

2 Desirable Trial System for Early Acquisition of Rights

The number of requests for a trial against an examiner's decision of refusal is increasing every year, creating concern that the waiting period for proceedings will become longer. Therefore, it is necessary to consider a desirable system with a view to increasing the speed and efficiency of proceedings. This research study considered the future direction of a desirable trial system by studying, organizing and analyzing users' needs with regard to the current system and the operation thereof, as well as the systems of other major countries, in order to promote the early acquisition of rights. The themes taken up in this research study are the advisability of the time limit for filing a request for a trial against an examiner's decision of refusal, the way to state the "grounds for a request" in the written request for such a trial, and the use of reexamination before a trial, interrogation before a trial, the remand system and accelerated proceedings. Divisional applications, continuation applications and requests for continued examination were also considered. In particular, with regard to the time limit for filing a request for a trial against an examiner's decision of refusal, the majority took the ground that it is appropriate to extend the time limit to around 90 days, as the current period of 30 days is not sufficient to consider the propriety of filing a request for a trial, in light of the questionnaire survey results, systems in other countries and time limits in other appeal systems in Japan.

I Introduction

The JPO is steadily increasing the speed and efficiency of patent examination by increasing the number of examiners and expanding the outsourcing of prior art document search. Thereby, the number of cases examined is increasing year by year. Along with this, the number of requests for a trial against an examiner's decision of refusal is on the increase; however, it is not easy to increase the number of trial examiners. Although the average waiting period for the proceedings of a trial against an examiner's decision of refusal was 27.1 months in 2006, there is concern that the waiting period for the proceedings will become longer due to increase in the number of requests filed. Such prolongation of the waiting period is not desirable from the perspective of users' needs for early acquisition of rights. Consequently, it is also necessary to consider a desirable system of trial against an examiner's decision of refusal from the viewpoint of increasing the speed and efficiency of the proceedings.

On the other hand, there are various users' needs with regard to the system of trial

against an examiner's decision of refusal. It is thus necessary to consider the system with a sufficient understanding of those users' needs and in light of consistency with systems in other countries.

With awareness of the issue above, this research study aims at considering the future direction of a desirable trial system by studying, organizing and analyzing users' needs with regard to the current system and the operation thereof, as well as the systems of other major countries, in order to promote early acquisition of rights.

II Regarding the Time Limit for Filing a Request for a Trial against an Examiner's Decision of Refusal

1 Time Limit for Filing a Request for a Trial against an Examiner's Decision of Refusal – From Users' Perspective –

With regard to the time limit for filing a request for a trial against an examiner's decision of refusal, which is prescribed under the current law as within 30 days from the date on which a certified copy of the

examiner's decision of refusal has been served, some users say that the current time limit is sufficient. However, there is an opinion that the period of 30 days is too short taking into account the time that is required for procedures taken in relation to the representative and additional tests, etc. that are necessary to prove the effect of the invention in question. In addition, some point out that there are, under the present circumstances, cases where a decision to file a request for a trial is made without considering the content of amendments to be made. Therefore, deliberations were conducted on the extension of the time limit for filing a request for a trial against an examiner's decision of refusal to within three months from the date on which a certified copy of the examiner's decision of refusal has been served. If this is the case, the time limit will be longer than the current one (60 days, including the time limit for amendments), and applicants will be given sufficient time to consider the content of the examiner's decision of refusal, the propriety of filing a request for a trial and the content of the examiner's decision of refusal. Therefore, users can enjoy great benefits. In terms of third parties' burden of monitoring until an examiner's decision of refusal becomes final and binding, extension of the time limit to within three months from the day of service will not have much influence.

With regard to the time limit for amendments to the description, etc., deliberations were also conducted on the idea of setting a time limit separately from the time limit for filing a request for a trial, as under the current law. However, in the case where the time limit for filing a request for a trial is set as within three months from the date on which a certified copy of an examiner's decision has been served, there seems to be no problem with stipulating that amendments to the description, etc. shall be made at the same time as filing a request for a trial. This is because applicants can secure a longer period for consideration than the period for consideration under the current law (60 days in real terms, including the time

limit for filing a request for a trial (30 days)). Incidentally, there seems to be little need to allow applicants to make amendments more than once because the period of three months is enough to consider the content of amendments.

