Approaches to Protect Designs Effectively in Japan – and a few comparisons with US design practice

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This article provides an introduction to design protection in Japan, including a basic discussion of the Japanese design registrations system, some of the procedures and major requirements for obtaining design registration in Japan, as well as a few statistics. While trademarks are protected mainly through the Trademark Act and Unfair Competition Law in Japan; Design protection under Design Law can also be a useful tool to protect trademarks. Strategically, design applications play a crucial role in filling a space between trademarks and utility patents. While trademarks are focused on branding, reputation and consumer protection, and utility patents are focused on the functional and utilitarian aspects of the product, design patents protect ornamental aspects of the article of the patent. Companies often expend significant resources on understanding consumer preferences and creating appearances and ornamentation on products, and these designs can often be differentiators for consumer products. By using approaches such as related designs and secret designs, companies can retain flexibility in product design as consumer preferences change or competing products require different or additional distinctions in appearance and ornamentation. Combining these strategies with trademark and patent portfolio approaches can offer companies opportunities for flexibility and strong protection in product design and branding. Thus, it is advantageous for brand owners to have knowledge about the design protection system in Japan.

The article covers some strategic tools such as the "secret design" system and the "related design" system. A discussion of the relevant US practice is briefly provided on a couple of key points. When US companies file design applications in Japan, they are often based on are corresponding U.S. priority design applications. In order to fully take advantage of the strategic tools of Japanese design practice that are introduced in this article, it is crucial that the U.S. design application be properly prepared and filed.

Introduction

Japanese design law is governed by Section 2-1 of the Design Act, which specifies that a "design" includes shape, patterns or colors, or any combination thereof of an article, including a portion of the article, which creates "an aesthetic impression through the eye". The Paris convention priority system applies for Japanese designs, so long as the Japanese application is filed within 6 months of the earliest effective priority date of a foreign application. Separately, Japan provides for a grace period of up to 6 months, without losing novelty. A Japanese design patent is effective for 20 years from the registration date of the design; in comparison, utility patents have a term of 20 years of the filing date.[1]

With respect to the grace period, as noted above, Japan provides for a six-month grace.[2] From the earliest disclosure date, as compared with a one-year grace period according to US law. In order to obtain protection of the grace period, Japan requires the submission of a written statement that explains the basis of the grace period filing at the time of filing in Japan, as well as a certificate to be

[1] Japan Design Act 21(1), Japan Patent Act 67(1)
[2] Japan Design Act 4(1), 4(2)

provided within 30 days of the Japan filing date.[3] Although applicants may provide a grace period statement optionally under US law, these additional requirements do not exist for US patent matters; the USPTO may require a declaration under 37 CFR 1.130 during the prosecution of the patent, but this is not required at the time of filing. It should be noted that the actual deadline of the six-month

grace period is not tolled by Paris convention priority. For example, if a public disclosure has been made, such as a press release for new product, which shows the design, and then they US application is filed within six months, but the Japanese design application is not filed within six months, then the grace period will not be effective.

As is the case in most jurisdictions, a design application requires basic inventor and applicant information, as well as the name of article, the drawings and any priority or grace period information.[4] Similar to US practice, there is a substantive examination.[5] For consideration of prior art and disclosure requirements; also similar to the US system, there is no publication of unexamined applications.[6] The standard for obtaining design registration is also very similar to the US standard, in that the design must have industrial applicability, novelty, and creative difficulty (e.g., obviousness) under the "first to file" system.[7]

According to recent statistics from 2015, the average time from the filing of a design application in the JPO to the issuance of the first office action is roughly 6.1 months. The grant rate is roughly 90%, as compared with a grant rate of about 60% for utility patents in Japan.[8]

With regard to the enforcement of designs, the test for infringement is fairly similar to the US test. Under Article 24(2) of the Japanese design statute, the test for similarity between an accused product and a registered design is determined based on "the ecstatic impression that the designs create through the eyes of their consumers." In other words, the test is whether a common aesthetic impression is established based on the viewpoint of a general consumer.[9] If so, the accused product is deemed to be identical or similar, and may infringe the design patent. If not, the accused product is deemed to be dissimilar, and not infringe. In considering whether infringement exists, the design should be considered as a whole, and the characteristic features of the design must be evaluated by assessing the portion of the design to which a consumer or purchaser may be most attracted.[10] This determination is based on the properties, purpose and embodiment of use of the article of manufacture that is the basis of the design. Further, and similar to US law in some cases, the presence of the novelty of the design as compared with the prior art may be considered.[11] For example, see "self-propelled crankcase", Tokyo High Court *case H09 (*Ne) 404 (June 18, 1998 (H10).[12]

