

Section 3 Oppositions/Appeals and Trials/Retrials/Advisory Opinions on the Technical Scope of a Patented Invention

Subsection 1 Oppositions

Item 1 Significance of the Opposition System

The pre-grant opposition system was adopted before the 1994 amendment (which entered into force on January 1, 1996). Under this system, any person could file an opposition within three months from the publication of an examined application (Section 57 of the Patent Law before the 1994 amendment). The examiner received any oppositions, gave the applicant an opportunity to make amendment, and then rendered a final decision. Under the pre-grant opposition system, information could be gathered widely from the general public, which contributed to reducing the registration of defective patents that contained reasons for invalidation, to strengthening the power of the patent right, and to increasing its legal stability. However, the greatest defect of this system was that filing of an opposition prolonged the examination procedure, and often required a longer time for the patent to be registered. The registration was sometimes delayed considerably when many oppositions were filed. In fact, there were some cases where oppositions were filed abusively in order to prolong the examination procedure¹.

Since not many countries adopted the pre-grant opposition system, the Japanese system had been internationally criticized as being the cause for delay in examination. Accordingly, in order to speed up the examination procedure and to achieve international harmonization, the pre-grant opposition system was abolished and the post-grant opposition system was adopted instead upon the 1994 amendment.

The post-grant opposition system is a system where the examiner, if not finding any reasons for refusal as a result of examination, immediately makes a decision to grant a patent, registers the right, and causes the patent right to take effect, but oppositions can be filed within the time limit of six months from the publication of the gazette containing the patent (Section 113 of the Patent Law).

¹ According to the 1995 statistics, the number of examined applications published was 123,360, and the number of applications for which oppositions were filed was 8,549, accounting for an opposition rate of 6.9%. The opposition was approved for 1,855 applications, which is approximately 1.5% of the total number of applications (Patent Office Gazette, Vol. 48, 1995: pp. 260-261). This data has simply calculated the number of applications received or processed in 1995, and the data varies to a certain extent each year, but it gives some rough idea of the use of the opposition system. The data shows a negative effect on the expeditious processing of rights, by postponing patent registration for all applications until the end of the period for opposition, only to have just a small portion of the oppositions approved.

The opposition system is, whether pre-grant or post-grant, a system for gathering information from the general public and raising the credibility of patents. However, while the nature of the pre-grant opposition system is to gather information from the public in advance to make a more accurate administrative disposition, the nature of the post-grant opposition system is to demand cancellation of an administrative disposition, so the two are legally quite different.

Another system for determining the validity of the patent post factum is the trial for invalidation of a patent to be mentioned hereinbelow, but the opposition system functions more strongly as a re-examination, which means it is more in the public interest. Accordingly, there are no limitations to the eligibility of becoming an opponent, which means that any person can file an opposition (main paragraph of Section 113 of the Patent Law), the reasons for the opposition are limited to those in the public interest (each paragraph of Section 113 of the Patent Law), and the trial examination of the opposition is conducted by documentary examination, in principle (Section 117 (1) of the Patent Law). The period for opposition was three months in the pre-grant opposition system that was adopted before the amendment of the Law, but under the post-grant opposition system, the patent right has already been established for the time being, so there is no particular need to set such a short period in consideration of speeding up the examination, so the period for opposition is stipulated to be within six months from the publication of the gazette containing the patent.

The report by the Industrial Property Council on the 1994 amendment had set forth that “there is a need to clarify the relation between the opposition system and the system of trial for invalidation, and to have the two systems coexist,” and the Law was amended in accordance with this opinion. While the system of a trial for invalidation is mainly used for settling disputes between interested parties, the opposition system is conducted by inviting the general public to file oppositions for the purpose of having the JPO re-determine the appropriateness of granting a patent so as to secure the credibility of the JPO. As the two systems have these different purposes, they were both adopted by the Law to coexist with each other. Such coexistence of the two systems is also observed in many other countries and, at the same time, meets the needs of the opposition system, which has enjoyed frequent use for a long time.

Item 2 Procedure/Trial Examination/Effects of Oppositions

A person file an opposition for the purpose of supplementing the incompleteness of the examination only within six months from the publication of the gazette containing the patent (Section 113 of the Patent Law). To this end, the

application files and their attachments are made available for public inspection for five months from the date of publication of the gazette containing the patent¹ (Section 66 (5) of the Patent Law).

Unlike reasons for invalidation, reasons for opposition are limited to matters relating to the public interest (each paragraph in Section 113 of the Patent Law). The reasons for opposition are restricted to such matters that make the monopoly of the invention fundamentally undesirable, because the opposition system has not been intended for settling specific disputes, but instead for re-examining the appropriateness of the patent. The specific reasons for opposition are:

- (A) amendment to add new matters (Paragraph (i));
- (B) violation of the provision on enjoyment of rights by an alien, lack of novelty or involvement of an inventive step, an unpatentable invention, or violation of the provisions on the first-to-file rule (Paragraph (ii));
- (C) violation of a treaty (Paragraph (iii));
- (D) violation of the description requirements of a specification (Paragraph (iv)); and
- (E) addition of new matters relating to an application in a foreign language (Paragraph (v)).

Mere procedural defects, which are not substantive defects, such as violation of the description requirements in Section 36 (5) of the Patent Law and violation of the unity of an application (Section 37 of the Patent Law), are not stipulated as reasons for opposition. Also, matters attributable to a right, such as a misappropriated application (Section 49 (1) (vi) of the Patent Law) or violation of the provisions on joint applications (Section 38 of the Patent Law) are not reasons for opposition since they should rather be disputed in a trial for invalidation, which is an inter-partes procedure. Further, the reasons for opposition do not include the case where an alien is no longer able to enjoy the patent right pursuant to Section 25 of the Patent Law. Since the opposition system has the purpose of reviewing the appropriateness of the examination, it does not handle cases that were legitimate at the time of the grant of a patent but in which defects emerged afterwards².

The opposition proceeding is carried out according to certain formalities (Section 115 of the Patent Law), and provisions on appeals and trials are applied mutatis mutandis concerning designation of the trial examiners, etc. (Section 116 of the Patent

¹ To make materials available for public inspection (*juuran*) means to offer them for public inspection free of charge. The materials can also be inspected later by paying a fee. It is usual to inspect these materials in a patent infringement suit.

² Since the period for opposition is six months, even if such matters were added to the reasons for opposition, they could hardly be applied in reality due to the time limitation.

Law). Any person having an interest in the patent right can intervene in the trial examination to assist the patentee (Section 118 of the Patent Law). There are no provisions on intervention for assisting the opponent. Since any person can file an opposition, it is sufficient for the opponent to file an opposition independently. The trial examinations of two or more oppositions for the same patent are combined, unless there are special circumstances (Section 120*bis* (1) of the Patent Law).

The trial examination is conducted by a collegial body of three or five trial examiners, similarly to the case of an appeal/trial (Section 114 (1) of the Patent Law). As the opposition system affects the fate of the patent right, careful procedures are provided for in the same manner as for the appeal/trial procedures. The opposition system has an aspect of re-examination, so the trial examination is basically conducted by documentary examination, but it can be exceptionally conducted by oral trial on a motion or ex officio (Section 117 of the Patent Law). Many provisions on appeals/trials are applied *mutatis mutandis* to the trial examination for an opposition (Sections 117, 119 and 120*sexies* of the Patent Law).

Just as in the case of demanding a trial for invalidation, an opposition can be filed for each claim (Section 113 of the Patent Law). Since the nature of the opposition system is not in determining the appropriateness of the content of the opposition, but in reviewing the administrative disposition to grant a patent, it is possible to examine even reasons that have not been pleaded (Section 120 (1) of the Patent Law), but as the status of the patentee would be unstable if the trial examination were conducted for all the claims, the claims for which no opposition has been filed cannot be examined (Section 120 (2) of the Patent Law).

If as a result of the trial examination, one of the reasons for opposition is found to be applicable to the patent, the trial examiners hand down a ruling to revoke the patent (ruling to revoke) (Section 114 (2) of the Patent Law). Even if a person is not satisfied with the ruling to revoke, he/she cannot make an appeal under the Administrative Appeal Law³ (Section 195*quater* of the Patent Law). A person who is not satisfied with a ruling to revoke will directly file a lawsuit, which is under the exclusive jurisdiction of the Tokyo High Court (Section 178 (1) of the Patent Law). When a ruling to revoke becomes conclusive, its effect retroacts, and the patent is deemed to have not existed from the start (Section 114 (3) of the Patent Law).

An opposition can be withdrawn for each claim (the provision on the

³ Article 4 (1) of the Administrative Appeal Law stipulates that the provision precludes dispositions for which no request for examination or opposition can be made pursuant to another law.

withdrawal of demand for a trial for invalidation is applied *mutatis mutandis* in Section 120ter (2) of the Patent Law), but it cannot be withdrawn after the notification of the reasons for revocation (Section 120ter (1) of the Patent Law). This limitation was established because it is undesirable for the public interest to allow withdrawal after it becomes clear that the patent is very likely to be defective.

When it is recognized that reasons for opposition do not apply to the patent, the trial examiners render a ruling that the patent is to be maintained (Section 114 (4) of the Patent Law). This ruling is not subject to any appeal under the Administrative Appeal Law, request for examination, or appeal by filing a lawsuit (Section 114 (5) of the Patent Law). However, as the system of trial for invalidation is stipulated as a system unrelated to the opposition system, a person who is not satisfied with the ruling is able to demand a trial for invalidation⁴.

Subsection 2 Appeals and Trials

Item 1 Purpose/Significance of the Appeal/Trial System

An appeal/trial is a JPO procedure for adjudicating on a contestation, of which the purpose is to re-examine the final disposition given by the examiner in the patent granting procedure or to revoke or correct a defective patent. Also, there are supplementary appeals/trials, including an appeal/trial for exclusion or challenge of a trial examiner and an appeal/trial for intervention in an appeal/trial.

⁴ The two procedures are unrelated to each other, so a trial for invalidation can be demanded even if the case is still pending in opposition. The two procedures cannot be combined, but the trial for invalidation can be suspended until the ruling on the opposition becomes conclusive (Section 168 (1) of the Patent Law), or the opposition procedure can be suspended in reverse (Section 120sexies (1) of the Patent Law).

Although the appeal/trial system is established in an administrative organ, the appeal/trial decision must be as fair as a court decision, so appeals/trials are conducted in a procedure resembling that of a court proceeding. Considering that a suit against an appeal/trial decision is filed directly with the Tokyo High Court by omitting the first instance, it can be regarded as a quasi-judicial authority. The reason for making it an appeal system, which is different from ordinary administrative cases, is said to be based on the technical character of industrial property rights. Since it requires a high level of technical expertise to process an appeal concerning a patent, it is more reasonable to have the JPO, which is the exclusive authority for technology, review the case again rather than having the case filed directly with a court¹. For instance, an examiner's decision to grant a patent is not an absolute decision, and it requires some reviewing. The appeal/trial system is established for such a purpose, and it is used for correcting any errors in examination and to maintain the credibility of the patent system.

The patent/trial system has undergone various changes up to the present, since its first establishment in the Patent Bylaws of 1888². Under the old Law (Law of 1921), a protest suit (*Kokoku* appeal) system existed above the appeal/trial system to take extra care in the procedure, but the protest suit system has been abolished in the current Law to simplify and expedite the procedure. Since speed is important for patent-related procedures, these measures to simplify are considered to contribute to attaining the purpose of the system.

Item 2 Legal Nature of Appeals/Trials

¹ The appeal/trial system was first introduced in the Japanese patent system by the Patent Bylaws of 1888 (Imperial Ordinance No. 84). A similar comment is found in the autobiography of Korekiyo Takahashi (p. 294) who drafted the bylaw (*Shoukou Seisaku Shi* (History of Commercial and Industrial Policy) (Edited by the Ministry of International Trade and Industry, 1964), Vol. 14, Patent, p. 550, “*Takahashi Korekiyo Ikoushuu Kara* (Extracts from the Posthumous Writings of Korekiyo Takahashi),” ‘*Shinpan Oyobi Shinsa Ni Kansuru Genkon No Seido Narabini Sono Tokushitsu Wo Ronzu* (Discussions on the Current Appeal/Trial and Examination Systems and Their Advantages and Disadvantages)’ (p.647)).

² For the history of the appeal/trial system, see Makoto Amino, “*Waga Kuni No Kougyou Shoyuiken Hou Ni Okeru Shinpan Seido No Enkaku* (History of the Appeal/Trial System in the Japanese Industrial Property Law),” *Zoku Shouhyou Hou No Shomondai* (Various Problems in the Trademark Law II) (Tokyo Nuno Publishing, 1983).

Since the establishment of the appeal/trial system, the legal nature of the system has been subject to arguments. Although the history of the system is an interesting topic to study, the detailed historical development shall be left to other books since this book focuses on the system of industrial property. It is hardly disputed that an appeal/trial under the current Law is one kind of administrative contestation¹. Since an appeal/trial decision is an administrative disposition, and an administrative authority cannot conduct a trial of the final instance, (Article 76 (2) of the Constitution of Japan), an appeal can naturally be made to a court against an appeal/trial decision. If it were an ordinary administrative disposition, it should be under the jurisdiction of the Tokyo District Court, which is the district court for the location of the JPO, but due to the peculiarity of the appeal/trial, it is processed under the exclusive jurisdiction of the Tokyo High Court (Section 178 (1) of the Patent Law). This is because, where the appeal/trial is a quasi-judicial authority in which appeal/trial examination is made by a procedure resembling that of a court, if a lawsuit against the appeal/trial decision were examined in the district court first as for other general administrative cases, it would not always be profitable for the parties concerned considering the time and labor consumed for the court proceedings². Therefore, there seems to be no practical problem in omitting the first instance based on the presence of the appeal/trial system.

An appeal/trial is conducted by a collegial body of three or five appeal/trial examiners, and the body makes its decision by a majority vote (Section 136 (1) (ii) of the Patent Law). The JPO Commissioner must designate the appeal/trial examiners for each case (Section 137 (1) of the Patent Law), and designate one of them as the appeal/trial examiner-in-chief (Section 138 (1) of the Patent Law). In order to secure a fair appeal/trial, there are systems for exclusion and challenge of appeal/trial examiners similar to those for court trials (Sections 139 through 144 of the Patent Law).

With respect to the relationships between an appeal/trial and a court action, the main issue is whether or not a fact that did not appear in the appeal/trial can be claimed in a court action, so this topic shall be discussed in the part about lawsuits.

