



WINDS FROM JAPAN

The Licensing Executives Society Japan

Drastic Update related to Inventive step in “Examination Guidelines” and “Examination Handbook” for Patent and Utility Model in Japan

By Hisashi Watanabe*

A. Introduction

The Japan Patent Office (JPO) has updated the “Examination Guidelines” and the “Examination Handbook” for Patent and Utility Model and released them on September 16, 2015. The Examination Guidelines summarize the basic ideas on how applicable laws, such as the Patent Act, should be applied during examination. The Examination Handbook summarizes procedures and points to consider by an Examiner when conducting examination and provides sufficient case examples, court precedents and application examples useful in understanding the basic ideas of the Examination Guidelines.

The revision seems to reflect the numerous pro-patent court decisions after 2008, and we can see the intent of the JPO in trying to make the examination objective, while complying with the global standard.

In this article, I will mainly explain Part III, Chapter 2, Section 2 of the Examination Guidelines, regarding the practice of inventive step.

B. Appropriate Primary Prior Art

The revision has introduced the definition of appropriate “Primary Prior Art.” According to the revision, the primary prior art is, generally, art which is the same as or close to the claimed invention from the aspect of technical field or problem to be solved. If the primary prior art of which technical field or problem to be solved is considerably different from that of the claimed invention, this would likely make the reasoning (to be explained later) difficult.

In the previous version of the Examination Guidelines, there was no such definition.

The revision puts limitation to the selection of primary prior art by the Examiner. The applicant can make use of this argument if he or she finds that

primary prior art used by the Examiner is neither the same as nor close to the claimed invention from the aspect of technical field or problem to be solved.

C. Reasoning in judgement of inventive step

JPO examiners determine whether the claimed invention involves inventive step by considering, in light of the following facts, whether or not it could be reasoned that a person skilled in the art would have easily arrived at the claimed invention based on the prior art.

Facts in support of non-existence of inventive step

1. Motivation for applying other prior art (secondary prior art) to primary prior art:

(1) relation of technical fields between primary prior art and secondary prior art;

(2) similarity of problems to be solved between primary prior art and secondary prior art;

(3) similarity of operations or functions between primary prior art and secondary prior art; or

(4) suggestions shown in the disclosure of prior art

2. Design variation of primary prior art

3. Mere aggregation of prior art

Facts in support of existence of inventive step

1. Advantageous effects

2. Obstructive factors

C-1. Comprehensive assessment of positive facts and negative facts

According to the revision, it has become mandatory for the examiner to comprehensively assess various facts that support the existence or non-existence of inventive step.

In the previous version, there was no such recitation.

The revision does not allow the examiner to choose only negative fact to reject an application. Please notice that this rule should be similarly applied to the

opponent in opposition and appellant in invalidation trial.

C-2. Comprehensive consideration of the four points of "Motivation for applying other prior art to primary prior art"

According to the revision, it has become mandatory for the examiner to comprehensively consider the above-mentioned four points of "Motivation for applying other prior art to primary prior art", noting that it is not always possible to make a proper determination of inventive step by paying attention to only one of them. The examiner should consider not only the relation of technical fields, but also other points of view.

In the previous version of the Examination Guidelines, it was unclear whether or not it would be possible for the examiner to choose only one of four facts and reject an application. Especially, before 2008, the examiners had tendency of rejecting applications while only relying on the relation of technical fields as the sole point, resulting in easy rejection without appropriate logic behind the rejection. Please notice that this rule should be similarly applied to the opponent in opposition and appellant in invalidation trial.

C-3. Documents to be compared when considering technical field, problem to be solved, and operations and functions

In the revision, it clearly states that the above three points should be compared between primary prior art and secondary prior art, not between the claimed invention and the prior art. In the Examination Handbook, this criterion is employed in all of the cases.

According to the previous version of the Examination Guidelines, the three points would have been compared between the claimed invention and the prior art.

I believe that the purpose of this revision is to allow the standard of inventive step in Japan to comply better with those in US and EP, and to achieve objective judgement of inventive step.

