



WINDS FROM JAPAN

The Licensing Executives Society Japan

Greeting from new president

By Katsumi Harashima*



A period of just over one year has now passed following the massive earthquake and tsunami that resulted in such tragic loss of life and wholesale destruction along the north east coast of Japan on March 11, 2011.

In writing this editorial I wish to express my sincere and heartfelt thanks to all of our friends in LES. It is a privilege for me to address our reader not just as colleagues but as friends. The many warm and kind words received from all over the world in the aftermath of the terrible events of that day in March one year ago were and continue to immensely heartening. Throughout this past year I have gratified and encouraged in the knowledge that we work together not only as fellow professionals but also as friends. Under the direction of Junichi Yamazaki, President of LES Japan in 2011, and with the support of our colleagues and friends we have strived to overcome the calamity that descended upon us so suddenly last year, and we will continue to strive.

It is the 40th anniversary of LES Japan this year. I can say it is almost the same as LESI. We have sent four presidents to LESI in the past, and have now received the first "Society of the Year" award from LESI. We invite you to join us in celebrating the 40th birthday of our society through the many events that are to take place throughout this year in commemoration of our anniversary.

The Annual Conference in 2012 will be held in Nagano city on July 6th and 7th. Nagano is located

in central Japan, and was the host city for the 1998 Winter Olympics; and since then, the city has flourished as a convention and resort city of the "Shinshu," with abundant sightseeing, arts, sports, and new industry. The organization committee, chaired by Mr. Masataka Kamiyanagi of Seiko Epson, is currently making arrangements for this upcoming conference. We invite all of you to be our guests and attend the conference.

In early September, the 3rd Asia Pacific Regional Conference will be held at the Hotel Okura in downtown Tokyo. Ms. Junko Sugimura, VP LES Japan, is working tirelessly with her committee members to prepare a conference that will live up to the high standard and great success of the Singapore conference held last year. Now, joint hosting with a governmental organization is under consideration, and we hope to welcome around 200 attendees from within the region and also from outside of the region. One unique arrangement is a plan for the 1st Asian Student Business Plan Competition to run concurrently with the conference. Mr. Ichiro Nakatomi, committee chair and President Elect LES Japan, believes that this will enable the conference attendees to more easily congregate together to root for the finalist from their society.

In addition to the above events, the anniversary issue of LES Japan News is being compiled and we also plan to dispatch a special delegation to the Philippines and Thailand this fall. It is a presidential objective to carry out the above anniversary events successfully. Again, your support and direct participation in those events is most appreciated.

I wrote in my annual message to LESI that I was very pleased to report no reduction in the number of our society members. In light of a long standing global economic contraction, and the rise of the yen, and the earthquake and tsunami of last year with the consequent nuclear power plant accident, it would be natural to assume that the number of our members may decline. However, I am pleased to report that the number of our members essentially remains

unchanged. It is true that we lost some members to industry, but at the same time we gained as members attorneys from private firms. Overall, the ratio of industry members has decreased by around 5 points from 55%. So, to make good balance and to ensure financial stability, we are of the opinion that now would be an opportune time to set about actively recruiting new members. **Our goal is to attract a further 160 new members within a period of four years, with the objective of having a society made up of 800 professionals.** I am gratified that this objective is shared by President-Elect, Mr. Ichiro Nakatomi, without whose assistance such a goal would be difficult to accomplish. At the general meeting in which I proposed this objective, I requested each of our 38 board members to bring with them one colleague and friend who may be interested in interacting with other professionals in this society. We should be able to reach our goal with equal cooperation among us in recruiting new members. In addition to such efforts, we will act to improve publicity work for our new monthly seminars and groundbreaking programs in our licensing course. Those two programs can be utilized effectively by members not only for educational purposes but also for collaboration and networking. We had about 1000 participants in total throughout the year 2011. Our goal in 2012 is 1200,

a 20% increase. This will help improve our society's balance sheet.

The 3rd presidential objective is to develop a long-term vision for LES Japan. It will be important to discuss our future in terms of how young society members may take a key role running this group 10 years from now. There are many unknowns that may affect directly or indirectly the raison d'etre of our society in the future. Essentially, my assumption is that it is not easy for such an NPO to maintain significant presence over an extended period of time. I also believe that discussion of how to ensure a useful longevity of our society is a matter that LESI is addressing currently; and thus I am hopeful that the matter may be discussed fruitfully at the newly organized National President Council (NPC).

