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Period for Exception to Loss of Novelty Extended from 6 to 12 Months

The Japanese Patent Office (JPO) will extend the period for exception to loss of novelty, the so-called grace period, from 6 to 12 months. The Japanese Patent Law will be revised in 2018 and will take effect in 2019 for this extension. As a general rule, an invention cannot be patented if it has already been disclosed in public before filing due to lack of novelty according to Japanese Patent Law, Article 29, Paragraph 1. A bailout measure is currently stipulated as an exception to this rule in Article 30 for an invention whose patent application was filed within 6 months after disclosure to the public. In other words, the revision will cover patent applications filed within 12 months after the disclosure of the invention in public, such as at academic conferences, with the effect that the novelty of said invention will not be denied. In recent years, there has been significant activity in joint research and business-academia collaborations boosted by open innovation, and thus, the risk of loss of novelty due to disclosure to the public by a third party has increased. This extension of the exception period is a tactic for tackling such situations. There were plans to extend the grace period to 12 months if the Trans-Pacific Partnership (TPP)-related bills came into force. But now it will come into effect earlier due to the revision of the Patent Law.

New TPP Trade Deal Suspends 20 Items Including Intellectual Property among the 11 Nations Participating in the TPP Amid the Absence of the U.S.

The 11 participating Trans-Pacific Partnership (TPP) countries have agreed to rectify the new trade pact with the absence of the U.S. The new trade pact has been officially named the Comprehensive and Progressive Agreement for the TPP (CPTPP). This new trade pact clarifies that enforcement of 20 items will be suspended and “frozen” in response to the U.S. withdrawal from the TPP. It is also clarified that the CPTPP will come into effect once six of the 11 participating nations have concluded their domestic procedures. The 20 items, including many IP-related issues such as the protection period for R&D data on pharmaceuticals and the periods for copyrights, will be shelved until the U.S. returns to the TPP. In addition, the Investor-State Dispute Settlement (ISDS) provision in the TPP has also been suspended. The ISDS provision allows a company to file a lawsuit against a nation where the company develops its overseas business but suffers financial damage due to the sudden revision of the legislation in that country. The 11 nations have consented that the above “freeze” will be released if the U.S. returns to the pact.

Recent IPHC Case: Determination of Inventive Step in Request to Rescind Trial Decision (H28 (Gyo-ke)10265)

Overview of the Case

A decision pertaining to inventive step was overturned by the Intellectual Property High Court (IPHC) in an interesting case, due to the consideration of the motivation to change the constitution of a secondary invention when combining cited inventions. The plaintiff is Mighty Cube Co., Ltd., the owner via transfer of right of Japanese Patent No. 3099107 (nine claims) titled “Anti-theft tag, instruction signal issuing device, instruction signal issuing master device, and anti-theft device” (Present Patent). The defendant, I&T Tech Co., Ltd., lodged a patent invalidation trial against a portion of the Present Patent, claims 1 to 4, 6, and 7, as Invalidation Trial No. 2015-800016 which was pending before the Japanese Patent Office (JPO), in response to which the plaintiff filed a correction request (Present Correction). The JPO did not approve the Present Correction and issued a Trial Decision (Present Trial Decision) stating that “the patent for the inventions pertaining to claims 1 to 4, 6, and 7 of Japanese Patent No. 3099107 is invalid”, and the plaintiff brought an action to request cancellation of the Present Trial Decision. In this section, we introduce only the part of the judgment relating to Grounds for Revocation 1 in which the plaintiff claimed that “a mistake was made in the judgment on the propriety of the correction (a mistake in the judgment on inventive step pertaining to Present Corrected Invention 8 (Difference 2))”.

Judgment

1. To rescind the decision on Invalidation Trial No. 2015-800016 which was made on November 14, 2016.
2. The Court fees shall be paid by the defendant.

Reason

1. Both parties agree that Present Corrected Invention 8 and Invention A (Cited Invention A) described in Citation 1 (JP-A-H06-318291) have the following Difference 2

[Difference 2]

In Corrected Invention 8, the anti-theft tag “receives several instruction signals” and is equipped with “identification means to identify the specified signal and the cancel instruction signal received by the receiving means”, the cancel instruction signal “contains a part of the password code”, and the coincidence determination means judges whether the password code which is contained in the cancel instruction signal identified by the identification means coincides or not. On the other hand, in Cited invention A, the tag 1 “receives a code signal”, and is equipped with “the CPU 55 which determines that the antenna 51 has received the electric waves of the specified frequency, and determines that the attached antenna has received the code signal”.

2. Matter Disclosed in Citation 3

The parties do not dispute that Citation 3 (JP-A-H03-45436) describes “the attached tag having the message decoder 116 which receives the signal including each different message and which decodes signals including the exit message and the termination message received by the receiver 104” (Matter Disclosed in Citation 3).

