

How to Determine Inventive Step From the Perspective of Practice in JPO & IP High Court

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1 Introduction

Personal profile

I will herein explain the current situation as to what kind of judgment standards are used in determining Inventive Step in the Japan Patent Office('JPO' hereinafter) and courts of Japan.

The Intellectual Property High Court of Japan ('IP High Court' hereinafter) was established in April of 2005, which is similar to the United States Court of Appeals for the Federal Circuit ('CAFC'). The IP High Court comprises the First to Fourth Divisions, with each division made up of three to five judges, and has had eighteen judges including the Chief Judge ever since. In addition to the judges, there are also eleven Judicial Research Officials in the IP High Court, most of who are dispatched from the JPO Examination Department and Trial Board.

I served as the Presiding Judge for the Fourth Division, and was involved in all types of IP litigation cases at the IP High Court until retiring in August of 2010. For the final three and a half years, I was in charge of judicial management as the Chief Judge, as well as patent litigation as the Presiding Judge of the First Division and the Grand Panel.

After leaving the IP High Court I have been active in IP litigations as an attorney. My explanation hereafter on the current state of patent litigation in the IP High Court is based mainly on my experiences as Judge.

JPO and System of Courts in Japan

Slide 2.

Firstly, I will present an overview of the Japanese systems for patents and patent infringement litigation.

The determination of the validity of a patent can be made by a court (either district courts or the IP High Court) when a defendant submits an assertion that a patent exercised by a plaintiff is invalid, in the course of a patent infringement lawsuit, as with the U.S. system.

In the event that the court handling an infringement lawsuit makes a determination on the validity of a patent, said determination is only effective relatively with respect to the relation between the plaintiff and the defendants involved in the case, and the patent is not invalidated even if the patent is determined as invalid and the judgment passed. The plaintiff can thus file an infringement suit against different defendants based on said patent right. In reality, however, I believe such cases are rare even in Japan, and there are actual cases of a trial for correction being conducted to remove the grounds for invalidity for said patent, and enforcing said right against other defendants, although I myself have never experienced such a case.

I would like to present some comparative figures here – according to US government statistics, around 5000 patent infringement lawsuits are filed each year, and almost 1000 are said to be filed each year in Germany although official statistics are unavailable, whereas the number is 150 to 200 cases per year in Japan, which is significantly fewer than the US and Germany.

Jurisdiction of the IP High Court

Slide No. 2

In northern and southern Japan, the Tokyo District Court and Osaka District Court, respectively, exercise jurisdiction over the first instance in patent infringement lawsuits. And appeal trials are under the jurisdiction of the IP High Court exclusively.

In contrast, suits to cancel appeal decisions against final decisions of rejection rendered against patent applications, and suits to cancel appeal decisions rendered against patent validity after patent grant, by the JPO, are also under the jurisdiction of the IP High Court exclusively.

Although a final appeal may be filed with the Supreme Court against a decision of the IP High Court, very few are actually filed, making the IP High Court effectively the court of last resort.

In U.S. the Supreme Court of the U.S. has historically rendered many important judicial precedents such as on judgment standards for Inventive Step. However, this has not happened in Japan and, thus, case

law is formed fundamentally in the particularly tense relations between the IP High Court and the Supreme Court.

Although it can be said that patent office procedures are generally universal, I will raise a few points just for certainty. Firstly, inventors file an application with the patent office. There were 439,000 such applications in 2001, with each succeeding year seeing a constant reduction in numbers, resulting in 328,000 applications last year, with no end in sight to this trend.

At one point, it was said that this was due to the JPO being too strict with determinations of Inventive Step, there is no influence of the falling trend in applications even if the patent grant ratio returns to the level of twenty years ago.

The examination departments of said JPO grant patents when they find patentability. But they issue final decisions to reject when they do not recognize any patentability. In response, an applicant can file an appeal against said department. There are about 20,000 to 30,000 appeals filed against final decisions to reject an application, with 60% later receiving grants.

In the appeal department (trial board) of the JPO, each panel comprises three appeal examiners, and when the appeal department renders a decision to maintain a final decision to reject an application, an applicant can file a suit with the IP High Court to cancel said trial decision.

