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## ***Japanese Group Reports***

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### **Study Reports of the Japanese Group of AIPPI on Questions to be Studied at the AIPPI World Intellectual Property Congress in Rio de Janeiro**

The World Intellectual Property Congress of AIPPI will be held in October 10-14, 2015 in Rio de Janeiro, Brazil. The following five questions will be studied for resolutions.

- Q244 Inventorship of multinational inventions
- Q245 Taking unfair advantage of trademarks: parasitism and free riding
- Q246 Exceptions and limitations to copyright protection for libraries, archives and educational and research institutions
- Q247 Trade secrets: overlap with restraint of trade, aspects of enforcement

The Japanese group of AIPPI (AIPPI JAPAN) organized four working committees to study the above-mentioned questions.

The committees were formed by experts in the respective subjects for the questions. The members were corporate specialists, patent attorneys, attorneys at law and scholars who are all members of the Japanese group of AIPPI. The committees prepared four reports and they were submitted to the International Bureau of AIPPI in Switzerland.

The following articles are the full texts of these reports of the Japanese group of AIPPI sent to the International Bureau of AIPPI respectively for the questions.

## Q244

**Inventorship of multinational inventions**

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**Questions****I. Current law and practice**

- 1) **Please describe your law defining inventorship and identify the statute, rule or other authority that establishes this law.**

**(Answer)**

Article 2, paragraph (1) of the Patent Act: “Invention” = “highly advanced creation of technical ideas utilizing the laws of nature”

There is no law defining “inventorship.” According to judicial precedents, “inventorship” is considered as follows. Incidentally, the finding of “inventorship” becomes an issue with respect to each provision concerning a claim for remuneration for an employee invention, the inventor’s right to reputation, and misappropriation and violation of the provisions on joint applications. However, the court does not adopt a different method (rule) of finding “inventorship” with respect to each context, and scholars also do not adopt such a different method with respect to each provision.

An inventor is a person “who contributed to the completion of a feature of

an invention in a creative manner in the process of conceiving an idea for solving the problem and materializing the idea.” There is a judicial precedent wherein the court ruled that “a feature of an invention refers to a part in the structure of the invention described in the scope of claims that is not seen in prior art, that is, a part that provides a basis for a means for solving the problem that is peculiar to the invention” (IP High Court decision dated 30 Sept 2008, 2007 (*Gyo Ke*) No. 10278). Here, the “means for solving the problem that is peculiar to the invention (= part that is not seen in prior art)” is an idea for solving the problem as a technical idea, and the part “that provides a basis” therefor means a claimed structure wherein said technical idea is materialized.

There are roughly two theories for the specific process of identifying “inventorship.” Under the theory favored by the majority, features of an invention (parts in the structure of the invention described in the scope of claims that are not seen in prior art, that is, parts that provide a basis for the means for solving the problem that is peculiar to the invention) are first found, and then, [i] the person who presented the problem, [ii] the per-

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son who conceived of the means for solving the problem, and [ii] the person who confirmed that the problem is solved are found.

After that, as a legal determination, the person who made a substantial or important contribution, or a contribution that had not been obvious to persons ordinarily skilled in the art, in the process of creation of the technical idea is determined to be the “inventor” out of those who fall under [i] to [iii] above. In general, the person mentioned in [ii] is important in many cases. This theory is a standard, which was shown, for example, in “Supreme Court decision dated 13 Oct 1977, *Minshu* Vol. 31, No. 6, at 805” and in “Supreme Court decision dated 3 Oct 1986, *Minshu* Vol. 40, No. 6, at 1068,” and it has been followed in many decisions rendered by lower courts.

Although the two-stage theory has been adopted in only a few judicial precedents, it is influential among scholars. Under this theory, the process of establishment of an invention is divided into two stages, provision of an idea and materialization thereof. If a provided idea is new, the person who provided the idea is an inventor, and the person who materialized said new idea becomes a joint inventor unless the materialization is obvious to persons ordinarily skilled in the art. This two-stage theory is proposed in *Overview of Patent Law 13th Edition* (authored by Kosaku Yoshifuji). [i] “Tokyo High Court decision dated 24 Dec 1991, *Hanrei Jihou* No. 1417, at 108” is a judicial precedent in which the court ruled that the person who materialized a publicly known idea and completed an invention is an inventor, and [ii] “Tokyo High Court decision dated 24

Apr 1976, *Torikeshi-shu* 1976, at 449” is cited as a judicial precedent in which the court ruled that the person who materialized a new idea is a joint inventor unless the materialization falls under matters that are obvious to persons ordinarily skilled in the art.