¹ Ryuuichi Murabayashi, “*Tokkyo Mukou Shinpan To Teisei Shinpan* (Trials for Invalidation of a Patent and Trial for Correction)” (Articles in the Memory of Professor Ishiguro, p. 277) mentions that although an inter-partes trial can be considered as a quasi-judicial procedure, an ex-parte appeal does not involve any legal dispute, so the latter is an administrative procedure even though it adopts a careful appeal procedure.

² A system where the first instance is omitted and the high court has the exclusive jurisdiction is not exclusive to the industrial property system, but is also observed for adjudications by the High Marine Accidents Inquiry Agency, rulings by the Land Coordination Commission, and suits against decisions or dispositions by the Minister of Posts and Telecommunications based on the Radio Law.

Item 3 Types of Appeals/Trials and Their Details

1. Appeal of a Decision of Refusal (Appeal of an Examiner's Decision of Refusal)

(1) Making an appeal and the period for the appeal

An examiner's decision is an administrative disposition, which is subject to appeal, but due to the peculiarity of the administrative disposition to refuse an application, a special appeal system has been established for it. A person who has received a decision of refusal can appeal within thirty days from the date of transmittal of a copy of the decision¹ (Section 121 (1) of the Patent Law). No other appeal can be made. In the case of a joint application, the appeal must be made by all of the joint owners (necessary joinder of inherent parties; this applies to all appeals) (Section 132 (3) of the Patent Law).

This appeal can only be made by the person who received the decision of refusal, and not by any third party. A third party, on the other hand, must either file an opposition or demand a trial for invalidation after the patent registration. A person who has received a decision to grant a patent cannot make this appeal either, but such a person would not be dissatisfied with the decision².

(2) Reconsideration by the examiner before an appeal

If the specification or drawings were amended within thirty days from the date of filing for an appeal of a decision of refusal, the JPO Commissioner must make the examiner examine the application again before the appeal (Section 162 of the Patent Law). This examination is conducted by the same procedure as an ordinary examination. If the examiner judges that the reasons for refusal have been remedied by the amendment, he/she annuls the decision of refusal and renders a decision to grant a patent (Section 164 (1) of the Patent Law). The examiner passes the application to the appeal procedure, if the decision of refusal could not be annulled as a result of the examination. If the examiner finds other reasons for refusal, he/she transmits another notification of reasons for refusal.

¹ As an exception, the period can be extended upon request or ex officio for a person residing in a place that is remote or difficult to access (Section 4 (1) of the Patent Law). In practice, the period is extended by fifteen days for a person residing in a remote place and by sixty days for a person residing abroad (Examination Manual 71.06A). If an appeal cannot be made due to a reason that is not attributable to the person, he/she can appeal within fourteen days from the date when the reasons ceased to be applicable but not later than six months following the expiration of the said time limit (Section 121 (2) of the Patent Law).

² The old Law stipulated that a person who was dissatisfied with an examiner's decision could file a protest suit, so, formally, a person who received a decision to grant a patent was also considered to be able to file a protest suit, but in actuality no such suit seems to have been filed for such a case.

An applicant usually wants to avoid making amendment as much as possible, so amendment is often made in the appeal phase, after receiving a decision of refusal. In most of the appeals against an examiner's decision, amendment was actually made after the decision of refusal. Before the Law was amended in 1970, when amendment was made after the decision of refusal, a procedure similar to examination had to be repeated in the appeal phase, which was one of the causes for the delay in examinations. Therefore, this system of reconsideration by the examiner before an appeal was established to make the examiner, who actually examined the application and knows the content of the technology well, re-examine the application when such amendment is made, so that the human resources of the JPO as a whole can be utilized more effectively¹.

(3) Appeal examination and appeal decision

The point of an appeal examination in an appeal against an examiner's decision of refusal is not the appropriateness of the decision of refusal, but whether or not a patent should be granted for the application. Any action taken in the examination procedure is also relevant in the appeal (Section 158 of the Patent Law), so the appeal examination does not have the nature of a new examination where the examination is completely redone, but of a continued examination in extension of the original examination. Therefore, the production of any new evidence that had not been submitted in the examination phase is allowed in the appeal procedure without limitation.

If there are no grounds for the claims of the appeal, an appeal decision is given to the effect that the appeal is invalid, and the appeal is dismissed (the original decision is maintained). However, if there are grounds for the appeal, it is possible to annul the original decision and remand the case to examination (Section 160 (1) of the Patent Law), in which case the appeal decision binds the examiner (Section 160 (2) of the Patent Law). However, a case is hardly ever remanded in reality, and in most cases trial examination is further continued in the appeal procedure and the question of whether or not a patent should be granted is investigated and decided *ex officio*. If

¹ The system of reconsideration by the examiner before an appeal was introduced in the Law of 1970. At the time, amendment could not be made within thirty days from the date of appeal regarding an application which was disclosed in a publication of the examined application in the examination phase, but this restriction was abolished with the introduction of the multiple claim system in the 1975 amendment. Incidentally, the system of publication of the examined application has been abolished in the current Law. Kenichi Matsuie, "*Shinsa Zenchi Shugi* (System of Reconsideration by the Examiner before an Appeal)," *Tokkyo Kanri* (Patent management), Vol. 22, No. 4: p. 303.

new reasons for refusal are discovered as a result, the applicant is given an opportunity to make amendment (Section 159 (2) of the Patent Law), and if the application still needs to be refused, the appeal is dismissed based on invalidity of the appeal. If no reasons for refusal are found as a result of the trial examination, an appeal decision to grant a patent is immediately rendered. (Section 159 (3) of the Patent Law)

2. Trial for Invalidation of a Patent

(1) Significance of a trial for invalidation of a patent

Although a patent is granted after strict examination by an examiner, establishment of defective patents cannot be completely avoided. To leave a defective patent as it is means to allow monopoly of an invention that can basically be worked by all people¹, so if it continues to stay valid, it would damage the credibility of the patent system. A trial for invalidation is a trial for retroactively nullifying such a patent after the patent registration.

The system for invalidating a patent differs by country, but in Japan only the JPO has been authorized to determine the validity of a patent² (according to court decisions and major theories). Therefore, a court cannot determine the validity of a patent, which means that one naturally cannot appeal for confirmation of the invalidity of a patent, and cannot claim invalidation of a patent even in an infringement suit or a criminal procedure relating to an infringement³.

¹ If a trial decision of invalidation becomes final and conclusive, the patent loses its effect retroactively, and is deemed to have never existed, whereby the invention becomes available for all people to work. However, in the case of double patenting, the senior patent would still remain effective even if the junior patent were invalidated, so the invention would not become available for all people to work. Also, if a patent is invalidated due to reasons for invalidation that occurred after the grant of the patent (Section 123 (1) (vii) of the Patent Law), the patent is deemed to have not existed from the time such reasons occurred (Proviso in Section 125 of the Patent Law).

² The determination of the validity of a patent here means a determination that affects the public, which is different from the issue of whether a court can determine the validity of a patent only within a particular suit. For a court's ability to determine the invalidity of a patent, see Yoshiyuki Tamura, "Tokkyo Shingai Soshou Ni Okeru Kouchi Gijutsu No Kouben To Touzen Mukou No Kouben (A Plea that an Invention is a Publicly Known Technology and a Plea That an Invention is Inevitably Invalid in a Patent Infringement Lawsuit) (1) (2)," *Tokkyo Kenkyuu* (Study on Patents), Vol. 21: p. 4/Vol. 22: p. 4.

³ Although a court cannot invalidate a patent, it is able to decide the scope of the effect of a patent. Therefore, it is possible to virtually deny the effect of a patent right by interpreting that the patent loses its effect as a result of the decision as to its scope.

(2) Conditions for a demandant and conditions for a defendant

The defendant in a trial for invalidation must be a patentee registered in the patent register. If a patent right is jointly owned, all of the joint owners must be the defendants (Section 132 (2) of the Patent Law). On the other hand, many problems are involved regarding the conditions for a demandant of a trial for invalidation.

Under the old Law (Law of 1921), the demandant of a trial for invalidation was limited to “an interested party or an examiner” (Section 84 (2)), so the scope of the types of demandant was clear¹. However this limitation was deleted upon the 1959 amendment, and the provision was put forth in a passive sentence without a subject (Section 123 (1) of the Patent Law). Thus, it has become a problem as to whether any person can now demand a trial due to the deletion of the limiting requirement, or, since the provision does not specifically set forth that any person can demand a trial, only the interested parties should be allowed to demand a trial in accordance with the civil law principle in litigation that a person having no interest cannot demand a trial².

¹ As a matter of course, the specific scope of interested parties could vary by interpretation, but that is merely a discussion concerning the procedural law in general, so in an abstract sense, the scope of persons who could be a demandant was clear. The problem in the interpretation of the current Law is whether or not a party having no interest can be recognized as a demandant.

² Regarding this issue, see Nobuhiro Nakayama, “*Tokkyo Mukou Shinpan Ni Okeru Seikyuuin Tekikaku* (Conditions for a Demandant of a Trial for Invalidation of a Patent),” Articles in the Memory of Professor Toyosaki: p. 195; Minoru Takeda, “*Mukou Shinpan Seikyuu No Rieki* (Merits in Demanding a Trial for Invalidation)” (Lecture on industrial property practices; Development of a theory on industrial property practices), *Hatsumei* (Invention), Vol. 87, No. 1: p. 54; Youichirou Komatsu, “*Mukou Shinpan To Rigai Kankein* (A trial for Invalidation and Interested Parties),” Patent, Vol. 36, No. 8: p. 15.

The explanation in the council report on amendment of industrial property systems for the 1959 amendment describes the reason for the amendment as follows (p. 115). At present (at the time of the old Law), a considerable part of the trial examination is consumed by the derivative issue of whether or not a party has an interest. This is not only an undesirable situation, but there is also a risk that a patent that should be invalidated survives due to inefficient evidencing by a demandant having an interest, so the wording “interested party” shall be deleted from the law. Fundamentally, the general public has interests in whether or not a patent is invalidated in an invalidation trial or an appeal against an examiner’s decision, so a demandant can be considered to demand a trial not for his/her individual interest, but on behalf of the interests of the social public. Thus, there seems to be no need to positively prove that the party has an interest. However, this does not deny the civil law principle that a “person having no interest has no cause of action,” so the defendant can have the demand for a trial refused by claiming such facts as abandonment of the right to demand a trial or achievement of a reconciliation.

In the Committee on Commerce and Industry of the House of Representatives, a committee member has given an account as follows. The interpretation of Section 123 of the Patent Law is the same with or without the specification that the demandant must be an interested party, and in substance, a party must have an interest in order to demand a trial for invalidation just as in the past (Minutes of the 31st Meeting of the Committee on Commerce and Industry of the House of Representatives of the Diet, No. 37: p. 11). This account by the government slightly differs from the content of the aforementioned explanation in the report. According to the account by the government, the current Law would be more or less the same as the old Law, which would not only

The JPO practice immediately after the 1959 amendment was to conduct no examination regarding the involvement of an interest³, but the Tokyo High Court consistently reversed this practice, and only recognized that interested parties could demand a trial⁴. Accordingly, the practice of allowing only interested parties to demand an invalidation trial became established. Based on this assumption, the present JPO practice does not question the involvement of an interest unless there is a conflict between the parties concerned (Appeal/Trial Examination Manual, 31-03).

It is natural that involvement of an interest is recognized for a person who is using or preparing to use a technology that is the same or equivalent to the patented invention and a person who has received a warning for such use⁵, but court decisions

nullify the significance of the amendment to delete the limiting requirement, but would also make the scope of the persons who can be demandants narrower than in the old Law, since an examiner, who represents the public interest, is not recognized to have an interest under the current Law.

³ Trial No. 292 of 1961, Published Appeal and Trial Decisions, No. 445: p. 3; Trial No. 666 of 1961, Published Appeal and Trial Decisions, No. 341: p. 47; Trial No. 7806 of 1967, Published Appeal and Trial Decisions, No. 756: p. 19.

⁴ The Tokyo High Court decision on September 27, 1966, Court Decisions in Administrative Cases, Vol. 17, No. 9: p. 1119 (the Closed Agitation Device case) (a case where the court ruled that the individual representative of a company does not have an interest in invalidating a patent relating to a device manufactured by the company); the Tokyo High Court decision on February 25, 1970, Court Decisions Relating to Intangible Property, Vol. 2, No. 1: p. 44 (the Vinyl Chloride Stabilizer case) ([Annotation] Toshiaki Makino, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions) (Second Edition), Case 46) (a case where a patent attorney demanded a trial for invalidation, and the court held that a person must have a legally justifiable interest in demanding an invalidation trial, similarly to the old Law, but as the entire purport of the pleading made it clear that the patent attorney had no interest, the patent attorney was not eligible to demand the trial). In this decision in 1970, the court explained the theoretical grounds for limiting the demandant to an interested party as described below. (1) The Patent Law clearly sets forth in the text of the law that “any person” can conduct procedures that require no qualifications. (2) Since a trial for invalidation has the nature of a quasi-judicial contestation procedure, it seems reasonable to apply the civil action principle that a “person having no interest has no cause of action.” (3) As a person must have an interest in the result of the trial in order to intervene in the trial to assist a party under Section 148 (3) of the Patent Law, it is not adequate to consider that no conditions are required for the demandant of the trial in balance with this provision. (4) The Trademark Law has no provisions concerning the conditions for a demandant of a trial for invalidation of the extension of the term or that of a trial for cancellation of a registered trademark not in use, but specifically stipulates that “any person” can demand a trial for cancellation of a trademark based on use that misleads or causes confusion to the public. Since no provision stipulates the conditions for the demandant of a trial for invalidation of a patent, such a trial is not considered to be demandable by “any person.”

⁵ The Tokyo High Court decision on March 19, 1970, Court Decisions Relating to Intangible Property, Vol. 2, No. 1: p. 109 (the Telephone Unit case) (a case concerning the Design Law where a person who was planning to export products with a design similar to the registered design was recognized as a demandant); the Tokyo High Court decision on March 31, 1970, The Law Times Report, No. 248: p. 293 (the Bamboo Screen Weft case) (a case concerning the Design Law where a legal interest in demanding a trial was recognized on account that a civil infringement lawsuit was pending); the Tokyo High Court decision on November 28, 1985, Court Decisions Relating to Intangible Property, Vol. 17, No. 3: p. 571 (the Arched Truss case) (a case concerning the Design Law where a legally justifiable interest was recognized for a person who purchased, used, and resold

and trial decisions have recognized interests more broadly. For instance, there was a case where an interest was recognized for a non-profit industrial association founded under the Medium and Small Enterprise Organization Law because, although it had not actually engaged in production, its deed of association included a provision on joint placement of orders, and Article 1 of the Medium and Small Enterprise Organization Law stipulated that transactions can be conducted to stabilize and streamline management of the association members⁶.