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[3] Japan Design Act 4(3)
[4] Japan Design Act 6
[5] Japan Design Act 16
[6] Japan Design Act 20(3)
[7] Japan Design Act 3(1), 3(2)
[8] Japan Patent Office Statistics Data in 2015 (4. Period of Examination and Appeal/Trial Examination)
[9] Cosmetic Puff Case, Osaka District Court, Case H16 (Wa) 6262 (December 15, 2005 (H17))
[10] On the basis of general consumer's sense, the similarity of the articles also should be considered from the perspective of whether there is a possibility of confusion being caused between the two articles as a result of understandings that both articles have identical or common functions, or applications of the article.
[11] Self-Propelled Crane Case, Tokyo High Court, Case H09 (Ne) 404 (June 18, 1998 (H10))
It is necessary to observe the whole of a design when evaluating the similarity of a design.
[12] Self-Propelled Crane Case, Tokyo High Court, Case H09 (Ne) 404 (June 18, 1998 (H10))

Similarly, in the United States, the "ordinary observer test" of *Gorham* and *Egyptian Goddess* determines the scope of infringement for designs. [13] According to the "ordinary observer test", a design patent may be considered infringed if, from the viewpoint of an "ordinary observer" who purchases the article associated with the design, the design of the patent is "substantially the same" as the accused design, such that the ordinary observer would be deceived by the similarity, and purchase the accused design, mistaking it for the patented design[14]. On the other hand, if the difference between the accused design and the claimed design is "sufficiently distinct" and "plainly dissimilar", the design patent claim is not infringed. Further, the design must be considered as a whole, rather than looking at elements of the design in isolation.

Strategic Aspects of the Japanese Design System

This section of the article considers three aspects of Japanese design practice that are somewhat unique, and the practical impact of these approaches. Strategy tips are also discussed.

1. Secret Designs

Article 14(1) of the Japanese design statute permits for a "secret design". That is, the applicant may request design to be kept secret for it.[15] No more than three years from the date of design registration. [16]In other words, and applicant may file and obtain design patent registration in Japan, and for three years after the design patent has been granted, there will be no publication of the design patent.[17] This system is unique to Japan, and was introduced due to the nature designs, which can be with relative ease as compared with utility patents. In contrast, Japanese law does not permit secret issuance of utility patents, which will publish upon grant.[18]

The three-year period for keeping the design registration secret can be shortened or extended by request.[19] However, the request to keep the application secret must be made either at the time of filing, or no later than the time of making the first year annuity payment.[20] Further, it should be noted that secret design system is only applicable for design patent applications that are filed through standard filing procedures, and does not apply to international design applications (IDAs) which can be which can be filed under the Hague system.

A practical effect of this system is that even if a design patent is granted in Japan relatively quickly, and perhaps before the release of a product, the owner of the design patent can prevent the design patent from being published prior to the release of the product. This allows for the applicant to make changes in the actual product design or in the timeline of the product implementation, without having the design patent publish before the release of the product. Further, and applicant may be able to introduce variations or changes to products before the design registration publishes in Japan.

In this case, the requirements are (i) to ascertain the characteristic features of the design by assessing the part to which consumers or dealers are most attracted, based on the properties, purpose, and embodiment of usage of the article of the design, and based on the presence of the newly created portion that the prior design did not have, and (ii) to assess whether the registered design and the other design have a common element(s) in the characteristic features.

[13] *Egyptian Goddess*, 543 F.3d at 670 (quoting *Gorham Co. v. White*, 81 U.S. 511, 528 (1871)).

[14] Id.

[15] Japan Design Act 14(1)

[16] Japan Design Act 14(1)

[17] Japan Design Act 20(4)