Every year about 200 to 300 such suits are filed with the IP High Court, which is about 2% to 3% of all appeal decisions rendered by the JPO to maintain a final decision to reject an application. Currently, the IP High Court cancels about 20% of the appeal decisions by the JPO. As I shall explain later, this figure had fallen to around 5% about ten years ago.

The other case of the determining the validity of a patent issued by the JPO is in procedures for trials for patent invalidation. Anyone who believes a granted patent to be invalid may file to demand a trial to invalidate said patent, before the appeal department of the JPO.

Such trials are presided over by three appeal examiners, and consist of a documentary trial examination and oral proceedings, in order to render a trial decision on whether or not the patent is valid. Cases of such demands for trials of invalidation have recently been on a downward trend, at about 250 cases per year, more or less. Compared with 10 years ago about 100 cases reduced.

A patent holder whose patent was deemed invalid, and a demandant for invalidation for the patent in question was deemed valid can both sue their respective opponents by appealing to the IP High Court to cancel the trial decision. There are about 100 to 150 such suits to cancel a trial decision filed with the IP High Court each year, with about 25% of them resulting in decisions of validity or invalidity being overturned.

2. Major Reduction in the Patent Grant Rate and Trends in Determination Methods for Inventive Step in Japan (Slides 3 & 4)

Large drop in the patent grant rate from around 2000

The patent grant rate in Japan has changed dramatically over the last twenty years. The regular rate of 70% suddenly began dropping until it reached 50% over a few years and, thereafter, suddenly rose until almost reaching the former 70% figure in the last few years. And the grant rate is now very stable and well-balanced for 10 years or so, I do hope.

I believe that the main reason for this is that judgment standards for Inventive Step changed twice. I will use a graph to explain the outline here and explain the specific details of the judgment standards for Inventive Step later.

Firstly, please see **Slide No.3**, which shows the patent grant rates from 1996 to 2007 for Japan, the U.S., and the EPO. Although the method of calculating this rate differs slightly by country, I believe that this does not make a significant difference. Please note, however, that figures for the U.S. changes considerably in accordance with a change in the calculation method in 2010 (note).

Next, **Slide No. 4** shows the patent grant rates from 2008 to 2012. It shows that although all three maintained a high level of about 65% to 70% until around just before 2000, the rate started a downward trend after 2000 passed, falling to about 50% in 2007, again for all three. Japan started declining particularly early and reached the 50% earliest, in 2004.

Now, in reviewing the state of affairs from 2008 to 2012 as shown in **Slide No. 4**, the patent grant rates for both Japan and the U.S. recovered and have almost reached 70%. Granted, the figures for the U.S. rises sharply from 2009 to 2010 by more than 20%, although the true rate of increase cannot be inferred as the U.S. changed the calculation method for the patent grant rate in 2010.

On the other hand, the low level continued in the EPO, and although I do not have figures for 2013, I imagine that there has not been much change and it hovers around 50%.

The general opinion of Industry and patent attorneys in Japan is that examinations by the EPO are conscientious, if strict, and thus obtaining a patent grant from the EPO confers quite a stable patent, with the probability thereof being invalidated being low even if rights are enforced.

Method for determining Inventive Step resulting in the drop of patent grant rates

There was a particular reason that the grant rate remained low, relating to the method for determining Inventive Step during this period.

I personally believe the reason to be that during that time, the 'Same Technical Field Doctrine to Negate Inventive Step' concept (the 'Doctrine') came to widely infest the JPO and the courts.

The Doctrine is a method of determining Inventive Step whereby the claimed invention is rejected when its technical field and that of an invention taught in a first cited reference as well as that of a technical matter of a second cited reference are all of an identical technical field, even when there is no suggestion or motive, which is an extremely simplistic way of making such a determination. Furthermore, the meaning of the sameness of said doctrine was gradually interpreted increasingly flexibly and broadly, and began seeing heavy use, resulting in heavy criticism from Industry.

My conclusion on this is that, firstly, the IP High Court suddenly ceased using the Doctrine, which is such a powerful determination method, in 2008, and has since returned to the previous method of requiring suggestion and motive in order to deny Inventive Step.

Today, the approach of requiring that a first cited reference (rarely a second cited reference) indicate a suggestion or motive has become essential.

Furthermore, it is understood in Japan that formulating the problem of the invention requires it to be based on descriptions in the first cited reference, which is a point in common with the U.S. perspective but partially differing from that of the EPO.