C-4. Importance of "similarity of problems to be solved"

In the revision, it seems that the emphasis is put on the judgement of "similarity of problems to be solved", as compared to the other three points. In other words, if the problems to be solved are different, the examiner cannot combine the prior art to reject an application. If the problems are the same or similar, the application would not be granted without a strong argument based on advantageous effects of the claimed invention or obstructive factors between the prior art.

Accordingly, it becomes important for the applicant to carefully prepare a reasonable argument on how the problems to be solved are different.

However, keep in mind that if the problems are obvious or easily conceivable for a person skilled in the art, "similarity of problems" can be recognized even if it may not be explicitly shown in the prior art.

C-5. Prohibition of omitting the reasoning when relying on well-known art

According to the revision, it becomes mandatory for the examiner to consider the reasoning even if he or she uses well-known prior art. There have been many court decisions similar to this revision.

C-6. Examples of Obstructive factors

The factor which obstructs application of secondary prior art to primary prior art (obstructive factor) supports the existence of an inventive step, which corresponds to a Teaching Away argument in the US. In the revision, four examples of the obstructive factors are listed as follows.

(i) Secondary prior art applied to primary prior art cannot achieve the purpose of primary prior art.

(ii) Secondary prior art applied to primary prior art cannot adequately function.

(iii) Secondary prior art which is considered to be excluded from application and unable to be adopted by primary prior art.

(iv) Secondary prior art which a person skilled in the art would not apply due to a publication disclosing that secondary prior art is inferior to the other embodiment in respect of operations and effects of the prior art.

In the previous version of the Examination Guidelines, there was no such a list of obstructive factors.

According to the revision, the examiner would now have to consider the factors if the applicant provides this argument in the opinions regarding inventive step. The applicant should look into primary prior art and secondary prior art to look for the facts which will contribute to the argument above, especially if he or she cannot prepare a strong argument based on the "similarity of problems to be solved". In the Examination Handbook, this criterion is employed in many of the cases.

D. Practical advice for foreign associates and clients in light of the above-mentioned revised points

(1) Confirm that your Japanese attorneys are competently familiar with, or at least are aware of, the above-described changes in the Examination Guidelines.

(2) Provide comparison between primary prior art and secondary prior art to your Japanese attorneys, especially with respect to the similarity of problems to be solved.

(3) If you find that "the problems to be solved" are the same or similar between primary prior art and secondary prior art, then try to find the advantageous

effects in the present application and/or find obstructive factors in prior art.

(4) Don't pay attention only to the advantageous effects of the present invention, although this argument is still effective and necessary to show that the difference between the invention and prior art is not design variation.

