

5 Multiple Protection of Inventions

From the perspective of helping front runners' efforts to obtain multiple protection rights and achieving international harmonization of systems, research studies were carried out on the relaxation of content requirements for divisional applications (allowance of division of an invention into substantially identical inventions), a scheme of exceptions to the lack of novelty of an invention (a grace period), and the continuation-in-part application system of the U.S.

Regarding the relaxation of content requirements for divisional applications, as a result of a review from the legal perspective and discussion on the possibility of handling the issue under the current divisional application system or otherwise, it was found that multiple protection of an identical invention was possible to a considerable extent under the current system and that there seemed to be no major problems.

Regarding exceptions to the lack of novelty of an invention, only a few survey participants were in favor of modifying the framework for characterizing them as exceptions to the current system. Paying attention to the developments in revision of US Patent Law and the reaction of Europe and from a perspective of system harmonization, further discussion is necessary so that Japan can handle this issue at an appropriate time and with an appropriate system.

Regarding the continuation-in-part application system of the U.S., there is a strong trend of opinion against the introduction of such a system due to reasons including concern that the monitoring burden for third parties will increase and the view that the current priority system is sufficient. As such, careful consideration is required.

I Purpose of Research Study

The Working Group for Issues Related to the Patent Strategic Plan of the Patent System Subcommittee of the Intellectual Property Policy Committee of the Industrial Structure Council (hereinafter referred to as the "Patent Strategy WG") discussed a review of the amendment system and the divisional application system, and in October 2004, compiled a report entitled "Direction of the Review of the Amendment System and the Divisional Application System." Based on this report, in FY2004, the Institute of Intellectual Property also analyzed and examined the relaxation of restrictions regarding the time limit and the contents under the divisional application system and additionally discussed the introduction in Japan of the continuation-in-part application system that was unique to the U.S. and the US-style one-year grace period. It further conducted a more concrete analysis and review, from various perspectives, with regard to the period of response to the notification of reasons for refusal and the relationship between the divisional application system and the system of appeal against the examiner's decision of refusal. As a result, it has become evident that the relaxation of content restrictions for divisional applications and the introduction to Japan of the

US-style grace period and continuation-in-part application system require further discussion.

Therefore, this study aims to deepen discussion on these issues from a legal and practical perspective and to examine the result of surveys conducted through questionnaires and interviews of small- and medium-sized enterprises, venture companies and universities.

II Direction of Revision of Divisional Application System

1 Relaxation of the time limit restrictions for division under the divisional application system

Under the current divisional application system, the division of an application is allowed only within the time limit during which the specification, etc. may be amended (Article 44(1) of the Patent Law). However, an applicant needs to have the opportunity to acquire rights multilaterally by broadening or restricting claims after taking into consideration the final decision of the examiner (a decision to grant a patent or a decision of refusal) based on prior art search. In the case of innovative inventions of front runners, in particular, since it is not easy to obtain strong rights that cannot be circumvented, it is highly

significant to give an opportunity to review claims after a decision to grant a patent is issued. In addition, in the case where an originally patentable invention is rejected because of improper claim wording due to the fact of it being an innovative invention, it is highly significant to give an opportunity to modify the claim wording.

Therefore, in addition to the current period during which dividing an application is allowed, the filing of a new application (a divisional application) should be permitted for a specified period following an examiner's final decision (a decision to grant a patent or a decision of refusal). With respect to such a "specified period," balancing the burden of monitoring by third parties due to the relaxation of the restriction on time limits for divisional applications and the time that is needed for an applicant to examine results of the prior art search and an opinion or a decision of an examiner, one suggestion is "within 30 days of the date of transmittal of the examiner's decision to grant a patent or reject it."

2 Handling of division of an identical invention

(1) Handling of an identical invention under the current divisional application system

Under the current divisional application system, any divisional application that includes an invention that is identical (including "substantially identical") to the one claimed in a parent application is rejected under Article 39(2) of the Patent Law. Based on this provision, the Patent Strategy WG and a study report by the Institute of Intellectual Property in FY2004 discussed the possibility to review the current divisional system in which an application is rejected because the invention claimed in the divisional application is identical (including "substantially identical") to the one claimed in the parent (original) application and allow the description of claims with varied wording within the scope that the inventions are substantially identical. In that instance, considering consistency with the so-called one right for one object rule and concerns that harmful effects might be brought about as a result of the assignment to different persons of multiple rights deriving from a divisional application and its parent application that claim identical inventions, discussion was carried out on the possibility of a system that allows double patents for a divisional application and its parent application. Consequently, it was proposed that the coexistence of a divisional application

claiming an invention that is substantially identical to the one claimed in the parent application could be permitted on condition of "bundling" them under a system like a "terminal disclaimer."