I believe it likely that this point is part of the reason that the Japanese patent grant rate is about 70% whereas the EPO's is stuck at 50%.

The 'Same Technical Field Doctrine' was welcomed by JPOs and Courts and its Background

For a long time in Japan, requests for substantive examination were allowed for a period of seven years. From the standpoint of international cooperation, however, circumstances developed such that a revised law significantly reducing this period became unavoidable, and a law that provides for a three-year period to request substantive examination was thus implemented beginning in October of 2001 **(Slide 3)**

Examination for newly filed applications must therefore commence within three years, and since previously-filed applications were eligible for the seven-year period, requests for examination continued for these for six to seven years from 2001.

Consequently, the examination departments found themselves with a large number of unexamined applications, which in turn caused a large number of unfinished appeal cases. Although there was a 1 to 2 year time lag between this large backlog of unsettled cases, the IP High Court (the 'Tokyo High Court, Intellectual Property Division' at the time, both 'IP High Court' hereinafter without distinction) was also deluged.

It is said that the JPO had the largest backlog of unsettled cases in 2005. This was also the year that the IP High Court processed the most filings of suits to cancel appeal/trial decisions, with last year's figures for such case filings down to about 60% of the figures for 2005.

There is another reason for these backlogs that deluged the JPO and IP High Court. At the time, Japanese industry along with the JPO was being swept by an intellectual property boom, or in other word, even craze. Industry consequently invested large amounts into technological development,

and filed too many patent applications. There were 436,000 applications filed in 2001, which continued to rise to 439,000 cases in 2001.

It was just at this most busy time for the JPO and IP High Court that a very convenient method for determining Inventive Step in patents appeared. This, of course, was the 'Same Technical Field Doctrine to Negate Inventive Step'. This determination technique conquered the JPO and IP High Court in an instant. Frankly speaking, I was one who also adopted this 'Same Technical Field Doctrine', endorsed judgments rejecting many patent applications, invalidated valid patents, and even dismissing demands from a plaintiff after judging the plaintiff's patent invalid in a case of an infringement lawsuit filed based on a valid patent (now that I look back on it). All four chief judges depended on the 'Same Technical Field Doctrine' those days.

The 'Same Technical Field Doctrine' Explained

Slides 6, 7

I will give a simple explanation here of the Same Technical Field Doctrine to Negate Inventive Step.

Let us say that an application was filed for present invention A. The examiner then discovers A' as the closest prior invention or, that is, the invention with the smallest point of difference therewith. Say, that the point of difference between A and A' is only technical matter α . In this case, prior invention A' is selected from the same technical field as present invention A, naturally, with point of difference α also selected from the same technical field. So long as this 'same technical field' condition is satisfied, it means that, in principle, Inventive Step is absent. 'In principle' means that the fact of prior invention A' and α being difficult to combine (was called matters 'teaching away'), etc., was described in the specification and the like of prior invention A', which was considered as the burden of the patent applicant (patent holder if after granting of the patent) to argue and prove.

Under the Doctrine, the applicant or patent holder need not be concerned, in principle, with the presence or absence of suggestions or motives. The main point to deliberate on for examiners and appeal examiners of the JPO, judges who preside over patent infringement lawsuits, and judges of the IP High Court who preside over suits to cancel appeal/trial decisions, is whether or not the elements in question belong to the same technical field, which is extremely objective and easy to determine. We can say that it was an extremely useful tool for processing a large number of cases.

Furthermore, it became a common occurrence that instead of determining whether or not a product produced and distributed by a defendant infringes on a plaintiff's patent, judges who preside over patent infringement lawsuits immediately determine based on the defendant's argument that the plaintiff's patent right is invalid in accordance with the Doctrine, and dismiss the plaintiff's demands without considering the facts any further. One international comparison even points out that the lawsuit win rate for patents in infringement suits in Japan had fallen to 20%. Further, the IP High Court rendered one judgment after another upholding appeal/trial decisions by the JPO denying Inventive Step determined based on the Doctrine, and rendered judgments cancelling appeal/trial decisions by the JPO upholding Inventive Step without using the Doctrine, from the standpoint of the Doctrine, although there were only a few cases of this happening. I recall that the percentage at the time of suits to cancel appeals/trials was about 5%.

