

26-01 P U D T

Stay of Procedures (Suspension, Termination)

1. Stay of procedures

Stay of procedures means, when there is a certain reason, all procedures are stayed until such a reason disappears.

Stay involves legal consequences, and procedures performed by the JPO and parties concerned during the stay are invalid in relation to both parties or the other party in principle, the progress of a time limit of the procedures is also stayed.

The whole time limit of the stayed progress is restarted from the beginning at the time of receiving a notice of resumption of the procedures, or at the time of continuation of the procedures (the Patent Act Article 24 → Code of Civil Procedure Article 132(2), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2) shall be applicable mutatis mutandis).

Stay includes suspension and termination.

2. Suspension

Suspension is a system to stay the progress of procedures until a new party concerned may be involved into the procedures in case where there is a reason for changing a party concerned, and the system protects the benefit of the new party concerned. This event naturally occurs by legal reasons for suspension of procedures, and it has nothing to do with knowledge/ignorance of the JPO and parties concerned about occurrence of reasons for suspension.

Legal reasons for suspension are shown below:

(1) Suspension due to death

A. When a party concerned is deceased, procedures are suspended until an heir (a successor), an administrator of the inherited property, or a person who

should succeed the procedures under the laws and ordinances shall resume the procedures (the Patent Act Article 24 → Code of Civil Procedure Article 124(1), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)). The resumption of the procedures is not permitted (the Patent Act Article 24 → Code of Civil Procedure Article 124(3), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)) while it is possible to renounce the inheritance (Civil Code Article 938) since the inheritance is indefinite, and a petition for resumption by the other party is also not possible.

B. Different from Code of Civil Procedure, if there is a reason for suspension on behalf of an intervener in case of supporting intervention, trial procedures shall be suspended (the Patent Act Article 148(5), the Utility Model Act Article 41, the Design Act Article 52, the Trademark Act Articles 56(1) 68(4)).

Since the parties to be assisted are a party concerned for the trial procedures, when there is a reason for suspension on behalf of the party concerned to be assisted, the suspension shall have effects on the intervener.

C. Procedures of resumption in case of death of a party concerned (→ 26-04)

D. Court cases

(A) When a party concerned is deceased, if the other party is a sole successor of litigation, the litigation shall be concluded since a status of the adverse party is attributed to one person but it shall not be suspended (Judgement of Supreme Court, April 8, 1935 (Minshu Vol.14-511)).

(B) During the pendency of a suit against a trial decision for patent invalidation where a demandant of a trial for patent invalidation is a defendant of the suit, the suit should be inherited by an heir or any other person who should continue the suit pursuant to laws and regulations based on Code of Civil Procedure Article 124 when the defendant is deceased, but the suit shall not be concluded (Judgment of the Supreme Court, 1977 (Gyo-Tsu)130, Dec. 18, 1980).

(2) Suspension due to merger of a corporation

When a corporation as a party concerned disappears due to merger, procedures are suspended until a corporation established by merger or a corporation surviving the merger resumes the procedures (the Patent Act Article 24 → Code of Civil Procedure Article 124(1)(ii), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

(3) Suspension due to Bankruptcy Act

A. Suspension by a decision of commencement of bankruptcy procedures

When a party concerned has received a decision of commencement of bankruptcy procedures, the procedures shall be suspended until a trustee in bankruptcy resumes the procedures (Bankruptcy Act Article 46 → Article 44(1)(2) of the same act).

(Court cases)

During the proceedings of an appeal against examiner's decision of refusal for a joint application, a case where one of the appellants has received a decision on commencement of bankruptcy procedures, the appeal procedures are naturally terminated by the decision of commencement of bankruptcy procedures, and the suspension for one of the appellants shall have effects on all appellants (the Patent Act Article 132(4)). Therefore, an appeal decision rendered during the suspension shall be invalid (Judgment of the IP High Court, 2010 (Gyo-Ke) 10270, Oct. 25, 2010).

B. Suspension due to completion of bankruptcy procedures

Where procedures are suspended due to a decision of commencement of bankruptcy procedures and the procedures are completed after resumption of the procedures by a trustee in bankruptcy, the procedures shall be suspended until a party concerned who is a bankrupt resumes the procedures (Bankruptcy Act Article 46 → Article (4)(5) of the same act).

(4) Suspension due to loss of procedural capacity of a party, death of legal agent, extinction of legal authority of representation

A. When a party concerned has lost the capacity for procedures, a legal agent is deceased or his/her authority of representation is extinguished, the procedures shall be suspended until a legal agent or a party concerned who becomes having procedural capacity resumes the procedures (the Patent Act Article 24 → Code of Civil Procedure Article 124(1)(iii), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

B. Extinction of legal authority of representation does not take an effect unless the party concerned or the agent notify it to an adverse party (Code of Civil Procedure Article 36(1)). This provision shall apply mutatis mutandis to extinction of authority of a representative or an administrator of a corporation or other organizations (Code of Civil Procedure Article 37, Rule of Civil Procedure Article 18).