With regard to the time limit for supplement of grounds for a request, there is an idea that it is not necessary to provide applicants with the opportunity to supplement grounds for a request for a trial after filing the request because they are provided with the opportunity to sufficiently consider grounds for a request as well as the content of amendments they make within the time limit for filing a request for a trial if the time limit is extended to within three months from the date on which a certified copy of an examiner's decision of refusal has been served. However, companies that supplement grounds for a request within the period designated in terms of a JPO invitation for amendment will have to carry out consideration, for which they have spent four to five months, within three months. Therefore, the time limit will be significantly shortened compared to that in the current situation. Regarding grounds for a request, it seems to be desirable to maintain the system under the current law in which applicants can change or amend the gist of grounds for a request for a trial after filing the request and the JPO issues an invitation for amendment where a supplement of grounds is not submitted even when a certain period has lapsed after the filing of a request for a trial.

2 Time Limit for Filing a Request for a Trial against an Examiner's Decision of Refusal – From Representatives' Perspective –

It is desirable to extend the time limit for filing a request for a trial against an examiner's decision of refusal compared to the current time limit (for example, extending it to within 60 or 90 days from the date on which an examiner's decision has been rendered) because it will become possible to decide whether to file a request

for a trial with more care. However, since patent rights are effective to third parties, it is undesirable to extend this time limit without reason, taking into account third parties' burden of monitoring. Therefore, in consideration of practices, etc. in other countries, it is probably appropriate to set the time limit as within around 60 or 90 days from the date on which an examiner's decision has been rendered.

There is also the idea of the system in which applicants submit a written request for a trial and a written amendment within a period set as above. However, from the representatives' perspective, as it is not uncommon that an applicant decides to file a request for a trial at the last minute before the time limit, if it becomes necessary to file a written request for a trial and a written amendment together within a prescribed period, there will be a risk of occurrence of the situation where the representative prepares and submits a written amendment without sufficient consideration due to lack of time for consideration even if the prescribed period is extended from 30 days at present to 60 or 90 days. For this reason, from the representatives' perspective, it is desirable to adopt a system that allows making amendments, for example, within 30 days from the date of filing a request for a trial, in the same way as the current system.

With regard to the time limit for supplement of grounds for a request, it is desirable to leave the time limit as it is under the current system, taking into account the need to collect data and materials to underpin a request for a trial prior to filing the request as well as the possibility of the need to conduct additional tests, experiments, etc. However, it is considered to be appropriate to set a time limit for supplement of grounds as within a prescribed period from the date of filing a request for a trial (for example, 60 days), in replacement of the current system in which an invitation for amendment is issued when a supplement of grounds has not been submitted even after a certain period has lapsed after the filing of a request for a trial.

3 Time Limit for Filing a Request for a Trial against an Examiner's Decision of Refusal – On the Whole –

(1) Need to review the time limit for filing a request

The system of trial against an examiner's decision of refusal is a system in which a patent applicant who has received an examiner's decision to the effect that a patent application is to be refused (examiner's decision of refusal) requests review of the decision through a trial, which is a higher procedure.

To appropriately respond to an examiner's decision of refusal, the applicant who has received said decision has to conduct careful and comprehensive consideration in light of the content of the relevant invention, the possibility of acquisition of rights through amendments to the description, etc., the current status of working of the relevant invention and the possibility of its working in the future, market trends and so on.

Although a patent applicant who has received an examiner's decision of refusal may file a request for a trial against an examiner's decision of refusal while maintaining the description, etc. as they are, amendments to the description, etc. are made in quite a lot of cases. Careful consideration is required in making amendments on this occasion because this is highly likely to be the last opportunity to make amendments to the relevant patent application. The necessity of filing a divisional application is also examined in addition to a request for a trial. Due to the revision of the law in 2006, it has become possible to file a divisional application without filing a request for a trial against an examiner's decision of refusal. This option is also considered.

The number of cases for which a trial against an examiner's decision of refusal is filed has been on a remarkable increase in recent years. Thus, it is increasingly necessary that the time limit for filing a request for a trial is long enough as a period in which applicants take such actions. A sufficiently long time limit is not only

desirable from the perspective of due process but also will contribute to speeding up the proceedings of trials and realizing early acquisition of rights.