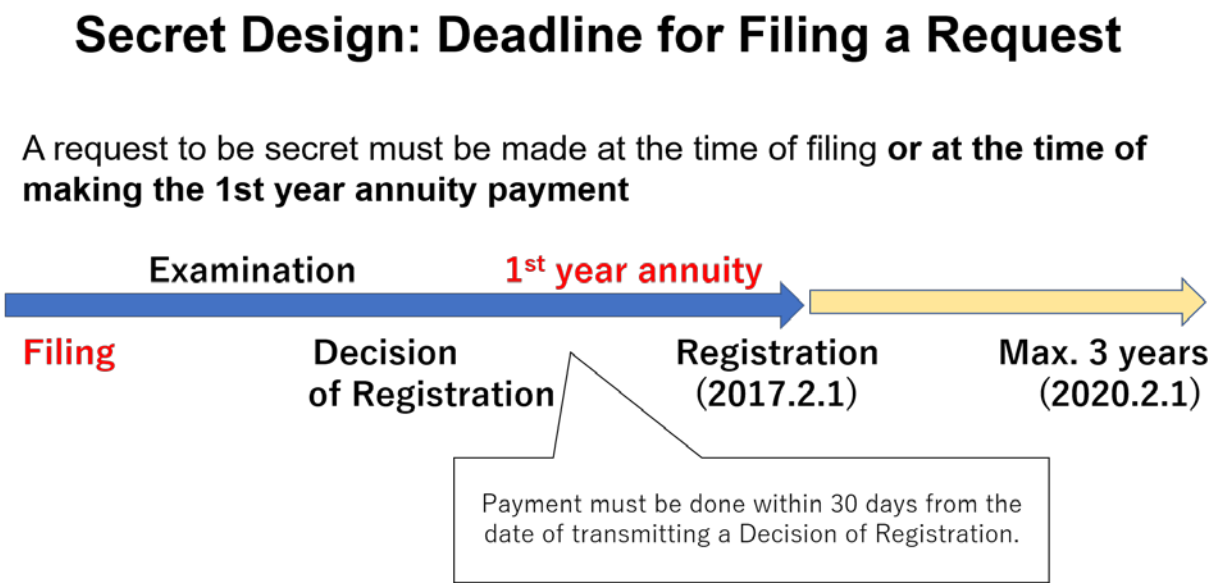
[18] Japan Patent Act 66(3)

[19] Japan Design Act 14(3)

[20] Japan Design Act 14(2)

As a result, the general public as well as competitors cannot predict a future product of the company by looking at registered design publications, if the applicant uses the system to delay the publication of the registered design.

The following chart provides an example of how the secret design system may be used with respect to the branding of the product. According to the example, a design application is filed and a decision of registration is obtained, followed by an annuity payment (within 30 days of the transmitting date of the decision of registration. Then, the design registration is issued on February 1, 2017. For up to three years, the publication of the registered design may be deferred, such that the registered design remains secret until up to February 1, 2020. Thus, for example, the release of a product associated with the registered design may be timed to occur prior to the registration publication of the registered design. Alternatively, and if an applicant has multiple pending application and wishes to create publicity prior to the product release, it may be possible to time the publication of multiple designs (including some alternatives that are not the actual product to be released) associated with a product to occur shortly before the release of the product.



2. Partial Designs

Japan design law provides for the use of a combination of solid lines and broken lines to claim portions of the design.[21] In some manners this is similar to US practice, as solid lines are used to indicate the scope of the design claim, and broken lines show the environment or background that is not part of the claim.[22] A key difference between the US system and the Japan system is that a partial design under Japanese law must be for an integral element, and cannot be a portion of an indivisible integral element.

[21] Japan Design Act 2(1)
[22] Pulley Case, IP High Court, Case 10317 (Gyoke) (January 31, 2007 (H19))
A partial design is a part of an article, and the part for which registration is sought is not determined only by that part. The shape itself indicated by a broken line does not constitute a design. However, the shape specifies use and function of the part for which registration is sought and actually specifies its position thereof. As to a partial design, a part indicated by a broken line may describe a common shape of the article and thus have no meaning.

As a practical matter, being able to claim a portion of an article of manufacture can be useful to get broader protection, so that an element of the article could be incorporated in various different environments, and thus have potentially broader coverage. On the other hand, there may be benefits to claiming the entire article of manufacture. At least in the United States, after the Apple v. Samsung Supreme Court decision, the definition of the "article of manufacture" that is used to calculate design patent damages need not be limited to the final end product, and may include intermediate components in the supply chain[23]. Thus, there may be benefits to having various designs, some of which cover the broadest scope that only includes the partial design, with other designs being directed to the end product that is sold to consumers, such that the design owner may be able to consider potential licensing value or patent damages calculation for that article of manufacture that is claimed in the design. Separately, such an approach might also permit the owner of the design to protect different parts of the supply chain using different designs.

To obtain the benefits of the partial design system in both Japan and the United States, applicants should consider the requirements of the second filing office as well as the first filing office when filing the initial application. For example, US-priority applications should consider including embodiments where the partial design is a discrete, indivisible element, as well as other scope that may be permissible according to US design practice. Similarly Japan-based applicants with partial design subject matter may wish to consider filing the US design application first, or concurrently (e.g., both cases as first-filed applications) with the US application and having multiple embodiments.

3. Related Designs

Japanese design law also includes a "related design system".[24] Under this system, if two or more designs are similar to one another and are owned by the same company, they may be registered as "related designs".[25] If the designs are not related to each other as a part of the application process, one design is used to reject another design,[26] in a manner similar to "double patenting" under US law.