'Same Technical Field Doctrine to Negate Inventive Step' went extinct in around 2008

The Doctrine, however, lost its momentum in around 2008, from court judgments, and went extinct before 2009. It was around this time that the patent grant rate that had remained stagnant at less than 50% for a few years began to rise, and has now recovered to almost 70%. Although the appeal/trial cancellation rate of the IP High Court in suits to cancel appeal/trial decisions had fallen to about 5%, it rose abnormally to more than 30% for a time, and currently stabilized at about 20%.

Today, Japanese courts have completely eliminated the Doctrine, and instead require suggestions and motives, without which patents are considered as to be granted, and has rendered judgments cancelling many appeal/trial decisions denying Inventive Step. The situation has settled down, with the examination departments of the JPO now reducing their decision of final rejection rate and switching to patent grant even in appeals of a decision to reject, which has eliminated the need to file a suit to cancel appeal/trial decisions with the IP High Court.

The determination method of using suggestions/motives has also been adopted by the Tokyo District Court and Osaka District Court for patent infringement lawsuits, and it has now become rare for plaintiffs who are patent holders to lose in these cases through their patent rights being ruled as invalid

even before proceedings on determining infringement. When a defendant is certain of the invalidity of a plaintiff's patent, it is normal for the defendant to first file a trial for invalidation with the JPO, before or after the plaintiff files an infringement suit, for which the trial decision is ruled in about six months, enabling a speedy conclusion to the trial for invalidation (as the IP High Court also renders judgment on filed suits to cancel appeal/trial decisions in six months to one year).

Relation between 'Same Technical Field Doctrine' and JPO examination guidelines

The current examination guidelines of the JPO were substantially revised in 2000, in expectation of a large backlog of un-commenced examinations due to the large reduction in the period for requesting examination from seven years to three years, in order to streamline examination and appeal processing or, in other words, revised with the objective of expediting said processing.

In the practices of the JPO and courts, however, the pressure of large-scale processing spawned the adoption and implementation of the Same Technical Field Doctrine in principle, and thereafter abandoned it once the backlog was cleared. It is safe to say that this major revision of examination guidelines in 2000 gave momentum to said Doctrine, which had already been born in the courts, with respect to the determination of Inventive Step. The practice of determining Inventive Step in the JPO and the IP High Court is now quite lenient, and is now in line with the practice of the JPO before the examination guideline revisions of 2000.

To sum up, although Japanese examination guidelines do feature descriptions that may serve as partial grounds for affirming the Same Technical Field Doctrine, there is nothing therein that affirms said Doctrine outright. I believe there to be no direct relation between the examination guideline revisions of 2000 and the Doctrine casting over practice by the JPO and the courts.

3. Current Japanese Examination Guidelines

Slide6

Relation of technical fields under standards for determining Inventive Step of the examination guidelines

Here I will explain Inventive Step, from Part II, Chapter2, Novelty and Inventive Step in the Japanese Examination Guidelines.

As shown here, I raise guidelines and three judgments from the IP High Court with respect to the Japanese examination guidelines, which enumerate similar cases of Inventive Step denial based on IP High Court judgments denying Inventive Step, as shown here. It looks to me like an arbitrary random list.

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|------|---|
| (2) | Probable cause or motivation, the four perspectives of: |
| I. | Relation of technical fields, |
| II. | Close similarity of problems to be solved, |
| III. | Commonality of working or functions, |
| IV. | Implications in the cited inventions |

The above-mentioned four perspectives are individually introduced. In other words, if any of these applies to the claimed invention, it then lacks Inventive Step. I will explain these items separately.

I.	<p>Relation of technical fields,</p> <p>The inventions to which any technical means of the related technical field is attempted to be applied to solve the problems in the inventions are the inventions created by exercising the ordinary creativity of a person skilled in the art.</p> <p>[Ex.1] It is admitted that the idea of applying the technique of the pachinko machine to that of the slot machine is an idea that would have been easily conceived by a person skilled in the art. (Ref: Decision by the Tokyo High Court, June 24, 1997 [1996 (GyoKe) 103])</p> <p>[Ex.2] A camera and an automatic strobe light are always used together and are closely related. Therefore, applying the incidence control element of a photometric circuit for the camera to a photometric circuit for the automatic strobe light would be an idea a person skilled in the art easily arrive. (Ref: Decision by the Tokyo High Court, March 18, 1982 [Showa 55 (GyoKe) 177])</p>
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Concerning Example1 court decision, I am sure there is no argument in the conclusion of the slot-game machine case. There are no practical differences between the pachinko-game machine and the slot-game machine. The JPO's decision, where there is Inventive Step in the claimed invention in this case, is certainly wrong.

