

# Fuki-Benrishi and Involvement of Benrishi in a patent dispute

Inkslinger/Yoshikazu Tani<sup>1</sup>

## 1. What is a “Patent Attorney” in Japan?

A “patent attorney” in Japan is not like a patent attorney or patent agent in the U.S. There is no appropriate English translation of “Benrishi”, a Japanese patent attorney. “Benrishi” can represent a client before the Patent Office in any industrial property cases including patent and trademark cases, and can represent a client even before the Tokyo High Court or the Supreme Court for a case appealed from an adverse decision of the Appeal/ Trial Board in the JPO. In addition, “Benrishi” can give a client an infringement/validity opinion on patent and trademark cases, including advice of designing around or avoiding infringement or comprehensive advice on industrial property. “Benrishi” can participate in an infringement lawsuit as a legal adviser or a legal counsel for litigation representing plaintiff/defendant before a court. “Benrishi” can be an arbitrator/mediator in the Japan IP Arbitration Center. In addition, Benrishi are authorized to participate in a licensing negotiation and drafting a contract. Benrishi can also participate in customs seizure proceedings.

## 2. History

The founder of the JPO, which was established in 1886, realized the importance of patent attorneys as go-betweens between the JPO and applicants and encouraged the establishment of professional patent attorneys. The first attorney started patent practice in 1885. The patent attorneys were registered for the first time in 1899 in compliance with the Patent Attorney Regulations. The Patent Attorneys Ordinance came into force in 1909 and the current Patent Attorneys Law was enacted in 1921 and became effective in 1922. In April, 2000, the previous Patent Attorneys Law was promulgated and became effective as from 2001. The previous Law expanded the scope of the professional services so that the Law better fits into the age of advanced technologies, admitting more involvement in the area of the Copyright Law, the Unfair Competition Prevention Law, the Mask Work Law and the Custom Tariff Law. According to the current Law, it is not required to have a domicile in Japan. More than one patent attorney can jointly organize a patent corporate

---

<sup>1</sup> The former President of Japan Patent Attorneys Association (JPAA)

body. We can have a branch office either in Japan or outside Japan. In January 2002, the previous Patent Attorneys Law was promulgated and became effective as from 2003. This Law permits a patent attorney to represent a client before an infringement litigation court as a legal counsel jointly with an attorney-at-law after a patent attorney completes a specific training curriculum. This new system had been long expected by the JPAA and welcomed by the industries in order to expedite court proceedings in the pro patent climate. Later, in 2007, the Law was again revised to make training curriculum for IP practices compulsory before registration of a patent attorney and also CLE (continued legal education) is mandatory for all the existing Benrishi.

### 3. Fuki-Benrishi system

According to the recent pro patent climate, patent attorneys are expected to play major roles as specialists contributing to the intellectual creative activity cycle, i.e., intellectual creation - acquisition of intellectual property rights - enforcements and exploitation of the right. In the past, the major role of a patent attorney was to be involved in the prosecutions before the JPO. It was realized that it was also important for a patent attorney to contribute to the enforcement of IPR and to participate in exploiting further creative activities. According to this stream or the demand of society in the pro-patent climate, the new system of Fuki-Benrishi was established.

IP disputes in various advanced technologies have demanded IP plus technology specialized legal professionals. The reality before year 2000 was such that most Bengoshi or attorneys - at-law have no technical background, while most Benrishi have technical background, but less capability in litigation.

Benrishi had actual working results as Hosaninn or legal assistants since 1922 as well as legal counsel for an appeal case before the Tokyo High Court since 1948, the Fuki-Benrishi system was created in 2003 by enhancing the litigation capability by an official training curriculum operated by the Japan Patent Attorneys Association (JPAA) with co-operation by the Japan Federation of Bar Associations under the control of the Japan Patent Office (JPO). The realization of this system was not easy, since Bar Associations were strongly resistant to yielding such power of legal counsel to any professionals other than attorneys-at-law. After severe disputes between the two organizations (JPAA and JFBA), the pro patent climate pushed society to accept the new system of Fuki-Benrishi. Further, some factors leading to this system were the joint operation of the Japan IP Arbitration Center since 1998 and joint organization of seminars/training opportunities as well as actual experiences of working jointly in IP enforcement. Thus, the easier communication and dialogue between Benrishi and Bengoshi together with future expectation of synergetic results from the joint working relationship aided realization of the system.

### 4. What is Fuki-Benrishi?

A Fuki-Benrishi is a Benrishi or patent attorney is a legal counsel authorized to practice IP

infringement litigation by representing a party to an IP infringement litigation case jointly with a Bengoshi or attorney-at-law ( § 6-2 of the Patent Attorneys Law ). Here, the types of IP infringement litigation is limited to patent, utility model, design, trademark, mask work, and specific types of unfair competition prescribed under Section 2, Subsection 1. Paragraphs 1-9, and 12-15 of the Unfair Competition prevention Law ( § 2, Sub Sec. 5 and § 6-2 of the Patent Attorneys Law ).