Most theories interpret that a demandant must have an interest, based on the civil law litigation principle that a person without an interest has no cause of action⁷. This basically corresponds to the account by the government in the Committee on Commerce and Industry of the House of Representatives for the 1959 amendment, which is also the view taken in court decisions. Nevertheless, it is slightly different from the council report on amendment of industrial property systems. According to the court decisions and the majority theory, the current Law and the old Law are basically the same, which nullifies the purpose of the amendment. In addition, while an examiner was recognized to be a demandant as a representative of the public interest under the old Law, an examiner cannot individually have an interest since he/she is a government employee. Therefore, unlike under the old Law, an examiner cannot demand a trial under the current Law, indicating that the scope of the persons who can be a demandant has been restricted. This runs counter to the purport of the council report, which tried to broaden the scope of the demandant. The report, which tries to recognize a broader scope, mentions that a demand for a trial can be dismissed as an exception when the right to demand a trial has been abandoned or reconciliation has been achieved, since no interest could be gained from the demand. There are some theories that try to recognize a broad scope of demandant in accordance with the purport of this report⁸.

products that used a design resembling the registered design, and against whom an injunction was sought by the right holder.

⁶ The Tokyo High Court decision on September 29, 1983, Court Decision Journal, No. 1105: p. 135/The Law Times Report, No. 514: p. 248 (the Rug case) ([Annotation] Nobuhiro Nakayama, Jurist, No. 877: p. 121; Naoto Komuro, Court Decision Journal, No. 1120: p. 183).

⁷ Yoshifuji, *Tokkyo Hou* (Patent Law): p. 601; Toyosaki, *Kougyou Shoyuiken Hou* (Industrial Property Law): p. 283; Hashimoto, *Tokkyo Hou* (Patent Law): p. 127; Morioka, *Kougyou Shoyuiken Hou* (Industrial Property Law): p. 113; Gaku, *Tokkyo Jittai Hou Ron* (Discussion on Substantive Patent Law): p. 341; Aoyama, *Tokkyo Hou* (Patent Law): p. 182; Minoru Takeda, *Shingai Youron* (Introduction to Infringements): p. 188 (however, this sets forth that this requirement should be interpreted in a relaxed manner).

⁸ Oda/Ishikawa, *Shin Tokkyo Hou* (New Patent Law): p. 444; Aoki/Aragaki, *Tokkyo Tetsuzuki Hou* (Patent Procedural Law): p. 287; Nobuhiro Nakayama, "Tokkyo Mukou Shinpan Ni Okeru Seikyuuin Tekikaku (Conditions for a Demandant of a Trial for Invalidation of a Patent)," Articles

If a trial for invalidation is considered to be a legal means of protecting the right of a private individual, it would be reasonable to apply the civil action principle that a “person having no interest has no cause of action.” Although a trial for invalidation undeniably has such an element resembling a civil action, it certainly has other elements, too. A trial for invalidation not only contributes to the interest of a private individual, but it is a procedure to nullify an exclusive right that has been granted to a technology for which such a right should not have been granted (there are exceptions like a misappropriated application), and its effect also contributes to all people’s interests, in principle⁹. From such a viewpoint, the conditions for a demandant cannot be determined merely based on the civil action principle. Which side to take depends on one’s idea of the nature of a trial for invalidation. A trial for invalidation takes the form of a dispute between two parties. It seems to resemble a civil lawsuit, but it does not adopt the system of oral proceedings, which is basically adopted in a civil lawsuit, and it is more of a procedure *ex officio* (See Section 150 onward of the Patent Law). In addition, despite the fact that the invalidation trial takes the style of an *inter-partes* trial, which excludes the administrative authority that made the patent-related disposition from the dispute, the true subject of the dispute is the illegality of the administrative disposition to grant a patent, so a trial of invalidation relating to the public interest has the nature of an administrative lawsuit rather than that of a civil lawsuit¹⁰.

Such a nature is considered to derive from the fact that the validity of a patent not only affects the demandant of a trial for invalidation, but potentially affects all people. The existence of a patent that contains reasons for invalidation often means partial monopoly of an existing industry, so recognition of such a patent is harmful to the “development of industry” as stipulated in Section 1 of the Patent Law. A patent that includes reasons for invalidation should not be left valid, so the Patent Law has been legislated to eliminate such a patent¹¹. Thus, a trial for invalidation is also considered to have a strong function of administrative control for ensuring that the

in the Memory of Professor Toyosaki: p. 195.

⁹ If a patent right is invalidated, the technology becomes open to all people in principle but, as mentioned earlier, there is an exception for double patenting where the technology will continue to be monopolized by somebody even if the patent is invalidated, due to the existence of a senior patent.

¹⁰ A trial for invalidation can be considered to be something like an *inter-partes* trial under public law, but in substance it can be regarded as something like an appeal suit filed by a third party (formal *inter-partes* trial). Similar modes resembling a lawsuit include Article 133 of the Eminent Domain Law, Article 44 of the Gas Utility Industry Law, Articles 33 and 69 of the Road Transport Law, and Article 97 of the Mining Law.

¹¹ The *ex officio* principle in the trial for invalidation is one such measure.

administration complies with its original purpose and relevant law¹². From such a perspective, all people should be considered eligible to demand a trial for invalidation, at least when the reasons for invalidation are related to the public interest¹³.

In contrast, a trial for invalidation that is more of a dispute over the attribution of a right has a nature of a dispute over the attribution of a private right rather than a dispute over the illegality of the disposition by the JPO. In such a case, the patent itself is not against the public interest, and the trial is rather similar to an ordinary civil action. As this type of dispute is more suited to a civil action than to an invalidation trial at the JPO, the conditions for a demandant should abide by the civil action principle.

Discussed so far are the generalities concerning the conditions for a demandant deriving from the structure and nature of a trial for invalidation, but one should also note that a demandant could lose his/her eligibility to be a demandant by his/her own intention. This is described in the explanation in the council report that the eligibility to demand a trial will be lost when the demandant abandons the right to demand or the parties achieve reconciliation and agree to cancel the invalidation trial. It is possible to interpret that when the reasons for invalidation are those relating to the public interest, the public interest takes precedence over the intention of the parties concerned, and the eligibility of a demandant would not be lost even if the parties agreed to cancel the trial. However, even if the demandant was deprived of eligibility, third parties can still independently demand a trial for invalidation, so there should be no need to recognize the eligibility even when it is against the intention of the demandant or an agreement

¹² As the function of administrative control becomes stronger, the scope of the conditions for qualifying as a plaintiff in an appeal suit will also expand as a result (Ichirou Ogawa, “*Uttae No Rieki To Minshuu Soshou No Mondai -- Shukanteki Uttae No Rieki No Kakudai To Sono Genkai Ni Kansuru Ippan Riron He No Shiron* (Issues of the Interests in Appeal and Popular Actions -- Trial Discussion on the General Theory Concerning Expansion and the Limit of Interests in Subjective Action),” Book Commemorating the Seventieth Birthday of Professor Jirou Tanaka, *Kouhou No Riron* (Theory of Public Law), Vol. 2 (Yuhikaku, 1976); Jin Kaneko, *Gyousei Sousou Hou* (Administrative Contestation Law), Chikuma Shobou, 1973): p. 297; Naohiko Harada, *Uttae No Rieki* (Interests in Appeal) (Koubundou, 1973): p. 9).

¹³ The Japanese Patent Law lists reasons for invalidation in Section 123 and handles them in a similar manner. However, not all reasons for invalidation have the same nature, and some of them are quite different. Therefore, different treatment is required not only in legislation, but also in interpretation. The reasons can roughly be divided into cases where a patent should not have been originally granted, such as for lacking novelty or inventive step (these are cases relating to the public interest), and cases where the attribution of the right is disputed, for instance, in relation to a misappropriated application (For details, see Nobuhiro Nakayama, “*Mukou Shinpan No Arikata* (Desirable Form of a Trial for Invalidation),” *Gakkai Nenpou* (Annual of Industrial Property Law), No. 5: p. 208). A similar idea is mentioned in Kaneko/Someno, *Kougyou Shoyuiken Hou* (Industrial Property Law): p. 280.

between the parties¹⁴.

However, careful study is necessary regarding whether or not abandonment of the right to demand a trial based on the demander's intention should be considered effective in all cases. These cases present a problem in the form of whether an agreement not to dispute the patent made between a patentee and a licensee should be considered valid. Such an agreement should basically be considered valid due to the principle of freedom of contract, but the validity of the agreement may sometimes be denied due to contravention of public order and morality or violation of antitrust law. This determination must be made for individual agreements.

A related problem is whether or not a licensee can demand a trial for invalidation. Some theories hold the view that a licensee cannot demand a trial by reason of that being against the doctrine of good faith or in accordance with the doctrine of estoppel¹⁵, but when another person has a patent right, a person who wants to use the technology only has the choice for obtaining a license by negotiation, obtaining a trial decision of invalidation by first demanding a trial for invalidation, or using the technology without the consent of the patentee, aware of the risk of being sued. By

¹⁴ The Supreme Court decision on April 22, 1986, Court Decision Journal, No. 1207: p. 114/Court Decision Journal, No. 617: p. 79 (the Juchheim case) ([Annotation] Shouen Ono, Court Decision Journal, No. 1221: p. 209; Tatsuki Shibuya, *Tokkyo Kenkyuu* (Study on Patents), No. 4: p. 39; Tatsuki Shibuya, *Journal on Civil and Commercial Law*, Vol. 96, No. 5: p. 698; Tadashi Takura, *Japan Trademark Association Journal*, No. 2: p. 25). In this case, which was related to a trial for invalidation of a trademark registration pursuant to Section 51 of the Trademark Law, the court held that if a party has withdrawn an opposition due to reconciliation and has recognized the registration of the right, the party cannot demand a trial for invalidation since it is against the doctrine of good faith. (With regard to this, Justice Masami Itou stated in the dissenting opinion that Section 51 is intended for protection of consumers, who are the general public, and even if it had an effect to also protect private interests, that is not an originally intended purpose of the provision, so reconciliation would not obstruct the demand for a trial.) Although Section 51 of the Trademark Law provides that any person can demand a trial, the court still held that the right to demand was effectively abandoned by the reconciliation. In comparison to this, such abandonment of the right to demand would more definitely be considered effective in the case of a trial for invalidation of a patent.

¹⁵ Kenichirou Oosumi, "*Gijutsu Teikei* (Technological Tie-Up)," *Keiei Hougaku Zenshuu* (Collected Treatises on Business Law), Vol. 11 (Diamond, 1967): p. 137; Yoshimitsu Noguchi, "*Tokkyo Jisshi Keiyaku* (Patent License Agreement)," *Book Commemorating Judge Hara's Retirement*, Vol. 2: p. 1043; Yoshimitsu Noguchi, *Kokunai Jisshi Keiyaku No Jitsumu* (Practical Affairs of Domestic License Agreements) (Japan Institute of Invention and Innovation, 1979): p. 191. While these state that the common theory considers a licensee to be justifiably obligated not to dispute according to the doctrine of good faith, they also point out that there is also the problem relating to antitrust law. Meanwhile, Masahiko Amemiya, *Tokkyo Jisshi Keiyaku Ron* (Discussions on Patent License Agreements) (The Japan Industrial Journal, 1980): p. 133 reveals a view that when a licensee demands a trial for invalidation, the licensor should be allowed to exercise the right of cancellation, and in that sense, the licensee has the obligation not to dispute even without a special agreement. Mitsuishi, *Tokkyo Hou* (Patent Law): p. 530 states that it is against the doctrine of good faith for an exclusive licensee to dispute the validity of the patent later.

considering things such as time and expense, it is not always realistic to forcibly settle such cases by a trial or a lawsuit. Therefore, even if a license agreement has been concluded, that alone would not necessarily mean that the validity of the patent has been recognized. If so, even if a licensee demands a trial for invalidation, it is not appropriate to consider that mere act as violation of the doctrine of good faith or the doctrine of estoppel¹⁶. Even from the standpoint that a trial for invalidation can only be demanded by an interested party, which is held in court decisions and by the prevalent theory, the licensee can be considered to have an interest in invalidating the patent, because he/she would be able to work the invention free of charge without any restrictions by making the patent invalid¹⁷. These are the issues concerning the conditions for being a demandant of a trial for invalidation, and they should be separated from the issue of the breach of an obligation between the parties concerned.

¹⁶ If a trial for invalidation cannot be demanded, the ground for it would be either the demandant's intention or violation of the doctrine of good faith or estoppel. Application of these legal theories should be determined for individual cases, so they may be applicable depending on the case. For instance, when the licensor and licensee are in an extremely close relationship similar to an association, the demand of a trial for invalidation may be judged to be against the doctrine of good faith, and when the parties have an explicit agreement for to not dispute the patent, the demand for invalidation may not be allowed as an effect of the agreement. However, even if an agreement has been concluded, the agreement could be regarded as invalid due to contravention of public order and morality in certain circumstances. The following are cases where the court ruled that the demandant loses the eligibility to demand a trial when the he/she withdraws the demand pursuant to a reconciliation before the conclusion of the trial examination in a trial for invalidation: the Tokyo High Court decision on November 28, 1979, *Tokkyo To Kigyuu* (Patent and Enterprise), No. 133: p. 31 (the Automatic Saw Mill case); the Tokyo High Court decision on December 23, 1980, *Tokkyo To Kigyuu*, No. 146: p. 62 (the Airtight Gland Packing case); the Tokyo High Court decision in June 11, 1981, *Tokkyo To Kigyuu*, No. 152: p. 42 (the Organo Trademark case) (the Confession case), and the Tokyo High Court decision on March 30, 1983, *Tokkyo To Kigyuu*, No. 173: p. 31 (the Automatic Control Device case).

