

# WINDS FROM JAPAN

The Licensing Executives Society Japan

## Should Allowability of Corrections be examined for Individual Claims? – Post 2008 Supreme Court Decision

By Mitsuo KARIYA\*



On November 19, 2009, the Intellectual Property High Court (IP High Court) rendered a decision on whether allowability of corrections should be examined for individual claims in a Trial for Correction. The IP High Court nullified a decision made by the Japanese Patent Office (JPO) because of the binding effect of final court decisions. It will take more time to see a clear answer to this question in a later Supreme Court decision. However, comments included in this IP High Court decision may be considered to interpret prior Supreme Court decisions.

### Prior Supreme Court Decisions

Two Supreme Court decisions were discussed in the IP High Court decision.

#### (1) 1980 Supreme Court Decision (May 1, 1980)

The Supreme Court found that a request for Trial for Correction should be considered to be a single indivisible request even if corrections are requested for multiple portions in a specification when the requested corrections affect the claim. This decision was made on a utility model before the current multiple patent claim system was introduced. It is considered that this Supreme Court Decision should be applicable to patents including multiple claims and the JPO seems to

have been relying on this Supreme Court Decision to deny allowability of entire corrected claims even when corrections for only part of the claims are not allowed.

This Supreme Court Decision also includes a comment that individual corrections should not be allowed even if a part of the corrected portions has no indivisible technical relationship with other corrected portions and individual examination is beneficial for the requester, except for a case where the requester amends the request for correction and clearly indicates an intention to request corrections for part of the multiple corrected portions.

#### (2) 2008 Supreme Court Decision (July 10, 2008)

The Supreme Court found that allowability of corrections of multiple patented claims should be examined individually in a Petition for Correction filed during an opposition procedure.

This Supreme Court Decision included a comment that a request for Trial for Correction regarding multiple claims is to be indivisibly treated, similarly to a patent application including multiple claims.

### IP High Court Decisions

There was an IP High Court Decision prior to the 2009 IP High Court Decision (2<sup>nd</sup> IP High Court Decision).

1) 1st IP High Court Decision (2008)

The patentee requested a Trial for Correction of multiple claims (Claims 1-7). After this request the requester amended the request to delete Claims 3, 5, and 7, and stated that the request was now to allow Claims 1, 2, 4 and 6 but reject correction of Claims 3, 5 and 7. The JPO rejected the requested correction as a whole because of lack of patentability for Claims 3, 5 and 7, without examining allowability of Claims 1, 2, 4, and 6. The IP High Court found that Claims 1, 2, 4, and 6, and Claims 3, 5, and 7 should be examined independently because the requester had clearly requested the correction of Claims 1, 2, 4, and 6. The decision by the JPO was nullified and this case was returned to the JPO on May 28, 2008. The JPO did not appeal to the Supreme Court and thus this IP High Court Decision became a final decision.

2) 2nd IP High Court Decision (2009)

The JPO rejected the requested corrections again on September 17, 2008 because the 2008 Supreme Court Decision requires that a request of Trial for Correction be examined as a whole.

The IP High Court nullified this JPO decision because it is a violation of the binding effect of final court decisions.

In this decision, the IP High Court commented on the two prior Supreme Court Decisions as follows.

3) The IP High Court's comment

The 2008 Supreme Court Decision relates to a Petition for Correction in an Opposition. The comment on Trial for Correction in the 2008 Supreme Court Decision discussed the principle treatment of examining a requested correction as a whole.

The 2008 Supreme Court Decision did not change the 1980 Supreme Court Decision relating to Trial for Correction. The 2008

Supreme Court Decision did not deny the consideration on the exceptional treatment in the 1st IP High Court Decision, based on the 1980 Supreme Court Decision that a request for correction needs to be examined as divisible requests if the requester has clearly indicated an intention to request correction on part of multiple corrected portions.

**Possible ways to avoid rejection as a whole in Trial for Correction**

Patentees sometimes request a Trial for Correction of multiple claims considering higher patentability for a 1st group of corrected claims and lower patentability for a 2nd group of corrected claims, and seek allowance of at least part of the corrected claims even when another part of the corrected claims is rejected.

At present it is safe to assume that the JPO will treat a request for Trial for Correction of multiple claims as a whole. If a patentee desires a divisible treatment of corrected multiple claims in a Trial for Correction, it is recommendable to submit separate requests for the Trial for Correction with respect to each part of the multiple corrected claims. It is expected that the JPO will examine the multiple requests separately. If a patentee submits a single request for Trial for Correction on multiple claims and then considers that it is realistic to seek allowance on part of the multiple corrected claims by giving up correction of other claims, the requester needs to clearly indicate an intention to request correction of part of the claims.

