of Right and Compensation for a Third Party Seriously discussed at the Industrial Property Laws' Revision Study Council based on the assumption of the adoption of a non-examination system allowing a utility model registration without a substantive examination were i) how to compensate the adequate execution of a right in case where a right which ought to be judged as invalid is registered, and ii) how to relief a third party in case where a right ought to be judged as invalid is executed.

Concerning this, views were expressed that i) before a right can be executed the Patent Office must confirm its validity and ii) all applications need to be attached with search reports at the time of their registrations.

However, the former was not adopted because it did not match the purpose of the revision of the utility model system taking into account the necessity of early protection of rights and it was internationally unprecedented. The latter was also dropped as its necessity was low since many of the utility model applications didn't have their rights executed and the obligation on the exerciser of the right to produce a registrability report is sufficient enough for parties concerned.

## **(2) Major Items of Contents**

### **① Introduction of a Non-Examination System**

The conventional utility model system employing the substantive examination system, had its limits when ensuring adequate protection of technology to be worked for only one year and a half after the filing of an application.

In order to ensure adequate protection of technology at an extremely early

stage with a short life cycle, the substantive examination system was abolished under the Utility Model Law and a non-examination system was introduced to allow a utility model registration to be granted quickly with an examination conducted only with respect to basic requirements necessary.

Under the Utility Model Law of 1993, the Director-General of the Patent Office is allowed to request an amendment to an application failing to satisfy the basic requirements. In case where no amendment is made within a time limit designated, the Director-General of the Patent Office can reject the application. The rejected applicant can file an opposition under the Administrative Appeal Law. Its result can be subject to a suit for invalidation under the Administrative Case Litigation Law.

Under the Utility Model Law of 1993, an application is granted a utility model registration without an examination conducted on substantive elements in order to enable the early granting of a utility model right. As a utility model right takes its effect upon its registration unlike under the Copyright system, there is a need to register only an application which satisfies requirements for a utility model registration. Therefore, an application failing to satisfy the basic requirements for a registration is not granted a registration unless its defects are corrected.

The following are cases where an amendment is invited requested.

- A device does not relate to the shape, construction or a combination of articles.
- A devices contravenes public order and public morality.
- A device violates the unity in an application or requirements for description in claims.

- Necessary description is lacking or description is extremely vague in the specification or drawings.

## ② **Registration of Establishment**

Under the conventional law, the establishment of a utility model right was registered upon the payment of a registration fee after an examination on substantive elements of an application. Under the present law, a registration is effected without an examination on substantive elements to ensure the early granting of a utility model registration.

Under 1993 Law, therefore, an application is examined only with respect to the formality requirements and basic requirements. Except for those that have their defects not corrected or are withdrawn, all applications have a utility model right established and registered.

## ③ **Amendment**

Under 1993 Law, since an application is granted a utility model registration in a short time after its filing with an examination conducted only on the basic requirements, etc., an amendment to the specification or drawings of an application before the granting of a utility model registration is allowed only within a two-month period after the filing of the application as prescribed by a ministerial ordinance.

The reason why an amendment before the granting of a utility model registration is limited only within a certain period from the filing of an application is that the specification and drawings of an application are not finalized to determine a utility model right during an amendment-allowed

period, leaving a utility model registration. If this amendment-allowed period is lengthy, it will only delay the granting of a utility model registration, which runs counter against the purpose.

#### ④ **Term of Right**

The employment of the non-examination system to grant a utility model registration without requiring an examination on substantive elements under 1993 Law makes it possible to adequately protect technology with a short life cycle at an extremely early stage which could not be sufficiently protected under the conventional law.

Therefore, it was recommended, in 1993 Law, to shorten the term of a utility model right which was 10 years, not exceeding 15 years from the date of an application.

The term of a utility model right was set at six years from the date of an application under 1993 Law with consideration given to that i) the life cycle of a product was inclined to shorten, ii) there was a certain degree of expectation seeking the term of six years from the date of an application and iii) a product with a longer life cycle can be protected for a longer period under the patent system.

