

## **31-00 P U D T**

### **Eligibility as a Demandant in a Trial for Invalidation**

#### 1. Eligibility as a Demandant in a Trial for Invalidation

A person who may demand a trial for invalidation (eligibility as a demandant) is stipulated as an “interested person” in a trial for invalidation of patent, a trial for invalidation of registration of the extension of the patent term and a trial for invalidation of trademark registration (the Patent Act Articles 123(2), 125-2(2), the Trademark Act Article 46(2)). While, a person who may demand a trial for invalidation is stipulated as “anyone” in a trial for invalidation of utility model registration and a trial for invalidation of design registration (the Utility Model Act Article 37(2), the Design Act Article 48(2)). However, it is stipulated that a person who has the right to obtain a patent, utility model registration or design registration has the eligibility as a demandant, in a trial for invalidation on the grounds of attribution of the right for a patent, utility model and design (the Patent Act Article 123(2), the Utility Model Act Article 37(2), the Design Act Article 48(2)).

#### 2. Transition and Interpretation of Provisions of Eligibility as a Demandant

Eligibility as a demandant in a trial for invalidation has been changed as shown in Table 1. Court cases constantly required a demandant be an “interested person” even when no explicit provisions is stipulated except a patent invalidation trial, etc. after the 2003 revised law where a demandant was stipulated as “anyone”.

In the revision of the law in 2014, an opposition to grant of patent was established and eligibility as a petitioner was stipulated as “anyone”. Along

with the revision, the eligibility as a demandant in a patent invalidation trial is also confirmably stipulated as an “interested person”. It has not changed interpretation on the determination criteria and its operation regarding eligibility as a demandant from the law before revising in 2003.

Eligibility as a demandant in a trial for invalidation of registration of the extension of the patent term and a trial for invalidation of trademark registration is also confirmably stipulated as an “interested person”, along with the revision. It has not changed interpretation on the determination criteria and its operation regarding eligibility as a demandant from the law at the past, similar to a patent invalidation trial.

(Note) Eligibility for being a party concerned of a trial/appeal → 22-01 7.(2)

Table 1: Transition of eligibility as a demandant in a trial for invalidation

	1921 Law	1959 Law	1987 Law	2003 Law	2014 Law
Patent invalidation trial (Patent Act Article 123)	Interested person and examiners	No provision in the Article (Interpreted as interested person in court cases)		Anyone	<b>Interested person</b>
Invalidation trial of registration of extension of patent term (Patent Act Article 125-2)	/		No provision in the Article (Interpreted as interested person in court cases)		<b>Interested person</b>
Invalidation trial of registration of utility model (Utility Model Act Article 37)			No provision in the Article (Interpreted as interested person in court cases)		<b>Anyone</b>
Invalidation trial of registration	Interested person and examiners	No provision in the Article		<b>Anyone</b>	

of design (Design Act Article 37)		(Interpreted as interested person in court cases)	
Invalidation trial of registration of trademark (Trademark Act Article 37)	Interested person and examiners	No provision in the Article (Interpreted as interested person in court cases)	<b>Interested person</b>
(Reference) Opposition to grant of patent (Patent Act Article 113)	Whoever it is	Anyone	<b>Anyone</b>

(Revised Feb 2015)

## **31-01 P T**

### **Interested Persons**

#### 1. Interested Persons

Interested persons who may demand a trial for invalidation (the Patent Act Articles 123(2), 125-2(2), the Trademark Act Article 46(2)) are those who directly receive or are possible to receive legal interests or are directly affected by or possible to be affected by legal status for the right in the presence of the patent (trademark) right.

It should be determined individually and specifically based on details of the right, business of a demandant, etc., whether a demandee is permitted as an interested person or not. It should not be determined as a general ability to perform procedures apart from an individual case.

#### 2. Description of Interests in Written Demand for Trial

It is not necessary for a demandant to describe an interest in a written demand for an invalidation trial. In addition, it is not necessary for a panel to require an amendment even if the written demand includes no description of interests.

Note that, a section describing an interest is not provided in a form of a written demand for a trial (Enforcement Regulations of the Patent Act Article 46(1) Form 62, Enforcement Regulations of the Trademark Act Article 14 Form 15).

