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Contents

- News about Sonoda & Kobayashi
- 1. Upcoming Events for Sonoda & Kobayashi
- JPO and CNIPA News
- 1. The JPO Publishes its 2025 Status Report
- 2. Report published by the Trial and Appeal Practitioner Study Group
- 3. CNIPA: Bulletin of the Main Statistics of Intellectual Property, January 2025
- · Latest IP News in Japan
- 1. Supreme Court Reaches Verdict in Dwango FC2 Patent Infringement Case
- 2. Japan Ranks Third for Number of Patents at the EPO
- · Latest IP News in China
- 1. U.S. Court Rules in Favor of Tencent: 616 million Yuan in Compensation
- 2. vivo Applies for the "vPhone" Trademark: A Challenge to Apple
- IP Law Updates in Japan: Insights from Sonoda & Kobayashi
- 1. 2025 JPO Status Report: 1-Year and 5-Year Trends in Foreign Patent Filing

- News about Sonoda & Kobayashi -

1. Upcoming Events for Sonoda & Kobayashi

As we move on from the winter season, we at Sonoda & Kobayashi have confirmed our attendance at various IP and law events for this spring and summer of 2025. In early May, we will attend the VPP Symposium 2025 in Wiesbaden, Germany. For June and July, we have three events we plan to attend: IPBC Global in Boston and ACPC National Summer Meeting in Atlanta in June and the INTERPHEX BioPharma Expo in Tokyo in July. We would be more than happy to meet during these events, so please feel free to reach out to us if you plan on attending. We look forward to the chance to meet with you.

- JPO and CNIPA News -

1. The JPO Publishes its 2025 Status Report

On March 24, the Japan Patent Office released its annual Status Report.

This report provides readers with the latest information on Japan's intellectual property system. It contains figures and graphs on trends in IP in Japan and worldwide, with data generally running up to the year 2024.

For example, it shows the latest information on patent filing in Japan, where we can see that the number of applications in Japan rose from 2023 to 2024. This marks the second year in a row where applications in Japan have increased.

It also discusses various policy initiatives by the JPO and their outcomes.

Further information can be found <u>here</u>. (English)

2. Report published by the Trial and Appeal Practitioner Study Group

The Trial and Appeal Practitioner Study Group held by the JPO released its report over the year 2024.

In this report, readers can find summaries of the discussions held by the group on various cases handled by Japan's Trial and Appeal Division.

The group was formed in 2006 based on the understanding that discussing the trial and appeal decisions and court decisions would help the JPO's panel for these respective categories to conduct more appropriate examinations.

In the study group, various people, such as corporate IP representatives, patent attorneys, chief administrative judges, and judges from the IP High Court and Tokyo District Court (as observers), come together discuss the trial and appeal and court decisions in depth.

A summary report in English is made available specifically for an international audience.

Further information can be found <u>here</u>. (English)

3. CNIPA: Bulletin of the Main Statistics of Intellectual Property, January 2025

Patents

In January 2025, 63,000 invention patents, 141,000 utility model patents, and 50,000 design patents were authorized in China.

As of the end of January, the effective number of invention patents in China was 5.735 million. Among them, 4.728 million domestic (excluding Hong Kong, Macao and Taiwan) invention patents were registered. The effective number of utility model patents was 11.724 million, and the effective number of design patents was 3.096 million.

The CNIPA accepted 5,600 PCT international patent applications. Among them, 5,300 were submitted by domestic applicants.

A total of 197 international design applications were filed by Chinese applicants, and a total of 204 international applications for published designs designated China.

Trademarks

In January, the number of trademark applications in China was 598,000, and the number of trademark registrations was 311,000. As of the end of January, there were 49.953 million valid registered trademarks.

The CNIPA received 591 applications for Madrid international trademark registration from Chinese applicants.

Geographical Indications and Integrated Circuits

The CNIPA approved the registration of 1 geographical indication as a collective trademark and certification trademark and approved the use of special geographical indications for 776 business entities. As of the end of January, a total of 2,544 geographical indication products have been identified, 7,403 geographical indications have been approved for registration as collective trademarks and certification trademarks, and 33,421 business entities have been approved to use special geographical indications.

There were 680 applications for registration of integrated circuit layout designs in China; 675 certificates were issued.