The effective period has been extended by 2004 Amendment to 10 years after filing date.

#### ⑤ **Registrability Report**

As 1993 Law is designed to ensure the early granting of a utility model registration without requiring an examination on substantive elements, it is

left up to parties concerned, in principle, to judge whether a registered right satisfies the substantive requirements.

Since a judgment on the validity of a utility model right requires technical and specialized expertise, the parties may have difficulty making judgments and a third party may incur unexpected damage from the execution of a right.

Therefore, in 1993 Law, the present utility model system employs the utility model registrability report system which is an official system to provide materials for an objective evaluation of the validity of a utility model registration. A registrability report is prepared by an examiner based on one's search of prior art with respect to each claim and evaluation of the validity of a utility model right as seen from prior art.

To prevent a third party from incurring unexpected damages from the abuse of a utility model right which is now granted without an examination on the substantive requirements under 1993 Law, it is stipulated that the owner of a utility model right cannot execute his right before he serves a warning with a registrability report indicated.

#### **⑥ Amendment and Trial for Invalidation**

In order to prevent the abuse of a utility model right from causing ill effects and lessen a third party's burden, 1993 Law allows an amendment only to delete claims.

Like under the Patent Law, an amendment adding new matter is prohibited under 1993 Law.

In order to accelerate an examination on a trial for the invalidation of a utility model right, 1993 Law stipulates that amendment are prohibited once

an application for examination has been made. This provision was incorporated because an amendment to reasons for a demand for the invalidation of a utility model registration being not allowed to change their gist was considered not to cause a third party from incurring unexpected damage as an amendment after the grant of a utility model registration is allowed only to delete claims.

The scope of correction, however, has been expanded under 2004 Amendment.

#### ⑦ **Suspension of Trial Proceeding**

Under the conventional law, it was stipulated that in case where a trial is pending, a court proceeding can be suspended when it is required. It was left to the judge's discretion to decide whether to suspend a court proceeding.

Since a utility model right was to be granted without an examination on the substantive requirements under 1993 Law, an infringement suit allowed to proceed on the assumption of the validity of a utility model right could cause a case forcing the defendant into an extremely unfavorable position.

Under 1993 Law, therefore, it is stipulated that a defendant or a debtor is entitled to demand the suspension of a court proceeding or preservation order and a court proceeding must be suspended, in principle, upon a demand for suspension.

The provision, however, was deleted in response to 2005 Amendment of Judicature Laws and other laws.

### **⑧ Liability Arising from Negligence**

Since utility model right was granted without examination on substantive requirements under 1993 Law, an owner (including the owner of the exclusive license) of utility model right was required to enforce his right (including serving a warning) in a particularly cautious manner so that any right with defects will not be abused.

Under 1993 Law, therefore, the owner of utility model right bears liability for damages unless no fault is proved on his part to clarify that instituting an action based on invalid right constitutes tort.

### **⑨ Penalty**

The penalty for infringement, fraud and misstatements is lighter than cases relating to patents, for the same reason that utility model rights have a shorter term than patent rights.

Penalties for perjury, disclosure of secrets and violations of protective orders will be the same as those for patent-related cases, however, since there is no reason to treat them differently.

## **3. 2004 Amendment of Utility Model Law**

### **(1) Outlines of Recommendations by Council**

#### **① More Attractive Utility Model System**

The 1993 law was enacted in response to demand for early protection, based on amendments aimed at a utility model system that allows prompt registration without substantive examination while trying to strike a balance between the interests of the right holder and third parties.

The number of newly filed Utility Model applications significantly decreased at an unexpected pace, however, marking slightly more than 8000 applications in 2002. As a result, some said that the utility model system should be abolished. Demand still existed for protecting technologies requiring quick implementation, however, as well as for continuing effective use of utility model systems. For this reason, amendments were enacted to maintain the utility model system while also making it more attractive in response to criticism that it was not very practical.

## **② Matters Not Amended**

In addition to the 2004 amendments, the council reviewed the overall utility model system including i) the ideal subject matter to be protected; ii) domestic priority system and iii) liability for damages assumed by the right holder. Because the council could not agree, however, it gave up amendments on those issues.