#### 3. Proceedings for Interests

A. In a case where a demandee contests for an interest and it is apparent for a panel that a demandant has an interest, a panel shall proceed the proceedings

without asking the demandant for any explanations.

B. In a case where a demandee contests for an interest and it is not apparent whether a demandant has an interest, a panel shall request the demandant an explanation. For example, a demandee served a demandant a written reply stating that he/she would contest for an interest and would ask a demandant for submitting a written refutation. The panel, in addition, if there is still doubt about the interest even considering the statement of the demandee, the panel shall proceed with an examination on the interest *ex officio* using an inquiry, etc.

C. In a case where a demandee does not contest for an interest, a panel shall proceed with the proceedings without asking the demandant for any explanation. However, it is apparent for the panel that a demandant does not have any interest, a panel shall ask the demandant for explanation similar to B.

(Reference)

When it is required a demandant to have an interest, an interest shall not be examined since it does not become any problem unless otherwise the other party has a particular dispute. This is from the background that the law was revised in 1959 for improving the conditions (Notes 1. ~2.) that a lot of time and efforts used to spend unnecessarily for the examination on whether to have an interest although said interest is a matter to be examined *ex officio*, thereby preventing from entering the proceedings of the case.

Note 1. The JPO ed., Feb 1957, "Industrial Property Rights System Revision Council Report Manual" Japan Institute of Invention and Innovation, pp115-116.

Note 2. The 31<sup>st</sup> Session of the Diet the House of Representatives Commerce and Industry Committee Minutes No. 37

#### 4. Handling of the Case Where It Is Not Recognized as Having an Interest

As a result of the proceedings, when it is not recognized as having an interest in requesting a trial, said request for trial is deemed illegal due to lack of eligibility as a demandant, the request for trial shall be dismissed by a trial decision (the Patent Act Article 135, the Trademark Act Articles 56(1), 68(4)).

#### 5. Base Point in Time for Determination of Interest

A base point in time shall be at the time of a trial decision.

(Court Cases)

“In case of demanding for a trial for invalidation of trademark registration under the provision of the Trademark Act Article 46, it should be interpreted that it is necessary that a demandant has a legal interest for demanding a trial. An interest of demand for an invalidation trial takes a demand for trial as legal and is a requirement to be met for obtaining a trial decision on whether a demand is correct or not. Therefore, the interest shall be determined at the time of a trial decision as a base point in time and thus is required to exist at the time of the trial decision, and it should be said this would be enough for an interest” (1989 (Gyo-Ke) 65, Judgment of the Tokyo High Court, Oct 19, 1989).

Regarding whether there is an interest for a demand for trial of confirming the scope of the patent right, . . . even if a demand for trial has no interest at the time of demanding but has an interest by the time of a trial decision, a demand for trial shall not be dismissed, and it is reasonable to understand a trial decision should be made on the scope of the patent right” (1961 (O) 465, Judgment of 2<sup>nd</sup> Petty Bench of the Supreme Court, Dec 7, 1962).

#### 6. Description of Interest in Trial Decision

When a demandee has no dispute on the interest, it is not necessary to

describe the determination on the interest in a reason for a trial decision.

(Revised Feb 2015)



## 31-02 P T

### Specific Examples of the Interested Persons

Regarding eligibility as a demandant for an invalidation trial, except an invalidation trial of patent, etc. after the revision of the law in 2003 in which the revision is made to “anyone”, it is required “to have an interest” regardless of whether there is an express provision. Thus, court cases at that time have been accumulated on the interest (see the court cases below). When those court cases are classified in perspective of the situation whether a trial demandant has an interest or not, they can be listed as below (1)~(7).

Those court cases were individually and specifically disputed on each case, and the revised law of 2014 has not changed the determination criteria and its operation whether there is an interest or not, a content of the holding for an interest in those court cases may be applied to the concept of the interest after revising the law in 2014.

Namely, when a trial demandant falls under any of the types in the (1)~(7), generally this may be thought that there is an interest.