(2) Results of consideration of a desirable system

(i) Time limit for filing a request for a trial against an examiner's decision of refusal

There was an opinion that the current time limit is long enough. In addition, some pointed out that third parties' burden of monitoring will increase if the time limit for filing a request is extended. However, the majority took the ground that it is appropriate to extend the time limit to around 90 days, as the current period of 30 days is not sufficient to consider the propriety of filing a request for a trial, in light of the questionnaire survey results, systems in other countries and time limits in other appeal systems in Japan.

(ii) Time limit for amendments of the description, etc.

Under the current system, the time limit for filing a request for a trial and the time limit for amendments to the description, etc. are stipulated separately, and it is possible to amend the description, etc. within 30 days from the date on which a request for a trial has been filed. With regard to the appropriateness of maintaining the system that allows applicants to make amendments after filing a request for a trial even where the time limit for filing a request for a trial against an examiner's decision of refusal is extended to around 90 days, there were the following two opinions: (A) Such a system is definitely necessary since there may be cases in which a decision to file a request for a trial is made at the last minute before the time limit even where the time limit has been extended; (B) There will be no problem with conforming the time limit for submission of a written amendment to the time limit for filing a request for a trial because it will become possible to spend more time than the current time limit for amendments to carefully consider amendments if the time limit for filing a request for a trial is

extended to around 90 days. Many committee members agreed to opinion (B).

(iii) Time limit for supplement of grounds for a request

With regard to the supplement of grounds for a request for a trial after filing the request, committee members agreed that it is desirable to allow such supplement as under the current system.

III Regarding "Grounds for a Request" Stated in a Written Request for a Trial against an Examiner's Decision of Refusal

With regard to the way to state grounds for a request for a trial against an examiner's decision of refusal, Article 46 of the Ordinance for Enforcement of the Patent Act stipulates merely that grounds shall be stated in items.

However, it is necessary to consider (i) whether or not it is better, from the perspective of increasing efficiency of trials and promoting early acquisition of rights, to carry forward establishment of rules for the way to state grounds for a request, and (ii) if so, what rules are appropriate.

With regard to a problem similar to this, the United States Patent and Trademark Office (USPTO) made public its proposed rules, including provisions in detail on the content to be stated in a supplementary reply brief, in the Federal Register dated July 30, 2007, in preparation for a rapid increase in the number of appeals in the future. Many public comments were made thereon.

This report examines the content of the proposed rules of the United States and considers problems with establishment of rules in Japan.

The proposed rules in the United States aim at establishing certain rules for the purpose of clarifying at the examination stage the facts that are not disputed and those that are to be disputed. In addition, the proposed rules also aim at establishing a rule that grounds newly claimed at the appeal stage and those not shall be distinguished from each other. With regard to the way to

state grounds for filing a request for a trial against an examiner's decision of refusal in Japan, establishing such rules as proposed in the U.S. proposed rules is expected to contribute to increasing the efficiency of trials. Therefore, it is conceivable to prescribe such rules in regulations, etc.

However, although the U.S. proposed rules suggest establishing rules for detailed format, including font and margins, in addition to the above-mentioned matters, many public comments have been made to the effect that detailed formalization is unfavorable as it causes a cost increase. Therefore, establishing detailed rules in that direction is considered to be undesirable.

Moreover, even if rules are only established in terms of the above-mentioned points, it is considered to be difficult to realize operations following the rules without giving any incentive. Therefore, it is necessary to consider such methods as follows: a formality check is conducted when a written supplement of grounds for a request for a trial is received, and if it fulfills the formality requirements, it is made subject to trial at an early date; otherwise, that effect is notified to the applicant, and the written supplement is not made subject to trial at an early date if the applicant does not accept amendments.

IV Regarding Reexamination and Interrogation before a Trial

1 Reexamination before a Trial

(1) The system of reexamination before a trial was adopted at the time of revision of the law in 1970 (Article 162 of the Patent Act). It is an important system in actual practice, and it is considered to be exerting the effect of promoting early acquisition of rights and reducing burden in trials. In terms of the status of use of the system, in 2006, a request for a trial was filed for 45% of the cases in which an examiner's decision of refusal was rendered. For 82% of these cases, amendments were made within 30 days from the date on which a request for a trial was

filed, and the procedure of reexamination before a trial was taken. Then, for 45% of these cases, registration before a trial (registration at the stage of reexamination before a trial) was effected without making a transition to the trial proceedings.