Concerning Example2, Cameras and automatic strobes are very closely related, and I thus do not have much argument with this judgment.

I believe that the Doctrine, which was an outlook that presupposed cases of judgments such as those of [Example 1] [Example 2] above, was gradually, and thereafter rapidly, applied to widely as necessary as a consequence of the dramatic rise in the number of cases.

Another point that I would like to raise here is that it is rather common in current JPO and IP High Court practice to fundamentally affirm Inventive Step in patent applications for inventions that appropriate an identical technique for another related technical field, against the guideline above. On this point it can also be said that Japanese examination guidelines do not lead practice.

It should be noted that Japanese judges – probably like judges abroad – are not particularly conscientious in minutely comprehend examination guidelines and deferring thereto.

II.	<p>Close similarity of problems to be solved</p> <p>A close similarity found between problems to be solved in the inventions provides strong grounds for the reasoning that the claimed invention is an idea at which a person skilled in the art could arrive by applying or combining the cited inventions.</p> <p>[Ex.1] Cited inventions 1 and 2 share the same problem to be solved: stopping the base sheet on which a label is temporarily attached at the predetermined position. The idea in the cited invention 1 of applying the controller for conveying labels in the cited invention 2 to solve the technical problem is at which a person skilled in the art could easily arrive. (Ref: Decision by the Tokyo High Court, July 27, 1991 [1990 (GyoKe) 182])</p>
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The examination guidelines, JPO, and courts all deem the problem as the matter defined as the problem in the specification of the present application, with the cited inventions appearing as either implicit or explicit suggestions ('implications'), and not something that an examiner objectively or independently formulates based on recitations in the specification, with the problem being thus recited in the specification as a matter of course. It is not, however, a legal requirement to recite the problem in the specification.

III.	Commonality of working or functions Omitted
IV.	<p>Implications in the cited inventions</p> <p>Implications shown in the cited inventions relevant to the claimed invention are strong grounds for the reasoning that a person skilled in the art could derive the claimed invention from the cited inventions.</p>

[Ex.1] The cited document discloses metal ions, which are cation, and provided for gaining aqueous electrodeposition baths that do not require chemical pretreatments, which is also similar to the purpose of the claimed invention, under the condition that the electrical potential of the galvanic series is higher than that of iron, providing seven types of metal ions as examples. These examples do not include lead ions as a constitution defining the claimed invention, but it is publicly known that the electrical potential of the galvanic series of lead is higher than that of iron, which shows that the applying lead ions is implied in the cited example. Accordingly, adding iron ions to aqueous electrodeposition baths is an idea that a person skilled in the art could conceive easily.

(Ref: Decision by Tokyo High Court, November 18, 1987,1986(GyoKe) 240))

4. Difference in Method for Determining Inventive Step among Japan, US, & EPO

Difference between Japan and the U.S.

There does not seem to be much difference between Japan and the U.S. in method for determining Inventive Step. Although it is true that there was a dark period for the JPO and the courts for the ten years following 2000 when the Same Technical Field Doctrine to Negate Inventive Step invasion resulted in exceptional stringency toward patents, I do not believe there to be any fundamental difference between Japan and the U.S. with respect to the determination of Inventive Step.

Therefore, I explain Japanese practice below in view of the differences between Japan and the EPO, with a focus on the 'Problem-and-Solution Approach'.

'Problem-and-Solution Approach' & Japan's 'Problem of the Invention' From the perspective of Differences under examination guidelines

There is no difference between the EPO and Japan with regard to determining Inventive Step in terms of the letter of the law. I believe that those skilled in the art in both are also the same ideologically. The biggest difference, therefore, is in how problems are formulated.

Both the EPO and JPO are the same in that they search out prior inventions closest to the present invention, find points of difference there-between (the defining feature of the invention), and deliberate on whether or not the present invention can be conceived from said differences. The EPO's 'Problem-and-Solution Approach', however, differs considerably from Japan in outlook and function, in formulating problems.