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## IP News from Japan

**By Shoichi OKUYAMA\***

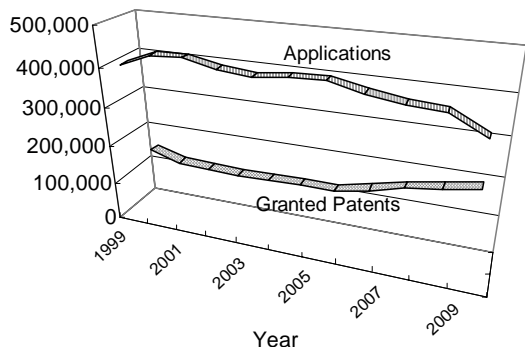
### Some Interesting Statistics

On May 21, 2010, the Japan Patent Office (JPO) announced the numbers of patent, utility model, design, and trademark applications filed in 2009, prior to the regular publication of its

Annual Report. The number of patent applications filed in 2009 was 348,596, down by 10.8% compared to 2008, and down by 20.7% from a peak of 439,175 in 2001. There were 30,875 design applications (down 8% compared to 2008) and 110,841 trademark applications (down 7%). The number of utility model applications remained low in 2009 at 9,507.

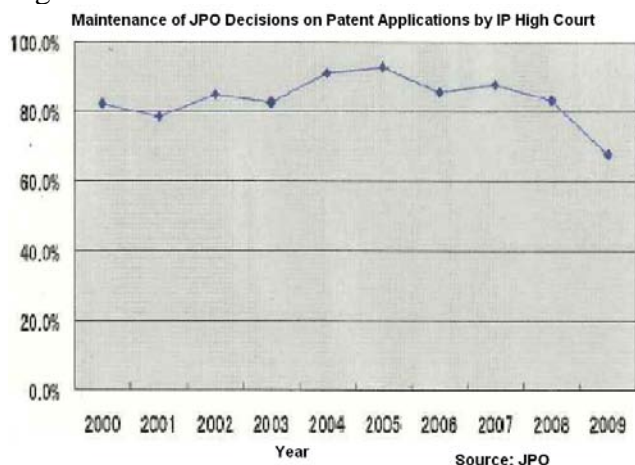
During a recent talk given by a senior official at the JPO it was stated that the unofficial figure for January to March 2010 represents, unofficially, a decrease in patent applications of about 5% as compared to the number filed in 2008.

Fig. 1 Annual Numbers of Applications and Grants



Also, Mr. Atsushi Watanabe, a Japanese patent attorney, has analyzed and compiled results of all decisions rendered at the Intellectual Property High Court (IP High Court) in 2009 with a view to assessing what number of the JPO decisions were maintained by the court. A paper containing his findings is due for publication in the near future. He found that the IP High Court maintained about 71% (reversed about 29%) of negative JPO decisions made by its Appeal Department on patent applications. This is a significant decrease compared to recent years when the same percentage ranged between 92% and 82%. The detailed analysis made by Mr. Watanabe agrees with data published recently by the JPO (see Fig. 2).

Fig. 2

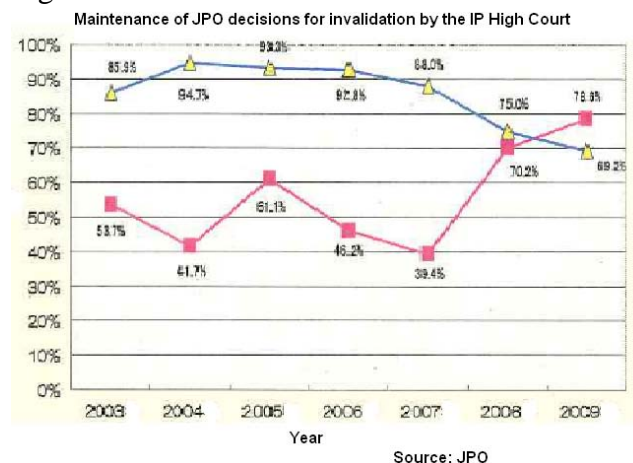


Also, JPO decisions issued as a result of invalidation proceedings before the JPO were reversed by the court in 34% of cases when a patent was held invalid by the JPO and in only 9% of cases when a patent was held valid in

2009. This amounts to a complete reversal of the trend that existed up until 2007. Prior to 2008, the court was likely to support JPO decisions when patents were found invalid and reverse them when they were found valid. Although statistics between Mr. Watanabe's study and JPO data are not in complete agreement, this dramatic change is also clear from the JPO data (see Fig. 3, wherein triangles indicate cases in which the JPO found patents invalid, and squares indicate cases in which it found patents valid).