(2) Discussion from legal perspective

In order to be able to grant rights for both a divisional application and its parent application even if they claim "identical" inventions, it is necessary to sort out the consistency with the "one right for one object" rule and with the prohibition of double patenting. As a result, problems that might be caused by permitting division of an invention into identical inventions were reviewed from the legal perspective.

As a result of the study, it was generally agreed that it was not necessarily legally impermissible to grant multiple rights by permitting division of an invention into identical inventions to the extent that certain conditions such as not damaging the exclusivity of rights were satisfied, and that for that purpose at least the assignment of rights relating to identical inventions to different persons should be prohibited. Furthermore, regarding the administrative proceedings to grant multiple registrations for completely identical objects, it was generally agreed that they could not be considered to be illegal administrative proceedings.

On the whole, they shared the view that in the context of modifying the major principle of no double patenting, considerable concrete necessity to do so was indispensable in order to review the system.

(3) Possibility of handling within framework of the current divisional application system

There is a need to describe claims comprehensively using various kinds of claim wording for a divisional application that falls within the scope of an invention that is "substantially identical" to the one claimed in the parent application, which will result in obtaining rights without missing parts by using the parent application and the divisional application together, and to describe claims in the divisional application using such expressions as those consistent with the concrete expressions of specifications defining technical standards after an examiner's decision on the parent application becomes final. However, in the case where a divisional application is filed by claiming an invention that is identical (including "substantially identical") to

the one claimed in its parent application, if the applicant withdraws the parent application or deletes the claims that are pointed out by the examiner, a reason for refusal based on Article 39 of the Patent Law can be avoided. Therefore, there seems to be considerable room under the current patent system to obtain multiple and comprehensive rights or to produce claims corresponding to technical standards.

(4) Conclusion

Regarding a divisional application claiming an invention that is identical to the one claimed in the parent application, while there were arguments both for and against double patenting for the divisional application and the parent application, the study did not discover any case showing that the current Patent Law contained major flaws with regard to the need for applicants to divide an invention into identical inventions, or in other words, any actual case in which multiple and comprehensive protection could be realized only by permitting a divisional application for an invention that is identical to the one claimed in the parent application.

Therefore, there are less concrete and urgent needs at this stage to revise the system to permit double patenting for a divisional application and its parent application in the case where these applications claim identical inventions. Further, the issue of double patenting for a divisional application and its parent application in the case where these applications claim identical inventions and the definition of the term “identical” under Article 39 of the Patent Law should be further discussed, taking into account opinions submitted in the Committee or in past discussion proceedings.

3 Reduction of procedural burden for divisional applications

(1) Method to reduce procedural burden for divisional applications

In the Patent Strategy WG and a study report of the Institute of Intellectual Property of FY2004, it was pointed out that, since an increase in the number of divisional applications was anticipated due to relaxation of the time limit restriction under the divisional application system, it was appropriate to take some measures for the purpose of reducing the burden associated with divisional applications and preventing abuse of the system.

Consequently, in relaxing the time limit restriction for filing a divisional application, any

concrete measures to reduce the procedural burden should be also taken, such as (i) referring to specifications and others of an original application based on which a divisional application is to be filed, and (ii) obligating an applicant to explain that the divisional application is lawful.

(2) Handling of a divisional application containing a new matter

Under the current system, a divisional application that contains a new matter cannot benefit from an earlier filing date. However, it has been pointed out that legal stability or predictability is prejudiced under this system because the filing date changes depending on the adequacy of the amendment or the consequence of the invalidation proceedings.

Therefore, in light of international harmonization of the system, a divisional application containing a new matter should be given an earlier filing date so that it can be grounds for refusal and for invalidation for later applications.

III Scheme of Exceptions to Lack of Novelty of Invention (Grace Period) under Japanese Patent Law and the US Continuation-In-Part Application System

1 Scheme of provisions on exceptions to lack of novelty (grace period) under Japanese Patent Law

(1) Exceptions to lack of novelty of invention under current Japanese Patent Law and the grace period in the U.S.

In Japan, Article 30 of the Patent Law restrictively lists specific disclosures that are not taken into consideration when determining novelty and other patentability requirements, regarding such disclosures as “exceptions” to lack of novelty. On the other hand, the US Patent Act does not list specific disclosures as “exceptions” to lack of novelty but instead excludes any public disclosures made within a one-year grace period from novelty determination in principle.