The comparative table shown hereafter is summarized as appearing on http://www.trilateral.net/images/logo_trilateral.jp and introduced here for reference purposes, and is mostly abbreviated in the presentation. Although the presentation does not mention the EPO, and mainly introduces examination guidelines of the JPO concisely, it will mostly be omitted from the presentation due to time constraints.

[EUROPEAN PATENT OFFICE]

- The problem to be solved is viewed objectively by the Examiner based upon his full knowledge of the application and the relevant prior art. Here, it must be kept in mind that the problem viewed objectively is not necessarily the same as that the one mentioned by the applicant in his description.
- To this effect, the examiner studies the application and the closest prior art to find out the differences between them in terms of features (either structural or functional).
- It may happen that the problem itself is judged to be new and to involve an inventive step. In such case, the solution to the problem as expressed in the claims is deemed to involve an inventive step, unless the solution would inevitably be arrived at as an obvious solution to another problem (the so-called "one-way street" situations).

[JAPAN PATENT OFFICE]

A close similarity of a problem to be solved can be a strong ground for the reasoning that a person skilled in the art would be led to a claimed invention by applying or combining cited inventions.

- When a cited invention does not intend a similar problem to be solved to that of a claimed invention, further examination based on the state of the art should be conducted whether a problem to be solved is obvious or whether it would have been easily conceived.
- Even based on a problem to be solved of a cited invention which is different from that of a claimed invention, the inventive step of the claimed invention can be denied regardless of the difference in problems, if the reasoning can properly be made that a person skilled in the art could have easily arrived at the matters defining the claimed invention in a different way of thinking from the problem-solution of the claimed invention.
- This also applies to inventions wherein any problem to be solved cannot be identified, for example, inventions based on a discovery by trial and error.

(Examination Guidelines Part II. Chapter 2. Section 2.5(3)②)

[U.S.PATENT & TRADEMARK OFFICE]

In determining obviousness, neither the particular motivation to make the claimed invention nor the problem the inventor is solving controls. The proper analysis is whether the claimed invention would have been obvious to one of ordinary skill in the art after consideration of all the facts. See 35 U.S.C. 103(a).

5. Case study from the perspective of real cases in JPO and IP High Court

Now it is clear that the Biggest Difference in Determining Inventive Step between the EPO and JPO's Guidelines for Examination is in how problems are formulated.

Hereafter, I will introduce one case of patent validity being determined through a trial and judgment, and two other cases wherein the JPO and courts arrived at different conclusions on a patent application. As time may limit me to only one case during the presentation, here I shall give an overview to facilitate a general understanding of the case.

Each Claimed Invention is simple. The conclusion of each claimed invention depends upon how to find out, or how to formulate, the problem to be solved in the cited invention and its specification. In each case, the different point is technically easy. Each belongs well-known matters.

(1) "KARAOKE Patent"

Decision by Tokyo High Court January 28, 2009[2008(GyoKe)10096]

The first case is a patent application for a 'video recording apparatus' filed by Toshiba on March 17, 1982. This application became four applications after the first divisional was filed on November 30, 1990 (1990-330750), and the second was filed in 1996.

The 'Karaoke patent' introduced in this presentation appeared in the second divisional application no. 1996-274802, for which the JPO issued a Decision of Final Rejection on May 21, 1996, and for which an appeal against the decision to reject was filed on May 19. The JPO dismissed the demand on May 14, 1997, on grounds that the present invention lacked patent subject matter eligibility.

Toshiba then filed a suit to cancel the trial decision with the Tokyo High Court (now the IP High Court), in which said court affirmed the patent subject matter eligibility, rendering judgment cancelling the trial decision, and returning the case to the JPO.

On February 10, 2000, the JPO allowed/granted the 'Karaoke patent' and it was registered. The claim thereof was a simple one, reciting:

“A singing lyric instructing method comprising displaying characters of lyrics on a screen of a display and changing color of the characters to be sung of the lyrics in accordance with progression of an accompaniment” (one claim only).

The patent in this case expired on March 17, 2002, completing its term of 20 years. On August 27, Takara filed for an invalidation trial against the patent before the JPO. Takara submitted as evidence cited inventions 1 and 2 below. I shall first introduce cited invention 1 and omit cited invention 2 as it is similar.

