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## **One-Blue, LLC Found Guilty of Violating Antimonopoly Act regarding SEPs (Standard Essential Patents)**

In November 2016, the Japan Fair Trade Commission (JFTC) found One-Blue, LLC, a U.S.-based independent licensing company which administers Standard Essential Patents (SEPs) for Blu-ray Disc (BD) products, to be in violation of the Antimonopoly Act for “Interference with a Competitor’s Transactions”. BDs have standard specifications which allow use in various devices. When BD manufacturers acquire SEPs so as to comply with the standard specifications, they declare that it is permissible to license the SEPs under FRAND (fair, reasonable, and non-discriminatory) conditions. One-Blue is entrusted by BD manufacturers to administer their SEPs. Imation, a company which manufactures and distributes BD products, intended to pay a license fee to One-Blue. While Imation and One-Blue were struggling through the negotiation of license fees, in June 2013, despite the on-going negotiations, One-Blue sent notifications to three retail sellers which handled Imation’s products stating that One-Blue had the right to seek injunction against their infringement of the relevant patent right because Imation’s products were not licensed with One-Blue. As a result, one of the sellers terminated sales of Imation’s products until March 2015. The JFTC found One-Blue guilty of “Interference with a Competitor’s Transactions” due to their notifications to the retailers while negotiations under FRAND conditions were still being carried out. Such an action is a violation of the Antimonopoly Act.

### The Antimonopoly Act prohibits “Interference with a Competitor’s Transactions”

According to the “Guidelines for the Use of Intellectual Property under the Antimonopoly Act”, actions related to refusing a license agreement or filing a request for preliminary injunction against a party who is willing to receive a license under FRAND conditions may reduce competition in the market and eliminate potential opportunities for a party conducting R&D/manufacturing activities on a product which adopts the standards. Such actions fall under the following Articles.

- Antimonopoly Act, Article 3: Actions which substantially limit competition of such products on the market correspond to a private monopoly.
- Antimonopoly Act, Article 19 (refusal-to-deal, abuse of superior bargaining position): Even if the actions do not correspond to a private monopoly, they would fall under unfair trade practices in cases where there is interference of fair competition.

\* Whether a person or entity is deemed to be “one who is willing to receive a license under FRAND conditions” is judged on a case-by-case basis in consideration of individual circumstances regarding license negotiations between both parties.

## Examination Guidelines for IoT-related Technology

Recently, there have been rapid advances worldwide in the R&D and utilization of technologies related to the Internet of Things (IoT) (referred to herein as “IoT-related technology” or “IoT technology”). IoT technology is a technology that creates new value or services by connecting and networking computing devices embedded in everyday objects. In November 2016, the Japanese Patent Office (JPO) released revised Examination Guidelines including an overview and some example cases of IoT-related technology. Furthermore, the JPO has taken a global lead by adding a patent classification, ZIT<sup>\*1</sup>, to the facet classifications, which is a supplementary classification of the International Patent Classification (IPC). “ZIT” is defined as a technology creating new value or services<sup>\*2</sup> which utilizes information by connecting “things” with networks. This new classification, ZIT, enables us to conduct patent searches of a broader scope, and will be available on the JPO search site, *J-PlatPat*, accordingly.

Notes:

<sup>\*1</sup> Facet classification symbols allow us to search for documents from a broader perspective in the respective technical fields, and searches performed using facet classification symbols differ from those performed using IPC or FI (F-terms, classification unique to Japan). Some example facet classifications are as follows: ZAA (superconductor technology), ZAB (environmental protection technology), and ZEC (e-commerce).

<sup>\*2</sup> “Creating new value or services” indicates any actions which create new information after gathering relevant information, offer this new information, or conduct operations utilizing this new information.

### Revised Examination Guidelines for IoT Technology

IoT technology may require the use of computer software. The JPO’s Examination Guidelines for IoT technology concerning patent eligibility, novelty, and inventive step are largely the same as those for other technologies. Recently, examinations at the USPTO have become more stringent with regard to patent eligibility requirements. Furthermore, the description of hardware resources in a claim is a criterion when the JPO examines patent eligibility under the Japanese Patent Law.