With regard to these theories, in the former theory, features of an invention are first determined while, in the latter theory, the process of establishment of an invention is first divided into two stages and whether each stage is a feature of the invention is determined. Although the orders of the processes in these two theories are reverse, the theories are considered to be the same in terms of the conclusion. In the judicial precedents listed above, the court does not clearly distinguish these theories, and rather, it seems that two ways of organizing the processes of finding in the judicial precedents, the theory favored by the majority and the two-stage theory, are possible.

The problem is the finding of features of an invention in each case. In particular, the chemical area is considered to be special. In said area, whether a specific structure produces a desirable effect is not clear without conducting experiment in many cases. Therefore, a person who confirmed that a specific structure produces a desirable effect also tends to be considered to be an inventor as a person who actually got involved in the completion of the invention.

For example, in “IP High Court decision dated 29 May 2008, *Hanrei Jihou* No. 2018, at 146,” the court held as follows: “In the chemical area, even if a certain singular phenomenon is confirmed, that fact should not be considered to immediately mean that the relevant tech-

nical idea can be used as one that is specific and objective as to enable any person ordinarily skilled in the art to work. There arise cases where clarification, including repeatability of the phenomenon and confirmation of the effect thereof, is necessary.” The court then ruled that the plaintiff’s contribution does not go far enough to do so, and denied the inventorship of the plaintiff.

- a. If person A, located outside your country, directs the efforts of person B, located in your country, for making an invention in your country, under what circumstances would person A and/or person B be considered an inventor under your law?**

**(Answer)**

According to judicial precedents, “inventorship” is considered as stated above. That is, if person A [ii] conceived of the means for solving the problem, he/she is highly likely to be considered to be an inventor. [i] If person A only presented the problem, he/she may be considered to be an inventor if the problem itself is a feature of the invention. For example, in “Tokyo District Court decision dated 31 Jan 2006, *Hanrei Jihou* No. 1929, at 92,” the court ruled that “the idea in question that has not gone through the aforementioned experiment is a mere research theme ..., and it cannot become the invention in question.” Based on this ruling, the court denied the inventorship of the plaintiff. Moreover, in “Tokyo District Court decision dated 27 Feb 2007, *Hanrei Times* No. 1270, at 367,” the court ruled as follows: The plaintiff “committed nothing more than general or comprehensive administrative actions,

and there are no circumstances based on which the plaintiff should be considered to have given specific directions and have actually participated in the aforementioned creative act beyond said administrative action ....” Based on this ruling, the court denied the inventorship of the plaintiff. Incidentally, the fact of person A’s being located outside Japan has no relation because the place of invention has no relation under the Japanese law (however, there is a de facto problem that person A cannot get involved in experiment, etc. as he/she is located outside Japan).

Person B is highly likely to be considered to be an inventor [ii] if he/she conceived of the means for solving the problem even if person A gave directions to person B. [iii] If person B only confirmed that the problem is solved, he/she is not considered to be an inventor in many cases. However, person B tends to be considered to be an inventor in areas in which effects are poorly predictable, such as the chemical area. For example, in “Tokyo District Court decision dated 23 Mar 2007 (2005 (*Wa*) No. 8359),” the court found the inventorship of such a person. If both person A and person B are inventors, they are joint inventors.

- b. Does your law defining inventorship rely on or look to a particular part of the patent application? For example, is inventorship under your law determined on a claim by claim basis, determined based on the content of the drawings or the examples, or determined on some other, and if so, what basis?**

**(Answer)**

Under the Japanese law, inventorship

is determined on a claim by claim basis. Therefore, if a claim is deleted, changed or restricted, etc. in the amendment or correction process, inventorship is changed ex-post facto in relationship to the relevant claim.

For example, “Tokyo District Court decision dated 26 Jan 2006, *Hanrei Jihou* No. 1943, at 85” was rendered in a case demanding remuneration for an employee invention. In this case, the court held that “the inventorship and the rates of contribution of joint inventors should be found with respect to each claim at the time of filing of the application or at the time of laying open of the application and each claim at the time of registration (if any correction is made, each claim after the correction).”

**2) Does your law of inventorship depend on the citizenship of the inventor(s)?**

**(Answer)**

No (Not provided under law).

**3) Does your law of inventorship depend on where the invention was made (e.g. on the residency of the inventor(s))?**

**(Answer)**

No (Not provided under law).

**4) Can the inventorship of a patent application be corrected after the filing date in your country?**

**a. If yes, what are the requirements and time limits for such correction?**

**(Answer)**

Yes.