C. When a government office is a party concerned, a change of the head of the government office becomes extinction of a legal authority of representation. However, there is no suspension if there is an authorized agent (the Patent Act Article 24 → Code of Civil Procedure Article 124(2), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)) (Judgement of the Supreme Court, 1915 (O) 572, Oct 16, 1915 (Civil Court Decisions at the Supreme Court (Minroku) Vol.21-1644)).

D. When a company goes into dissolution and a previous director has become a legal liquidator, it does not change a legal authority of representation (Companies Act Article 478).

(5) Suspension due to end of trustee's duties

When duties of a trustee who is a party concerned are ended, the procedures shall be suspended until a new trustee resumes the procedures (the Patent Act Article 24 → Code of Civil Procedure Article 124(1)(iv), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

(6) Suspension due to change of status

In case where a person having a certain status acts as a party concerned for procedures under his/her own name on behalf of another person (including a party concerned based on a certain status, namely a party concerned by duty, etc. hereinafter in this section, referred to as “a party concerned with a status”), when he or she has lost the status, the procedures are suspended until a different person with the same status resumes the procedures. The same applies upon death of the party concerned with a status (the Patent Act Article 24 → Code of Civil Procedure Article 124(1)(v), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

(7) Suspension due to application of Corporate Reorganization Act

A. Suspension due to a decision on commencement of reorganization procedures

A company who is a party concerned has received a decision on commencement of reorganization procedures from a court (Corporate Reorganization Act Article 41), the procedures are suspended until a trustee, etc. resumes the procedures (Corporate Reorganization Act Article 53 → Article 52(1)(2) of the same act).

B. Suspension due to end of reorganization procedures

When procedures are suspended due to a decision on commencement of reorganization procedures and the reorganization procedures are ended after resumption of the procedures by a trustee, the procedures are suspended until a corporation resumes the procedures (Corporate Reorganization Act Article 53 → Article 52(4)(5) of the same act).

(8) Suspension due to Civil Rehabilitation Act

A. Suspension due to an administration order

Procedures are not suspended when there is a decision on commencement of rehabilitation procedures, however, procedures are suspended when an administration order is issued and a rehabilitation debtor is a party concerned

in legal proceedings related to a property of a rehabilitation debtor (Civil Rehabilitation Act Article 69 → Article 67(2) of the same act).

B. Suspension due to end of rehabilitation procedures

When procedures are suspended due to an administrative order, and the rehabilitation procedures are ended after resumption of the procedures by a trustee or a decision to cancel the administrative order becomes final and conclusive, the procedures are suspended until a rehabilitation debtor resumes the procedures (Civil Rehabilitation Act Article 69 → Article 68(2)(3)(4) of the same act).

(9) Suspension due to a provisional administration order by court

In case where commencement of bankruptcy procedures, reorganization procedures or rehabilitation procedures are filed, when a court issues a provisional administration order, the procedures are suspended until a provisional administrator resumes the procedures (Bankruptcy Act Article 96(2)→ Article 44 of the same act, Corporate Reorganization Act Article 34(3)→ Article 52 of the same act, Civil Rehabilitation Act Article 83(3)→ Articles 67,68 of the same Act).

(Note)

For an opposition to grant of patent (registration of trademark), it is not allowed to succeed procedures of the opposition to grant of patent (registration of trademark). Therefore, the above reasons for suspension (1) ~ (9) are not applied to an opponent of the opposition to grant of patent (registration of trademark) (→ 66-02 2., 67-02 2.).

3. Exemption of Suspension

(1) In case of (1)A, (2), (4), (5) or (6) in the above 1., suspension is exempted if there is a authorized agent (the Patent Act Article 24 → Code of Civil Procedure Article 124(2), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2))(→ 26-04 1. (3)).

(2) Court cases of the exemption of suspension

① When a litigation agent does not have a special authorization for filing an appeal, a court decision of said instance is served but due to lack of litigation agent for proceedings with the higher court, the litigation procedures thereafter shall be suspended in relation to filing a higher court (Judgment of the Supreme Court, 1931 (Ku) 788, Aug 8, 1931).

② In case where there is the special authorization for appeal or a final appeal, suspension is not caused until a decision becomes final and binding, namely until the end of litigation (Judgment of the Supreme Court, 1933 (Ku) 1059, July 27, 1933).