(2) Consideration of expansion of cases subject to reexamination before a trial
Reexamination before a trial functions to reduce the number of cases examined in trials. The following points were considered: (i) whether or not it can be applied to cases in which no amendment was made after the filing of a request for a trial and (ii) whether or not it thereby can further reduce the number of cases examined in trials.

(3) Consideration of enrichment of the content stated in a certified copy of an examiner's decision of refusal
The content stated in a certified copy of an examiner's decision of refusal was considered as it is a matter that affects the amendment procedure, which is a prerequisite for reexamination before a trial. Under the current practice, statements therein are often too simple. Therefore, applicants and representatives expressed a wish for improvements.

2 Interrogation before a Trial

(1) Interrogation before trial is a system under which, with regard to cases for which reexamination before a trial has been released, a report on the results of reexamination before a trial prepared by an examiner is sent to the demandant to provide the demandant with the opportunity to offer a counterargument by a written reply. The operation of the system was started in July 2004 on a trial basis and is still ongoing. In general, a "report on the results of reexamination before a trial" presents more abundant views compared to the content of a certified copy of an examiner's decision of refusal. Applicants can understand the points of dispute more clearly by seeing a report on the results of reexamination before

a trial, and it is meaningful to submit a written reply at that stage. In addition, it is also expected that the applicant accepts the relevant examiner's decision of refusal and loses the intention to continue subsequent trial procedures. In terms of the current status of use of the system, interrogation is conducted for 20 to 25% of the cases for which a report on the results of reexamination before a trial has been made.

(2) The advantages and disadvantages of such interrogation before a trial were considered. However, not many disadvantages for demandants were assumed. Therefore, it is considered to be important to make public the purpose of this system and the advantages for demandants in order to increase the effectiveness of this "interrogation" procedure.

V Regarding Remand

In a trial against an examiner's decision of refusal, it is possible, under the current law (Article 160 of the Patent Act), to remand the case to the examination stage in the case of rescinding the examiner's decision of refusal. However, a trial decision to the effect that the case is to be remanded has rarely been rendered in the JPO's actual operations (a few cases per year).

However, use of this remand system is considered to contribute to early acquisition of rights in some cases. For example, in the case where an examiner rendered a decision of refusal without sufficient prior art document research and patentability determination at the examination stage and a request for a trial was filed accordingly, it is expected that substantive procedure will progress faster by remanding the case to the examination stage for prior art document search, etc. by the examiner rather than by carrying forward the proceedings by the trial examiner.

Given this factor, a questionnaire survey was conducted regarding the use of the remand system in light of the perspective of speeding up acquisition of rights, with the

aim of confirming users' needs. According to the results thereof, users are concerned that remand will rather cause delay in the acquisition of rights, and they rather expect improvement of the quality of examination owing to remand. This is because, due to a long waiting period for the proceedings of a trial, around two years in the current situation, if a case is remanded as a result of the proceedings to the examination stage without being ruled, the case has to be examined again by the examiner, and the procedure for the acquisition of rights is likely to become excessively longstanding and complicated.

On the other hand, users hope that corrections of inappropriate examiner's decisions of refusal through trials will not be confined to each individual case but be appropriately reflected in subsequent examinations so that examiner's decisions of refusal similar to them will be not rendered. In addition, with regard to a trial decision to the effect that the case is to be remanded, transparency of determinations made within the JPO can be increased by clarifying reasons for remanding a case in a written trial decision. This will lead to improvement of the quality of examination departments in the future, and also promote applicants to easily accept the situation at the examination stage. Thereby, it may be possible to restrain increase in the number of requests for a trial.

In addition, the results of surveys on the remand systems in major countries were examined from the perspective of comparison with the legal system and its operation in Japan.

With regard to the issue of whether or not remand contributes to early acquisition of rights, the opinion that the remand system should be actively used was not expressed in discussions at the committee based on the results of the user questionnaire survey and other surveys because the remand system is rather likely to cause delay in acquisition of rights under the current situation of examinations and trials in Japan.