### Patent Eligibility

Even though a claim for an IoT technology may describe the utilization of an apparatus, system, or computer software, there are some cases when the claim as a whole does not describe a statutory invention as a technical idea which utilizes a law of nature. In the Examination stage, the JPO needs to thoroughly consider whether or not the invention for which a patent is sought corresponds to the “creation of a technical idea which utilizes a law of nature”. For example, judgments on patent eligibility of a conceived invention utilizing computer software as a whole are described below. (Reference: Examination Handbook, Supplement B, Chapter 1)

#### Case 1: Method of Allocating Unmanned Autonomous Vehicle (1)

Patent Eligibility: **Yes**

[Claim 1]

A system of allocating an unmanned vehicle comprising: a vehicle allocation server, a portable terminal which is possessed by a person who desires vehicle allocation, and unmanned autonomous vehicles,

wherein the portable terminal comprises:

[a transmitting portion for transmitting a user ID and a vehicle allocation position](#) to the vehicle allocation server,

wherein the vehicle allocation server comprises:

[a storing portion for storing a face image of a user so as to be in correspondence with a user ID;](#)

[an acquiring portion for acquiring the face image corresponding to the user ID from the storing portion;](#)

[a determining portion for determining an unmanned vehicle which can be allocated based on position information and a utilization state of the unmanned vehicle;](#) and

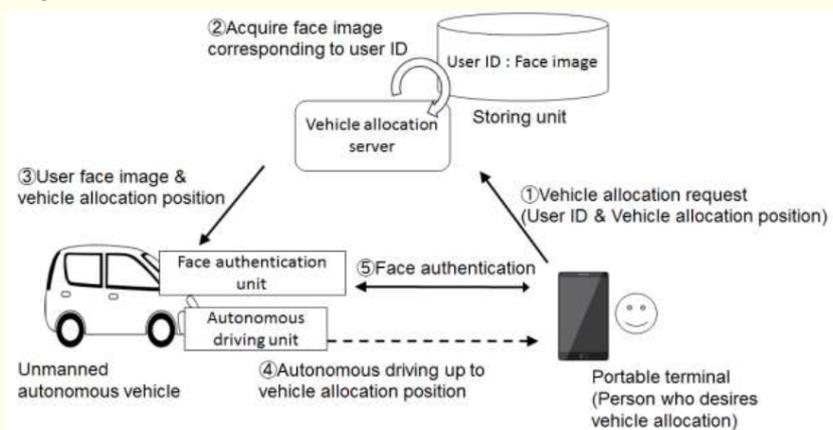
[a transmitting portion for transmitting the vehicle allocation position and the face image to the determined unmanned vehicle,](#)  
and

wherein the unmanned autonomous vehicle comprises:

an autonomous driving portion for autonomously driving to the vehicle allocation position;

[a face authentication portion for conducting a face authentication operation on people in the surroundings;](#) and

[a detecting portion for detecting a person having a face that matches the received face image as a person who desires vehicle allocation,](#) thereby permitting utilization of the unmanned vehicle.



[Explanation]

From the description of claim 1, it is possible to determine that calculation or processing of specific information for the intended use, i.e., allocation of unmanned vehicles, is implemented by specific means on which software and hardware resources cooperate, wherein the software and hardware resources constitute a system consisting of the vehicle allocation server having the storing portion, the unmanned vehicle provided with the face authentication portion, and the portable terminal. For this reason, in the invention of claim 1, a specific information processing system for the intended use is constructed through cooperation of software and hardware resources. Therefore, since the information processing by software is specifically implemented using hardware resources, the invention of claim 1 corresponds to the creation of a technical idea which utilizes a law of nature, and thus falls under an “invention”.