All told, these statistical data support the proposition that the IP High Court has shifted its stance and become pro-patentee and pro-applicant. Among the four divisions that exist within the IP High Court, statistical results vary, and there remains a need to be cautious in reaching a conclusion on true trends emerging from court decisions and how the JPO will respond to those trends.

Fig. 3



### JPO Prepares for Amendments of the Patent Act

In March and May, after a hiatus of around two years, the Ministry of Economy, Trade and Industry (METI) held two meetings in a row at the Intellectual Property Policy Section of the Industrial Structure Council, which is one of the largest policy consultation organizations of METI. At the same time, METI and the JPO were holding at least ten meetings between April and August this year of the Patent System Subcommittee of the Intellectual Property Policy Section, thus breaking a three-year silence. The reason for this activity is preparation for amendments to the Patent Act that are to be introduced before the Diet in 2011.

Among the many topics discussed were the double track issue, which stems from the

concurrent invalidity reviews of patents by the infringement court and the JPO, issues relating to the so-called "correction" of granted patents, and possible imposition of restrictions on injunction orders. Other issues that may more directly affect foreign applicants include partial adoption of some of the Patent Law Treaty (PLT) provisions, the possible extension of the grace period to 12 months, and the lowering of official fees. Observing current discussions, restrictions

on injunction orders inspired by the eBay U.S. Supreme Court decision appear unlikely to occur. However, a close eye needs to be kept on further developments and emerging laws.

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## **“Around the World with LES April 26, 2010,” supporting “World IP Day” of WIPO**

**By Kazuaki OKIMOTO\***

The Licensing Executives Society Japan (LESJ) held a seminar on April 26, 2010 as a regular monthly seminar and as a special event of LES “Around the World with LES April 26, 2010,” for supporting “World IP Day” of WIPO.

For the first time, the LESJ invited university students to attend the seminar with a view to facilitating education in the intellectual property (IP) world by way of involvement in discussions held by IP practitioners attending the seminar. The seminar consisted of two parts the first of which was a keynote address presented by Professor Yuko Yamane of National Graduate Institute For Policy Studies entitled “Technology for Climate Change and Intellectual Property,” and the second of which was a panel discussion among three participants on the protection and transfer of IP rights in the area of environmental technology. Each of the participants contributed ideas and information from the perspective of their respective of their respective technological and corporate backgrounds, in each of pharmaceuticals, car manufacturing, and plant construction.

### **Part 1**

Professor Yuko Yamane gave a talk in which she addressed the issues of IP and technology transfer in light of the United Nations Framework Convention on Climate Change (UNFCCC), including the Copenhagen Agreement of December 18, 2009. She also covered recent developments relating to the TRIPS Agreement in regard to IP, licensing, protection of trade secrets, know-how, clinical

data, transfer of technology to Low Developed Countries (LDCs), and access to and compulsory licensing of medical and pharmaceutical products. Finally, she addressed the issue of important differences that exist in the fields of medical and pharmaceutical technology, climate change technology, and also the importance of trade secrets and know-how in environmental technology.

### **Part 2**

Mr. Yuji Watanabe of Astellas Pharma Inc. gave a talk on the importance of patent rights for protection of medical and pharmaceutical products, covered the Doha Ministerial Declaration relating to public hygiene of TRIPS, and compulsory licensing. He proposed establishing a fund to finance the LDC so as to facilitate transfer of medical and pharmaceutical technology.

Mr. Naoto Kuji of Honda Motor Co. Ltd. proposed establishing a mechanism for technology transfer that would be incorporated in the Copenhagen agreement. By the mechanism, there would be provided an environmental technology package covering patents, technical information, manufacturing facilities, financial plans, and personnel plans. Any corporation would be welcome to participate in negotiating prices for the environmental technology package.

Mr. Torahiko Maki of Tsukishima Kikai Co., Ltd. gave a talk from perspective of business activities in view of IP protection, and emphasized improvement of IP protection of LDC to promote technology transfer.

After giving their talks, the presenters opened the floor for discussion with the audience. It



was apparent from the ensuing discussion that attendees had given a good deal of consideration to the problems that exist in protecting and transferring environmental IP and technology, and to solutions for overcoming those problems.

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## Editors' Note

We trust that the articles included in this issue of Winds from Japan will prove useful in providing up-to-date information on the subject matters contained. We are including article titled “Should Allowability of Corrections be examined for Individual Claims? – Post 2008 Supreme Court Decision,” and article providing up-dates on IP activities in Japan. Also included is an article reporting the LESJ seminar “Around the World with LES April 26, 2010,” in support of “World IP Day” of WIPO.

If you are interested in reading back issues of our newsletter, please access the following web site; <http://www.lesj.org>

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