## **(2) Major Amendments**

### **① Introduction of Patent Application System based on Utility Model Application**

Under the conventional utility model system, i) a patent application may be changed to a utility model application and ii) a utility model application may be changed to a patent application.

However, the change from a utility model application to a patent application could only be made while the utility model application is pending before the Patent Office (for a period of about 5 months on average), since the utility model system has an expedited early registration system.

Once set and registered, therefore, a utility model could not have been changed to a patent application even if the applicant/ right holder subsequently wished to

i) obtain more secure rights obtained after substantive examination as a result of changes in technical trends and business plans, or ii) obtain right protection for a longer period, making it necessary to file a patent application rather than a utility model application.

Under the 2003 Law, a patent application could be filed based on a registered utility model within 3 years after the filing date of the utility model application while taking into account i) the burden of third party; and ii) the burden of examination (duplicated examination). Such a patent application was deemed to be filed on the filing date of the relevant utility model application.

## **② Extension of the Utility Model Right Term**

Under the conventional utility model system, a utility model right remains in force for 6 years after the filing date. This is because at the time of the 1993 Amendments, i) the life cycle of a product was expected to become shorter; ii) a long effective unstable right term may put too much burden of supervision on a third party; and iii) in some major countries having similar utility model system, the effective utility model right term was also 6 years.

Due to the short utility model right term, however, it appeared that i) some argued that the right to request injunction was virtually unavailable; ii) the average life cycle of a product turned out to be 8 years, which caused apprehension that the conventional 6-year utility model right term was shorter than the life cycle; and iii) overseas utility model terms were 10 years after the filing date in countries including Germany, China, and South Korea. In addition, the EU's draft directive on harmonization of utility model systems and the draft proposal of European Utility Model Systems also had terms of 10 years after the filing date.

The 2003 law also extended the effective utility model right term to 10 years after the filing date.

### **③ Expansion of the Acceptable Scope of Correction**

Under the patent system whereby corrections are allowed in order to narrow the scope of claims, the right holder may defend himself from third party challenges such as invalid court access and information provisions by eliminating any relevant flaws. Under the conventional utility model system, however, corrections are allowed only to the extent of eliminating claims in light of i) the purpose of a non-examination system based on the principle of self-responsibility, and ii) the burden of supervision on a third party.

The fact that virtually no corrections were allowed was unjust to the right holder, therefore, because he could not defend himself from third party challenges, and because he hardly had the chance to amend his application due to the expedited registration system for utility model applications. It was especially argued that substantial corrections should be allowed after acquiring Utility Model Search Reports, or when a trial for invalidation was lodged. Under the 2003 Law, utility model right owners were allowed to correct specifications, claims and drawings only once, and only under certain restrictions.

## **4. Operation Guidelines for Utility Model Registration**

### **(1) Guidelines for Examination of Basic Requirements**

#### **① Devices Not Relating to Shape, Construction and Combination of Articles**

The subject of protection under the present law is a device relating to the “shape, construction and a combination of articles” as it was under the conventional law, because it is not adequate to register a device, etc. relating to a method which is out of the range of protection. The definition of “articles,” “shape,” “construction” and “combination” remains unchanged.

In an examination of the basic requirements, it is required to subject only an

application relating to a device which is found unregistrable to request an amendment. Requesting an amendment to an application which is not clear with respect to whether it falls within the scope of protection runs counter against the purpose of the newly-introduced non-examination system. If such an application is granted a utility model registration, the right, subject to a trial for the invalidation of a utility model right, is not a source of problem. The Guidelines for Examination of Basic Requirements for Utility Model Registration (1993) lists up the following examples.

- “Not corresponding to the shape, construction or a combination of articles” - Devices falling into the category of methods, devices of constituents and devices of chemical substances, articles not having a certain shape, animal species, plant species
- “Not corresponding to a device” - Eternal engine (contrary to No. 2 Law of thermodynamics) and simply aesthetic creations such as pictures, carvings, etc.