“I have found that an audience can sing a song with greater interest and with less hesitancy if the entire text of the song or a full verse thereof is projected on the screen in its entirety while the singing is going on but with provision to accurately guide the audience in singing the syllables or words in sequence and in accurate synchronism with the notes of the music to which they are to be sung. This I accomplish by a system of differential light intensity or illumination of the text as a whole and of the syllables or words as they are to be sung.”

“The text is projected on the screen under a certain light intensity or illumination so that it can be read by the audience and then the syllables or words are consecutively, that is, one at a time, given a contrasting light intensity to thus guide the audience in singing the words at the proper time and in full accord and synchronism with the music.”

Cited Invention 2: US 3,199,115 (Patented Aug. 3, 1965): omitted

The JPO affirmed Inventive Step and rejected the demand for invalidation, on April 23, 2003, ruling:

“The present invention cannot be easily conceived based on Cited Invention 1 (US 1,516,277; patented in 1924).”

Takara filed suit before the IP High Court to cancel the trial decision by the JPO, on May 28, 2003.

It should be noted that as Toshiba obtained a validity determination from the JPO in July of 2003, they demanded compensation for damages to the amount of 900 million yen (about \$9 million) before the Tokyo District Court.

In spite of this, the IP High Court ruled to cancel the trial decision on grounds that the invention in question lacked Inventive Step, on November 18, 2003. I was in charge of this particular case. I took this post as one of the chief judges of the IP High Court in the spring of that year, and was entrusted with rendering the judgment.

The conclusion in the judgment was that the present invention could easily display a singing part from the well-known art.

There are two particularly characteristic matters with respect to this invention. One is that the invention used well-known technology in a conventional karaoke device, featuring no novel technology and merely using conventionally known synchronism technology. It, however, entailed the significant secondary effect, so to speak, of generating tremendous selling power due to the patent enabling many less-than-confident singers to properly sing along with the accompaniment by following the song not only aurally but also visually on the display. As the determination standard for Novelty was strict at the time, thus rendering it invalid, I actually consider it now to be valid in view of the presently relaxed stringency in the determination standard for Novelty because there are many applications currently filed for business patents that lack Novelty, many of which are even obtaining grants.

(2) “CIRCUIT CONNECTING MEMBER” case
Decision by IP High Court January 28, 2009 [2008(GyoKe)10096]

This case relates to a patented invention of an adhesive that joins two circuit boards, for which a judgment cancelling the trial was rendered, on grounds that the IP High Court should not be rejecting Inventive Step.

The judgment determined that the IP High Court should rid itself of the Doctrine in determining Inventive Step and require suggestions or motive from cited examples, as well as that a suggestion for arriving at the point of difference that is the defining feature of the invention of said application was intentionally made is necessary, rather than mere presumption that it could have been arrived at.

Although the point that those informed should move from ‘could’ to ‘would’ is the same as the examination standards of the EPO, many criticize this judgment as going too far, judging that the judgment surpassed the realm of ‘would’ and extended to ‘must’ (or ‘should’).

It is a judgment that is considered to be the turning point for the determination of Inventive Step in Japan.

On the other hand, the gist of many cases in Japan is as described hereafter, and as explaining all this accurately would require a couple more slides using chemical formulas, at least five minutes would likely be required, so I may only get to introduce it here.

In this judgment, the cited invention is an invention that was developed and applied for by the same applicant as that of the present invention, with the point of contention being whether or not it would be easy for those skilled in the art to use a bisphenol F-type phenoxy resin instead of a bisphenol A-type phenoxy resin, with regard to the phenoxy resin of the invention described in the cited example. It is a case wherein there are teachings in the cited example that even appear to induce the use of a bisphenol F-type phenoxy resin (please refer to [0009] of the specification). Yet the judgment ruled that it would not have been easy and the patent was valid in the very clear terms below, thereby cancelling the trial decision invalidating the patent.

The summary of the judgment as prepared by the judge himself that presided over the case is shown below.

“– A case in which the court ruled that, in order to make a determination that a person ordinarily skilled in the art could have easily conceived of the relevant invention from the prior art, it is insufficient that it can be presumed that such person would have made an attempt by which he/she could reach the characteristics of the invention, but it is necessary that there is an implication or the like suggesting that he/she must have made such an attempt with the intention of reaching the characteristics of the invention.