However, in the U.S., the reform of the Patent Law, including the shift from the first-to-invent principle to the first-inventor-to-file principle, is being considered (H.R.2795) and a bill may be introduced that establishes that the grace period starts from the priority date, not from the filing date, on condition that Japan and

Europe adopt the US-style grace period.

(2) Scheme of provisions on exceptions to lack of novelty (grace period) desirable to Japan

(i) Members' opinion

Regarding the activities that qualify for exceptions to lack of novelty, the view was expressed that they should reflect the fact that many internal presentations were made in universities and that improvement should be made in order to make it easier to determine whether or not relevant academic conferences were designated by the Commissioner of the Patent Office. With respect to a grace period, it was pointed out that a period of six months from the presentation to the filing would be sufficient, and that if longer, this would run counter to the purpose of a patent system that granted rights in compensation for disclosure of inventions.

In addition, there were demands for simplification of timing and procedures for applying for exceptions to lack of novelty under Article 30 of the current Patent Law.

(ii) Result of questionnaire survey

Opinions were gathered through a questionnaire targeting members of the Japan Intellectual Property Association (including members of Nippon Keidanren, the Japan Electronics and Information Technology Industries Association, Japan Pharmaceutical Manufacturers Association, and Japan Bioindustry Association), intellectual property professionals at universities, and members of the Japan Patent Attorneys Association.

Most agreed to maintain the purpose of "exceptions to lack of novelty" under the current Japanese system rather than to introduce the US-style grace period. Regarding the activities that qualify for such exceptions, while many said that the requirement for the designation of a scientific body or an exhibition by the JPO Commissioner should be abolished, few argued that official gazettes and other references describing applicants' own inventions should be also included in the exceptions.

With respect to the transitional measures under the Patent Law Reform Bill, the opinion was greatly expressed that international harmonization of the system, rather than the advantage of adopting the US-style grace period, should be emphasized.

(iii) Result of interview survey of small- and medium-sized enterprises and venture companies

A commonly-expressed comment was that these firms did not basically use Article 30 of the Patent Law. They did not have such needs because of the small size of the company or because they were prepared to file applications immediately.

Regarding the inclusion of official gazettes disclosing applicants' own inventions in the list of exceptions to lack of novelty, many were concerned that it was advantageous to big corporations and might be abused by people with knowledge of the Patent Law.

(3) Simplification of procedures for submitting proof to apply for exceptions to lack of novelty

Following the request by members of the Committee to simplify the procedures for submitting proof to apply for exceptions to lack of novelty (Article 30(4) of the Patent Law), the Patent System Subcommittee of the Industrial Structure Council (from the 19th session to the 23rd session) discussed the simplification of submission procedures and reported that it was appropriate to simplify the contents of the required proof, which imposed heavy burdens on applicants, to the extent that the probative value of the proof could be maintained as required. Based on this report, the Committee discussed basic ideas about the proof submission procedure and prepared a basic policy regarding simplification.

(4) Conclusion

Regarding the stance of Japan relating to the transitional measures under the US Patent Law Reform Bill, paying attention to developments in the revision of the US Patent Law and the reaction of Europe and from the perspective of system harmonization, the scheme of provisions on exceptions to lack of novelty (a grace period) should be further discussed so that Japan can deal with this matter at the right time and with the right system.

2 Continuation-in-part application system of the U.S.

(1) Continuation-in-part application system of the U.S. and domestic priority system in Japan

The continuation-in-part application system of the U.S. (CIP system) is a system that allows an applicant to file a new application adding a new matter to the parent application. Matters

disclosed in the parent application are treated as having been filed on the filing date of the parent application and the new matter is treated as having been filed on the filing date of the new application. In contrast, under the domestic priority system in Japan, a new application adding a new matter can be filed only within one year of the filing date of the original application (Article 41 of the Patent Law), which differs in the filing time limit from the CIP system that allows the addition of a new matter while the parent application is pending.

The starting date of the term of a patent right also differs: under the domestic priority system in Japan, the term of a patent right is 20 years without exception from the filing date of a new application, whereas under the CIP system, it is 20 years without exception from the filing date of the parent application.

(2) Evaluation and conclusion on continuation-in-part application system

Both the questionnaire survey of company users, especially big corporations, and universities, and the interview survey of small and medium-sized enterprises show a strong trend of opinion against the CIP application system due to reasons including concern that the monitoring burden for third parties will increase and the view that the current domestic priority system is sufficient. The introduction of a CIP application system should therefore be carefully discussed, taking these factors into consideration.

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