(3) Handling in the case of death of an agent (→ 23-11)

4. Termination

When the JPO or a party concerned has become impossible or inappropriate to continue trial/appeal procedures, the procedures shall be terminated ipso jure, or by decision of Commissioner of the JPO or the panel. Statutory reasons for termination are shown below:

(1) Termination due to impossibility of execution of duties by the JPO

When the JPO is impossible to execute its duties due to a natural disaster or any other reason, the procedures shall be terminated until such a reason ceases to exist (the Patent Act Article 24→Code of Civil Procedure Article 130, the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

(2) A panel may terminate procedures by request or ex officio in the following cases:

A. Termination due to a problem affecting a party concerned

When it is not possible for a party concerned to continue the procedures due to a problem affecting a party concerned for an uncertain period of time, the procedures may be terminated until such a problem ceases to exist (the Patent Act Article 24→Code of Civil Procedure Article 131(1), the Utility

Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

B. Termination of procedures of a joint trial, etc.

For a joint trial or its re-trial, when a part of parties concerned has a problem affecting him/her, and therefore the procedures may not be continued, the whole procedures may be terminated (the Patent Act Articles 132(4), 174(2)~(4), the Utility Model Act Article 41, the Design Act Articles 52, 58(4), the Trademark Act Articles 56(1), 68(4)).

(3) Termination by order of the court

When there is an order of the court, procedures shall be terminated.

(Example)

In case where a petition of commencement of rehabilitation procedures is filed, if it is found necessary, a court may order termination of the procedures by request of an interested person or ex officio until there is a decision on the petition, although a case is pending to an administrative agency (Corporate Reorganization Act Article 24(1)).

5. Order of Termination by decision

When it is impossible for a party concerned to continue trial procedures due to a problem affecting him/her for an uncertain period, Commissioner of the Japan Patent Office or the panel may order termination of the procedures by decision (the Patent Act Article 24→ Code of Civil Procedure Article 131(1), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

6. Termination due to Other Trial or Litigation

(1) If it is found necessary, trial procedures may be terminated until an opposition to grant of patent (registration of trademark) is determined, a trial decision of another trial becomes final and binding, or court proceedings are

completed (the Patent Act Article 168(1), the Utility Model Act Article 40(1), the Design Act Article 52, the Trademark Act Article 56(1)).

(Example) Handling of a trial for patent invalidation and a trial for correction pending at the same time (→51-22)

(2) Court cases of termination

A. Until the end of civil proceedings and criminal proceedings, it depends on discretion of an administrative judge whether trial procedures should terminate and it does not necessarily to terminate the procedures (Judgment of the Tokyo High Court, 1947 (O) 15, May 28, 1948), (Judgment of the Tokyo High Court, 1956 (Gyo-Na) 15, Mar 12, 1957). It is not permitted a right to request for termination of procedures (Judgment of the Supreme Court, 1938 (O) 1270, Nov 28, 1938).

B. During pendency of an invalidation trial case, even a person who demands for a trial for permission to correct on the patent right submits a request for termination of an invalidation trial, a case is neither bound by the request nor necessary to decide on permission of the request (Judgment of the Supreme Court, 1935 (O) 2143, July 11, 1936).

7. Effective of Suspension or Termination

(1) Stay and start of progress of a time limit

When procedures are suspended or terminated, progress of a time limit shall be stayed. When the procedures progress again by resumption or cancellation of termination, the whole time limit progresses again from the time of the continuation (the Patent Act Article 24→ Code of Civil Procedure Article 131(2), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

It is only procedural time limits to stay the progress by suspension or termination. For example, if a term of the patent right (the Patent Act Article

67) is expired during suspension or termination, said patent right becomes extinct.

(2) Joint trial

There is a reason for suspension or termination of trial procedures on any of the demandants of a joint trial or any of the demandees of a request for a trial for a jointly owned patent right, the said suspension or termination shall have effect on all of the demandants or demandees (the Patent Act Article 132(4)).

(3) Prohibition of proceedings

A panel or parties concerned may not proceed with procedures on the case during suspension or termination.

(4) Procedures during suspension or termination

Procedures made during suspension or termination are illegal, however, when a petitioner does not contest validity of the procedures made by a party concerned or the JPO during suspension or termination (hereinafter, referred to as “procedures during suspension”) in filing a petition for resumption or continuation (including a petition for resumption due to a notice of change of applicant), it is not allowed for a petitioner to assert invalidity or cancellation of the procedures during suspension (→ Formality Examination Handbook 05.11 (Intermediate Procedures-8)).

(5) Court cases regarding validity of suspension or termination

During suspension of procedures of litigation, an act of litigation of a party concerned on the merits is invalid in relation to the other party. However, if the other party clearly recognizes such an act or maintains a litigation act without objection, it is understood that the other party will lose a right to assert invalidation of the litigation thereafter due to so-called waive of right to allege procedural error (Judgment of the Supreme Court, 1938 (O) 2445, Sept 14, 1939).