They are merely an example, and those who have an interest are not limited to those examples. Whether they have an interest or not shall be determined by each case.

(1) Those who implement/implemented an invention which is the same as said patented invention

Those who use/used a trademark which is the same as or similar to said registered trademark on the same or similar goods.

(see court cases ①~③)

(2) Those who have a possibility of implementing said patented invention in future

Those who have a possibility of using a trademark same as or similar to said registered trademark in future

A. Those who implement an invention similar to said patented invention

B. Those who prepare to implement said patented invention (for example, purchasing necessary equipment or materials or starting to construct or design facilities)

Those who prepare to use a trademark same as or similar to said registered trademark.

C. Those who have facilities for implementing said patented invention

(see court cases ④~⑤)

(3) Those who run a business of manufacturing, selling and using products and method which are the same type as the patented product and method

(see court cases ⑥~⑨)

(4) Those who have a possibility of suffering from disadvantages due to confusion of the origin of the goods by said registered trademark

(see court cases ⑩)

(5) Those who are an exclusive licensee, a non-exclusive licensee of said patent right

Those who are an exclusive licensee, a non-exclusive licensee of said trademark right

(see court cases ⑪)

(6) Those who are (were) in litigation or received the warning on said patent right

Those who are (were) in litigation or received the warning on said trademark right

(see court cases ⑫~⑬)

(7) Those who have a right to a patent for said patented invention

(see court cases ⑭~⑯)

Even if a case corresponds to any of the above (1)~(7) types, those who

reach settlement of a dispute on said patent right, etc. may not be considered to have an interest depending on the content of the settlement (see court cases ㉒ , ㉓ ).

Regarding a case where a trial demandant appeared in a document of a demand for trial as a formality and a person who has actual interests are different, there is a court case below:

It is not permitted that a patent lawyer or an attorney at law becomes a demandant (not an agent) of a trial even if he/she receives a request from a person who has interests since a patent lawyer or an attorney at law does not have any legal interests to demand for a invalidation trial (see court cases ㉔ , ㉕ ).

Similarly, regarding a representative or an employee of a corporation having an interest, he/she does not have an interest as an individual, therefore, it is not permitted that he/she becomes a demandant of a trial (see court case ㉖ ).

On the other hand, there is a court case in which it is permitted that an association/organization becomes a demandant of a trial on behalf of a member of said association/organization having an interest on said patent right, etc. (see court cases ㉗ , ㉘ ).

As possible cases on interests other than the above types, (a)~(e) shall be handled based on the idea of these court cases:

(a) It is recognized that a patentee for a dependent invention of said patented invention, or an exclusive licensee or a non-exclusive licensee of the patent right of the dependent invention has a legal interest to demand an invalidation trial of said patent upon implementing the dependent invention of said patented invention. Therefore, it shall be handled as having an interest. The same shall apply to those who have a design right that conflicts with said patent right, or an exclusive licensee or a non-exclusive licensee of the design right.

(b) For a university or a scholar of university, even if it/he/she does not carry out a business by itself/himself/herself, when said university or scholar of university conducts research and development jointly with a company, etc. and it is recognized that said company, etc. has a legal interest to demand for an invalidation trial on said patent (typically, said company, etc. corresponds to the above types (1)~(4), etc.), it shall be handled as having an interest.

(c) Regarding an opponent of a patent opposition regarding said patent right, it is not recognized eligibility as a demandant of invalidation trial only by the decision of maintaining the patent, but eligibility of demandant shall be determined separately (typically, whether it falls under the above types (1)~(7)).

(d) Corporations with parent-subsidary relations shall be handled as having an interest each other.

(e) It shall be handled as having an interest for those who manufacture of finished products that are collection of said products using the products which are the same kind as products related to said patent right and those who sell such finished products.

