

47-01 P U D T**Bearing of Costs in Connection with Trial/Appeal, etc.**

1. Principle of Bearing of Costs for Invalidation Trials

A burden of costs for a patent (registration of utility model) invalidation trial or a trial for rescinding a trademark registration is determined ex officio by trial decision (stating in a conclusion). However, when a trial ends otherwise than by a trial decision (a withdrawal of the demand, a dismissal under Patent Act Article 133(3)), the burden of costs is determined by decision of a trial (Patent Act Article 169(1), Utility Model Act Article 41, Design Act Article 52, Trademark Act Articles 56(1), 68(4)). In such a case, costs for a trial should be borne by a demandant, thus a decision is not made in practice.

In the principle of burden of costs, the costs are determined to be defrayed by the defeated party under the provision of Code of Civil Procedure Article 61 which applies mutatis mutandis to Patent Act Article 169(2) (Utility Model Act Article 41, Design Act Article 52, Trademark Act Articles 56(1), 68(4)), but an exception is allowed under Code of Civil Procedure Articles 62 and 63 (→2.).

2. Exception of Burden of Costs for a Trial for Invalidation

(1) All or a part of costs which incurred by unnecessary actions of the winning party may be borne by the winning party. Even the costs incurred by an action of the defeated party, if such an action is necessary for extension or defense of the right for the defeated party side, those costs may be borne by the winning party (Code of Civil Procedure Article 62).

A. As a result of an examination of witness, when, for example, it is found a witness is completely unrelated to the matters requiring proof, a cost for

an examination of witness is accepted as a cost incurred by said unnecessary acts and even a party who requests for an examination of witness wins the case, such the winning party may bear the costs.

B. When all claims subject to a trial for invalidation in patent claims are deleted by a request for correction, a subject to the trial for invalidation does not exist and said trial for invalidation is dismissed. Therefore, it is considered acceptable that the right holder side who wins the case bears the costs.

C. After a trial for patent invalidation is demanded on the ground that said patent is deemed to be identical to the publicly known invention, when said reasons for invalidation is disappeared because the claims covered by the patent is corrected by a trial for correction, it is considered acceptable that a demandee who wins the case bear the costs by applying Code of Civil Procedure Article 62 the second part.

(2) Due to reasons attributable to the winning party, when the proceedings are delayed and extra costs are required because of the delay, the costs may be borne by the part who wins the case (Code of Civil Procedure Article 63).

3. Burden of Costs for Special Cases of Invalidation Trial

(1) Partial Invalidation

When a trial decision of a partial invalidation is rendered against a demand for full invalidation, costs of the trial shall be shared by the both parties and a ratio of the sharing may be decided by a trial decision, or the whole costs are borne by one of the parties (Code of Civil Procedure Article 64)(Sentence example →45-04).

(2) Joint Trial

A. In this case, parties of a joint trial who lost the case shall bear the costs in equal proportions in principle, however, they may bear the costs jointly and severally or in any other manner (Code of Civil Procedure Article 65(1)).

B. When a trial is demanded jointly by A and B, if A does not have an eligibility of being a demandant and only B has a reason for demanding a trial, a cost incurred between A and a demandee is borne by A and other costs shall be borne by a demandee who lost the case.

C. A cost incurred by an action that was not necessary for expansion or defense of the right is borne by a person who did the act (Code of Civil Procedure 65(2)).

(3) Intervention

When there is an objection from parties against a request for intervention, costs incurred due to the objection for intervention is borne by a petitioner of intervention and a person who alleges the objection under a principle of a defeated party (Code of Civil Procedure Article 66 first part).

A burden of costs incurred by an intervention is, as with the case of joint trial (Code of Civil Procedure Article 66 second part), determined by a trial decision. A cost incurred by an objection to a request for intervention is stipulated in a conclusion upon decision of acceptance or rejection of intervention.

(4) Interest

When there is a dispute between the parties on interests in a demand for trial, and a cost is incurred for an examination of evidence due to the dispute, a burden of the cost may be determined by victory or defeat of the dispute between the parties, separately from winning or losing of the trial on the merit.

(5) Agent

Costs for a demand for trial that the authority of representation may not be proved are borne by the agent (Code of Civil Procedure Articles 69(2) and 70).

(Court Precedent)

In joint litigation of two parties, A and B, if the authority of representation may be proved for A but not be proved for B, an agent shall bear the costs of B ((12 (Gyo-Na) 1957), Judgment of Tokyo High Court, June 17, 1958).

4. Burden of Costs for Appeal Against Examiner's Decision of Refusal, Appeal Against Examiner's Decision to Dismiss Amendment, Trial for Correction, etc.

Costs for an appeal against examiner's decision of refusal, an appeal against examiner's decision to dismiss an amendment for a design or trademark registration application, or a trial for correction are borne by an appellant (a petitioner) (Patent Act Article 169(3), Design Act Article 52, Trademark Act Articles 56(1), 68(4)), and costs for an opposition to grant of patent or an opposition to registration of trademark are borne by an opponent regardless of a conclusion of decision (Patent Act Article 120-8(1), Trademark Act Article 43-15(1)→Patent Act Article 169(3)).

When those appeals, oppositions or petitions are jointly filed, each appellant or petitioner bears the costs in equal proportions (Patent Act Article 169(4), Utility Model Act Article 41, Design Act Article 52, Trademark Act Articles 56(1), 68(4)).

5. Bearing of Costs for *Hantei* (Advisor Opinion on the Technical Scope of Industrial Property Rights)

Regarding bearing costs for an advisory opinion, there is no provisions but an expense paid by each party is borne by that party, and a conclusion of an advisory opinion does not include a determination of bearing costs.

(Revised Feb 2015)