The work of the CNIPA in 2025 will continue to be stringently reviewing applications in accordance with the law and strictly controlling the grant of applications. In other words, it may be expected that the authorization rate will drop to a lower level this year.

Further information can be found here. (Chinese)

- Latest IP News in Japan -

1. Supreme Court Reaches Verdict in Dwango-FC2 Patent Infringement Case

Yomiuri Shimbun, March 3, 2025

After three years of appeals and various lawsuits in the decade before, the Supreme Court of Japan has reached a final verdict in the patent infringement case involving Dwango, the owner of popular video site Nico Nico Douga, and FC2.

The case concerned a feature of Nico Nico Douga, where comments are displayed on a video scrolling in real time. Despite being developed and registered by Dwango, FC2's

website made use of the feature.

The Supreme Court upheld the 2022 ruling made by the Intellectual Property High Court, confirming that FC2 must immediately stop the use of this feature in Japan and pay approximately 111 million yen in damages to Dwango.

This case challenged the principle of "territoriality" established by a 2002 Supreme Court ruling, which limits patent rights to the borders of the granting country. As FC2's servers are located in the United States but accessible in Japan, the key issue was whether Dwango's Japanese patents for the feature applied to FC2's service.

The court's reasoning held that, as the flow of information has become easier across national borders, negating patent protection simply because a service is sourced overseas would undermine the purpose of the Patent Act. Furthermore, the court ruled that, despite hosting their site overseas, FC2's use of this feature benefits domestic Japanese users, which constitutes patent infringement and an economic impact on Dwango.

This final verdict overturns the Tokyo District Court decision, also in 2022, that ruled in favor of FC2 using a strict interpretation of territoriality.

The ruling comes at a time when many Japanese companies are uneasy in regard to cross-border patent infringement. In a Japanese Patent Office survey of 120 domestic companies with international operations, 70% expressed their concern with overseas patent infringement.

This ruling represents a landmark case in how the concept of territoriality is interpreted by Japanese courts, and it marks a significant victory for internationally operating companies, especially those involved in technology and the Internet, who wish to protect their intellectual property rights

Further information can be found here. (Japanese)

2. Japane Ranks Third or Number of Patents at the EPO

FNN, March 25, 2025

The European Patent Office (EPO) has released its Patent Index 2024, revealing that Japan remains one of the top contributors to European patent filings. Japanese companies and inventors filed 21,062 patent applications last year, making up 10.6% of total filings. Although this is a 2.4% decrease compared to 2023, Japan remains the third-largest filer, surpassed only by the United States and Germany.

Japanese firms were particularly strong in several technological sectors, particularly the electrical machinery, equipment, and energy sector. There were 2,077 Japanese patent applications in this field, up 8.4% from 2023. In the subsector of battery technology, applications grew by 20% when compared to the previous year. Another important technological field that saw a growth in applications was the transport sector, including automotive and aerospace technologies, which grew 3.7%. In addition, several Al-related subfields of the computer technology sector increased by 20% from 2023.

Among Japanese corporations, Sony emerged as the top filer, securing the ninth position overall with 1,307 applications, an improvement from its tenth place ranking the previous year. Panasonic followed closely with 990 applications, and Canon and Hitachi contributed 760 and 653 filings respectively. Toyota Motor Corporation also made significant

improvements from 2023, ranking fourth in automotive technology, second in electric propulsion (electric vehicle) technology, and increasing their number of applications by 12.7%.

Also of note is Tokyo's prominence as a global innovation hub. Ranking second globally, the city accounted for 11,592 filings, surpassed only by the U.S. state of California. Following Tokyo, Osaka Prefecture filed the second most applications of all prefectures, with 2,979, and Aichi Prefecture followed in third with 1,447 applications – a growth of 21.9% from the previous year.

Despite the slight decline in total patent filings, Japan's rank as a top three filer at the EPO demonstrates the country's commitment to technological innovation. With Tokyo's dominance in filing among regions globally and Japan's growth in battery and AI technology, the country remains a driving force in the global patent landscape.

Further information can be found here. (Japanese)

- Latest IP News in China -

1. U.S. Court Rules in Favor or Tencent: 616 million Yuan in Compensation SINA, February 12, 2025

On February 7, the Western District Court of Texas in the United States made a judgment in favor of Tencent in their copyright infringement lawsuit against a Taiwan-based TV box company and other distributors.