E. English Resources
Examination Guidelines for Patent and Utility Model in Japan
Patentability, Inventive Step

https://www.jpo.go.jp/tetuzuki_e/t_tokkyo_e/files_guidelines_e/03_0202_e.pdf
Examination Handbook for Patent and Utility Model in Japan
Annex A Case Examples, Cases pertinent to Inventive Step (Article 29(2) of the Patent Act)
https://www.jpo.go.jp/tetuzuki_e/t_tokkyo_e/files_handbook_sinsa_e/app_a5_e.pdf

~~~~~

\* Editor / Patent Attorney, Shinjyu GIP

---

## *A Turning Point in IP Education in Japan*

**By Jinzo Fujino\***

There are three intellectual property graduate programs which are provided by accredited professional schools in Japan. They are professional schools of Osaka Institute of Technology (OIT), Tokyo University of Science (TUS) and Nihon University. However, TUS and NU have recently announced that they will not seek accreditation for the academic year of 2017 and onward. This news has surprised intellectual property practitioners because a number of people in the IP arena have been involved in practical education with the IP professional schools as guest speakers and lecturers.

In 2003, the central government of Japan announced a national growth policy. The growth policy demanded an overhaul of institutional frameworks relating to the court system, administrative agencies and higher education. Strengthening the intellectual property system was a driving component of the growth policy. Accordingly, an Intellectual Property Strategy Headquarter was established in the Cabinet Office in 2003 and the Intellectual Property High Court was established in 2005. Universities all over Japan tackled the issues of intellectual property mostly in the field of commercialization of university-oriented inventions and enlightenment of science-oriented teachers and students to the importance of intellectual property for economic development.

Some universities introduced intellectual property-related subjects into their science and engineering programs as mandatory or selective subjects. OIT, TUS and NU were more proactive than other universities and they developed IP programs for accreditation as graduate professional schools.

Despite efforts expended over a decade, however, two out of three universities have decided to eliminate their "Professional IP School" mainly because of decreased number of applicants. There are several reasons for such an elimination. Since the financial crisis in 2008, the number of applicants to the professional schools has decreased year by year. It has been a serious concern for the professional schools because the schools thought of working people as potential applicants to enroll. But, economic uncertainties caused by the financial crisis made it difficult for them to go to night school.

TUS and NU will restart new programs while keeping core IP-related subjects. Reportedly, their programs will be interdisciplinary in nature, focusing on academic research more than ever. So, recent changes should not be regarded as a negative consequence. Rather, it should be accessed positively. In most universities, IP education has been shifting to the undergraduate level and is covered not only by law departments but all science-related departments. A representative example is Yamaguchi University in western Japan, where all students are required to take IP-related subjects when they are junior and senior students. TUS has introduced the same system to teach intellectual property subjects to students in the undergraduate course. Before the introduction of the new system, IP education in TUS was not mandatory.

It will likely be at least another decade until the effects of the new form of IP education in Japanese universities can be fully understood.

~~~~~

* Editor / Former Professor of Tokyo University of Science

IP News from Japan

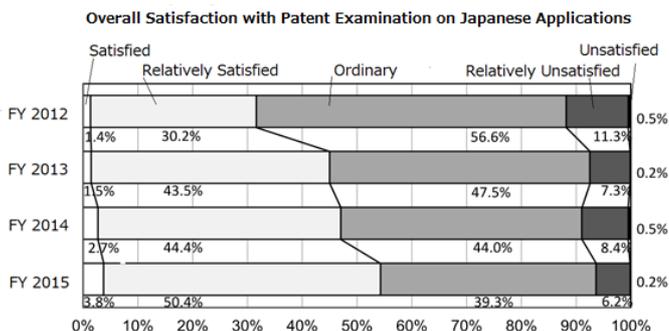
By Shoichi Okuyama, Ph.D.*

Japan Patent Office to Start AI-assisted Patent Examination

The Japan Patent Office (JPO) is testing artificial intelligence (AI) to perform classification, formality examination, and prior art search for patent applications. This AI-assisted examination is to be implemented during the fiscal year starting April 2017, allowing examiners to concentrate on substantive patentability analysis. The IP5 patent offices (USPTO, EPO, SIPO, KIPO and JPO) are currently discussing the use of AI in examination.

Improved Satisfaction with JPO Patent Examination

The JPO began renewed systematic efforts to improve the quality of patent, design and trademark examination in 2012. In June 2016, the JPO published its fourth annual survey of applicant and attorney satisfaction with patent examination in the fiscal year ending March 2016. For the survey, 684 applicants and attorneys, including 50 from overseas, were sent questionnaires, with more than 85% responding. The fourth annual survey report is 101-page long. As shown below, there has been consistent improvement since FY2012.