The plaintiff, with regard to its patent application concerning the invention relating to a circuit connecting member, made a request to the Japan Patent Office (JPO) for a trial against the examiner's decision that refused said application, but was given the decision to dismiss the request. Dissatisfied with this, the plaintiff filed a suit with this court against the JPO Commissioner to seek rescission of the JPO decision.

Concerning the requirements under Article 29, paragraph (2) of the Patent Act, the court held as follows: "In order to make a determination that a person ordinarily skilled in the art could have easily conceived of the relevant invention, it is insufficient, in the course of examining the prior art, that it can be presumed that such person would have made an attempt by which he/she could reach the characteristics of the invention, but it is necessary that there is an implication or the like suggesting that he/she must have made such an attempt with the intention of reaching the characteristics of the invention." From this viewpoint, the court determined that a person ordinarily skilled in the art could not have easily conceived of the plaintiff's invention from the prior art, and rescinded the JPO decision that determined to the contrary."

**(3) “ODOR-NEUTRALIZING AND LIQUID-ABSORBING TRASH BAGS” case
Decision by IP High Court September 28, 2011[2010(GyoKe)10351]**

The third case selected is this judgment.

In addition to the U.S. application, this application was also filed in Japan and the EPO. Personally, I thought the conclusion for this case would be divided and until actually researching the relevant materials, I predicted that it would have been tried and granted a patent instantly in the U.S. And I also predicted that it was likely issued a Notice of Reasons for Rejection from the EPO via their problem-and-solution approach, and that the applicant thus abandoned the application as they could not deal with it effectively. I thus researched the materials of the application filing.

What I found was that although extended negotiations had continued for a long period between the attorneys and the examiner in the U.S., the applicant ultimately abandoned the application. On the other hand, a patent was summarily granted by the EPO following some brief exchanges.

The point that drew my attention was the judge's opinion below as underlined. This point is described in [0023] of the Japanese specification, [0028] of the U.S. specification, and [0026] of the EP application.

Although it was tried a second time in Japan after the IP High Court cancelled the trial decision, a judgment upholding the decision of final rejection for the patent was rendered. The applicant **none the less** filed another suit to cancel the trial decision with a second judgment rendered therefor, with the JPO losing the lawsuit after all.

Finally the patent application was granted on August 13, 2013 in Japan. The JPO abandoned the rejection of the application. But this patent is not so stable.

I will introduce here how the presiding judge thought. It is as followed, as long as my given time is permitted.

“– A case in which, in an action to seek rescission of a JPO decision that drew a conclusion that a person ordinarily skilled in the art can easily conceive of the structure pertaining to a difference between the invention claimed in the patent application and the cited invention based only on said specific cited invention and a specific well-known technical matter, the court ruled that the determination in the JPO decision that a person ordinarily skilled in the art can easily conceive of the structure pertaining to the difference of the invention claimed in the patent application based on the cited invention is erroneous because there is no motivation to adopt the structure of the invention claimed in the patent application by applying the well-known matter to the cited invention.

In the cited invention, an absorbent polymer layer is used as an absorber, and is coated and integrated with the inner surface of a plastic bag. Therefore, it is rational to understand that the form thereof is stably maintained and is also kept even when absorbing water. In that case, there is no motivation to adopt a structure of arranging a liquid permeable liner adjacent to the absorber in the cited invention for the purpose of avoiding the situation where "consumers have accidental and undesirable contact with the absorber that has been almost or completely saturated with liquid trash." The well-known reference describes an art of arranging a liquid permeable liner adjacent to an absorber. However, it lacks validity to draw a conclusion, by abstracting the content of the cited invention, the features of the Invention, the function that illustrates the technical meaning of the difference between the inventions, the purpose of the Invention or the problem to be solved by the Invention, , the method for solving the problem, etc., that the proposition to be proven – "it is easy for a person ordinarily skilled in the art to conceive of the structure pertaining to the difference of the Invention by applying the aforementioned technical matter to the cited invention" – is naturally established based on the idea that the arts of arranging a liquid permeable liner adjacent to an absorber in general are uniformly well-known.”

All in all, this re-affirmed to me how difficult it really is to determine Inventive Step.