

Utility Model or Patent?

Utility models are intended to provide protection for inventions which may not reach the level required to be eligible to receive a patent, and provide that protection faster, however for a shorter time. Generally, a utility model application is registered within 6 (six) months of the filing date without a substantial examination. It is not possible to obtain both a granted patent and utility model registration for the same invention.

As of April 1, 2005, utility models in Japan are protected for a maximum of 10 (ten) years (Article 15 of the Japan Utility Model Act). A utility model application and a registered utility model may be converted into a patent application within 3 (three) years of the filing date of the utility model application (Articles 46 and 46^{bis} of the Japan Patent Act). A patent application derived from the utility model is generally deemed to have the priority date of the original utility model application. Upon submission of the patent application, the utility model right upon which the patent application was derived is rescinded.

Note, in general, pharmaceutical products and chemical substances may not be protected by a utility model registration, in Japan. Additionally, a method for the production of a product, and the product produced thereby are not eligible for protection by a utility model registration. Often, utility models are meant to protect minor (incremental) adjustments or improvements to existing products, which are generally mechanical.

In order for a patent to be granted to an applicant, the invention must be novel and have an inventive step over the prior art. The thresholds for what constitute "novelty" and "inventive step" are considerably lower for utility models. As utility models are not subjected to a rigorous examination prior to being registered, it is presumed that the validity of the

invention in the utility model is lower than that of an invention specified in a patent.

There are situations in which applying for a utility model registration might be a better strategy than filing an application for a patent.

As it is cheaper to file an application for utility model protection and registered utility model annuities are cheaper to maintain than those required for maintaining a patent registration, small and medium sized enterprises (SMEs) may find that the utility model route offers them the intellectual property protection they are seeking. This is especially true if it is anticipated that the life cycle of the invention will be short and/or the potential profit does not justify the expenses required for obtaining a patent.

If the applicant is unsure that the invention will achieve substantial commercial success, the applicant may wish to initially protect the invention as a registered utility model. Should the invention prove to be lucrative to the applicant, the applicant can convert the utility model application into a patent application in order to provide stronger IP protection for a longer period of time.

If your company is aware of another entity which is currently infringing upon or may infringe upon your company's product, a utility model right can be obtained relatively quickly, so as to prevent the infringing entity from marketing your company's product.

Enforcement of Your Utility Model

The first action to be taken against a potential infringer is to send a warning letter to the infringer along with a Report of Utility Model Technical Opinion (also known as a Registrability Report), which is an assessment report prepared by the Japan Patent Office. The report provides an expert

opinion by an examiner regarding the novelty, inventive step, etc., of the invention based on a prior art search.

The holder of the utility model right does bear some risk in this case. If the Japan Patent Office determines that the utility model registration in this case should be invalidated, the holder may be liable for damages to the infringer due to the warning and enforcement. The burden of proof is actually on the holder of the utility model right rather than the infringer (in the case of a granted patent, this situation is clearly reversed). In essence, the holder of the utility model right must prove the validity of their own utility model right. If this is not possible, then the holder of the utility model right may be liable for damages.

Anyone may request a Report of Utility Model Technical Opinion after a utility model application is filed, even if the utility model right has expired.