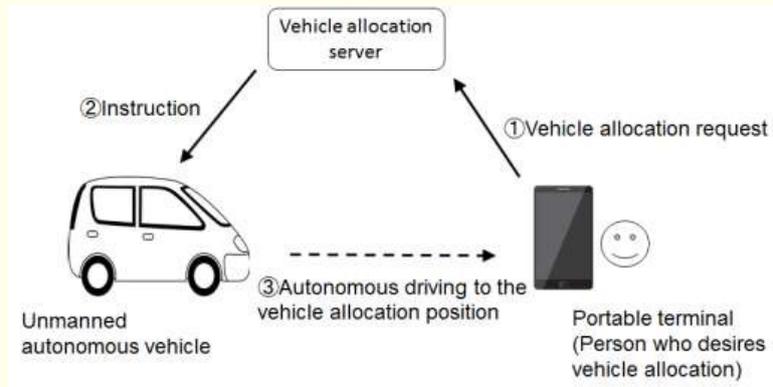
## **Case 2: Method of Allocating Unmanned Autonomous Vehicle (2)**

Patent Eligibility : **No**

[Claim 1]

A system comprising: a vehicle allocation server, a portable terminal which is possessed by a person who desires vehicle allocation, and unmanned vehicles,

wherein when the vehicle allocation server receives a vehicle allocation request for an unmanned vehicle for which a vehicle allocation position is specified from the person who desires the vehicle allocation, the vehicle allocation server allocates the unmanned vehicle to the person who desires the vehicle allocation.



[Explanation]

Claim 1 specifies that a system comprising: a vehicle allocation server, a portable terminal, and an unmanned vehicle is used. However, it is merely specified that “when the vehicle allocation server receives a vehicle allocation request for an unmanned vehicle for which a vehicle allocation position is specified from the person who desires the vehicle allocation, the vehicle allocation server allocates the unmanned vehicle to the person who desires the vehicle allocation” but no information processing is specified. Therefore, it is not possible to determine that calculation or processing of specific information for the intended use, i.e., allocation of unmanned vehicles, is specified. For this reason, in the invention of claim 1, a specific information processing system or an operation method thereof for the intended use is not constructed through cooperation of software and hardware. As described above, an unmanned vehicle allocation system as a part of a business method is eligible for a patent in Japan. The Examiners' consideration of whether or not the claims include hardware resources during examination of computer-related claims is an important point in the Japanese prosecution system. In other words, not only is an unmanned vehicle allocation system eligible for a patent in Japan, but also online advertisement systems, banking business methods, and/or stock-exchange systems, for example.

## **IPHC Judgment on Inventive Step (Motivation and Obstructive Factors)**

### Overview of the Case

Litigation Case to Rescind Trial Decision

Case No.: 2016 (Gyo-Ke) 10009

Judgment Date: October 26, 2016

Court: Intellectual Property High Court, Fourth Division

The plaintiff of this case is Sharp Corporation, the patentee of Japanese Patent No. 4666516 (present patent), titled “Humidifier”. The defendant, Dainichi Co., Ltd., had filed a request for a trial to invalidate the patent of claimed inventions 1 to 4 of the present patent (Invalidation Trial No. 2014-800202). The Japanese Patent Office (JPO) issued a Trial Decision which stated that the inventions of claims 1 to 3 of the present patent are invalid and that the request for a trial is not viable for the invention of claim 4. The present case is a lawsuit filed by Sharp to rescind the decision pertaining to claims 1 to 3 among the claims which were the subject of the Trial Decision. According to the judgment of the present case, it was determined that there was an error in the prior judgment of whether one could have easily arrived at the inventions of claims 1 to 3, and the Trial Decision was rescinded. In this article, we introduce only the part of the present case regarding the judgment of whether one could have easily arrived at the invention of claim 1 (present invention 1).

According to the Trial Decision made by the JPO, a person skilled in the art could have easily arrived at present invention 1 from the invention described in the publication of JP-A-2006-71145 (closest prior art) and from the technical matters described in cited document 2 (publication of JP-A-2002-147799), and present invention 1 is unpatentable according to Japanese Patent Law, Article 29, Paragraph 2 (lack of inventive step). Therefore, the patented invention pertaining to present invention 1 was found to be invalid. However, the IP High Court made a judgment which rescinds the part of the Trial Decision regarding claims 1 to 3 of the present patent.