¹⁷ Such a standpoint was held in the following court decision, though it is a case under the Design Law: the Tokyo High Court decision in July 30, 1985, Court Decisions Relating to Intangible Property, Vol. 17, No. 2: p. 344 (the Faucet Attachment Design case) ([Annotation] Yoshiyuki Tamura, Jurist, No. 919: p. 90; Yoshiyuki Tamura, *Chiteki Zaisanken Kenkyuu* (Study on Intellectual Property) I, (Edited by Nobuhiro Nakayama, Tokyo Nunoi Publishing, 1990): p. 51; Masahiko Amemiya, *Tokkyo Kanri* (Patent Management), Vol. 36, No. 8: p. 991). In this court decision, the court held that "if a person who was granted a non-exclusive license from an exclusive licensee cannot justifiably demand a trial for invalidation of the registered design for which the license was granted, that person would receive a disadvantage of having to continue paying the license fee even when using a registered design that is judged to include reasons for invalidation, and as there is no rational reason to allow such a situation, it is not against the doctrine of good faith even for a non-exclusive licensee to demand invalidation of the design." A similar court decision is the Tokyo High Court decision on January 31, 1963, Court Decisions in Administrative Cases, Vol. 14, No. 1: p. 95 (the Synthetic Resin Decorative Laminate case). Theories setting forth the same idea are: Yoshifuji, *Tokkyo Hou* (Patent Law): p. 601; Monya, *Chuushaku Tokkyo Hou* (Annotated Patent Law): p. 273 [Dohi]. Gaku, *Tokkyo Jittai Hou Ron* (Substantive Patent Law): p. 342 mentions that a "person paying an unreasonably high amount of royalty" is eligible to demand a trial, but an exclusive licensee is not.

In addition, they should also be separated from the issue of whether or not the patentee against whom a trial for invalidation has been demanded can cancel the license agreement.

As mentioned earlier, an examiner, who was allowed to become a demandant under an explicit provision in the old Law, would not be recognized as a demandant from the viewpoint held in the present court decisions and the majority theory. Examiners were not specifically prescribed in the provision, since the council report had regarded an examiner as justifiably eligible to become a demandant as a private individual, by recognizing a broad scope for persons who could be demandants¹⁸. However, as the interpretation of the scope of the persons eligible to be a demandant became stricter in the later court decisions, compared with that in the report, examiners were excluded from the scope as a result. To solve this problem by interpretation of the current Law, an examiner should also be recognized as eligible to become a demandant as a private individual at least regarding reasons for invalidation that are related to the public interest.

(3) Period for the demand

¹⁸ The explanation on the report (p. 116) in note 2 mentions that “the word ‘examiner’ is also to be deleted along with the part concerning an interested party, but an examiner can naturally demand a trial for reason of being a private individual.” Meanwhile, Gaku, *Tokkyo Jittai Hou Ron* (Substantive Patent Law): p. 343 takes a standpoint that the demandant of a trial for invalidation must be an interested party, and states that the reason set forth in this report is meaningless and the examiner should also be allowed to become a demandant (by a legislative measure).

A trial for invalidation can be demanded even after the lapse of a patent right (Section 123 (2) of the Patent Law). Even after the lapse of a patent right, compensation could be claimed for any continuing damages, so demand for an invalidation trial must be allowed as a means to counter such a claim. However, if the claim for compensation for damages becomes barred by prescription, it should be considered that the demand for a trial for invalidation can no longer be made¹. No one would receive damages by the mere fact that such a patent had formally existed in the past, so recognition of the demand for an invalidation trial would not only waste the government's finances, but also impose an unnecessary burden on the patentee after the lapse of the right.

While a five-year period of exclusion was stipulated for all the reasons for invalidation under the old Law (Law of 1921) (Section 85 (1)), the five-year exclusion period was only maintained as an exception for the demand of an invalidation trial based on disclosure in a "printed publication only distributed overseas" under the current Law (Law of 1959) (Section 124 of the Patent Law). However, this provision was deleted upon the 1987 amendment, so the period of exclusion was uniformly abolished for all the reasons for invalidation. In the present advanced information era, overseas matters, especially regarding technological information, are often transmitted to Japan instantly, so there is no longer a need to provide special treatment only for printed publications distributed overseas. Nevertheless, it must be noted that the provision before the amendment (Section 124 of the Patent Law) is still applicable to those patents that were registered on or before June 1, 1987 (Section 2 (2) of the Supplementary Provisions). A trial for invalidation can be carried out even during the period for opposition or while the application is pending in opposition.

(4) Reasons for invalidation

The reasons for invalidation are listed in a limited manner, and are restricted to those that are stipulated in the provision (Section 123 (1) of the Patent Law). If a reason for invalidation applies to two or more claims, a trial for invalidation can be demanded for each claim.

The reasons for invalidation are mostly the same as the reasons for refusal of an application. However, Section 36 (6) (iv) of the Patent Law and Section 24^{ter} (Violation of an ordinance of the Ministry of Economy, Trade and Industry) and Section 37 (Violation of the unity of an application) of the Regulations under the Patent Law,

¹ Oda/Ishikawa, *Shin Tokkyo Hou* (New Patent Law): p. 446.

which are reasons for refusal, are not stipulated as reasons for invalidation. These are only procedural defects, and not substantive defects, so once the patent has been granted, they are not so critical as to invalidate the right ex postfacto.

Reasons for invalidation include cases where, after the grant of the patent, the alien owning the right becomes no longer eligible to enjoy the right or where the patent becomes no longer compliant with a treaty (Section 123 (1) (vii) of the Patent Law). Since these elements cannot be examined in the phase of granting a patent, they do not constitute reasons for refusal.

Below are listed the reasons for invalidation in accordance with the provision in Section 123 (1) of the Patent Law.

Paragraph (i): a patent granted for an application to which inadmissible amendment has been made. This reason for invalidation, which was added upon the 1993 amendment, applies to a case where a patent has been registered for an application of which an inadmissible amendment has passed unnoticed. (For details, see the relevant part in Section 2, Subsection 3 “Amendment”.)

Paragraph (ii): a patent granted contrary to the provisions on the enjoyment of rights by an alien, industrial applicability, novelty, inventive step, or prior art effect; a patent granted for an unpatentable invention (an invention that is likely to contravene public order and morality or harm public health); a patent granted for a joint application that had not been filed jointly by all of the joint owners of the right to obtain a patent; a patent granted contrary to the provisions on the first-to-file rule.

Paragraph (iii): a patent granted contrary to the provisions of a treaty.

Paragraph (iv): a patent granted for an application that includes insufficient disclosure or a deficiency in the description of the claim.

Paragraph (v): a patent granted for an application in a foreign language where the features disclosed in the specification or the drawings do not remain within the scope of the features disclosed in the foreign language application. (This was stipulated in Section 184*quindecies* of the Patent Law before the 1994 amendment.)

Paragraph (vi): a patent granted for a misappropriated application.

Paragraph (vii): a patent where, after the grant of the patent, the alien owning the right becomes no longer eligible to enjoy the right or the right becomes no longer compliant with a treaty.

Paragraph (viii): a patent in which inadmissible correction has been made. This point used to be disputed in a trial for invalidation of a correction (Section 129 (1)

of the Patent Law) in the past, but with the 1993 amendment, the trial for invalidation of a correction was abolished, and this provision was added for the purpose of disputing any inadmissible corrections in a trial for invalidation of a patent.

The reasons for invalidation are restricted to these things, so even if the name of a person who is not the inventor were found to be described as the inventor, the patent would not be invalidated. Incidentally, it should be noted that reasons for invalidation, reasons for refusal, and reasons for opposition do not always coincide with each other.

(5) Effect of a trial decision of invalidation

When a trial decision of invalidation becomes final and conclusive, the patent right is deemed to have not existed from the start (Section 125 of the Patent Law). Since most of the reasons for invalidation derive from original defects, they have a retroactive effect. The trial decision is effective against the public. If the defect has been caused by a reason that occurred after the filing, the patent is deemed to have not existed from the time that defect occurred. (Proviso in Section 125 of the Patent Law). Specifically, this refers to a case where an alien patentee becomes no longer eligible to enjoy the patent right pursuant to Section 25 of the Patent Law or a case where the patent becomes no longer compliant with a treaty (Section 123 (1) (vii) of the Patent Law).

When a trial decision of invalidation is registered, no one can demand a trial on the basis of the same facts or the same evidence (Section 167 of the Patent Law), and the principle of prohibition of double jeopardy is applied. (With regard to this point, see “Item 4. Appeal/Trial Procedure, 3. Appeal/Trial Decisions”.)

Once a trial decision of invalidation becomes final and conclusive, claims are dismissed regarding any pending infringement lawsuit or any lawsuit relating to a crime of patent infringement. The decision serves as a reason for retrial regarding any already finalized infringement lawsuit (Article 338 (1) (viii) of the Code of Civil Procedure) or any finalized crime of patent infringement (Article 435 (1) (v) of the Code of Criminal Procedure).

The question of whether or not the holder of the invalidated patent bears an obligation to compensate for damages regarding any already filed or finalized injunction suit or damage suit when a trial decision of invalidation becomes final and conclusive is processed as an issue under tort law.

When a trial for invalidation is demanded, the patentee often demands a trial

for correction to counter against it. A trial for invalidation and a trial for correction have conventionally been treated as separate proceedings, but they became linked with each other upon the 1993 amendment. The details shall be introduced in “3. Trial for Correction.”

(6) Trial examination and its formalities

A trial for invalidation corresponds to a so-called inter-partes trial in which the parties oppose each other in the form of a person claiming invalidation of a patent demanding a trial against the patentee. The trial examination is conducted by oral proceedings in principle, but it can be conducted by documentary proceeding on a motion by a party or ex officio (Section 145 of the Patent Law). In reality, documentary proceedings had been conducted in principle, but improvements have been made with the recent recognition of the need for activating oral proceedings. Examination by oral proceedings must be conducted in public (Section 145 (4) of the Patent Law).

Although provisions in the Code of Civil Procedure are basically applied *mutatis mutandis* to the trial procedure (pursuant to the latter part of Section 151 of the Patent Law), the trial adopts the ex officio principle, so such of those provisions that pertain to the part relating to the adversary system are not applied *mutatis mutandis*. Accordingly, the procedure is not bound by a confession by a party (Section 151 of the Patent Law). In addition, evidence can also be taken ex officio in a trial (Section 150 of the Patent Law), and although trial examination cannot be conducted regarding a point outside the gist of the demand filed by the demandant, it can be conducted regarding reasons that have not been claimed by the demandant (Section 153 of the Patent Law). To be more specific, trial examination cannot be conducted regarding patent claims for which the trial has not been demanded, but it can be conducted ex officio regarding reasons that have not been claimed, within the scope of the gist of the demand of the trial. However, as such ex officio proceeding is not compulsory, the trial decision would not be illegal even if trial examination did not cover such subjects¹.

¹ Although the ex officio principle is adopted, there is no obligation to conduct trial examination of even materials that have not been submitted by the parties, so lack of trial examination of such materials does not automatically thereby make the trial decision illegal. In the Tokyo High Court decision on March 15, 1990, Court Decision Relating to Intangible Property, Vol. 22, No. 1: p. 158 (the Socks Finishing Board Design case), the court held that although the appropriate measure may have been to demand an answer on whether or not to claim another reason for invalidation based on a new fact about the design being publicly known, instead of or addition to the existing reason for invalidation, this claim could easily have been made by the demandant, and even if the trial decision became final and conclusive, the demandant could demand another trial for invalidation based on

If trial examination is conducted as to grounds that had not been claimed by the parties, the results must be notified to the parties to give them an opportunity to state their opinion on the results (procedure for inviting opinions)² (Section 153 (2) of the Patent Law). The same applies when evidence is taken ex officio (Section 150 (5) of the Patent Law). As the patent trial procedure is practically equivalent to the trial of first instance of a lawsuit, it is important to prevent any surprise to the parties concerned³.

When there are multiple demandants of a trial for invalidation, they can either individually demand a trial or jointly demand a trial (Section 132 (1) of the Patent Law). Also, as is the common rule for trials in general, a trial examination for two or more trials can be combined (Section 154 (1) of the Patent Law). Furthermore, any person who can demand a trial for invalidation can intervene in a pending trial as a demandant until the conclusion of the trial (Section 148 (1) of the Patent Law).

When a trial is demanded, it is published in the Patent Gazette (Section 193 (2) (v) of the Patent Law). In addition, an announcement of registration of the demand is made (Section 3 (5) of the Patent Registration Order and Section 38 of the Patent Registration Order Enforcement Regulation), and it is notified to the exclusive licensee and other persons who have any rights relating to that patent right (Section 123 (3) of the Patent Law). The finalized trial decision is also published in the Patent Gazette (Section 193 (2) (vi) of the Patent Law).

3. Trial for Correction

this reason, so the procedure to cancel the trial decision was not illegal.

² A case under the Design Law, to which Section 153 of the Patent Law is applied mutatis mutandis, is the Supreme Court decision on December 5, 1991, The Law Times Report, No. 1412: p. 139 (a case where the original trial decision that denied the obligation to make an explanation in a trial was maintained); a case under Section 56 of the Trademark Law to which Section 153 of the Patent Law is applied mutatis mutandis is the Tokyo High Court decision on July 29, 1993, Court Decisions Relating to Intellectual Property, Vol. 25, No. 2: p. 420 (the Kotobuki-ryu Trademark case).

³ In the Tokyo High Court decision on December 21, 1981, Court Decisions Relating to Intangible Property, Vol. 13, No. 2: p. 933 (the Tape Recording and Playing Device case), the court mentioned that the illegality of not notifying the results of evidence-taking conducted ex officio to the parties cannot constitute a reason for cancellation of the trial decision unless the defect is critical. In short, the important point is whether or not the act gave a surprise to the parties in substance.

(1) Significance of the trial for correction¹

A trial for correction is a trial for the patentee to voluntarily correct the specification or drawings after the registration of the patent. Since the content of a patent right becomes fixed upon registration, and the specification decides the scope of the right, the content of the specification cannot be changed freely as a matter of course. However, it may be revealed after the registration that the patent includes reasons for invalidation, or includes erroneous or ambiguous descriptions. It would be too harsh to the applicant to invalidate the entire patent due to a defect in a part of the patent, but on the other hand, it is not desirable for third parties to leave an unclear and ambiguous patent with an ill-defined scope of right “as is”. Thus, a provision on trials for correction was enacted to achieve a balance between the interests of the patentee and of society².

Except when an opposition or a trial for invalidation is pending, the patentee can demand a trial for correcting the specification or drawings attached to the request (Section 126 of the Patent Law). Since it is after the patent registration, the correction cannot be made by the amendment procedure stipulated as part of the examination procedure, but it must be made by a trial procedure.