An amendment of proceedings can be made only while the application is pending (Article 17, paragraph (1) of the Patent Act).

It is necessary to submit written oaths of persons who are inventors before and after the amendment (oaths of all persons who are stated in the Inventor(s) column in the application before the change to the effect that the person is not a true inventor and oaths of all persons who are to be stated in said column after the amendment to the effect that the person is a true inventor) (21.50, 126.70, Formality Examination Manual).

There is no law concerning such amendment made after the registration of establishment of a patent right.

**5) What are the possible consequences of an error in the stated inventorship on a patent application in your country? Can a patent issued from such an application be invalidated or rendered not enforceable on that basis? Does it matter whether the error was intentional or unintentional?**

**(Answer)**

An error in the stated inventorship itself does not become an obstacle to enforcement of a patent right. As an error in the stated inventorship does not serve as a ground for invalidation, a defense of invalidity (Article 104-3 of the Patent Act) is not directly established based on such an error.

However, if such an error is alleged to constitute a misappropriated application or a violation of the provisions on joint applications (Article 123, paragraph

(1), item (ii) of the Patent Act), a defense of invalidity (Article 104-3 of the Patent Act) is established because such application or violation serves as a ground for invalidation. Consequently, it is impossible to enforce the relevant right.

In addition, if such an error is alleged to constitute a misappropriated application or a violation of the provisions on joint applications, assignment of the whole or part of the relevant patent (the right to obtain a patent) may be required (Article 74 of the Patent Act).

Furthermore, in the context of an actor who enforces the right to demand remuneration for an employee invention, the stated inventorship is erroneous, and there may be the cases in which a true inventor makes a claim (Article 35 of the Patent Act).

Under the Japanese Patent Act, whether or not an error in the stated inventorship was intentional is considered not to affect the conclusion. In Japan, there is no punitive provision.

In “IP High Court decision dated 29 Mar 2007, *Hanrei Times* No. 1241, at 219,” the court held as follows: In relation to a company that is the applicant, “the act of the defendant in the first instance of asserting that both of the aforementioned persons are not inventors in an action for remuneration for an employee invention filed by the plaintiff in the first instance, who was considered to be the inventor, is deemed as an act of publicly asserting a matter that differs from the content, which was stated pursuant to Article 36, paragraph (1), item [ii] of the Patent Act and submitted to the Japan Patent Office that is a state organ. Such act goes against good faith and is not permissible unless there are special circum-

stances (estoppel).” However, in many judicial precedents, the court finds inventorship based on evidence according to free conviction without being biased by the inventorship stated in the application.

**6) Does your law require that an application for a patent claiming an invention made in your country, whether in only one technical area or in all technical areas, be filed first in your country?**

**(Answer)**

No (Not required under law).

If the answer is yes, please answer the following:

- a. **Is the law requiring first filing in your country limited to a specific area of technology or otherwise limited such that it does not apply to all inventions made in your country? If yes, please explain.**
- b. **Does your law provide for granting of a foreign filing license or similar mechanism that would allow a patent application for an invention made in your country to be filed first in another country? Please describe any such foreign filing license or similar mechanism as well as the procedure, timing, and cost of obtaining it.**
- c. **If the answer to b. above is yes, is it possible to obtain a foreign filing license retroactively, for example, if a foreign filing was made without a foreign filing license due to inadvertent error?**

d. How does your law apply to an application for a patent claiming an invention that was made jointly by an inventor in your country and an inventor in another country? Does this apply based on the citizenship of the inventor, the residency of the inventor, or both? Does the nationality of the patent owner affect your answer?

e. In the case of an invention made jointly by an inventor in your country and an inventor in another country, would it violate your law if a request for a foreign filing license was filed in the other country before being filed in your country?

f. What are the possible consequences for failing to comply with this law? Does it matter whether the error was intentional or inadvertent?

7) Does your law require that a patent application claiming an invention made, at least in part, in your country undergo a secrecy review or similar process before it can be filed in another country?

(Answer)

No (Not required under law).

a. If yes, does this law depend on the area of technology that is disclosed and claimed in the patent application?

b. If yes, describe this aspect of your law as well as the procedure, timing, and cost of compliance with it.

c. If yes, describe the possible consequences of failing to comply with this law. Does it matter whether the error was intentional or inadvertent?

## II. Policy considerations and proposals for improvements of the current law

8) If your law defines inventorship, is this definition sufficient to provide patent applicants with clear guidance as to who should be named as the inventor(s) of a patent application? Are there aspects of this definition that could be improved?