The local court found that the defendant had committed direct, assisted, and indirect copyright infringement, imposed a permanent injunction on the company, and ordered the defendant to pay Tencent more than US\$84.75 million (about 616 million yuan) in compensation.

Under U.S. law, the amount of compensation for films and television productions registered in the U.S. is generally \$300,000 per episode.

After reviewing the relevant facts and applicable laws, the court found that the defendant had directly and indirectly infringed copyrights and substantially contributed to copyright infringement.

The amount of compensation awarded in this case is also worth paying attention to as many film and television works are calculated in accordance with the statutory maximum compensation standard.

For example, the TV series "Changxiangsi" and "Little Day" received compensation of US\$11.7 million (85.27 million yuan) and US\$7.8 million (56.85 million yuan), respectively.

Further information can be found here. (Chinese)

2. vivo Applies for the "vPhone" Trademark: A Challenge to Apple SOHU, February 11, 2025

Recently, vivo, a Chinese domestic mobile phone brand, has taken positive action in terms of trademark registration and applied for the "vPhone" trademark. This news has attracted

widespread attention in the industry, especially after OPPO has previously applied for "oPhone" and Xiaomi has applied for "MiPhone." The concentrated layout of the three major domestic mobile phone brands shows that they are aiming at the high-end mobile phone market, striving to compete with international giants such as Apple. Analysts believe that with the release of these new mobile phone products, the market competition will be become fiercer in the future.

As part of their upcoming product lineup, the vivo X200 series is expected to continue to use designs similar to those of the iPhone, such as a right-angled bezel design and an Alintegrated notification and multitasking tool similar to Apple's Notification Center. This strategy of benchmarking against Apple is obviously aimed at attracting the latter's user group, especially given vivo's presence in price segment of 4,000 yuan to 6,000 yuan.

However, vivo's foray into this market is not without risk, especially in the realm of intellectual property. Much like OPPO's "oPhone" and Xiaomi's "MiPhone", vivo's "vPhone" may face potential trademark issues with its similarity to Apple's "iPhone" trademark. This could result in legal challenges for the company, especially if vivo plans to apply for protection abroad. Despite innovative features and a competitive price, if Apple successfully challenges the "vPhone" trademark in key regions, vivo might face obstacles in marketing and selling their products under that name. With some similar features, Apple also may have the potential to legally challenge some designs, such as the right-angled bezel and notification feature.

Overall, vivo's "vPhone" plan reflects the desire and pursuit of domestic brands for the highend market. This is not only an opportunity for vivo, but also a transformation opportunity for the entire smartphone market. In the medium and long term, whether vivo can gain a successful foothold in the high-end market will directly affect the development of the industry as well as IP strategies of other smartphone developers.

Further information can be found here. (Chinese)

- IP Law Updates in Japan: Insights from Sonoda & Kobayashi -

1. 2025 JPO Staus Report: 1-Year and 5-Year Trends in Foreign Patent Filing

Early this March, the 2025 JPO Status Report was released, presenting data from the previous year. This report offers crucial insights into patent filing trends and reflects broader shifts in intellectual property investment globally.

While we have reflected on 10-year trends in the past, as well as data from the 2023 report, we have found it valuable to perform a 5-year analysis as to compare recent filing data with that from 2020.

Drawing from the report, some national level conclusions can be reached:

- 1. China continues to invest heavily in Japanese patents
- South Korea and Switzerland saw the largest increase in their filing numbers over the 5-year period
- 3. Despite a fluctuating trend, the U.S. also saw growth in their filing numbers
- 4. European countries' applications increased from five years prior, with the exception of The Netherlands and Sweden.

General International Filing Trends

Understanding the trajectory of patent applications from foreign firms is essential to assessing Japan's position in the global innovation landscape.

Although filing numbers from foreign applicants have increased in recent years, 2024 marked a slight decrease in the number of applications from abroad. The number of applications originating overseas dropped 2.12% from 2023, from 71,197 to 69,686. However, over a 5-year period, foreign applications have increased 14.01% from 61,124 in 2020.