In order for the related design system to be used, the applicant must be identical, and the related design must be "similar" to the "principal design".[27] If the designs are not similar the application that is "related" will be rejected by the JPO based on the principle design. Also, the related design application must be filed on or after the filing date of the principal design application, but before the principal design is published;[28] this is similar to the co-pendency requirement for filing a continuation application under US law.

Under this system, the related design has its own separate design patent, although the term of the patent is based off of the principal design.[29] The ownership of the principal design and the related designs must always be common,[30] which is similar to the terminal disclaimer requirement under US law.

[23] Samsung Electronics Co., Ltd., et al. v. Apple Inc., (December 6, 2016), No. 15-777
[24] Japan Design Act 10
[25] Japan Design Act 10(1)
[26] Japan Design Act 10(4)
[27] Japan Design Act 10(1), 10(3)
[28] Japan Design Act 10(1)
[29] Japan Design Act 21(2)
[30] Japan Design Act 10(1)

This "related design" system is particularly useful in cases where there are subsequent products that are mere variations or have very close ornamentation to the originally introduced product. This is also useful in cases where there are a series of products which bear marked similarity to one another, but are not exactly the same. One example of this is animal toys, where there is a family of animal toys having similar features, such as eyes, nose and head shape, but other different features, such as hair style or hair color. Naturally, this approach may be extended to other types of designs and articles of manufacture having similar variations.

In the United States, the presumption of validity applies to design patents under *LA Gear*[31], and that the Federal Circuit applies a "stringent" standard to invalidate designs under *Rosco*[32]. Therefore, obtaining patent protection that provides a broad coverage for the ornamentation in one embodiment, with additional embodiments directed to other possible product lines or variations by use of the above-explained techniques can permit a designer to optimize protection of a brand for a product or product line.

Under U.S. law, the Federal Circuit has held that design patents be directed to ornamental designs of articles under 35 USC §171. Under *LA Gear*[33], if a claimed design is "essential" to the use of an article, it is not patentable as a design. To determine the meaning of "essential", the Federal Circuit looks to whether the claimed design *as a whole* is "dictated by" the use of the article. Id. Thus, if a design is "primarily functional", that design is invalid.[34] By having varying ornamentations, perhaps as related designs, some of the issues associated with functionality may also be addressed. In *Best Lock*[35], the Federal Circuit affirmed a district court determination that a design patent direct to a key blade was invalid as functional, because it was primarily functional, and did not have alternative designs that would perform the function.

By using the related design system, an applicant may more effectively protect its brand. For example, the applicant may file multiple designs on a given product as related designs, to address potential design-around or counterfeiting risks. By creating a thicket of designs around the actual product that extend towards competing products and/or prior art, competitors will find it more difficult to closely mimic designs via small variations. This strategy, used in combination with trade dress and trademark law, can result in a deterrent to existing products, and room to innovate variations in designs within a product line while also retaining design protection.

Other Practical Considerations

To protect various implementations of the brands, practitioners may wish to emphasize varying embodiments that include ornamental aspects of the article, to cover product variations and design-arounds. This approach may be particularly useful if more than one design may be manufactured and sold, or to consider possible future designs, or changes in the design over time in view of changes in customer preferences. For example, an applicant may wish to demonstrate multiple designs that perform the same function, especially if those designs are not present in the prior art.

During prosecution of the design application, practitioners may wish to avoid written statements on the record that define or explain the function of the design with respect to the ornamentation, or limit

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[31] *L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117, 1123 (Fed. Cir. 1993).
[32] *Rosco, Inc. v. Mirror Lite Co.*, 304 F.3d 1373, 1378 (Fed. Cir. 2002).
[33] *L.A. Gear*, 988 F.2d at 1123.
[34] *PHG Techs.*, 469 F.3d at 1366; see also *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 148 (1989).
[35] *Best Lock*, 94 F.3d at 1567

the design scope to avoid competing products, or one's own products. Such statements could later be used as an admission of the function or of functional aspects of the ornamentation. Instead of making written statements, applicants may wish to instead contact the Examiner to conduct an interview and resolve any differences by verbal explanation.

Conclusion

The US and Japan design patent systems are similar in many ways. Additionally, the Japanese design patent system has some differences and unique aspects, such as secret designs, partial designs and related designs that are different from US design practice, in substance or implementation. These differences can be leveraged to provide added protection opportunities for the branding and appearance of products, in addition to the underlying technology protected by utility patents. However, it is important to consider these differences in the office of first filing, to take advantage of foreign priority under the Paris Convention. Thus, applicants should take these differences and filing strategies into consideration in determining the best filing strategy to cover their business and competitive advantage in Japan.

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