(Answer)

There is no definition of inventorship in the text of law. Inventorship is defined by case law. According to case law, there are two theories. However, there is no special problem because the same conclusion is drawn based on either theory.

9) If you have laws requiring first filing of patent applications directed to inventions made in your country, are there aspects of these laws that could be improved to address multinational inventions?

(Answer)

No (Not required under law).

10) If you have laws requiring a secrecy review of patent applications directed to some or all types of inventions made in your country, are there aspects of these laws that could be improved to address multinational inventions?

**(Answer)**

No (Not required under law).

**11) Are there other aspects of your law that could be improved to facilitate filing of patent applications having multinational inventorship? If yes, please explain.**

**(Answer)**

- Raising awareness of the erroneous finding of inventorship

Awareness of the problem of the erroneous finding of inventorship seems to be low in Japan. For example, attendees to an application review meeting are sometimes selected as inventors without careful consideration. Awareness-raising is desired to improve these situations from the perspective of filing of applications having multinational inventorship. As one of the means therefor, it is considered to be worth considering, for example, putting a definition of inventorship in the statutory form.

- Unification of standards for Secret Prior Art

Some countries have laws providing that a patent application shall be refused based on Secret Prior Art, and some other countries also have laws providing that even in such cases, a patent application shall exceptionally not be refused if the inventors of the Secret Prior Art and of the patent application are the same. The standards for the application of exceptions differ among countries. With regard to joint applications, it is required in Japan that all of the inventors of an earlier application and those of a latter application are entirely the same.

A multinational invention is basically considered to be a joint invention made

by multiple persons. In order to facilitate filing of applications for joint inventions (multinational inventions), it is a good idea to unify relevant provisions to the provision to the effect that a patent application shall not be refused based on Secret Prior Art if some of the inventors of the latter application are the same as those of the Secret Prior Art.

### III. Proposals for harmonization

**12) Is harmonisation in this area desirable?**

**(Answer)**

Definition of inventorship: Yes

If countries adopt different definitions of inventorship, inventorship may differ in each country. If there is also a country where an error in the stated inventorship is subject to a sanction, it is rough on right holders. Incidentally, harmonization should also be achieved in relation to the issues of whether finding of inventorship is determined on a claim by claim basis or based on the content disclosed in the entire description.

First filing requirement and secrecy: Unification is not necessarily desirable.

If yes, please respond to the following questions without regard to your national or regional laws.

Even if no, please address the following questions to the extent you consider your national or regional laws could be improved.

**13) Please provide a definition of inventorship that you believe would be an appropriate international standard.**

**(Answer)**

Standard: Dividing the process of establishment of an invention into two stages, conception of an idea and materialization thereof, and defining inventorship as follows: If a provided idea is new, the person who provided the idea is an inventor, and the person who materialized said new idea becomes a joint inventor unless the materialization is obvious to persons ordinarily skilled in the art.

Reason: An idea should be objectively read from the description, and it does not change in relationship to prior art documents. Therefore, the basis of finding of inventorship will not be turned upside down due to discovery of a new prior art document.

**14) Please propose a standard for correction of inventorship after a patent application is filed, together with any requirements necessary to invoke this standard (e.g. intentional versus unintentional error) and any timing requirements (e.g. during pendency of the application).**

**(Answer)**

Where an error in the stated inventorship is unintentional (where the applicant has not known that the stated inventorship is erroneous) and it causes no unexpected disadvantage to any third party, correction should be made possible without any time constraint. This is because there is ordinarily no special reason for protecting infringers and other third

parties on the grounds of an error in the stated inventorship.

On the other hand, where an error in the stated inventorship is intentional (where the applicant has known that the stated inventorship is erroneous), if correction of the stated inventorship harms the interests of a third party, the applicant is considered not to be permitted, under the doctrine of estoppel, to assert that persons stated as inventors are not true inventors. Assumed example cases are cases of demanding remuneration for an employee invention, the inventor's right to reputation, or a misappropriation or a violation of the provisions on joint applications. As a juridical precedent, there is a case of demanding remuneration for an employee invention in which the court determined that the employee, who is the applicant, "is not permitted" to refuse a claim for value based on the allegation that a person stated as the inventor is not a true inventor "unless there are special circumstances" because such act "goes against good faith (estoppel)" (IP High Court decision dated 29 Mar 2007, *Hanrei Jihou* No. 1972, at 135)

**15) If you believe such a requirement is appropriate, please propose an international standard for first filing requirements that would take into account multinational inventions.**

**(Answer)**

It is preferable that there is no first filing requirement. The following international standard is desirable if first filing requirements are necessary.