## Court Cases on Interests

[Court cases authorizing interests]

Content	Subject	Type
<p>① (1962 (Gyo-Na) 188) Judgment of Tokyo High Court, July 18, 1963</p> <p>Those who use a mark same as or similar to the registered trademark on goods same as or similar to the designated goods have an interest.</p>	Trademark	(1)
<p>② (1952 (Gyo-Na) 4) Judgment of Tokyo High Court, Dec 22, 1953</p> <p>Those who run business of collecting starch by processing bulbs of cluster amaryllis and producing soaps, etc. may suffer disadvantages by the present patent which is designed to collect starch, etc. by processing bulbs of cluster amaryllis. Therefore, such people have an interest.</p>	Patent	(1)
<p>③ (2006 (Gyo-Ke) 10307) Judgment of IP High Court, Jan 23, 2007</p> <p>A defendant has demanded an invalidation trial for the reasons that the present trademark is similar to the cited trademark and the designated goods of the present trademark are the same as or similar to the cited trademark, etc. The defendant is not the right holder of the cited trademark, but a subsidiary fully owned by the defendant is to where the cited trademark right was transferred. The defendant uses a trademark having the same composition as the cited trademark. Considering these facts together, it is deemed that the defendant has an interest to invalidity of registration of the present trademark.</p>	Trademark	(1)
<p>④ (1965 (Gyo-Ke) 73) Judgment of Tokyo High Court, Dec</p>	Patent	(2)

<p>18, 1967</p> <p>A person having an interest is not necessary to be a person who manufactures and sells goods related to said patented invention or has facilities for implementation, but it includes in a broad sense those who intend to manufacture and sell goods or provide facilities for implementation, those who run a business related in some way to said patented invention and those who suffer disadvantages from patenting and protecting the patented invention.</p>		
<p>⑤ (2010 (Gyo-Ke) 10040) Judgment of IP High Court, Dec 8, 2010</p> <p>Those who used to run a business using a mark or trademark which is common in a character part to the present trademarks, but are planning to reopen said business by such as making contact with the third party. Those people have an interest to demand an invalidation trial against each present trademark since they are likely to be an obstacle to the business.</p>	Trademark	(2)
<p>⑥ (1962 (Gyo-Na) 97) Judgment of Tokyo High Court, Sep 14, 1968</p> <p>For a patent of single-lens reflex camera, those who run a business of manufacture and sale of single-lens reflex cameras and actually manufacture said cameras have an interest for demanding an invalidation trial to invalidate the present patent.</p>	Patent	(3)
<p>⑦ (1983 (Gyo-Ke) 181) Judgment of Tokyo High Court, Sep 25, 1985</p> <p>For a utility model registration of color pencils, due to invalidation of the registration, those who run a business of</p>	Utility Model	(3)

<p>manufacturing pencils are in a position to manufacture color pencils identical to the present registered utility model without receiving demand of injunction and claim for damages from a plaintiff, therefore they have an interest for demanding an invalidation trial.</p>		
<p>⑧(1985 (Gyo-Ke) 191) Judgment of Tokyo High Court, Mar 30, 1988</p> <p>The present patent invention and products of a demandant who conducts R&amp;D, and manufactures and sells are the same technical field and have a competitive relationship. Validity of the present invention directly affects the business performance of the demandant, therefore the demandant has a legal interest of demanding an invalidation trial.</p>	Patent	(3)
<p>⑨(1995 (Gyo-Ke) 228) Judgment of Tokyo High Court, Sep 25, 1997</p> <p>For a patent of water quality improvement materials for drinking water, etc., a company (A) which manufactures and sells a water filter for home/business use has an interest of demanding an invalidation trial.</p>	Patent	(3)
<p>⑩(1998 (Gyo-Ke) 77) Judgment of Tokyo High Court, Sep 17, 1998</p> <p>The present trademark and the cited trademark are quite similar, thus the defendant (a cited trademark owner) may suffer disadvantages from confusion of the products of the defendant's business due to the existence of the present trademark. Therefore, the defendant has a legal interest of demanding an invalidation trial of the present trademark.</p>	Trademark	(4)
<p>⑪(1956 (Gyo-Na) 48) Judgment of Tokyo High Court, Jan 31, 1963</p>	Patent	(5)