Revised Guidelines Regarding Product-by-Process Claims

In the aftermath of the decision by the Supreme Court of Japan of June 5, 2015 (case No. 2012(ju)1204), according to which an applicant is required to show that it was impossible or utterly impractical not to use the product-by-process claim format in order for a claim to be considered clear under the clarity requirement of Article 36 of the Patent Act (see issue #54 of this newsletter at <http://goo.gl/SIZYLj>), the JPO published a revised version of its Examination Handbook on March 30, 2016, in an attempt to minimize negative effects of the decision. This revised version replaced the interim guidelines published on July 6, 2015. First, in the revised Handbook (Part II, Chapter 2), it is clarified that process expressions such as "inserted," "hardened" or "coated" do not necessarily render a claim unclear in view of the Supreme Court decision if the expression is considered to be merely another way to express the structure or characteristics of a claimed element. Second, if the applicant can fairly argue in a response to an office action that it was very impractical and costly, as of the filing date, to measure and recite the structure of what is claimed, such as "an oxide semiconductor film formed on a substrate by sputtering with a metal oxide target on the surface of the substrate at a temperature of x to y degrees Celsius", the claim may be allowable. The revised Examination Handbook contains several examples of potentially successful arguments.

An English translation of the revised Examination Handbook is available at: <https://goo.gl/drmtJV> or https://www.jpo.go.jp/tetuzuki_e/t_tokkyo_e/handbook_ok_sinsa_e.htm

~~~~~  
\* Editor / Patent Attorney, Okuyama & Sasajima

## LES Japan 39th Annual Summer Conference 2016 in Matsuyama

By Mitsuo Kariya\*

LES Japan 39<sup>th</sup> Annual Summer Conference 2016 was held on 1<sup>st</sup> and 2<sup>nd</sup> of July 2016 in Matsuyama

city, Ehime prefecture, which is the largest city in Shikoku Island of Japan. Matsuyama is a warm climate city which is suitable for production of citrus fruits and rich in marine products. The meeting

venue was the ANA Hotel Matsuyama located in the center of Matsuyama city, where the Matsuyama Castle is observed. The Matsuyama Castle is known as one of twelve castles maintaining original towers. The total number of participants for the conference reached 200, including more than 20 participants from abroad.

The Conference started with opening remarks by Mr. Eiichiro Kubota (photo 1), Chair of the Organizing Committee and Ms. Junko Sugimura (photo 2), President of LES Japan. Mr. Kubota introduced the theme of the conference, “Creation of New Value.” Ms. Sugimura discussed her expectation for LES Japan’s contributions to “Creation of New Value.”



photo 1  
Opening Remarks by Mr. Kubota



photo 2  
Speech by Ms. Sugimura

The first program of the conference was a keynote speech, “Success Factors of Imabari Towel Branding” by Mr. Kazuma Yamamoto (photo 3), General Manager of Small and Medium Enterprise Support Division, the Imabari Chamber of Commerce and Industry. Mr. Yamamoto discussed how his team restored the depressed towel industry in Imabari city (the second largest city in Ehime prefecture). His team started the towel branding project in 2006 in a condition where the local towel production has been significantly declining by losing the price competition with imported towels. As a result of his team’s effort, “Imabari Towel” is now well recognized as a

high quality towel and recapturing the market share. He listed three key factors of the success, key persons who supported this project, high quality of towels and promotion of brand awareness utilizing mass media. The participants were impressed at his strong leadership of promoting the local industry.



photo 3  
Speech by Mr. Yamamoto

The second program was a guest speech, “Creation of Carbon Fiber Related Industries in Ehime Prefecture - Formation of Carbon Fiber Processing Base by Industry-Academia-Government Collaboration” by Mr. Tomitake Higuchi, Coordinator at the Federations of Small Business Associations of Ehime prefecture. Even though the Ehime plant of Toray Industries, Inc. is known as the largest carbon fiber production in the world, there was no substantial product business utilizing carbon fiber. Mr. Higuchi discussed the project of developing new products utilizing carbon fiber by minor enterprises in Ehime prefecture. The audiences were impressed by the new products commercialized by collaboration of Toray, Ehime University and Ehime prefectural government.