Reasons for the Judgment

**Differences between the present invention and the closest prior art determined in the Trial Decision**

According to present invention 1, when a water level detection part detects a water shortage during humidification in which an air blower is operated, the operation of the air blower continues until a preset time elapses. On the other hand, according to the closest prior art, a fan is stopped once the water level becomes lower than H1 which is a first reference level. For reference, during the humidification of present invention 1, the water surface in auxiliary tray 18 is under atmospheric pressure while the water surface in tray 15 is under negative pressure due to the air blower. Therefore, the water level in tray 15 becomes higher than that in tray 18. Once the air blower stops, the water level in the auxiliary tray 18 rises since the pressure in both trays reach the same level and some water moves to tray 18 from tray 15 through a continuous hole between the trays. If the air blower stops right after the water shortage is detected by water level detection part 45, the water level in tray 18 becomes higher than water level detection part 45 again and the air blower restarts without the supply of water. However, when the air blower restarts, the water level in tray 18 becomes lower due to the pressure action and the air blower stops again. In order to prevent such a malfunction of the air blower being operated until a preset time elapses in present invention 1. As a result, the air blower does not start again even though the water level rises because the water level will be lower than water level detection part 45.

The closest prior art resolves the corresponding problem by installing two water level detection parts. The fan stops when the water level becomes lower than H1 and does not start again unless the water level becomes higher than H2 due to supply of water afterwards. Therefore, the detection of water level H1 is intended to stop the fan immediately. The detection of water level H2 is intended to continue humidification until the water level reaches H1 even though it is lower than H2.

On the other hand, the way to detect the water level in cited document 2 is to further operate the air blower until a preset time elapses after detecting the water level at a certain level which is a sufficient quantity of water to perform humidification.

**Judgment on obviousness of the differences**

The IP High Court judged the obviousness of the above differences as given below.

1. In the closest prior art, it is intended that the first water level detected by H1 which is the first reference level (first water level) will deactivate humidification once it has been detected that the water level has become lower than H1. In cited document 2, the premise is that a certain water level will allow humidification to continue even after the water level is detected as being lower than the certain water level. These water levels are obviously different in nature. Furthermore, **no motivation can be found for applying the first water level in the closest prior art to the certain water level of cited document 2** since the second water level which is detected by H2 is already a component of the closest prior art (this enables detection of a water level where the humidification can continue even after the water level is reached).
2. In addition, if the first water level of the closest prior art, which is a water level intended to stop the humidification, is applied to the technical matters of cited document 2, humidification still continues even after the water level becomes lower than the first water level. Thus, the effect of the closest prior art, i.e., preventing wasteful operation of the air blower during a water shortage, will be undermined. Therefore, **there is an obstructive factor** to applying the first water level of the closest prior art to the certain water level of cited document 2.

Comment

According to the JPO Examination Guidelines, Examiners should make a judgment on the existence of inventive step by determining whether or not, with regard to the differences between the claimed invention and the primary prior art, it is possible to reason that a person skilled in the art could have easily arrived at the claimed invention by adopting other prior art (secondary prior art) or considering the common general knowledge. The main factors for the reasoning are shown to the left.

Factors in support of the non-existence of an inventive step	Factors in support of the existence of an inventive step
<ul style="list-style-type: none"> <li>- Motivation for applying secondary prior art to primary prior art                             <ul style="list-style-type: none"> <li>(1) Relation of technical fields</li> <li>(2) Similarity of problems to be solved</li> <li>(3) Similarity of operations or functions</li> <li>(4) Suggestions shown in the content of prior art</li> </ul> </li> <li>- Design variation of primary prior art</li> <li>- Mere aggregation of prior art</li> </ul>	<ul style="list-style-type: none"> <li>- Advantageous effects</li> <li>- Obstructive factors                             <p style="margin-left: 20px;">Example: It is contrary to the purpose of the primary prior art to apply the secondary prior art to the primary prior art.</p> </li> </ul>

(Cited from the JPO Examination Guidelines)

In this judgment, the existence of inventive step in present invention 1 was acknowledged due to the absence of motivation in applying the secondary prior art to the primary prior art and due to the existence of obstructive factors in applying the secondary prior art to the primary prior art.