Not all the existing Benrishi are automatically qualified as Fuki-Benrishi, but only those Benrishi who passed the examination after intensive IP judicial training ( § 15-2 of the Patent Attorneys Law). The intensive IP judicial training covers prerequisite understanding of the Civil Code and the Civil Procedure Code, case studies of IP infringement litigation such as injunction, damage recovery, declaratory judgment, preliminary injunction, etc. including drafting Complain/ Response/ Brief and also legal ethics.

After the completion of the training curriculum which should be formally admitted, candidates take an examination which confirms the training results. The examination contains questions on Civil Code, Civil Procedure Code and drafting Complain/ Response/ Brief. The examination is conducted once a year. So far, the success rate is about 55-69% in the past 7 years (2003-2009).

Without Fuki registration, those who passed the examination cannot practice litigation. The registration of Fuki-Benrishi is completed by making a note (Fuki) in the Benrishi Register after passing the examination ( § 27-2 and § 27-3 of the Patent Attorneys Law).

Fuki-Benrishi can work as a legal counsel for litigation only in a case where a Benrishi is appointed jointly as representative with a Bengoshi ( § 6-2, Sub Sec. 1 of the Patent Attorneys Law). Fuki-Benrishi can receive a power of attorney from the client, while Hosanin is only asked so by Bengoshi. This change is very important, so that Fuki-Benrishi can realize strong responsibility.

Fuki-Benrishi should appear before the infringement court together with the appointed Bengoshi, except for proceedings where the Benrishi alone is admitted to appear before the court with judge’ s discretion ( § 6-2 , Sub Secs. 2 and 3 of the Patent Attorneys Law ).

According to the current statistics in February, 2010 (1,058 answers out of 2,266 Fuki-Benrishi), the number of Fuki-Benrishi involved in patent infringement litigation is as follows:

Legal counsel	282 members	(26%)
Legal assistant	64 members	(6%)
No involvement	734 members	(68%)

As comparative data, 416 Benrishi (39%) worked as legal assistant before Fuki-Benrishi registration and 652 Benrishi (61%) did not.

Concerning the number of cases Fuki-Benrishi worked as legal counsel, most of the 1,058 members worked only one, two or three cases, while only a limited number of the members worked in 10 or more cases. Its detail follows:

1 case	107 members	12.1%
2 cases	72 members	16.3%
3 cases	36 members	11.9%
4 cases	13 members	5.9%
5 cases	9 members	5.1%
6 cases	16 members	10.8%
7 cases	8 members	6.3%
8 cases	4 members	3.6%
9 cases	7 members	7.1%
10 cases	4 members	4.5%
11 cases	1 member	1.2%
12 cases	1 member	1.4%
22 cases	1 member	2.5%
28 cases	1 member	3.2%
32 cases	1 member	3.6%
40 cases	1 member	4.5%

## 5. CLE and Compliance

In order to maintain the quality of professional services, CLE is mandatory to all Benrishi regardless of Fuki registration. Benrishi should take at least 70 hours (units) of subjects per 5 years.

Benrishi have a duty to comply with professional ethics such as keeping professional confidentiality (§ 30 of the Patent Attorneys Law), fair and sincere business attitude (§ 3 of the Patent Attorneys Law), maintaining dignity as Benrishi (§ 3 and 29 of the Patent Attorneys Law), avoiding conflict of interest (§ 31 of the Patent Attorneys Law), not lending the title as Benrishi to a non-qualified person (§ 31-3 of the Patent Attorneys Law), and a duty to take mandatory continued education (§ 31-2 of the Patent Attorneys Law), etc.

In case the Law is violated, the Minister of Economy, Trade and Industry shall have the authority of admonition, suspension from business less than 2 years or prohibition of business (§ 32 of the Patent Attorneys Law). In addition, Guidance, liaison and superintendence by the Japan Patent Attorneys Association is also prescribed under § 56, Sub Sec. 2 of the Patent Attorneys Law.

In connection with the disciplinary action for violating the duty to maintain secrecy, Benrishi are entitled to refuse to disclose client's confidential information (§ 197 of the Civil Procedure Code) and also entitled to refuse to submit document(s) containing a client's confidential information (§ 220 of the Civil Procedure Code). This was cited in VLT Corporation and Vicor Corporation v. Untitrode Corporation ( 194 F.R.D. 8:2000 U.S. Dist. LEXIS 8987, Civil Action No.

98-11152-PBS, U.S. District Court for the District of MA).

## 6. Roles of Benrishi in patent infringement litigation

The role of Benrishi in the enforcement aspect is becoming increasingly more important in the recent pro patent climate. In the old days before 1998, it was sufficient that Benrishi were only involved in patent prosecutions and maintenance. In contrast, in the pro patent days, Benrishi should be more substantially involved in enforcement so that such experience is fed back to future claim drafting for better patents.

First of all, Benrishi are expected to explain to Bengoshi the technical matters of the patented invention together with its file history and the background technology. Then, Benrishi explain to Bengoshi the technical matters of the accused product/ method to see if the Bengoshi understands the explanation. A Benrishi is expected to convince a Bengoshi as to whether the patent-in-suit is infringed or not. Once the Bengoshi is convinced, the Bengoshi is likely to be able to convince the Court judges.