photo 4  
Speech by Mr. Higuchi

The third program was a guest speech, “Anti-allergy Effects of Citrus Components and Article Development utilizing them” by Dr. Takuya Sugawara (photo 5), Professor, Graduate School of Agriculture, Ehime University. He introduced that Ehime prefecture is producing the most citrus fruits in Japan for 40 years and discussed his study on the

functional ingredients included in citrus peels which are usually disposed. His student team developed yoghurt containing citrus peel collaborating with local dairy industry. The audiences tasted the commercialized yoghurt having anti-allergy effects.



photo 5  
Speech by Dr. Sugawara

The banquet started with a congratulatory speech by Ehime Prefectural Governor, Mr. Tokihiro Nakamura (photo 6) and a toast to a drink by Ms. Yvonne Chua (photo7), former President of LES International.



photo 6  
Speech by Mr. Nakamura



photo 7  
A Toast by Ms. Chua

All participants enjoyed precious moments for chatting and networking with selected drinks and a good combination of local foods and international

foods (photo 8). In the middle of the banquet, Mr. Katsumi Harashima, former President of LES Japan, Mr. Kazuo Kamisugi, former Auditor of LES Japan and Mr. Toshinari Tsuruhara, former Vice-President of LES Japan were commended for their numerous long-term contributions to the society (photo 9).



photo 8  
Banquet



photo 9  
Award Ceremony  
(from the left, Ms. Sugimura, Mr. Harashima, Mr. Tsuruhara and Mr. Kamisugi)

The participants also enjoyed a traditional local entertainment, “Yakyu-Ken”. Many LES members practiced the entertainment following the instruction by the “Yakyu-Ken” Master (photo 10).



photo 10  
Entertainment “Yakyu-Ken”

On the second day, five workshops (photo 11) were organized by working groups of LES Japan. Latest IP topics were discussed by: 1) Branding WG; 2) US Issues WG; 3) Healthcare WG; 4) Academia and Industry R&D Collaboration Management WG; and 5) Asian Issues WG.



photo 11  
Workshop

After the workshops, a panel discussion (photo 12) was held based on the theme of “Corporate Business Strategy and Intellectual Property Activities corresponding to Change of Management Environment” by Mr. Osamu Ikemura, General Manager of Intellectual Property Division, Ajinomoto Co., Inc.; Mr. Takashi Suzuki, Corporate Officer, General Manager of Intellectual Property Group, Hitachi, Ltd. and Mr. Tetsuyuki Watanabe, General Manager of Legal Division and Intellectual Property Division, Panasonic Healthcare Co., Ltd.

Mr. Ikemura discussed Ajinomoto’s initiative for enhancing brand awareness through social businesses, e.g., a nutrition improvement project in Ghana. Mr. Watanabe discussed change of IP strategy

associated with change of products in Panasonic Healthcare. Mr. Suzuki discussed a new frontier of IP for IoT business.

The discussion was facilitated by Mr. Makoto Ogino, President-elect of LES Japan and Professor of Tokyo University of Science.

The participants were encouraged by very suggestive discussions among the knowledgeable panelists.



photo 12  
Panel discussion

The conference concluded successfully with a closing speech by Mr. Kazuhiro Kobayashi, Chair of the Organizing Committee for the next year announcing the 2017 LES Japan Annual Summer Conference in Kobe city, Hyogo prefecture on July 14 and 15, 2017.

We look forward to seeing you in Kobe next year.

~~~~~  
*Editor/Licensing Vice President at GE Japan Inc.,
Patent Attorney

Editors’ Note

This issue includes articles relating to Updated Inventive Step Examination Guidelines; IP Education in Japan; “IP News from Japan” and the 2016 LES Japan Annual Conference in Matsuyama.

A new member, Mr. Hisashi Watanabe joined the editorial board and he will add great values to this newsletter going forward.

Thank you for your support of “Winds from Japan.” This newsletter will continue to provide you with useful information on activities at LES Japan and up-to-date information on IP and licensing activities 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>

(MK)

WINDS from Japan Editorial Board Members, 2016

Editor in Chief:

Mitsuo Kariya

Editors:

**Jinzo Fujino; Shoichi Okuyama;
Kazuaki Okimoto; Junichi Yamazaki;
Kei Konishi; Robert Hollingshead;
Naoki Yoshida; Takao Yagi;
Hideko Mihara; Yasuo Fujii;
Yoko Natsume; Hisashi Watanabe.**