The trial for correction is a system for saving the patentee, but it is important that the correction is allowed within the scope that does not harm the interests of third parties, and the correction must not broaden the scope of the patent right *ex postfacto*. An act of broadening the scope of right *ex postfacto* is equivalent to changing the borderline of a land as one pleases.

A patentee may voluntarily demand a trial for correction but, in most cases, the patentee demands the trial to counter against a trial for invalidation. (The details on the relation between these two trials are explained later in “(4) Relation to a trial for invalidation.”.)

(2) Matters subject to correction

¹ With regard to correction, see Minoru Takeda, “*Teisei Shinpan* (Trial for Correction),” *Hatsumeï* (Invention), Vol. 87, No. 7: p. 61.

² Nakayama, *Chuukai Tokkyo* (Annotated Patent Law), Vol. 2: p. 1048 [Aragaki].

The matters subject to correction are limited to restriction of the scope of claims, correction of errors in the description or translation, and clarification of an ambiguous description (Section 126 of the Patent Law). In addition, an invention constituted by the features described in the corrected claim must be one which could have been patented independently at the time of filing of the patent application (Section 126 (4) of the Patent Law). Since the correction must not cause unexpected damages to third parties, the correction must not add new matters (Section 126 (2) of the Patent Law) or substantially enlarge or modify the claim¹ (Section 126 (3) of the Patent Law).

Correction can only be made to the specification and drawings attached to the request. The specification and drawings attached to the request refer to the specification and drawings at the time of demanding correction, and not those that were originally attached. Therefore, if any amendment or correction has already been made, the subject of correction would be the specification and drawings attached to the request after the amendment or the correction.

The specific matters subject to correction are as follows:

(1) Restriction of the scope of claims

Restriction will only make the scope of right narrower, so it would not cause unexpected damages to third parties. However, it is often difficult to determine whether or not a correction corresponds to restriction in reality². At any rate, a correction that substantially enlarges or modifies the claim is inadmissible (Section 126 (3) of the Patent Law).

(2) Correction of errors in the description

It may be natural that correction of errors in the description is allowed, but the claim must not be enlarged or modified in the name of correcting errors in the

¹ In the Tokyo High Court decision on June 29, 1971, Court Decisions Relating to Intangible Property, Vol. 3, No. 1: p. 254 (the Non-aqueous Monoazo Dye Manufacturing Method case), the court stated that the prohibition of substantive enlargement and modification of the claim is not only intended to prevent the disadvantageous potentiality that an act of a third party that had not been an infringement, would become an infringement by the correction, but also to prevent the adverse possibility that a person who had obtained a patent or filed an application for an invention identical to the invention after the correction would have his/her patent or application invalidated or refused, thereby thoroughly maintaining the first-to-file principle. Even if the description of the claim has not been corrected, the claim could be modified by correcting the detailed description of the invention or drawings. The Supreme Court decision on March 19, 1991, Court Decisions in Civil Cases, Vol. 45, No. 3: p. 209 (the Clip case) ([Annotation] Ryuu Takabayashi, *Housou Jihou* (Bar Journal), Vol. 44, No. 9: p. 235; Ryuu Takabayashi, *Jurist*, No. 982: p. 101; Yoshinobu Someno, *Journal on Civil and Commercial Law*, Vol. 105, No. 3: p. 116; Katsumi Takabayashi, *Court Decision Journal*, No. 1394: p. 206; Masayoshi Tsunoda, *Jurist*, No. 1002: p. 243.)

² This issue cannot be decided theoretically, but must be determined based on the facts. For detailed descriptions of specific examples, see Nakayama, *Chuukai Tokkyo* (Annotated Patent Law), Vol. 2: p. 1053 [Aragaki].

description³.

(3) Clarification of an ambiguous description

The important point here is again the question of whether the correction would substantially enlarge or modify the claim. In many cases regarding this clarification, correction is made to the features described in the detailed description of the invention in the specification, in line with restriction of the scope of claims⁴.

The question of whether or not partial correction is admissible when correction

³ The Supreme Court decision on December 14, 1972, Civil Court Decisions by the Supreme Court, Vol. 26, No. 10: p. 1888 (the Phenothiazine Derivative Manufacturing Method case) ([Annotation] Nobuhiro Nakayama, Journal of the Jurisprudence Association, The University of Tokyo, Vol. 91, No. 3: p. 552; Fumio Umase, Journal on Civil and Commercial Law, Vol. 69, No. 2: p. 354; Masashige Ooba, Court Decision Journal, No. 703: p. 148; Tadashi Takura, Patent, Vol. 26, No. 7: p. 14; Yoshirou Hashimoto, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions) (Second Edition), Case 35; Takashi Aoki, the book commemorating the seventieth birthday of Professor Uchida: p. 371). In this case, which was a case about an invention relating to a manufacturing method of phenothiazine derivatives, the court stated that a correction from “A is an alkylene group that has branches” to “A is an alkylene group that may have branches” is not permissible, because it will also include “an alkylene group that does not have branches.” Meanwhile, in a case for which a decision was rendered on the same date, the Supreme Court decision on December 14, 1972, Civil Court Decisions by the Supreme Court, Vol. 26, No. 10: p. 1909 (the Rice Crackers Manufacturing Method case) ([Annotation] Yoshihiko Satou, Journal on Civil and Commercial Law, Vol. 69, No. 1: p. 127), the court stated that correction from “3 to 5 degrees Fahrenheit” to “3 to 5 degrees Celsius” in an invention of a rice crackers manufacturing method was not permissible, because it substantially modified the claim. For details on this issue, see Nakayama, note 2: p. 1060 [Aragaki].

⁴ The Supreme Court decision on May 1, 1980, Civil Court Decisions by the Supreme Court, Vol. 34, No. 3: p. 431 (the Trailer Driving Unit case) ([Annotation] Nobuhiro Nakayama, Court Decision Journal, No. 985: p. 154; Yutaka Kosake, *Housou Jihou* (Bar journal), Vol. 35, No. 12: p. 210; Shouji Kamon, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions) (Second Edition), Case 50; Shouji Kamon, *Tokkyo* (Patent), No. 68: p. 4; Nobuo Monya, Journal of the Jurisprudence Association, The University of Tokyo, Vol. 98, No. 12: p. 1732; Tomoko Takii, Journal on Civil and Commercial Law, Vol. 83, No. 5: p. 106; Ryouji Yoshida, the book commemorating the seventieth birthday of Professor Uchida: p. 389). The court rendered the opinion that “apart from a case where the correction is formal like correction of errors in the description, which is different in nature, in a case like this where the correction has a substantial influence on the scope of claims of the utility model, it should be considered that the trial for correction has been demanded for one inseparable matter to be corrected, even if the description of the corrected specific ation happens to have corrected multiple parts of the description of the original specification, and it is not reasonable to regard it as formal correction and consider that the demandant has demanded a trial for correction for multiple matters to be corrected by viewing each of those multiple parts as an independent matter to be corrected.” However, as the court continued that this does not apply if the demandant amends the written demand for a trial for correction and clearly specifies to the effect that partial correction is being sought, there should be no great confusion in practice. Also, as the court has stated, this does not apply when the correction is a correction of errors in the description that is unrelated to the claim or clarification of an ambiguous description. Zenzou Matsunaga, “*Teisei Shinpan No Honshitsu Toha* (Essence of a Trial for Correction),” *Tokkyo Kanri* (Patent Management), Vol. 31, No. 8: p. 919; Ryyuichi Murabayashi, “*Tokkyo Mukou Shinpan To Teisei Shinpan* (A Trial for Invalidation of a Patent and a Trial for Correction),” Articles in the Memory of Professor Ishiguro: p. 296.

has been demanded for multiple matters at once had been subject to argument, but a Supreme Court decision held that such partial correction is not admissible in principle, so this issue was settled in practice.

(3) Effect of a trial decision of correction

When a trial decision to approve correction becomes final and conclusive, the effect of the decision retroacts to the time of filing, and the various procedures after the filing are deemed to have been taken on the basis of the corrected specification and drawings (Section 128 of the Patent Law). A trial for correction is mostly demanded as a means to counter a trial for invalidation, so its significance would be lost if it did not have a retroactive effect. Therefore, it is natural that the trial decision has a retroactive effect.

A trial decision of correction becomes final and conclusive when a copy of the decision is transmitted¹.

(4) Relation to a trial for invalidation

¹ The Tokyo High Court decision on September 26, 1969, Court Decisions in Administrative Cases, Vol. 20, No. 8/9: p. 1119 (the Method of Manufacturing Hollow Articles from Organic Plastic Materials case).

Until the 1993 amendment, there was no link between trials for invalidation and trials for correction, and legally, they were to be conducted separately and independently¹. Since the two trials were different in respect to the parties concerned, the structure of the trial, and the method of filing the demand, it was considered that the two could not be combined into one trial². However, as a trial for correction was actually often demanded as a means to counter a trial for invalidation, it had been pointed out that there is a problem in handling the two as completely separate trials³. In other words, if a trial for invalidation is demanded, a trial for correction has to be demanded separately, and if the former trial is suspended during the latter trial, the trial examination will be delayed, while on the other hand, if the two trials were conducted separately, there would be a conflict between the trial decision that became final and conclusive first and the other trial decision. Accordingly, the two trial systems were revised upon the 1993 amendment to match the actual conditions of use.

Under the new provision, a trial for correction cannot be demanded while a trial for invalidation is pending before the JPO (Section 126 (1) newly added in the Patent Law), and the defendant in a trial for invalidation can demand correction within the time limit for submission of a written reply in the proceeding of the trial for invalidation, the admissible scope of the correction being the same as in the case of an ordinary correction (Section 134 (2) newly added in the Patent Law). Meanwhile, the admissibility of an already-made correction is to be examined in the trial for invalidation (Section 123 (1) (viii) newly added in the Patent Law). When the trial

¹ The two trials had been exceptionally linked in the case of a patent relating to an application in a foreign language (Section 184*quindecies* (2) of the Patent Law before the 1993 amendment).

² Nakayama, *Chuukai Tokkyo* (Annotated Patent Law), Vol. 2: p. 1234 [Takura]; Monya, *Chuukai Tokkyo Hou* (Annotated Patent Law): p. 321 [Funayama]. While a trial for invalidation is an inter-partes trial between the patentee and a person claiming invalidation of the patent, a trial for correction is a trial where the patentee requests the JPO to permit correction, which is similar to an appeal. Also, in a trial for invalidation, both parties are able to file a suit against the trial decision, but in a trial for correction, only the patentee who was turned down can file a suit against the trial decision. Due to these differences in structure, the common theory was to deny the possibility of combining the two trials. As an opposing theory, Tomoko Takii, *Journal on Civil and Commercial Law*, Vol. 93, No. 6: p. 884 has set forth that it is possible to combine the trial examination of the two trials (Section 154 (1) of the Patent Law).

³ General discussions regarding this issue include Zenzou Matsunaga, “*Mukou Shinpan No Taikou Shudan To Shite No Teisei Shinpan* (Trial for Correction as a Means to Counter a Trial for Invalidation),” *Tokkyo Kanri* (Patent Management), Vol. 23, No. 10: p. 1097; Tadashi Takura, “*Tokkyo Mukou Shinpan To Teisei Shinpan* (Trial for Invalidation of a Patent and a Trial for Correction),” *The Law Times Report*, No. 344: p. 87; Seiji Nakajima, “*Teisei Shinpan Ni Yoru Kousei Youken No Tsuika To Teisei Shinpan Mae Ni Nasareta Mukou Shinketsu No Touhi* (Addition of Constituent Elements in a Trial for Correction and Appropriateness of a Trial Decision of Invalidation Given Before the Trial Decision of Correction),” *Book Commemorating the Seventieth Birthday of Professor Uchida*: p. 319.

decision of invalidation becomes final and conclusive, the patent will lapse and the subject of correction will also become extinct, so correction can no longer be demanded (Section 126 (5) of the Patent Law). The system of trial for correction was streamlined with this amendment, and this has eliminated most of the conventional arguments over the relation between the two trial systems.

Nevertheless, the 1993 amendment merely stipulated that an independent trial for correction cannot be demanded while a trial for invalidation is pending, so after a suit is filed against a trial decision of invalidation, the court proceeding and the trial for correction cannot be linked. Therefore, the conventional treatment still applies to such a case.

4. Trial for Invalidation of Registration of an Extension

Upon the 1987 amendment, a new provision on extension of the term of a patent was established (Section 67*bis* of the Patent Law; with regard to extension of the patent term, see “Section 11. Term and Lapse of a Patent Right”). Since third parties would be greatly affected by any illegal extension of the term, they can demand a trial for invalidation of registration of an extension when the extension does not meet the statutory requirements (Section 125*bis* of the Patent Law).

An extension of the term is allowed as long as the description of the claim overlaps with the description subject to the administrative disposition even in part, and it merely restricts the scope of the effect of the right (Section 68*bis* of the Patent Law). In relation to this, when a patent includes two or more claims, a trial for invalidation of registration of an extension cannot be demanded for individual patent claims, but the validity of an extension would always be determined for all of the claims combined.

A trial decision of invalidation of an extension has a retroactive effect, so the extension is deemed to have never existed from the start, but when a trial decision of invalidation of an extension is given based on the reason that the extended term exceeds the period during which the patented invention could not be worked, the extension is deemed to have not existed for the time span exceeding the said period (Section 125*bis* (3) of the Patent Law).

5. Trial for Invalidation of Correction and Appeal Against an Examiner’s Decision to Decline Amendment

Before the 1993 amendment, there were both a system of a trial for invalidation of correction and a system of an appeal against an examiner’s decision to decline amendment, but in order to streamline the appeal/trial system, these two systems were

abolished.

Due to this amendment, any correction that is found to be inadmissible is to be disputed in a trial for invalidation of a patent, instead of in an independent trial (Section 123 (1) (vii) newly added in the Patent Law).

Meanwhile, when amendment is found to be inadmissible, it is not declined, but it constitutes a reason for refusal, or a reason for invalidation if the patent has already been registered (See the relevant part in Section 2, Subsection 3 “Amendment”). Since an appeal against an examiner’s decision to decline amendment is merely an intermediate disposition, the conventional style of processing it by an independent appeal system would only delay the examination procedure, so the system was abolished with the reform of the amendment system.