Use of the remand system is worthy of reconsideration in the future since the

remand system is expected to contribute to both early acquisition of rights and improvement of the quality of examinations if the processing period for examinations/trials is shortened.

VI Regarding Accelerated Proceedings

1 Identification of the Problems

The accelerated proceedings system is a system in which the proceedings of a trial are promptly carried out in preference to other trials, upon application of the demandant, under the prescribed conditions. It brings many benefits to demandants. In this section, the status of use of this system was examined, and problems with the system were also considered as the use rate was low.

2 Status of Use

As for actual showing in 2006, the number of processed cases of trial against an examiner's decision of refusal was 15,000 while the number of applications for accelerated proceedings was 233. Therefore, the use rate was about 1.5%. Compared to accelerated examination, the use rate of accelerated proceedings is low. In addition, among cases which have been subject to accelerated examination at the examination stage, the rate of those for which an application for accelerated proceedings has also been filed in the relevant trial against an examiner's decision of refusal was about 11%. It is unlikely that early processing becomes unnecessary at the trial stage despite that early processing was desired at the examination stage. Therefore, the above-mentioned use rate seems to be excessively low. Consequently, it is necessary to consider reasons for such a low use rate.

3 Consideration

No major problem was specifically listed through consideration of the application requirements, application procedures and other matters. The necessary procedures

have been relaxed, and in particular, regarding cases for which accelerated examination has been conducted, only very simple procedures are necessary. However, the accelerated proceedings system is not sufficiently in use.

Though it is necessary to take into account an appropriate use rate to adequately meet requests for early acquisition of rights, it is estimated that there will be no problem if the number of orders for accelerated proceedings is between 200 (at present) and 500.

4 Summary

The above-mentioned low use rate seems to be attributable to low awareness of the points as follows among demandants.

- a. Demandants lack awareness of the current situation where the period of proceedings is prolonged.
- b. Demandants lack awareness of the fact that the procedures for filing an application for accelerated proceedings are simple.
- c. Demandants lack awareness of the effectiveness of use of accelerated proceedings, including information on the average period of proceedings in the case of accelerated proceedings.

Given such conditions, it is desirable to publicize the accelerated proceedings system by making it easier to search the web page that introduces accelerated proceedings and to see the way to take procedures (format) on the JPO's website.

VII Regarding Division, Continuation Application and Request for Continued Examination

All of them are systems adopted in the United States. Continuation application is a system that allows applicants to refile, mainly in response to the last office action, an application as a new continuation application (a new application number is assigned) while leaving the content of the application as it is. Request for continued

examination (RCE) is a system that allows applicants to request the examiner to conduct examination again from scratch. The content of the examination procedure under this system is similar to that of the above-mentioned continuation application. In addition, a continuation-in-part application can be said to be a continuation application to which new matters have been added. In terms of the content, it is similar to a domestic application containing a priority claim in Japan. For example, it is conceivable to file, after filing an application, a continuation-in-part application by adding working examples or experiment results to the content of the application filed or by changing the scope of claims of the application filed. For parts changed from the original application, their novelty and inventive steps are determined based on the time when the continuation-in-part application was filed.

There are doubts about the need for these systems in Japan. For example, if the continuation application system is introduced, applicants will become able to intentionally postpone the conclusion of examination. Thereby, third parties' burden of monitoring is expected to increase. This is considered to be unfavorable from the perspective of fairness.

The divisional application system is considered to have become a user-friendly system because the time requirement was relaxed through revision of the law of this time (in particular, it has become possible to file a divisional application (i) after an examiner's decision to the effect that a patent is to be granted is rendered and (ii) without filing a request for a trial against an examiner's decision of refusal). Incidentally, possible cases in which a divisional application is filed are:

- (i) the case where an application violates the requirements of unity of invention;
- (ii) the case where, in response to reasons for refusal (inventive step, etc.), an applicant acquires a patent for the part, for which patentability has been recognized, by filing a divisional

application, and disputes over the part, for which patentability has been doubted, by filing another divisional application; and

- (iii) the case where an applicant responds to restriction on amendments; that is, where an applicant files a divisional application, in which the scope of claims of the original application is changed or expanded, due to restriction on the content of amendments.

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