<p>There is no doubt this is the case that those who directly suffer disadvantages due to existence of the patent right which should be invalidated.</p> <p>A position as a licensee is extremely disadvantageous compared with the case where there is no exclusive patent right. Therefore, a defendant who runs a business of manufacturing and selling synthetic resin laminated sheets subject to the present patented invention has an interest, even if a license agreement is established between a plaintiff and a defendant during the pendency of a trial case.</p>		
<p>⑫(1960 (Gyo-Na) 106) Judgment of Tokyo High Court, April 27, 1961</p> <p>Those who directly suffer disadvantages due to the existence of a certain trademark registration have an interest of demanding an invalidation trial of the trademark registration.</p> <p>A plaintiff is demanded by a defendant an invalidation trial of the trademark registration owned by a plaintiff for the reason of the similarity of a defendant's trademark, therefore there is no doubt that the defendant directly suffer disadvantages seriously due to the existence of the trademark of plaintiff.</p>	Trademark	(6)
<p>⑬(1958 (Gyo-Na) 30) Judgment of Tokyo High Court, Dec 13, 1966</p> <p>i) A person whose infringement litigation, etc. is pending between a plaintiff, ii) a person who runs business of manufacturing hand knitting machines but does not receive license of the present patent from a plaintiff and said patent right prevents from selling the hand knitting machines. In</p>	Patent	(6)



<p>this case, such a person may demand an invalidation trial and intervene said trial because of having an interest.</p>		
<p>⑭(1982 (Gyo-Ke) 269) Judgment of Tokyo High Court, June 18, 1987</p> <p>A plaintiff files a provisional disposition seeking an injunction against manufacturing, etc. of the present products of defendants, and against this action, the defendant asserts that there is a defect that should be invalidated the present patent right. Therefore, the defendants have an interest. Even if a cooperative relationship has existed previously between the plaintiff and the defendants, under the conditions that the cooperative relationship has been already dissolved as a trigger of filing the provisional disposition of the plaintiff to the defendants, it is difficult to admit that the defendants file an invalidation trial of the case as one of the defensive measures is a breach of principle of good faith and fair dealing.</p>	Patent	(6)
<p>⑮(1995 (Gyo-Ke) 228) Judgment of Tokyo High Court, Sept 25, 1997</p> <p>A company (B) that manufactures and sells filter materials for water purification is a manufacturer and seller of various water purification materials. The company (B) receives the warning from the plaintiff and has an interest to demand an invalidation trial.</p>	Patent	(6)
<p>⑯(2013 (Gyo-Ke) 10028) Judgment of IP High Court, May 30, 2013</p> <p>It is apparent for the court that the plaintiff demands infringement litigation of the present trademark right</p>	Trademark	(6)

<p>against the defendant. There is no error in determination of the trial decision that the defendant has an interest of demanding the invalidation trial.</p>		
<p>⑰(1961 (Gyo-Na) 32) Judgment of Tokyo High Court, Dec 25, 1962</p> <p>It cannot be said that the demandant of the invalidation trial who is not yet co-owner of the present utility model right at the time of the trial decision has lost an interest on the invalidation trial (Although a contract of partial transfer of the present utility model right was made before the date of the trial decision, an application of registration of the transfer was filed and actually recorded after the date of the trial decision.</p>	<p>Utility Model</p>	<p>(7)</p>
<p>⑱(2003 (Gyo-Ke) 156) Judgment of Tokyo High Court, Oct 18, 2004</p> <p>The plaintiff alleges that the defendant cooperated the plaintiff in modification of equipment related to the present invention such as undertaking modification of raschel knitting machines described in the present specification, but when the present patent is established, the defendant filed an invalidation trial on the present patent intended to sell said equipment and related equipment to the third party. The plaintiff also alleges that it is apparent that this action of the defendant are not principle of good faith and fair dealing and that the defendant has no legal interest of invalidating the present patent.</p> <p>In relation to the business activities of the defendant, as long as the defendant is likely to be claimed for patent infringement by the plaintiff who is a patentee of the present</p>	<p>Patent</p>	<p>(7)</p>