3. Constitution of Cited Invention A to which the Matter Disclosed in Citation 3 is applied

Regarding completion of the warning operation, the anti-theft tag in Present Corrected Invention 8 determines the coincidence of the “password code”, which is unrelated to identification of the cancel instruction signals included in part of the cancelation signals, and the recorded password code. On the contrary, the tag of Cited Invention A to which the Matter Disclosed in Citation 3 is applied determines the coincidence of the “code signal”, which is the cancelation signal, and the “code signal” in the recorded “signals including each different message”. Therefore, it should be said that Cited Invention A to which the Matter Disclosed in Citation 3 is applied does not constitute Corrected Invention 8 due to Difference 2.

4. Judgment of the Present Trial Decision

The Present Trial Decision ruled that “the signal including the termination message” of Citation 3 is common to “the cancel instruction signal” in that they turn off the alarm and, from Citation 3, Ko 5 (specification of US 5148159 published in 1992), and Ko 6 (“NEC MOS integrated circuit μ PD 6121, 6122 data sheet” filed by NEC Corporation and published in 1995), acknowledged that there is well-known art (Well-Known Art) such that “the signal partially includes the code having the setting function and the coincidence determination means determines whether the code including the signal coincides or not”.

On this aspect, the Present Trial Decision judged that it is not especially difficult for a person skilled in the art to constitute “the signal including the termination message” of Citation 3 to partially include the code which can be set by a setting function as desired and to determine whether the code including signals in the coincidence determination means of Cited Invention A coincides or not in applying the Matter Disclosed in Citation 3. The Present Trial Decision judged that a person skilled in the art can easily arrive at Corrected Invention 8 by applying the Matter Disclosed in Citation 3 which is changed in consideration of the Well-Known Art when applying the Matter Disclosed in Citation 3 to Cited Invention A.

However, as described above, even if the Matter Disclosed in Citation 3 is applied to Cited Invention A, it does not constitute Corrected Invention 8 due to Difference 2. Furthermore, exceptional effort is needed in changing the Matter Disclosed in Citation 3. As described below, it is not acknowledged that there is motivation to change the Matter Disclosed in Citation 3. When applying the invention of a secondary citation to the invention of the primary citation, usually, it is not easy to change the constitution of the secondary invention. In judging whether one can easily arrive at the invention in such a way, we should carefully consider the motivation to change the constitution of the secondary invention. Therefore, the IPHC found that the above judgment of the Present Trial Decision cannot be readily adopted.

5. Change of the Matter Disclosed in Citation 3

Based on the contents of Cited Invention A and the Matter Disclosed in Citation 3, neither Cited Invention A nor the Matter Disclosed in Citation 3 suggest application of the Well-Known Art. Therefore, even if the Well-Known Art is acknowledged, it should be said that the defendant would not consider changing the constitution of the Matter Disclosed in Citation 3 based on the Well-Known Art when applying the Matter Disclosed in Citation 3 to Cited Invention A.

6. Effects sought by Cited Invention A and the Matter Disclosed in Citation 3

It cannot be said that the effects sought by Cited Invention A would change even if the Well-Known Art were applied to Cited Invention A and the Matter Disclosed in Citation 3. Therefore, it should be said that the defendant would not consider changing the constitution of the Matter Disclosed in Citation 3 based on the Well-Known Art when applying the Matter Disclosed in Citation 3 to Cited Invention A even if the Well-Known Art were acknowledged.

Hence, even if the Well-Known Art were acknowledged, it cannot be said that a person skilled in the art could easily arrive at the idea of constituting “the signal including the termination message” of Citation 3 to partially include the code which can be set by a setting function as desired and to determine whether the code including signals in the coincidence determination means of Cited Invention A coincides or not when applying the Matter Disclosed in Citation 3.

Therefore, it should be said that Cited Invention A to which the Matter Disclosed in Citation 3 is applied does not constitute Corrected Invention 8 due to Difference 2. Furthermore, it cannot be said that Cited Invention A to which the Matter Disclosed in Citation 3 is applied constitutes Corrected Invention 8 regarding Difference 2 because it is not easy to change the constitution of the Matter Disclosed in Citation 3 even if the Well-Known Art were acknowledged. Therefore, it should be said that a person skilled in the art cannot easily conceive of applying the constitution of Corrected Invention 8 related to Difference 2 to Cited Invention A. Hence, it cannot be said that a person skilled in the art could easily invent the corrected invention based on Cited Invention A. In accordance with the above, the IPHC found that the judgment of the Present Trial Decision which did not approve the correction on the grounds of failure to satisfy the requirements for independent patentability is incorrect since Corrected Invention 8 was independently patentable when the Present Patent was filed.

Consideration

The Present Trial Decision made a ruling regarding the judgment of inventive step of the claimed invention (mainly a judgment of easy arrival at the invention by applying the secondary invention to the primary cited invention). The Present Trial Decision was subsequently rescinded by the IPHC due to Difference 2 above, and the defendant was ordered to pay the court fees. We expect that this will serve as a useful reference in prosecuting and enforcing patent rights in Japan.