

In re Grater Design
**(Applicability of Exceptions to Loss of Novelty to Publication in Foreign
Gazette)**
IP High Court
Case H12 (Gyoke) No. 331 (November 28, 2000)

FACTS

The plaintiff, a Swiss company, filed a design application for a grater design with the Japan Patent Office on November 5, 1993 and received a Decision of Refusal of Registration under Article 3(1)(iii) of the Design Law on the ground that the present design was similar to a design created by the plaintiff and published by WIPO in the official gazette under the Hague Agreement on Industrial Designs on June 30, 1993. After an unsuccessful appeal against the Decision of Refusal, the plaintiff filed this lawsuit.

ISSUE

Is the “exceptions to loss of novelty” provision under Article 4(2) of the Design Law* applicable to a design whose novelty has been destroyed by the publication of the applicant’s own design in a foreign gazette? In other words, is the publication of the designer’s own design in a foreign gazette “*an act of the person having the right to obtain a design registration*”?

HOLDING AND REASONING

Since the publication of a design in an official gazette in Japan or elsewhere derives from an act of filing a design application by creators or the like, it might literally be understood “*as being a result of an act of the person having the right to obtain a design registration*” under Article 4(2) of the Design Law. However, the “exceptions to loss of novelty” were made to remedy only those instances where rigorous determination of novelty at the time of filing could be unduly harsh to applicants. Therefore, the scope of application of the exceptions should be narrowly interpreted.

Specifically, the rationale behind exempting “*an act of the person having the right to obtain a design registration*” from novelty-destroying acts under Article 4(2) of the Design Law is as follows: It is a common practice for creators of a design to decide whether or not to file an application only after ascertaining the sales potential for a product. Treating the selling or the like of the product in

this way as a novelty-destroying act would be inappropriate given the realities of the market and unduly harsh to creators of the design.

On the other hand, the fact that a design was published as a result of the filing of an application means that the preparations for the application had already been completed at the time of its filing. As such, it would not be unduly harsh to treat such designs as lacking novelty, and there is no substantive need to remedy such instances. Moreover, the Paris Convention prohibits foreign applications from being invalidated by the publication of the design within the six- (6-) month interval following the filing of the first application. Providing those who have failed to meet this grace period with comparable protection for a certain period thereafter would contravene the spirit of the Paris Convention and should not be permitted. Otherwise, it would provide right holders with overreaching interests and by extension cause unexpected damages to third parties who have acted in the belief that the six-month window was missed.

Therefore, it is reasonable to conclude that the publication in an official gazette in Japan or elsewhere shall not be considered to have been made “as a result of an act of the person having the right to obtain a design registration” under Article 4(2) of the Design Law, and thus the exception to loss of novelty does not apply in this case.

*Article 4(Exception to loss of novelty of design)

(1) In the case of a design which has fallen under item (i) or (ii) of Article 3(1) against the will of the person having the right to obtain a design registration, such a design shall be deemed not to have fallen under item (i) or (ii) of Article 3(1) for the purposes of Article 3(1) and (2) for any design in an application for design registration which has been filed by said person within six months from the date on which the design first fell under either of those items.

(2) In the case of a design which has fallen under item (i) or (ii) of Article 3(1) as a result of an act of the person having the right to obtain a design registration, the preceding paragraph shall also apply for the purposes of Article 3(1) and (2) to any design in an application for design registration which has been filed by said person within six months from the date on which the design first fell under either of those items.