Item 4 Appeal/Trial Procedure

1. Start and End of an Appeal/Trial

An appeal/trial starts when a demandant of an appeal/trial submits a written demand to the JPO Commissioner (Section 131 (1) of the Patent Law). When a demand is filed, the JPO Commissioner designates the appeal/trial examiners and the appeal/trial examiner-in-chief (Sections 137 (1) and 138 (1) of the Patent Law). In order not to cause unexpected damages to third parties, an announcement of registration of the trial is made with regard to demand of any trials after the patent registration; namely, trials for invalidation of a patent, trials for invalidation of registration of an extension, and trials for correction (Section 3 (5) of the Patent Registration Order).

When there are two or more demandants who make a demand for a trial for invalidation or a trial for invalidation of registration of an extension, they can jointly file the demand (necessary joinder of similar parties; Section 132 (1) of the Patent Law). At the same time, when the patent right is jointly owned, all of the joint owners must be the demandants or the defendants (necessary joinder of inherent parties; Section 132 (2) (iii) of the Patent Law).

When the demand of an appeal/trial is illegitimate, and the illegitimacy cannot be amended, the demand can be rejected by an appeal/trial decision without giving the demandant an opportunity to submit a written reply (Section 135 of the Patent Law).

An appeal/trial ends either by withdrawal of the demand of the appeal/trial (Section 155 of the Patent Law) or by an appeal/trial decision (Section 157 of the Patent Law).

Demand for an appeal/trial can be withdrawn before the appeal/trial decision becomes final and conclusive (Section 155 (1) of the Patent Law), but if the opponent

submits a written reply, the demand cannot be withdrawn any longer without the consent of the opponent (Section 155 (2) of the Patent Law). It may be possible to consider that such withdrawal is inadmissible based on the idea that if an appeal/trial is a system for protecting the public interest, demand for an appeal/trial merely prompts the start of an appeal/trial. However, though it depends on the kind of the appeal/trial, the appeal/trial system undeniably functions also to protect private interest to some extent, so it is unreasonable not to allow such withdrawal. In addition, withdrawal does not have an effect of preventing third parties from demanding an appeal/trial of their own, so it does not affect the public interest so much. The only problem is the admissible time limit for the withdrawal. Until 1987, the withdrawal was allowed until the notification of conclusion of the appeal/trial examination, but as inconvenient aspects were revealed, the time limit was revised to that under the current Law¹.

When a case becomes mature enough to have an appeal/trial decision, the appeal/trial examiner-in-chief notifies the conclusion of the appeal/trial examination to the parties concerned and interveners (Section 156 (1) of the Patent Law), and gives the appeal/trial decision within twenty days from the notification, in principle² (Section 156 (3) of the Patent Law). After this notification, the parties can no longer submit new means of attack or defense, or take part in the trial (Section 148 (3) of the Patent Law). However, the appeal/trial examiner-in-chief can resume the trial even after the notification, if necessary (Section 156 (2) of the Patent Law).

¹ The demand could be withdrawn freely from the Patent Bylaws of 1888 until the Patent Law of 1909, but withdrawal after the notification of conclusion of the appeal/trial examination was forbidden in the Law of 1921 in order to avoid wasting the trial examination conducted. This was inherited by the Law of 1959 and continued until the 1987 amendment. However, there were many cases where the parties reconciled after the notification and the demandant wished to withdraw the demand accordingly, and in many of such cases, a suit was filed against the trial decision and confession was made in the proceeding. (The court decisions on the effect of such confession were not always consistent; although it is no longer meaningful as it is an issue concerning the system before the amendment, this issue is referred to in Nakayama, *Chuukai Tokkyo* (Annotated Patent Law), Vol. 2: p. 1174 [Takura].)

² This notification system was not established to give an opportunity to resume the appeal/trial examination. Instead, it is considered to be a declaratory stipulation for promoting the appeal/trial examination and preventing a delay in ending the appeal/trial. Therefore, even if an appeal/trial decision is given before the sending of the notification or before it reaches the parties, it does not constitute a reason for cancellation of the decision. An example case of a trial for invalidation is the Tokyo High Court decision on March 10, 1966, Court Decisions in Administrative Cases, Vol. 17, No. 3: p. 254 (the Petroleum Coke Manufacturing Method case), and cases of an appeal against an examiner's decision of refusal are the Tokyo High Court decision on March 23, 1971, Court Decision Relating to Intangible Property, Vol. 3, No. 1: p. 109 (the Dry Cleaning Composition case) and the Tokyo High Court decision on November 21, 1972, The Law Times Report, No. 288: p. 220 (the Polymerization Method case).

2. Appeal/Trial Examination

(1) Oral proceeding and documentary proceeding

There are two kinds of appeal/trial proceedings: an oral proceeding and a documentary proceeding.

The oral proceeding is adopted for a trial for invalidation and a trial for invalidation of registration of an extension, in principle, but the trial examiner-in-chief can adopt the documentary proceeding on a motion or ex officio (Section 145 (1) of the Patent Law). These are the so-called inter-partes trials in which the parties oppose each other, similar to a civil lawsuit, so the oral proceeding is fundamentally adopted in a manner similar to a civil lawsuit, but the documentary proceeding also seems to be used often in actuality. An oral proceeding is fundamentally conducted in public (Section 145 (4) of the Patent Law). However, as described in detail in the part about a trial for invalidation, the nature of all the trials are not always uniform, so not all of the trials for invalidation have the nature of a civil lawsuit. At least a trial for invalidation relating to a dispute over the attribution of a right¹ should be principally conducted by an oral proceeding.

Other appeals/trials are fundamentally conducted by a documentary proceeding, but an oral proceeding can be used on a motion by a party or ex officio (Section 145 (2) of the Patent Law). These are the so-called appeals (or trials resembling appeals), which have the nature of an extension of examination or re-examination. Many of them involve determination of the technological issues concerning the content of the patent, and similarly to examination, the documentary proceeding is more appropriate for these cases.

Notwithstanding these stipulated principles, the documentary proceeding seems to be adopted in most cases in practice. The JPO seems to have changed its policy to place more emphasis on the oral proceeding in recent years², but this will require improvements and an increase in human and physical facilities including appeal/trial examiners and clerical officers³.

¹ One example is a trial for invalidation demanded on the ground of a misappropriated application. In this case, the content of the patent is not defective, but the point of the dispute is to whom the right belongs. Technical matters may be involved to some extent in making the determination, but it is relatively similar to an ordinary civil lawsuit over a right. The oral proceeding is more appropriate for such a case rather than the documentary proceeding.

² Yoshifuji, *Tokkyo Hou* (Patent Law): p. 626.

³ As a legislative approach, there is a question of whether it is appropriate to conduct an appeal/trial that is suited to an oral proceeding in the JPO in the first place, or whether it is better to entrust it to an ordinary court. The reason for conducting appeal/trial examination for these cases in the JPO by omitting the trial of first instance is because it is appropriate to establish a reasonable procedure in the JPO to have it first review the technological issues. So, whether or not such a system should be

applied to even the cases that do not involve many technological issues needs to be reconsidered. Meanwhile, Nakayama, *Chuukai Tokkyo* (Annotated Patent Law), Vol. 2: p. 1128 [Takura] states that in the appeal/trial proceedings in the JPO, the appeal/trial examiners do not always need to rely on what was revealed in the oral proceeding to make the determination, but can utilize their technical expertise knowledge to derive the conclusion, so the system may not be suited to an oral proceeding in the first place.

(2) Ex officio principle

The appeal/trial system does not adopt the hearing principle, but the ex officio principle. In an ordinary civil case, it does not matter even if a decision is reached by collusion as long as the parties concerned are satisfied, but the appeal/trial system not only has a function to coordinate the rights between the parties but, also, the decision is effective against the public and greatly influences third parties. Therefore, it is not reasonable to decide the content of the appeal/trial decision merely from the claims made by the parties, and the ex officio principle is adopted instead. The ex officio system is comprised of the principle of examination of evidence ex officio and the principle of procedure ex officio.

The principle of examination of evidence ex officio is a system where the taking of evidence and preservation of evidence can be conducted ex officio without being requested by the parties (taking of evidence ex officio). The appeal/trial examiner can take and preserve evidence arbitrarily (Section 150 (1) and (2) of the Patent Law), but in order to avoid surprises, must give the parties concerned an opportunity to state their opinion when such a procedure is taken ex officio (Section 150 (5) of the Patent Law). The taking of evidence ex officio can be conducted at the discretion of the appeal/trial examiner-in-chief, but it is not obligatory¹. However, in actual cases, the taking of evidence is mostly conducted through submissions by the parties concerned.

The provisions in the Code of Civil Procedure are applied *mutatis mutandis* to the procedures concerning the taking and preservation of evidence (Section 151 of the Patent Law). However, since the Code of Civil Procedure adopts the hearing principle, those provisions that do not comply with the ex officio principle are not applied *mutatis mutandis*. For instance, the provision relating to confession (Article 179 of the Code

¹ The Tokyo High Court decision on May 23, 1967, Court Decisions in Suits Against Appeal/Trial Decisions, 1967: p. 37 (the Sloping Grain Cleaning Device case); the Tokyo High Court decision on January 19, 1978, Court Decisions in Suits Against Appeal/Trial Decisions, 1978: p. 285 (the Sintering Device case); the Tokyo High Court decision on September 30, 1981, Court Decision Relating to Intangible Property, Vol. 13, No. 2: p. 640 (the Pressure Sensitive Adhesive Tape case). In the following case, the court held that it is not illegal to reject the only means of proof offered by the party concerned as long as the appeal/trial system adopts the ex officio principle unlike the principle adopted in a civil lawsuit: the Supreme Court decision on July 24, 1953, Civil Court Decisions by the Supreme Court, Vol. 7, No. 7: p. 840 (the Leather Substitute Article Manufacturing Method case) ([Annotation] Osamu Uchida, Journal on Civil and Commercial Law, Vol. 29, No. 6: p. 443; Masao Miyake, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions), Case 42; Kazuo Nakajima, Book Commemorating the Seventieth Birthday of Professor Uchida: p. 417. (This case is an issue over interpretation of Section 100 (1) of the Law of 1921, but this provision is substantially the same as Section 150 (1) of the current Law.)

of Civil Procedure) is not applied *mutatis mutandis* (latter part of Section 151 of the Patent Law).

In an appeal/trial, appeal/trial examination can be conducted on even reasons that have not been claimed by the parties, but in order to prevent surprises, the parties must be given an opportunity to state their opinion (Section 153 (1) (ii) of the Patent Law). However, the principle of examination of evidence *ex officio* is not limitless, and appeal/trial examination cannot be conducted on a point outside the gist of the demand of the appeal/trial filed by the demandant (Section 153 (3) of the Patent Law).

(3) Correction of a written demand of an appeal/trial

A written demand for an appeal/trial can be corrected as long as it does not change the gist of the demand (Sections 17 and 131 (2) of the Patent Law). However, when there is a specific violation of a formality, the appeal/trial examiner-in-chief invites correction, and if the correction is not made by the demandant, he/she must reject the written demand by a ruling (Section 133 (1) and (2) of the Patent Law). There are conflicting views on what corresponds to a change of the gist of the demand.

First of all, the most critical issue is whether addition or change of a demandant or a defendant corresponds to a change of the gist of the demand. There is a Supreme Court decision that held that it is a change of the gist of the demand when one of the joint applicants demands an appeal and later adds the other joint applicants by correction¹. In conventional JPO practice, if some of the demandants or defendants were missing from the demand, the office would send a written inquiry asking for the addition of the missing persons, and would reject the demand if the demandants do not respond to it. However, after this Supreme Court decision, the JPO came to reject the demand immediately without inviting correction. Nevertheless, at the Tokyo High Court level, decisions have been made which seem to be contrary to the Supreme Court

¹ The Supreme Court decision on March 24, 1978, Court Decisions in Suits Against Appeal/Trial Decisions, 1978: p. 125. A similar ruling was given in the Tokyo High Court decision on July 27, 1988, Court Decisions Relating to Intangible Property, Vol. 20, No. 2: p. 346 (the Clock Dial case). However, even after the Supreme Court decision, there has been a court decision stating that although a representative fails to describe some of the joint applicants in the written demand for an appeal, the demand can be corrected if a power of attorney covering appeals/trials has been attached to the request at the time of the filing of the patent application. The Tokyo High Court decision on October 25, 1978, Court Decisions Relating to Intangible Property, Vol. 10, No. 2: p. 471 (the Taxi Rooftop Indicator Light case) ([Annotation] Ryuuichi Nurabayashi, Patent, Vol. 33, No. 7: p. 49; the Tokyo High Court decision on November 20, 1979, Court Decisions Relating to Intangible Property, Vol. 11, No. 2: p. 608 (the Transmission Device case). In these cases, the power of attorney had covered appeals/trials, but the names of some joint applicants were merely missing from the written demand, so it is rather easy to consider that it was only an error in the description.

decision², indicating some confusion regarding this issue. From a formality perspective, the failure to describe some of the demandants or defendants could possibly be regarded as a change of the gist of the demand, but it is questionable how much meaning there is in such discussion of formalities. The principal reason for imposing severe restrictions on correction is to avoid causing unexpected damages to third parties by the correction. However, the addition or change of a demandant or defendant is not considered to have such an adverse effect. Therefore, correction should be allowed more freely in principle³.

Next, correction of the object of the demand is recognized if it is correction of errors in the description or clarification of an ambiguous description. However, correction that destroys the unity of the case would be a change of the gist, which is inadmissible (Section 131 (2) of the Patent Law). For instance, change of the object of a demand of invalidation from a certain claim to another claim, or addition of a claim would change the purpose of the demand, so such correction would be a change of the

² The Tokyo High Court decision on March 30, 1978, Court Decisions Relating to Intangible Property, Vol. 10, No. 1: p. 130 (the Photograph Displaying Tool case) ([Annotation] Ryuichi Murabayashi, Patent, Vol. 32, No. 11: p. 26; Zenzou Matsunaga, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions) (Second Edition), Case 47). In a case where a trial for invalidation of a utility model was demanded by making the former right holder the defendant by mistake, and the defendant was later corrected to the current right holder, the JPO continued with the trial examination, and gave a trial decision of invalidation. In a suit against this trial decision, the court stated as follows: “The system of a trial for invalidation, in consideration of the great influence of an illegitimately-granted patent or utility model, invalidates the registration of such right by a trial, and nullifies the right retroactively; therefore, in light of the nature of this system, the purpose of this provision (Section 131 <note by the author>) should be interpreted to mean that although the defendant in such a trial proceeding in a dispute over the validity of a disposition should be the administrative authority that gave the disposition (registration), as it is not reasonable to neglect the existence of the right holder who directly has an interest in the result of the trial, the proceeding is to be carried out by making that person the party concerned. If so, the defendant in a trial for invalidation would merely be a party for the purpose of formality. Therefore, it is reasonable to consider that correction of an erroneous description of the defendant does not correspond to the change of the gist of the demand under Subsection 2 of that Section, and that this correction remedies the above-mentioned illegitimacy.” This is a case concerning a change of the defendant in a trial for invalidation, which is slightly different from a case concerning addition of joint applicants, but the same idea is considered to basically apply.