## **② Devices Contravening Public Order and Public Morality**

However readily a utility model registration is granted without an examination on the substantive requirements under the present law, registering and publishing a device which contravenes public order and public morality is inadequate in light of the purpose of the utility model law to contribute to the development of industry.

According to the Guidelines, however the description of a device in the Detailed Description of the device section is liable to contravene public order and public morality. An amendment is not requested if the device described in

claims is not liable.

### **③ Application Violating Unity-in-Application Principle and the Requirements for Claim Description**

Under the conventional law, an application violating the unity-in-application principle and requirements for claim description was considered a reason for refusal. Because such a violation does not make a device defective in substance but defective only in procedure, it is not dealt with as a ground for invalidation under the present law.

An application's violation of the unity-in-application principle and requirements for claim description, if dealt with as a ground for invalidation, is too severe for the owner of a utility model registration, it is not treated as such under the present law. An examination of an application in this respect was incorporated into the new law to ensure fair treatment of applicants regarding fees.

Under the patent system, the unity-in-application requirement is judged by comparing an invention described in claims with prior art found through a search. The utility model system under which a comparison is not made with prior art and conventional art, the unity-in-application requirement is determined from "Problems to Be Resolved" and "primary matters described in claims" according to the Guidelines as explained below:

"Problems to Be Resolved" - Judged based on the description of conventional technology and the object of conventional technology in the specification or drawings with consideration given to prevalent knowledge of technology at the time of an application

“Primary matters described in claims” - Determined by recognizing matters described in claims and corresponding to “Problems to Be Resolved” based on the specification or drawings with consideration given to prevalent knowledge of technology at the time of an application, to be “primary part of matters described in claims”

#### ④ **Specification or Drawings with Unclear or lacking Vital Information**

In order for an application to be granted a utility model registration under the present law application documents need to satisfy description requirements. Furthermore, it is sufficient to grant a utility registration to an application which, though not violating the formality requirements, substantially fails to constitute proper application documents. This is a case which falls into “lacking vital information” or “unclear description.”

“Unclear descriptions” in the Guidelines means a case where descriptions are not easily understandable and unclear. (for example, descriptions judged to be unclear without closely examining its relationship with other description). More concretely, lack of description of matters relating to the construction of a device in claims for a utility model registration falls into the category of “Lacking vital information” (for example, only matters not technical, such as the place of sales, the destination of sales, etc. are described in claims or only the title, modes and effects of a device are described in claims). Falling into the category of “unclear descriptions” is a case where the contents of description in claims cannot be technically understood, description in claims is substituted for by the “Detailed Explanation of the Device” or drawings, or more than one device “seeking a utility model registration” are described in a single claim.

Lack of description of “Problems to be Resolved,” “Means to Resolve Problems” and “Effects of the Device” in the Detailed Explanation of the Device which cannot be understood from other description falls into a case “necessary matters are not described.” A case where items corresponding to “Problems to be Resolved,” “Means to Resolve Problems” and “Effects of the Device” are included but unclear with their description judged at a glance to be substantially absent corresponds to “its description is extremely unclear.”

## **(2) Examination Standards for the Creation of Utility Model Technology Evaluations**

The Patent Office issued Examination Standards for the Creation of Utility Model Technology Evaluations (2005), which are outlined as follows:

### **① Basic Concept**

Utility Model Technology Evaluations should be made promptly and properly, while taking into account both fairness and objectivity.

### **② Objects of Evaluation**

The objects of evaluation are inventions that have received Utility Model Technology Evaluation claims, which are to be technologically evaluated with regard to the public knowledge of publications, expanded prior applications, and whether or not they may receive utility model registration for prior application regulations.

### **③ Prior Art Searches**

Prior art searches for producing Utility Model Search Reports should be carried out in the same way as prior art searches conducted during patent prosecution, but not covering unpublished applications.

### **③-1 Object of Surveys**

(i) The object of surveys shall be inventions that have received evaluation claims. Evaluation requests shall be made with respect to inventions described in the broadest claim through the narrowest claim. In addition, evaluations shall also cover the inventions described in all claims that were included at the time the Utility Model Search Report was written.