In a case where Y, one of the demandants of a joint trial, is declared bankrupt and therefore the trial procedures are suspended, however a trial

decision is served as a result of overlooking the suspension. The suspension that occurred on Y is effective on all defendants who are the demandants of a joint trial (the Patent Act Article 132(4)) (Judgment of the Tokyo High Court, 2000 (Gyo-Ke) 227, Jan 31, 2001).

8. Resumption of Procedures Which Are Suspended or Terminated

Resumption of procedures which are suspended or terminated is made by a petition, specifically, a document stating to that effect is filed to the JPO.

A person who may file a petition shall be a new prosecutor and the other party of the new prosecutor (the Patent Act Article 24 → Code of Civil Procedure Article 126).

9. Notice of Petition of Resumption of Procedures Which Are Suspended or Terminated

When a petition of resumption stated in the preceding item is filed, a chief administrative judge should notify that effect to the other party (the Patent Act Article 24→ Code of Civil Procedure Article 127, the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)).

10. Decision on Resumption of Procedures Which Are Suspended or Terminated

(1) Commissioner of the Japan Patent Office or administrative judges (a panel) should decide whether it is permitted a petition for resumption of procedures which are suspended after service of a transcript of a decision, an examiner's decision, or a trial decision (the Patent Act Article 22(1), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)) (→ 26-05 1.)

A notice of resumption by Commissioner of the Japan Patent Office or a chief administrative judge shall cancel the suspension and resume the

procedures (the Patent Act Article 24 → Code of Civil Procedure Article 132(2)).

(2) Commissioner of the Japan Patent Office or a panel shall examine ex officio a petition for resumption of trial procedures, and if it is found there is no grounds for a petition, it shall be dismissed by decision (the Patent Act Article 24 → Code of Civil Procedure Article 128(1), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)). Suspension shall continue if a petition is dismissed.

11. Order of Resumption of Procedures Which Are Suspended or Terminated

In case where procedures for an examination, proceedings and decision regarding an opposition to grant of patent (to registration of trademark), a trial or retrial has been suspended and a person who is responsible for resumption of the procedures fails to do so, Commissioner of the Japan Patent Office or a panel shall order the person to resume procedures by specifying a considerable time period upon the other party's petition or ex officio (the Patent Act Article 23(1), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)) (→ 26-04 1. (1) B).

In this case, if there is no resumption within the designated time period, it may be considered that resumption is made on the day where the specific time period has elapsed (the Patent Act Article 23(2), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)). In such a case, Commissioner of the Japan Patent Office or a chief administrative judge shall notify parties concerned (the Patent Act Article 23(3), the Utility Model Act Article 2-5(2), the Design Act Article 68(2), the Trademark Act Article 77(2)) (→ 26-04 1. (1) C, D).

12. Effect of Suspension or Termination for Intervener (→ 57—05 3.)

13. Termination Due to Exclusion, Recusation

If there is a petition for exclusion or recusation, trial procedures shall be terminated until a decision for the petition is made, however, except an act which requires urgency (the Patent Act Article 144, the Utility Model Act Article 41, the Design Act Article 52, the Trademark Act Articles 56(1), 68(4)).

14. Termination Due to Dismissal of Amendment for Application for Design /Trademark Registration

The Design Act Article 17-2(4) (apply the same Act Article 50(1) mutatis mutandis) and the Trademark Act Article 16-2(4) (apply the same Act Article 55-2(2) mutatis mutandis) regulate the below: when an appeal is requested under the Design Act Article 47(1) or the Trademark Act Article 45(1) or when a litigation is filed under the Design Act Article 59(1) or the Trademark Act Article 63(1), for the decision of dismissal of amendment regulated under the paragraph (1) of the Design Act Article 17 and Trademark Act Article 16, an examination for an application for design or trademark registration, or an appeal against examiner's decision of refusal shall be terminated until the appeal decision or the court decision of litigation becomes final and conclusive.

(Note) The Design Act Article 17-2(3) and the Trademark Act Article 16-2(3) provide "Where a decision dismissing an amendment under paragraph (1) is rendered, the examiner shall not render any decision on the said application for design registration or trademark registration before the expiration of 3 months from the date on which a certified copy of the decision has been served." This shall not regulate termination of an examination (or an appeal).

Therefore, it is not illegal to proceed procedures other than rendering a decision, for example, a notice of reasons for refusal, an order of amendment, on an application for a design or trademark registration within the time limit of 3 months (in case of an appeal decision, within a time limit of 30

days). A designated time limit, etc. for procedures taken before and after or at the same time of rendering the decision of dismissal of amendment, a progress of time limit does not stay unless an appeal is requested or litigation is filed.

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