



EU-JAPAN CENTRE FOR INDUSTRIAL COOPERATION

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Seminar Report

Latest Developments in Intellectual Property Law in the EU And Japan

Tokyo 22 November, 2016

The EU-Japan Centre for Industrial Cooperation co-organized a seminar on intellectual property (IP) on November 22, 2016 in Tokyo, together with Sonderhoff & Einsel Law and Patent Office and Preu Bohlig & Partner. During the seminar, the current state of the EU Unitary Patent System and the regulations on the right to inspection claims in Germany and France were explained by German lawyers. In addition, comparison was made by German and Japanese experts on judicial frameworks on the trade secret protection and employee invention in Europe and Japan. The seminar attracted about 70 participants of IP professionals.

As for the much anticipated EU Unitary Patent, Dr. Christian Kau of Preu Bohlig & Partner explained its current state including preparatory work made by European Patent Office and the Unified Patent Court. For the start of the system, he explained ratification of the Unified Patent Court Agreement by at least 13 states including France, Germany and the United Kingdom is necessary. Currently, a total of 11 countries finished ratification, which does not include Germany and the UK. In addition, because of the issue of the UK withdrawal from the European Union (Brexit), various possibilities are being discussed as to when and how the Unitary Patent system takes effect.

While it is not yet introduced in Japan, claims to inspect devices or processes which might infringe another party's IP rights on the premises of an alleged infringing party, play an important role in Europe as a means of gathering evidence for infringement proceedings. According to Dr. Axel Oldekop of Preu Bohlig & Partner, the EC Regulation 2004/48 of 28 April 2004 (Enforcement Directive) provides legal framework in the EU for the enforcement of harmonized evidence preservation measures of IP rights. In order to facilitate understanding of actual application of "Claims to inspect", Dr. Oldekop explained evidence preservation systems in Germany and France including procedures in courts, how inspection becomes possible and importance of expert opinion.

In June of this year, the European Parliament and the Council have adopted the Directive (EU) 2016/943 on the protection of undisclosed know-how and business information

(trade secrets) against their unlawful acquisition, use and disclosure. It aims to standardize the respective national laws in the EU member states. Member states must transpose the directive into national law by June 2018.

According to Dr. Oldekop, current EU trade secret law is a “patchwork” and uniform definition of a trade secret does not exist. With the introduction of the new directive, the European Union will have a proper definition of trade secrets, which is identical to article 39(2) of TRIPS agreement. Since the EU directive classifies “Reverse engineering” as a lawful conduct, it is noteworthy that the scope of trade secret protection will be limited, Dr. Oldekop indicated. He also drew attention to preserve confidentiality in court proceedings. Although the directive introduces measures to preserve confidentiality, it allows at least the respective lawyers and one natural person from each party to have full access to documents, oral hearings and the confidential version of the judgment.

Mr. Shogo Matsunaga of Sonderhoff & Einsel Law and Patent Office explained trade secret protection in Japan by comparing the Japanese system with the German one. According to Mr. Matsunaga, although the Japanese law is being revised to reinforce trade secret protection, trade secret leakage by former employees has become a critical issue, referring to some specific cases. He stressed the need to strengthen secret management since a mere non-disclosure agreement (NDA) is not considered effective to prevent leakage by a former employee. He also said that at a time of recruitment, a pre-hire interviews were essential for not being considered responsible for a new employee’s infringement of another company’s trade secrets.

Employee inventions play an important role particularly in countries with R&D facilities. As many Japanese enterprises conduct research activities in Germany, understanding relevant German law, as compared to the corresponding Japanese law is important.

Dr. Christian Kau of the Preu Bohlig & Partner explained employee invention systems in Germany. According to Dr. Kau, there is no harmonized law on employee inventions in Europe. As regard to German law, it is very important to understand regulations on transfer of rights. In German law, the owner of rights is the employee. According to the amended regulation in 2009, the invention is transferred to the employer unless the employer releases a document renouncing invention within four months of the notification by the inventing employee. The employer has to provide adequate remuneration for the employee.

Mr. Hiroshi Morita of Sonderhoff & Einsel Law and Patent Office gave historical overview on Japanese regulations related to the employee invention. According to Mr. Morita, Japanese Patent Law had been revised in order to cope with the changing labor-

management relationship such as higher mobility of researchers and growing interests in the employee invention system. Attention has been paid to such vital question as 'to whom an invention belongs', and 'reasonable level of remuneration to the employee.' These questions were addressed by the latest revision of the Patent Law in 2015 and introduction of the related guidelines in April 2016. However, according to Mr. Morita, companies are still facing such problems as changing company regulations and wording in a deed of assignment in order to secure invention ownership.

A panel discussion was proceeded with moderation by Dr. Luca Escoffier, Project Manager for the EU-Japan Technology Transfer Helpdesk of the EU-Japan Centre for Industrial Cooperation. In response to the question raised by Dr. Escoffier, Dr. Oldekop revealed that European countries other than Germany and France have similar systems as "Claims to inspect." As regard to university-linked inventions in Germany, Dr. Kau cited a digital audio technology as an example of successful commercialization. Mr. Morita indicated that it was not easy to decide an appropriate amount of remuneration for university researchers because prospect for commercial success was not clear as compared to the invention by private company researchers.

The seminar received a high level of appreciation from participants. A lot of participants evaluated it highly because they obtained practical information and first-hand opinion of experts, thorough explanation on the current situation of IP in Europe by referring to corresponding systems in Japan.

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