(ii) No evaluation shall be made with respect to the requirement of unity.

(iii) Inventions relating to each claim shall be decided based on the claim description, during which time attention should be paid to the following points:

- If the claim is clearly described, the invention relating to the claim should be basically recognized as described in the claim. In that case, the terms contained in the claim should be deemed to have the commonly accepted meanings of the term.

- Even if the claim is clearly described, any terms in the claim that are defined or explained in the specification or drawings should be construed in accordance with such definitions or explanations. Mere inclusion in the specifications or drawings of descriptions disclosing the subordinate concept covered by the term used in the claim shall not be deemed relevant to such definitions or explanations.

- Even if the invention recognized based on the claim description does not correspond with the invention described in the specification or drawings, one may not ignore the claim description and recognize the invention based only on such specification or drawings. Any matters described in the specification or drawings but not contained in the claim description should be deemed as not existing in the claim, and the subject invention should be recognized based on the claim. On the contrary, any and all matters described in the claim must be taken into consideration and must not be treated as not existing in the claim.

- If a claim description may be construed in many ways, all possible claim constructions shall be considered to ensure the maximum scope of search.

- If an invention is not clear, or if an invention is not described well enough to enable the invention, the terms of the claim shall be taken into account by interpreting the language of the claim via its specifications, drawings and common technical knowledge as of the filing date.

(iv) Searches should cover embodiments of the invention relating to the claim.

(v) If the invention is not clearly described and cannot be recognized even with a detailed description of invention and drawings, or even if an effective search of the invention relating to the claim seems difficult because, for instance, something other than an invention is described, a search relating to the claim should be carried out to the extent possible. In such a case, the fact that an effective search could not have been carried out should be noted in the Utility Model Search Report together with the reasons.

### **③-2 Search Procedures**

Efforts should be made so that prior art literature that may deny the novelty and other requirements of the invention relating to the claim will be identified without omission based on novelty and inventiveness based on published inventions, as well as provisions on expanded prior arts, prior arts, subsequent arts and applications filed on the same date. During the search process, examination standards relating to each law provision shall also be taken into account.

### **④ Evaluation of Novelty et al.**

(i) Examination standards for patent applications are applied when the novelty of an invention relating to the claim is searched based on novelty and inventiveness of published inventions, and when provisions on expanded prior arts, prior arts,

subsequent arts and applications are filed on the same date.

**(ii)** As to inventiveness based on published inventions, the question of whether or not a person with ordinary skills in the arts could easily make an invention based on published and known inventions is decided based upon the examination standards of a patent application with respect to novelty.

**(iii)** Under the Utility Model Law, an applicant or right holder has no chance to oppose the evaluation contained in Utility Model Search Reports, which should provide objective information for parties to decide on the novelty in light of prior arts. Accordingly, efforts should be made in producing a Utility Model Search Report in order to have as objective an evaluation as possible. If the Utility Model Search Report denies the novelty of the invention, for instance, this denial must be noted with convincing reasons. To be more specific, the decision should be made as of the time of final disposition (notice of rejection/grant of patent) during patent application procedures.

**(iv)** If satisfactory searches relating to the novelty of the invention cannot be carried out because, for instance, the invention is not clear or is not described enough to put into practice, the novelty will be evaluated based on the most reasonable information available from specification, the scope of claims and drawings, and technical knowledge as of the filing date. In such cases, defective specification descriptions will also be noted in the Utility Model Search Report. These defective specification descriptions should be given only if there definitely exists an inappropriate description of specifications, and they should state the most reasonable information possible, since again the applicant or right holder will not have the chance to oppose the report.

**(v)** If the novelty is discussed in opinion letters, such letters should be fully

reviewed.

**(vi)** As to an invention with respect to which the decision of an invalidation trial has become final, an evaluation should be conducted taking into account the decision. No Utility Model Search Report will be made with respect to a claim which has already been declared invalid as a result of trial for invalidation.