<p>patent and to receive any restriction on the business activities for manufacturing and selling the knitting machines due to the presence of the present patent, it is apparent that the defendant has a legal interest of demanding an invalidation trial of the present patent. The fact that whether or not there is a breach of principle of good faith and fair dealing does not affect on the legal interest of the defendant of demanding the invalidation trial.</p>		
<p>⑱(2004 (Gyo-Ke) 219) Judgment of Tokyo High Court, Jan 31, 2005</p> <p>A trademark of Defendant Company R and a trademark of Defendant Company C (identical or quite similar to the present trademark) are both attached on the watches provided from Defendant Company R with Defendant Company C. In view of the conditions that said watches are currently on the market, etc., it cannot be said that there is not any interest of demanding a trial for invalidation of registration of the present trademark by Defendant C Company and Defendant R Company together.</p>	Trademark	(7)
<p>⑳(1964 (Gyo-Ke) 20) Judgment of Tokyo High Court, Dec 19, 1967</p> <p>A cooperative association based on the Small and Medium-Sized Enterprises Cooperative Association Law may demand for an invalidation trial against a member of the association to achieve the purpose of the association even if there is no regulations on the industrial rights in the articles of association.</p>	Patent	
<p>㉑ (2009 (Gyo-Ke) 10226) Judgment of IP High Court, Mar 29, 2010</p>	Trademark	

<p>A defendant aims to support the healthy development of the domestic coffee industry and to contribute to the improvement and development of national eating habits, therefore, whether or not a member of the association may use the present trademark is a matter related to realize the above purposes. Then, it should be said that the defendant may demand an invalidation trial of the case as “other businesses necessary for achieving the purposes of the association”, therefore, the defendant has interests for demanding an invalidation trial of the trademark registration.</p>		
--	--	--

## [Court cases denying interests]

Content	Subject
<p>㊶ (1977 (Gyo-Ke) 127) Judgment of Tokyo High Court, Nov 28, 1979</p> <p>It is recognized that a reconciliation has been reached and an agreement to withdraw the trial has been concluded between the plaintiffs (demandees of the trial) and the defendant (a demandant of the trial) during the pendency of the procedures of the patent invalidation trial and before making a trial decision of the case. Thereby it should be said that a legal interest of the defendant to demand for the trial has disappeared at the time of the agreement.</p>	Patent
<p>㊷ (1984 (Gyo-Ke) 228) Judgment of Tokyo High Court, Dec 20, 1984</p> <p>An agreement between a plaintiff and a defendant to withdraw the request for trial during the trial proceedings has been concluded, thereby it should be said that a defendant as a demandant</p>	Trademark

<p>of a trial has lost an interest of demanding a trial.</p>	
<p>㉔ (1969 (Gyo-Ke) 81) Judgment of IP High Court, Feb 25, 1970</p> <p>It is required that a demandant of an invalidation trial of patent has a legal interest on said demand for trial.</p>	Patent
<p>㉕ (1999 (Gyo-Ke) 105) Judgment of Tokyo High Court, Nov 4, 1999</p> <p>Procedures of an invalidation trial of trademark registration are regulated similar to procedures of a civil action. It is apparent that the Trademark Act adopts a procedural structure confirming to a civil action for an invalidation trial of trademark registration. Therefore, it is reasonable to consider that the invalidation trial is inherently applicable to the principle of a civil action “if there is no interest, there is no right to a legal action”. In order to legitimize that standing as the demandant is permitted to a person who has not any legal interest of demanding an invalidation trial of trademark registration, the specific reasons are required to eliminate the principles of the above-mentioned Administrative Complaint Review Act or Code of Civil Procedure, but it is not found any specific reasons. There is no sufficient evidence to admit the plaintiff to have a legal interest as a demandant of an invalidation trial of trademark registration.</p>	Trademark
<p>㉖ (1965 (Gyo-Ke) 65) Judgment of Tokyo High Court, Sept 27, 1966</p> <p>There is no fact that the defendant as an individual manufactures and sales a device which is likely to infringe the patented invention. After demanding an invalidation trial, when the demandant running a private business has changed its business to a company’s structure and has become a representative of the company, the demandant has no interest as a representative being an individual since the</p>	Patent

company and its representative being an individual are legally different personalities unless there are special conditions.	
---	--

(Revised Feb 2015)