As the new president of LES Japan, I believe a part of my mission should be to start building the foundations that will ensure long-term prosperity of our society by way of collaboration among other LES chapters.

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## IP News from Japan

**By Shoichi OKUYAMA\***

### **Prominent Authors Sue Scanning Services Companies**

On December 20, 2011, seven prominent authors and cartoonists, such as Keigo Tono, Jiro Asada, and Go Nagai, filed suit before the Tokyo District Court against two companies that specialize in producing electronic copies of books, at the request of book owners, by taking the pages apart and scanning them for fees. A number of companies sprung up to provide such services for a relatively small fee, such as JPY100 (US\$1.25) per book, after people realized that paper copies of books can be easily scanned and stored in notebook computers or mobile devices for reading. A book owner sends in books to a company for copying, and the company returns PDFs of the books by e-mail. The number of companies that provided such services in Japan exceeded 100 in the last year. If an owner of a book cuts and scans it for personal or family use, it would be permitted under the Japanese Copyright Act. According to

Article 30 of the Copyright Act<sup>1</sup>, the limitation of copyrights is applicable if it is done by the book owner. The plaintiffs argue that the limitation does not apply in this case because extensive cutting and scanning is done by a commercial entity as part of business, and not by the book owner.

Currently, the defendant companies have suspended their services according to their web sites, but many others are still in business.

### **The Grand Panel Provides an Interpretation of Product-by-Process Claims**

On January 27, 2012, the Grand Panel, which consists of five judges including all the heads of the four divisions, of the IP High Court, rendered an awaited decision concerning product-by-process claims. This decision is expected to give a much-

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<sup>1</sup> Article 30 of the Copyright Act

(1) It shall be permissible for a user to reproduce by himself a work forming the subject matter of copyright (hereinafter in this Subsection referred to as a "work") for the purpose of his personal use, family use or other similar uses within a limited circle (hereinafter referred to as "private use"), ...

needed answer to the interpretation of product-by-process claims.

The patent infringement dispute was between Teva Gyogyszergyar Zartkoruen Mukodo Reszvenytarasasag and Kyowa Hakko Kirin Co., Ltd. The claim in dispute (claim 1) reads as follows: "Pravastatin sodium containing less than 0.5 % pravastatin lactone and containing less than 0.2 % epiprava, prepared by a process comprising the steps of:

- a) forming an enriched organic solution of pravastatin,
- b) precipitating pravastatin as its ammonium salt,
- c) purifying the ammonium salt by recrystallization,
- d) transposing the ammonium salt to pravastatin sodium, and
- e) isolating pravastatin sodium."

The key issue in this case was how one should interpret a product-by-process limitation of this type, whether a product made by any process other than the one recited in the claims is also covered as long as the claimed product is the same as the accused product in dispute, or only a product made by the recited process is covered by such a claim even if the product in dispute is the same as the product made by the recited process.

The Court reasoned that if special circumstances existed making it impossible or difficult to identify a product directly with its structure or characteristics at the time of filing a patent application, it is allowed to identify a product using a product-by-process limitation under Article 36(2)(ii) of the Patent Act, and a product-by-process claim should be interpreted to cover also a product made by a process different from the one recited in the claim.

The Court further noted that for the purpose of evaluating invalidity defense, a product-by-process limitation should be considered in the same way.

In this Grand Panel decision, the Court found no infringement, holding that the product-by-process claim in this case had to be interpreted to cover only a product that is made by the specific process recited in the claim, because it was neither impossible nor difficult to identify pravastatin sodium using its structure or characteristics at the time of filing, and step (a) in claim 1 was missing in the defendant's process. It also pointed out that the disputed patent would be invalid for lack of inventive step over prior art.

According to the current JPO examination guidelines, little weight is given to product-by-process limitations to reject a claim when an identical product is found in the prior art, regardless of whether or not the use of structural or characteristic limitations was possible.

### **Judge Iimura Becomes the Head of the IP High Court**

On April 2, 2012, Judge Toshiaki Iimura assumed the position of Chief Judge of the IP High Court, which currently consists of four divisions and 18 judges. Judge Toshiaki Iimura is well known for his pro-patent stand.

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Editors' Note

The articles included in this issue include a message from the new president of the LES Japan and IP News from Japan, which we trust will provide you with useful information on activities at the LESJ and up-to-date information on a variety of IP issues in Japan.

If you would like to refer to any back issues of our newsletters, you can access them via the following URL:

<http://www.lesj.org>

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