³ More detailed study reveals that addition or change of the nominal persons can be divided into various types. Apart from such a case as mentioned in note 1, there are cases where although a notification of appointment of the representative has been submitted, the description in the column for the specific names is merely the “representative,” “representative: so and so,” or “so and so et al.” where it is presumable from other documents that the description is incorrect. Also, there are cases like the one in note 2 where a trial is demanded against a completely different person. The mistake could be based on misunderstanding or carelessness, or based on lack of time to research the change of the right holder that took place immediately before demanding the trial. In any case, recognition of correction should rarely harm legal stability. Kaneko/Someno, *Kougyou Shoyuiken Hou* (Industrial Property Law): p. 294.

gist of the demand. However, change of the reason for invalidation is an admissible correction, because it is unrelated to the unity of the case (Proviso in Section 131 (2) of the Patent Law).

3. Appeal/Trial Decision

An appeal/trial decision is equivalent to the decision in a court action, but an appeal/trial decision that has become final and conclusive has an effect on the public. Therefore, the decision even affects third parties other than the parties concerned. An appeal decision given before the grant of a patent¹ binds the examiner (Sections 160 (2) and 162 of the Patent Law) and a trial decision after the grant of a patent² has a retroactive effect (Sections 125, 125*bis* (3) and 128 of the Patent Law).

An appeal/trial decision must include the reasons for the decision as well as the conclusion³ (Section 157 (2) (iv) of the Patent Law).

Meanwhile, prohibition of double jeopardy⁴ has effect concerning a trial for invalidation and a trial for invalidation of registration of an extension, so after the registration of the final trial decision, no one can redemand a trial based on the same facts and same evidence (Sections 167 and 184*quindecies* (4) of the Patent Law). This measure is significant in circumventing confusion arising from having multiple decisions given on a patent, which is an exclusive right, and avoiding rehashing of the trial.

The meaning of the “same facts and same evidence” is not necessarily clarified in theories and court decisions. Some theories suggest that “facts” and “evidence” should not be clearly distinguished, but should be read as the “same facts” to cover both⁵. On the other hand, some theories suggest that these two should be clearly

¹ An appeal against an examiner’s decision of refusal corresponds to this.

² A trial for invalidation of a right, a trial for correction, and a trial for invalidation of registration of an extension correspond to this.

³ The Supreme Court decision on March 13, 1984, Court Decision Journal, No. 1119: p. 13/The Law Times Report, no. 527: p. 97 (the Non-aqueous Monoazo Dye Manufacturing Method case) (cited earlier). In this case, the court stated that “the purpose of stipulating that the reasons for the decision must be described in the appeal/trial decision is to secure careful and reasonable decision-making by the appeal/trial examiners, to guarantee fairness of the decision by restraining their arbitrariness, to help the parties to consider whether to file a suit against the decision, and to clarify the subject to be examined by the court regarding the appropriateness of the appeal/trial decision,” and cancelled the appeal decision based on the ground that it lacked a legitimate reason concerning the inventive step.

⁴ The prohibition of double jeopardy here is different from that in the Penal Code, and as long as the evidence is different, a trial can be demanded again for the same reason for invalidation (Section 167 of the Patent Law).

⁵ *Shutsugan/Shinsa/Shinpan/Soshou* (Filing, examination, appeal/trial, lawsuit) (*Tokkyo Hou Seminaa* (Patent Law Seminar) 2): p. 717 [Statement by Masushi Hara].

distinguished, and the “facts” in the “same facts” indicate specific facts within the limit of legal stipulations setting forth the grounds that generate the invalidation effect, and “evidence” in the “same evidence” indicates specific evidence that has been produced in order to prove the reason for invalidation⁶. The terminology of “facts” and “evidence” does not seem appropriate, but it can be considered that “facts” mean facts that correspond to the reason described in the written demand for a trial (Section 131 (1) (iii) of the Patent Law) (Section 123 (1) of the Patent Law), which are abstract, and the matters that serve as the concrete foundation of the facts are “evidence.” In any case, it should be considered that the prohibition of double jeopardy takes effect in a case that has actually been subject to thorough attacks and defenses regarding a single reason for invalidation.

If this requirement were interpreted too broadly, the scope of prohibition of re-trial would become too broad, which would mean that patents that should be invalidated would be left as they are. In reverse, if it were interpreted too narrowly, it would deviate from the original purpose of adopting the prohibition of double jeopardy, resulting in rehashing of disputes. The point is where to achieve a balance between the two.

In a trial, both parties produce evidence to attack and defend over a specific reason for invalidation, and the determination in the trial examination is also made on this point of dispute, so the prohibition of double jeopardy was adopted as public policy regarding matters that have actually been determined in a trial⁷. Specifically, even if

⁶ Kazuko Matuo, “Tokkyo Hou Dai 167 Jou No ‘Douitsu No Jijitsu Oyobi Douitsu No Shouko’ (The ‘same facts and same evidence’ in Section 167 of the Patent Law),” Book Commemorating the Seventieth Birthday of Professor Uchida: p. 469.

⁷ The Supreme Court decision on March 10, 1976 (Grand Bench), Civil Court Decisions by the Supreme Court, Vol. 30, No. 2: p. 79 (the Knitting Machine case) ([Annotation] Tadashi Takura, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions) (Second Edition), Case 60; Shoukichi Tanakadate, *Jurist*, No. 642: p. 43; Tatsunori Shishido, *Housou Jihou* (Bar Journal), Vol. 31, No. 2: p. 318; Shigetoshi Matsumoto, *Journal on Civil and Commercial Law*, Vol. 75, no. 5: p. 819; Eiichi Takigawa, *Court Decision Journal*, No. 822: p. 150; Jirou Yamada, *Gyousei Hanrei Hyakusen* (100 Selected Administrative Court Decisions) II, Case 145; Kanji Morita, *Gyousei Hanrei Hyakusen II* (Fourth Edition), Case 219). In this case, the court stated that it is inadmissible to claim a fact concerning the invention as being publicly known in a suit against the appeal decision, when that fact had not been subject to determination in the appeal examination in a protest suit (*Kokoku* appeal) under the Law of 1921. This was not a direct decision on the “same facts and same evidence,” but the description introduced in the text was mentioned in the obiter dicta. Meanwhile, in the Tokyo High Court decision on April 23, 1964, *Court Decisions Relating to Administrative Cases*, Vol. 15, No. 4: p. 648 (the Synthetic -resin-made Flower case), the court held that it is inadmissible to claim existence of a new printed publication in a suit against a trial decision of invalidation. It stated that a trial decision of invalidation indicates a conclusion to either recognize or reject the demand in a trial for invalidation based on the recognition of a specific matter that has been revealed as a reason for invalidation of registration, and the “same facts and same

the subject of trial examination or the reason for invalidation was the same as in the previous trial, if it was not concretely claimed in the previous trial and the evidence was not the same, it does not violate the prohibition of double jeopardy⁸. Also, even if the cited printed publication was the same, if the concretely cited part was different, they cannot be considered as the same evidence⁹. There is also the issue of whether or not a new trial can be demanded by adding new evidence to that produced in the previous trial. This must be judged case by case, but a demand for a new trial should be allowed only when the new evidence is found to have a special meaning. In this case, it is not proper to render a trial decision of invalidation only based on the old evidence¹⁰.

The prohibition of double jeopardy under Section 167 of the Patent Law is considered to be applicable not only to the parties concerned but to all people, after the registration of the final trial decision. The prohibition does not take effect after the trial decision becomes final and conclusive, but only after it is registered, to make sure that the decision has been publicly announced to third parties. Therefore, it is clear that even third parties are unable to demand a trial based on the same facts and same evidence. Nevertheless, the problem is what kind of influence this has on other trials based on the same facts or same evidence that are already pending. Specifically, when multiple trials for invalidation are pending based on the same facts or same evidence, and the final trial decision of one of them becomes registered, it is a question whether other trials would be rejected as being illegal¹¹. The prohibition of double jeopardy is

evidence” is considered to correspond to the specific fact revealed as in this context.” Also see Tadashi Takura, “*Mukou Shinpan Seikyuu Wo Shirizokeru Shinketsu Wo megutte -- Shinketsu Torikeshi Soshou Tono Kanren Ni Oite* (Discussions on the Trial Decision to Reject the Demand for the Trial for Invalidation -- In Relation to the Suit against the Trial Examiner’s Decision),” Articles in the Memory of Professor Toyosaki: p. 219.

⁸ The Tokyo High Court decision on July 20, 1973, Court Decisions Relating to Intangible Property, Vol. 5, No. 2: p. 233 (the Thermoplastic Synthetic Resin Band Forming Method case) ([Annotation] Seinosuke Matsuoka, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions) (Second Edition), Case 53). In this case, the court held that even if the demandant was the same person, he/she can demand a trial again if it was not based on the same facts or same evidence; that is, the re-demand of a trial is not restricted by the fact that the demandant is the same person.

⁹ The Tokyo High Court decision on June 28, 1969, Court Decision Relating to Administrative Cases, Vol. 20, No. 5/6: p. 813 (the Oxidized Starch Liquid Manufacturing Method case) ([Annotation] Tadashi Takura, *The Law Times Report*, No. 239: p. 94; Kazuko Matsuo, Book Commemorating the Seventieth Birthday of Professor Uchida: p. 461).

¹⁰ See Takura, Articles in the Memory of Professor Toyosaki: p. 229. There are two opposing court decisions regarding this issue: the Tokyo High Court decision on June 28, 1969, Court Decisions in Administrative Cases, Vol. 20, No. 5/6: p. 813 and Tokyo High Court decision on February 28, 1979, Court Decisions in Suits Against Appeal/Trial Decisions, 1979: p. 79/*Tokkyo To Kigyō* (Patent and Enterprise), No. 124: p. 30 (the Goby-shape Forming Device case).

¹¹ Multiple trials can be combined, and combined trials can be separated (Section 154 of the Patent

considered to be intended to avoid making the patentee have to repeat trials for invalidation based on the same facts and same evidence many times, and to prevent a contradictory trial decision on the validity of a patent, which affects the public. This idea is supported by the facts that the ex officio principle is adopted in the trial examination procedure and that the scope of prohibition of double jeopardy is limited to the same facts and same evidence¹². If the above-mentioned system were to be recognized as a reasonable system, as long as the final trial decision has been registered and publicly announced to third parties, inconveniences may be relatively limited with regard to demand for a trial by third parties after the registration. However, there is a problem in extending the effect of the prohibition of double jeopardy even to already pending trials. Conventionally, the prevalent theory was to also apply the principle to such cases^{13, 14}. However, more theories have recently come to suggest that the principle does not apply to such cases¹⁵. The parties who are already in the trial

Law). However, when another trial is demanded after the previous case enters the phase of a suit against the trial decision, they can no longer be combined. The same problem occurs when a final decision to dismiss the demand is registered for one of the trials while they are separately conducted, and also when a trial decision is given for combined trials, but some of the demandants file a suit against the trial decision and others do not, and the trial decision becomes final and registered for those who did not file a suit. Incidentally, when a trial decision of invalidation becomes final, the patent right lapses retroactively, so no third party would be able to demand a trial for invalidation any longer. Therefore, this issue only arises when the demand for a trial for invalidation is turned down.

¹² Since the prohibition of double jeopardy binds even third parties in this manner, its compliance with the Constitution is questioned in relation to the right to come up for trial. Eiichi Takigawa, “*Oosutoria Tokkyo Hou Ni Okeru Ichiji Fusairi Kitei No Haishi* (Abolishment of the Prohibition of Double Jeopardy from the Austrian Patent Law)” (Eiichi Takigawa, *Tokkyo Soshou* (Patent Litigation): p. 101, *Hatsude Miyake Koki Kinen* (Book commemorating the seventieth birthday of Professor Hatsude and Professor Miyake)); Hiroko Kimijima, “*Tokkyo Mukou To Sono Tetsuzuki* (Invalidation of a Patent and Its Procedure) II,” *Hougaku Kenkyuu* (Study on Law), Vol. 69, No. 3: p. 60.

¹³ One idea is that the demands for other pending trials are dismissed once a final trial decision is registered, which may be a straightforward interpretation. The Tokyo High Court decision on February 8, 1995 in note 15, which adopted a contrary opinion, frankly set forth that “a structure that is compliant, without any contradictions, with all aspects of the stipulations in the current Patent Law is considered to be difficult.”

¹⁴ JPO, *Clause-by-Clause Explanation of Industrial Property Laws*: p. 352; Yoshifuji, *Tokkyo Hou* (Patent Law): p. 632. In the Supreme Court decision on March 19, 1920, *Civil Court Decisions by the Supreme Court in prewar Japan*, No. 26: p. 371 (the Rice Mill case) ([Annotation] Yoshinobu Someno, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions), Case 48), which was a case on Section 87 of the old Patent Law, the court upheld the original decision that rejected a demand of confirmation of the scope of right based on prohibition of double jeopardy.

¹⁵ In the Tokyo High Court decision on February 8, 1995, *Court Decision Journal*, No. 1558: p. 121 (the Lead Chromate Pigment Composition case) ([Annotation] Kazufumi Dohi, *Chizai Kanri* (Intellectual Property Management), Vol. 47, No. 7: p. 965; Ryuu Takabayashi, *Court Decision Journal*, No. 1594: p. 218), the court stated that even if a final trial decision is registered, it is not considered to remove the interest in filing a suit against the trial decision. Further, the two

examination proceeding would not be convinced of the appropriateness of having their demand dismissed merely by the fact that another trial decision happened to become final and registered first. On the other hand, though, if application of the principle were not recognized in such cases, there is a possibility that contradictory trial decisions would be handed down. In practice, the JPO seems to consider Section 167 of the Patent Law to be inapplicable to other concurrently pending trials for invalidation¹⁶, and seems to postpone the registration of the decision until the decisions in other trials become final. It may be a half measure, but it could be a practical prescription.