Bengoshi work closely and co-operatively with Benrishi to build productive results. That is, Bengoshi and Benrishi contribute to the case as a part of a team. Bengoshi review legal aspect and Benrishi review technical issues and patent practices, so that both professionals closely work and frequently exchange views and questions to draft a Complaint/Response/Brief. In such team work efforts, mutual respect in professional phases is essentially important to achieve mutually fruitful results.

Benrishi are actively involved in IP enforcement and provide IP legal services to clients before, during and even after the IP infringement litigation. For example, Benrishi sometimes first discuss the infringement issues and validity issues with clients to evaluate the patent in question. Design around may be one result in addition to institution of a lawsuit or invalidation trial or initiation of negotiation. When they prepare for filing an action, Benrishi may contact foreign associates to see the actual situation of corresponding patents in other countries or conduct a prior art search in other countries. In order to locate good facts and evidences of prior art or prior use, Benrishi may sometimes contact technical experts or witness in foreign countries in addition to utilization of the internet. After the litigation, the results of the litigation are fed back to claim drafting for better and effective claims and the way to disclose the invention more carefully.

When a patentee intends to file patent infringement litigation, the patentee should first evaluate the patent in question in terms of validity and infringement aspects. Benrishi should conduct prior art search and confirm the current situation of the patent by reviewing its file history, and also confirm the scope of the patented claims and compare the claims to a potentially infringing product/ process to try to find good grounds for proving infringement. In order to collect as much evidences of infringement as possible, Benrishi are expected to locate trade show, exhibition, announcement of new products, advertisement materials, actual product of a potential

infringer to analyze / reverse- engineer them. Once Bengoshi and Benrishi co-operate to see if patent infringement exists, a confirmation of infringement is made by determining if the alleged infringing products read on the claims. This process is carried out by taking into account the Doctrine of Equivalents and prosecution history estoppel. Then, the Bengoshi and Benrishi jointly send a warning letter to the specific potential infringer. If a reply is received, they analyze and evaluate the reply to determine the next step, i.e., going forward or stopping. If the patentee agrees to go further, an exchange of letters starts and then negotiation meeting for licensing will follow. Once a licensing is more likely favorable to both the patentee and the potential infringer, they will close the negotiation by agreeing to a license. If both parties do not reach agreement, the patentee has an option to file an action before an infringement court.

On the other hand, the potential infringer has nothing to do until it receives a warning letter. Once the potential infringer has received a warning letter, Benrishi and/or Bengoshi start evaluating the patent within a very short period of time, since usually the patentee will ask the infringer to respond by a specific date. They have to obtain a copy of the file wrapper and in parallel conduct a prior art search to see the possibility of invalidating the patent. Also, they conduct claim interpretation to define the scope of the claims. Also, they have to confirm the potentially infringing products to compare them with the patent claims to find grounds for infringement or non- infringement. After the completion of those tasks, Bengoshi and Benrishi jointly reply to the warning letter. If they receive a reply from the patentee, this means that the patentee was not satisfied by the reply from the infringing party. Then, the infringing party has to determine whether to stop or keep manufacturing the products, design around to avoid infringement, or to accept a license negotiation.

If the negotiation is unsuccessful and the patentee would still like to assert the patent, patent infringement litigation is filed by the patentee. The patentee or plaintiff first drafts a complaint after ensuring that the patent is surely valid and infringement exists. Benrishi and Bengoshi should work closely together to prepare the Complaint. Sometimes, it is important to retain technical experts. When the accused infringer or defendant has received the Complaint, the Benrishi and Bengoshi retained by the defendant start reviewing validity issues of the patent-in-suit and in parallel review the patent and the accused product to clarify non-infringement in a concrete manner by showing the facts together with evidence of non-infringement. Benrishi on the defendant's side also should work to find technical experts as well. During the preparatory proceedings in the court, the Bengoshi and Benrishi on both sides draft and exchange briefs. The defendant should continue conducting prior art searches to locate more effective evidence. Also, in order to use the technical experts more effectively, the Benrishi should work as a go-between between the technical experts and the Bengoshi. A Benrishi is expected to explain the invention in such a way that non-technical Bengoshi or court judges can easily understand the invention or at least the core of the invention. The same applies to the accused product. A Benrishi is expected to explain the accused product in such a way that a non-technical Bengoshi or court judges can easily understand the accused products.

Good team work with close communication and mutual respect as professionals between Benrishi and Bengoshi will benefit the party to gain a better position in the patent infringement litigation. This, in turn, will lead to a more favorable decision.

What is important to Benrishi is to consider our roles as a go-between on behalf of our client between the patent offices and the applicant, Benrishi and Bengoshi, the plaintiff and the defendant, and the parties in various countries. To be a good go-between, Benrishi should continually maintain positive information/experience gaps over the other party. We had better keep in mind that a client wants reliable Benrishi who understand the client' s policy and culture to give better strategies on IP aspects and to show satisfaction as to daily routine works, leading to a mutual long-term relationship.