**(vii)** In the case of divisional or converted applications, prior art searches are conducted based on the actual filing date. Whether or not an application meets the requirements for a divisional application or converted application should be decided only if there is publication or a prior patent or a utility model application between the actual filing date and the original filing date that denies the novelty. If the application or utility model is deemed as not meeting the requirements for a divisional or converted application, the evaluation should be that the novelty is denied based on the said publication or application. If the application or utility model is deemed as meeting the requirements, the evaluation should be made that the novelty is not denied.

**(viii)** In the case of a utility model or application claiming domestic priority or priority based on the Paris Convention, a prior art search is conducted based on the actual filing date. Whether or not the effect of claiming priority is identified with respect to the invention relating to the evaluated claim will be decided only if there is publication or prior patent or utility model application between the actual filing date and the priority date that denies the novelty. If the effect of claiming priority is not found, the novelty should be denied based upon the publication or application. If the effect of claiming priority is found, the evaluation should be made that the novelty is not denied.

## **⑤ Description of Utility Model Search Report**

A Utility Model Search Report consists of the scope of search, evaluation results, list of references and description of evaluation results.

### **⑤-1 Scope of Search**

(i) The scope of search that is actually searched is indicated so that the scope of literature with respect to which examiner conducted a prior art search is objectively and clearly identified.

(ii) The scope of search is basically indicated by the types, field and time period of literature. Any other individual literature that cannot be identified in such a way is identified by the title, author, publisher and published date of the literature.

(iii) Search Field is Indicated with International Patent Classification (IPC)

### **⑤-2 Evaluation Results**

Evaluation results on novelty need to be indicated by each claim. The evaluation results should be any of the following 6 levels.

Level 1: Based on the cited references, the invention relating to this claim lacks in novelty.

Level 2: Based on the cited references, the invention relating to this claim lacks in inventiveness.

Level 3: The invention relating to this claim is identical with the invention described in the specification, claim of utility model or patent claim or drawings originally attached to the application that was filed prior to the filing date of the subject utility model application and published in the form of a Utility Model Gazette, Patent Gazette or Kokai (statutory publication) subsequent to the filing date of the subject utility model application.

Level 4: The invention relating to this claim is identical with an invention relating to an application filed prior to the filing date of a subject utility model application.

Level 5: The invention relating to this claim is identical with an invention relating to an application filed on the same date as the subject utility model application.

Level 6: No prior art literature denying the novelty of subject utility model application is found.

### **⑤-3 List of References**

#### **(i) To Deny Novelty**

All prior art literature found during the search must be listed as long as registrability of the utility model will be denied. If what is described in prior art literature overlaps, the list should be made without unnecessary literature. Prior art literature containing optimal related prior art must be listed while also taking into account embodiments.

#### **(ii) To Recognize Novelty**

If no prior art literature exists that denies the novelty of invention relating to the claim, literature that shows the general level of the technical field to which the subject invention belongs should be listed along with an evaluation result explaining that no relevant literature was found.

### **⑤-4 Description of Evaluation Results**

**(i)** If novelty is denied, satisfactory reasons should be given so that the person who requested the Utility Model Search Report will be convinced by the evaluation results. In principle, one or more specific parts of cited references should be indicated that provide the basis for such results. If the subject invention is evaluated as level 1, 3, 4

or 5, it should be stipulated how and based on which specific parts the novelty of the invention relating to the claim is denied. If subject invention is evaluated as level 2, it should be stipulated how inventiveness is denied based on the invention stated in the cited reference.

**(ii)** If it is found that satisfactory evaluation on novelty is prevented due to an ambiguous invention, for instance, it should be stipulated which flaws are in the specification and on which premise the evaluation on novelty was conducted

**(iii)** If it is found that a satisfactory evaluation cannot be made, the relevant facts and reasons thereby shall be stipulated.

**(iv)** If it is found that the requirements for divisional or converted applications are not met, or that no effect of claiming priority is found, the reasons thereof and the fact that the evaluation was made as of the actual filing date should be stipulated.