Subsection 3 Retrial

annotators on this case (Dohi and Takabayashi) both support this conclusion.

¹⁶ Appeal/Trial Examination Manual, 51-07. However, this does not clarify the processing in a case where a contradictory trial decision becomes final and conclusive.

Similarly to a civil lawsuit, a concerned party can demand a retrial of a finalized appeal/trial decision based on certain restricted grounds, in which case the provisions of the Code of Civil Procedure are applied *mutatis mutandis*¹ (Section 171 of the Patent Law). Therefore, the grounds for a retrial correspond to the grounds stipulated in Article 338 (1) and (2) and Article 339 of the Code of Civil Procedure. However, the grounds for a retrial under the Patent Law also include a case where the demandant and the defendant in a trial have in collusion caused a trial decision to be rendered with the purpose of injuring the right or interest of a third party (Section 172 (1) of the Patent Law). In such a case, the demandant of the retrial is not one of the originally concerned parties, but a third party whose right or interest was injured, and the demandant and the defendant in the original trial become the defendants in the retrial (Section 172 (2) of the Patent Law). This provision has been especially established to protect the interest of a third party from a collusive trial decision, since a trial decision has an effect on the public.

A retrial must be demanded after the appeal/trial decision becomes final and conclusive, and within thirty days from the date on which the demandant becomes aware of the grounds for the retrial. However, if the demandant was unable to make the demand within this time limit due to reasons outside his/her control, he/she can make the demand within fourteen days from the date when the reasons ceased to be applicable but not later than six months following the expiration of the said time limit (Section 173 (1) and (2) of the Patent Law).

If a patent that had been invalidated in a retrial is restored, the patent is deemed to have been valid from the start. However, if a person who has worked the invention after the appeal/trial decision of invalidation became final and conclusive by trusting in this decision is regarded as having conducted an illegal act due to the retroactive effect, it would be against the philosophy of equity. Thus, the effect of the patent right does not extend to any products that were produced, imported or acquired or any working in good faith during the period from the conclusion of the appeal/trial decision of invalidation until the registration of the retrial decision (Section 175 (1) and (2) of the Patent Law).

In addition, a statutory non-exclusive license is recognized for those who had worked or prepared to work the invention within Japan in good faith during that period (Section 176 of the Patent Law), so such people can continue to work the invention. This provision was established for the same purpose and applies the same requirements

¹ Demand for a retrial was not recognized for appeal decisions under the Law of 1921, but it is allowed for all decisions, including finalized retrial decisions, under the current Law.

as those for the non-exclusive license based on prior use.

Subsection 4 *Hantei* system (Advisory Opinion on the Technical Scope of a Patented Invention)

The technical scope of a patent right is much more difficult to determine compared to the scope of a right for a tangible article, which accordingly gives rise to more disputes¹. Also, when working a certain technology, the status of both the patentee and third parties would be unstable if its technical scope were unclear. As a matter of course, such a scope is something that should ultimately be determined in court, but in some situations it would be beneficial if an impartial advisory opinion could be given by the competent authority relating to the patented technology in advance, or while the case is pending. The system established to that end is the *Hantei* system (advisory opinion on the technical scope of a patented invention) (Section 71 of the Patent Law).

While there was a system of a trial for confirmation of the scope of right² under the Law of 1921, its legal positioning was ambiguous, causing conflicting arguments over the effect of the trial decision, so the system was revised in the current manner in the Law of 1959.

The *Hantei* under the current Law is an expression of an opinion by the JPO, and it only has the nature of an advisory opinion. It is clear from the legislative process that the *Hantei* does not have legally binding force³, and this is also the

¹ In theory, determination on the scope of a patent right is made by first deciding its technical scope and then deciding on whether or not a product or an act corresponds to an infringement of the right. Even if it is included in the technical scope, it does not constitute a patent infringement if, for instance, a right of prior use exists, which excludes the product or the act from the scope of protection. The *Hantei* system was established in the JPO because the question of technical scope mainly concerns technological issues, which are more fit to be determined by the JPO. Incidentally, the relation between the scope of protection and the scope of right, and use of such terminology, is subject to dispute, but it shall not be discussed here (Kenjiro Ooe, “*Tokkyo Seikyuu No Han’i to Tokkyo Hatsumei No Hogo Han’i Tono Kakusa* (Difference Between the Scope of Patent Claims and the Scope of Protection of the Patented Invention),” *Tokkyo Kanri* (Patent Management), Vol. 25, No. 7: p. 713; Yoshifuji, *Tokkyo Hou* (Patent Law): p. 491; Shimao Kosaka, “*Chuushouteki Na Touroku Seikyuu No Han’i No Kisai To Sono Kaishaku* (Abstract Description of the Scope of Registered Claims and Its Interpretation),” Book commemorating the seventieth birthday of Professor Umase: p. 321; Ikuo Hata, “*Tokkyo Shingai Soshou Zakkan* (Various Remarks on Patent Infringement Litigation),” *Tokkyo Kanri*, Vol. 33, No. 4: p. 409).

² Concerning trials for confirmation of scope of right under the old Law, see p. 259, Tadashi Takura, “*Taishou Juu Nen No Kenri Han’i Kakunin Shinpan No Seido--Shigaisen Sakkinki Jiken Wo Megutte* (The System of Trials for Confirmation of Scope of Rights under the Law of 1921--Study of the Ultraviolet Disinfectant Apparatus Case),” *Minji Tokubetsu Hou No Shomondai Dai Nikan* (Various Problems of Special Civil Laws, Vol. 2) (Collection of Memorial Treatises on the 20th Anniversary of the Opening of the Kansai Law&Patent Office (Dai-ichi Hoki, 1989)).

³ The council on amendment consumed much time in examining the effect of the *Hantei*, and after various discussions and many twists and turns (conflicting theories were observed among the council

interpretation in Supreme Court decisions⁴. Therefore, no appeal can be made against the result of the *Hantei*⁵, and the result does not bind the court, which allows a different conclusion to be derived in a court decision. The *Hantei* is made by the JPO through a careful procedure resembling that of a trial, so it would have far more authority in the actual world than a private advisory opinion, but this is only a matter of fact⁶.

on amendment, the Cabinet Legislation Bureau, and the court), it was finally decided to be an advisory opinion having no legal binding force and, accordingly, no provisions concerning the prohibition of double jeopardy and retrial were established with respect to the *Hantei* (JPO, Clause-by-Clause Explanation of the Industrial Property Laws: p. 193; Oda/Ishikawa, *Shin Tokkyo Hou* (New Patent Law): p. 390; Yoshikazu Tanabe, “*Hantei Seido No Unyou Ni Tsuite* (Practice of the *Hantei* System),” *Tokkyo Kanri* (Patent Management), Vol. 11, No. 8: p. 477). While the term “*Kaishaku* (interpretation)” was used in the original government draft submitted to the Diet, the term was revised into “*Hantei*” in the House of Representatives. Both terms are the same in that they do not have any legal binding force. However, although there was an account by the government in the Diet that the result of the *Hantei* was subject to petition under Section 177 of the Patent Law (deleted in 1962) and general litigation, this was denied in the Supreme Court decision in note 4. With regard to an appeal against the result of the *Hantei*, see Yoshinobu Someno, “*Hantei Ni Taisuru Fufuku Moushitate* (Appeal Against the Result of the *Hantei*),” *Tokkyo Kanri*, Vol. 9, No. 12: p. 645.

⁴ The Supreme Court decision on April 18, 1968, Civil Court Decisions by the Supreme Court, Vol. 22, No. 4: p. 936 (the Nakajima Machine Manufacturing case) ([Annotation] Koue Toyosaki, Journal of the Jurisprudence Association, The University of Tokyo, Vol. 86, No. 8: p. 977; Atsushi Nakagawa, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions) (Second Edition), Case 56; Masao Miyake, Journal on Civil and Commercial Law, Vol. 59, No. 6: p. 1044; Tsuneo Kabe, *Housou Jihou* (Bar Journal), Vol. 20, No. 7: p. 1659). Also, the following court decision has held to the same effect in a case where a retrial concerning a decision in a trial for confirmation of the scope of a right under the old Law was demanded after the enforcement of the new Law: the Tokyo High Court decision on August 28, 1962, Court Decisions in Administrative Cases, Vol. 13, No. 8: p. 1427 (the Clock Band case) ([Annotation] Masao Miyake, *Tokkyo Hanrei Hyakusen*, Case 67; Hideichi Araki, *Tokkyo Hanrei Hyakusen*, Case 47).

⁵ In the Tokyo District Court decision on September 25, 1989, Court Decisions in Suits Against Appeal/Trial Decisions, 1989: p. 539/*Tokkyo To Kigyuu* (Patent and enterprise), No. 252: p. 71, the court stated that an appeal cannot be made based on the Administrative Appeal Law, because the *Hantei* does not have binding force and does not correspond to an administrative disposition.

⁶ In the Nagoya High Kanazawa Branch Court decision on June 14, 1967, Civil Court Decisions by Lower Courts, Vol. 18, No. 5/6: p. 676 (the Butylscopolamine Bromide Manufacturing Method case), which was a dispute over whether the fact that the *Hantei* was made corresponded to a change in circumstances for canceling a provisional disposition, the court stated as follows: “the *Hantei* is made by three appeal examiners designated by the JPO Commissioner, so it is a technical expert determination by a state organ, and at the same time, provisions similar to the JPO’s trial-related provisions are applied to the *Hantei* procedure, so the result of the *Hantei*, although appeal cannot be made against it, should not be considered as a mere private advisory opinion, but as a public technical determination under an impartial procedure, which is somewhat one of authoritative determinations.” This court decision recognizes that the *Hantei* practically has a strong effect, but it does not recognize its legal effect to be any more than an advisory opinion. For a theory that presents doubts on the prevalent theory by focusing on the fact that the *Hantei* is actually being used with a certain authoritative effect, see Masao Miyake, *Tokkyo Hanrei Hyakusen* (100 Selected Patent-related Court Decisions), Case 67. However, such a theory is considered to be problematical as an interpretation of the current Law, though it may be materialized by taking legislative measures. Incidentally, there are noteworthy opinions that question the need for the JPO

The *Hantei* can either be demanded to confirm that a product or an act is covered by the technical scope (proactive confirmation) or to confirm that it is not covered (passive confirmation). As the *Hantei* is different in nature from an appeal/trial, its procedures are stipulated by a cabinet ordinance (Section 71 (3) of the Patent Law; Chapter 2 of the Patent Law Enforcement Order; Chapter 5 of the Regulations under the Patent Law). The procedures stipulated by the cabinet ordinance resemble the appeal/trial procedures.

It is generally interpreted that a *Hantei* can be demanded even without a defendant, and such interpretation is adopted in the JPO practice⁷.

While a trial for confirmation under the old Law could only be demanded by an interested party (Section 84 (3)), a person does not have to be an interested party to demand a *Hantei* under the current Law⁸.

to provide such a service when its examination and appeal/trial procedures are considerably delayed today. It should be sufficient to conduct the *Hantei* only when it has been requested by the court, etc. (Koue Toyosaki, Journal of the Jurisprudence Association, The University of Tokyo, Vol. 86, No. 8: p. 983). Since the *Hantei* is only a service provided by the JPO, which is sometimes only requested by one side of the parties, rather than treating the results as the only authoritative statement, interested parties should regard it as an advisory opinion.

⁷ Section 7 (1) of the Patent Law Enforcement Order stipulates that when a *Hantei* has been demanded, a notice shall be transmitted to the defendant, and Section 39 of the Regulations under the Patent Law sets forth the columns for describing the address and the name of the defendant, but these should be considered to be applicable when there is any defendant. Accordingly, a *Hantei* can be demanded for determination on the relation of use between one's own rights (Nakayama, *Chuukai Tokkyo* (Annotated Patent Law), Vol. 1: p. 704 [Matsumoto]; Yoshikazu Tanabe, "*Hantei Seido No Unyou Ni Tsuite* (Practice of the *Hantei* System)," *Tokkyo Kanri* (Patent Management), Vol. 11, No. 8: p. 477).

⁸ Unlike an appeal/trial, the *Hantei* is the expression of an advisory opinion by the JPO. Therefore, the civil action principle that where there is no interest, there is no cause of action does not apply fundamentally. Consequently, it is meaningless to discuss the issue as an analogy with a trial decision of invalidation. Nakayama, *Chuukai Tokkyo* (Annotated Patent Law), Vol. 1: p. 704 [Matsumoto]; Kaneko/Someno, *Tokkyo Shouhyou* (Patents and Trademarks): p. 517; Yoshikazu Tanabe, "*Hantei Seido No Unyou Ni Tsuite* (Practice of the *Hantei* System)," *Tokkyo Kanri* (Patent Management), Vol. 11, No. 8: p. 477; Monya, *Chuukai Tokkyo Hou* (Annotated Patent Law): p. 201 [Ono] (however, this explains that there remains doubt on whether it cannot be rejected even when there is absolutely no need to demand the *Hantei*.); Hashimoto, *Tokkyo Hou* (Patent Law): p. 228 also mentions that although the demandant usually does not need to be an interested party, it is questionable whether the demandant can have completely no interest involved. Yoshifuji, *Tokkyo Hou* (Patent Law): p. 647 states that although the *Hantei* does not have to be considered the same as a trial for invalidation, the demandant should have an interest complying with the purpose of the system, as long as it is established as a system of the state. Masahiro Yoshida, "*Hantei Seikyuuin No Tekikakusei* (Conditions for a Demandant of the *Hantei*)," *Patent*, Vol. 27, No. 7: p. 54 also mentions that the demandant must be an interested party. Indeed, it is questionable whether a state organ should conduct a completely unnecessary or meaningless *Hantei*, but as mentioned in note 6, there is a fundamental problem in providing such *Hantei* service without setting any limitations. A view suggesting some kinds of restrictions is quite acceptable, but it is not reasonable to limit it by the conditions for the demandant or by the interest in demanding the *Hantei*. A limitation in the conditions for the demandant would be unproductive, only causing a considerable amount of labor

concerning interpretation of eligibility. For actual examples of the *Hantei*, see Fusao Suga, “*Hantei Seikyu No Tetsuzuki Jou No Sho Mondai* (Various Problems in the Procedure of Demanding the *Hantei*) Vols. 1, 2 and 3,” Patent, Vol. 28, No. 4: p. 5/No. 5: p. 3/No. 6: p.22.