PCT applications filed at the JPO also declined, falling by 1.31% from 47,372 to 46,751. This represents a significant 9.5% decrease from the ten-year high of 51,652 in 2019. While the data from the report for this category is limited to 2023, filings by small and medium enterprises (SMEs) reached their highest level on record at 40,221. This marks a 0.85% increase from the pre-pandemic high of 39,880 and a 1.42% rise from the previous year. This increase may reflect the effectiveness of government policies and incentives designed to encourage SMEs to secure intellectual property rights, which could contribute to Japan's long-term economic and technological competitiveness.

Country	2023	%Change (2023-2024)	2024
U.S.	26648	-5.33%	25228
China	9612	3.89%	9986
Germany	5878	-1.53%	5788
South Korea	7920	2.92%	8151
Switzerland	3699	-0.11%	3695
France	2499	-0.16%	2495
U.K.	2351	-0.72%	2334
The Netherlands	1814	-6.12%	1703
Taiwan	1483	4.92%	1556
Sweden	1198	-17.11%	993
Others	8095	-4.18%	7757
Total	71197	-2.12%	69686

Country	2020	%Change (2020 to 2024)	2024
U.S.	22451	12.37%	25228
China	8406	18.80%	9986
Germany	5540	4.48%	5788
South Korea	5881	38.60%	8151
Switzerland	2602	42.01%	3695
France	2375	5.05%	2495
U.K.	1946	19.94%	2334
The Netherlands	1861	-8.49%	1703
Taiwan	1442	7.91%	1556
Sweden	1164	-14.69%	993
Others	7456	4.04%	7757
Total	61124	14.01%	69686

Left: Country-level trends over 1-year, right: Country-level trends over 5-years. Source: <u>JPO Status Report</u>

Country-level Trends

Examining country-specific trends provides a deeper understanding of which nations are actively investing in Japanese intellectual property and how global economic conditions shape filing behaviors. While application numbers from 2020 were undoubtedly influenced by COVID-19-related restrictions, comparing current data with that from 2020 provides insight into the recovery of filing rates.

One of the most prominent trends in recent years is the dramatic increase in Chinese patent applications at the JPO. Applications originating from China increased from 9,612 in 2023 to 9,986 in 2024, a change of 3.89%. This reflects a larger pattern of continued Chinese investment in Japanese patents. Application numbers rose 18.80% from 2020 and an astounding 252% from ten years prior in 2015.

Also of note is the significant growth in applications originating from both South Korea and

Switzerland. In 2024, applicants from South Korea filed 8,151 patent applications, while applicants from Switzerland filed 3,695, reflecting increases of 38.60% and 42.01% from 2020, respectively. However, when compared to 2023, only South Korea saw an increase (2.92%), while Swiss-originating applications declined slightly by 0.11%.

Despite a decrease from 2023, U.S. entities continued to increase their filing numbers over the 5-year period. Applications from the U.S. fell from 26,648 in 2023 to 25,228 in 2024, but this still marks a 12.37% rise from 22,451 in 2020. It is important to note that U.S. application numbers have fluctuated since 2012, with peaks in 2022 and 2023 and lows in 2019 and 2020.

Although filing numbers for all listed European countries declined from the previous year, the 5-year trend shows growth, with the exceptions of the Netherlands and Sweden. As mentioned earlier, Switzerland exhibited the most significant growth, but the U.K. also saw a substantial increase, with applications rising 19.4% from 2020 (from 1,946 to 2,334). France and Germany also experienced growth, with application numbers rising by 5.05% and 4.48%, respectively.

Finally, it is worth mentioning the stability in the number of applications coming from Taiwan. While 1-year and 5-year rates of growth are 4.92% and 7.91% respectively, the number of Taiwanese applications at the JPO has remained in the range of 1,400 to 1,600 fillings per year since 2017, with some fluctuations between these values.

Overall, the past five years have seen significant shifts in international patent filings at the JPO, with notable growth from China, South Korea, and SMEs – despite some recent declines. These trends highlight the evolving landscape of global IP investment and the importance of filing in Japan for international entities.

About

SONODA & KOBAYASHI is a law firm offering dependable legal services for intellectual property. Our multinational team of about 120 experts in technology, law, languages and international communication has served companies worldwide and gained a reputation for thoroughness and reliability.

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