- Although whether it is the place of invention or the nationality of the inventors that serves as a basis for the occur-

rence of a first filing requirement becomes a problem, in either case, if a joint invention is a multinational invention as a result and there are multiple countries that impose a first filing requirement on the invention, the applicant shall be permitted to file a first application in any of those countries.

- A clear standard for the subject of application of first filing requirements (limited to enumerated subjects) is necessary.
- It is desirable to limit areas to which first filing requirements apply to the requisite minimum. For example, such areas may be limited to the area of advanced military-only art.
- It may be convenient for applicants if they can determine whether their own applications fall under the areas to which first filing requirements apply by themselves.

**16) If you believe such a requirement is appropriate, please propose an international standard for secrecy review requirements that would take into account multinational inventions.**

**(Answer)**

It is preferable that there is no secrecy review. The following international standard is desirable if a secrecy review is necessary.

- Applications subject to a secrecy review are limited to the requisite minimum, that is, advanced military-only art.
- A clear standard for the subject of application (limited to enumerated subjects) is necessary.

- The international standard provides that an application shall not become subject to secrecy unless a ruling of secrecy is issued within the prescribed period.

**17) If you believe such a requirement is appropriate, please propose an international standard for obtaining a foreign filing license.**

**(Answer)**

It is preferable that there is no foreign filing license system. The following international standard is desirable if a foreign filing license system is necessary.

- Applications that require a foreign filing license are limited to applications in the same areas as the areas to which first filing requirements apply.
- A clear standard (enumeration in a limited manner) for the subject of application is necessary.
- The international standard provides that a ruling granting a foreign filing license shall be deemed to have been issued unless a ruling refusing the grant of a foreign filing license is issued within the prescribed period.
- It is made possible to file a request for a foreign filing license before filing an application in a country in which said request is filed.
- The content of an international standard (for a secrecy review) to obtain a foreign filing license is as stated in the answer to Q16. However, if an applicant is entrusted with selection of cases subject to first filing requirements, he/she is expected to fulfill the requirements by having a secrecy review conducted on the cases "that may become subject to the requirements," which are peripheral to the cases considered to be

subject to the requirements, through first filing in order to avoid the situation where the applicant is subsequently considered to have failed to fulfill the requirements (situation stated in Q18). Some of such peripheral cases are considered to be based on the premise of a foreign filing. Therefore, it is desirable that a time limit, such as half a year after a first filing, is set (clearly stipulated) in relation to a notice of a ruling concerning the grant of a foreign filing license and that there is a standard that a foreign filing license is deemed to have been granted unless such a notice is issued within the time limit.

**18) Please propose an international standard for an ability to cure or repair an inadvertent failure to comply with a first filing requirement or a security review requirement.**

**(Answer)**

- It is appropriate to permit the imposition of a disadvantage on the applicant if a failure to comply with a first filing requirement was intentional.
- It is desirable that the following standard is set: If an applicant failed to comply with a first filing requirement or a security review requirement due to negligence, the failure is cured or repaired if the applicant files an application again by disclosing the status of applications filed in other countries after taking such procedures as waiver and withdrawal to put the applications filed in other countries into the status that they are not disclosed before they are disclosed.

**19) Please propose any other standards relating to multinational inventions (excluding those related to inventor remuneration or ownership of the invention) that you feel would be appropriate.**

**(Answer)**

- Regarding a definition of requirements for establishment of joint inventorship

An invention must have been jointly made for the establishment of joint inventorship, and a joint invention must have been jointly made both subjectively and objectively.

However, even where part of an invention was subjectively jointly made and another part was independently made, the invention as a whole should be found to be a joint invention if it fulfills certain requirements.

In other words, if part of an invention that was jointly made alone is not found to involve an inventive step but can be considered to be a feature of the invention, the invention as a whole should be found to be a joint invention.

According to one popular theory, a joint invention must have been jointly made both subjectively and objectively.

A possible example case is as follows: A and B conducted joint development and invented an automobile that is recognized as being novel and involving an inventive step; and B invented a structure wherein the rearview mirror of said automobile is slightly improved while keeping it secret from A after the end of the joint development or during the joint development, and independently filed a patent application for a structure wherein said rearview mirror is added to said automobile.

In this case, if said rearview mirror

itself has a technical significance based on which it is found to involve an inventive step, there is room for the approval of B's independent patent right. However, if said rearview mirror has no substantial technical value and falls under the scope of being "(substantially) identical" as set forth in Article 29-2 of the Japanese Patent Act, it is unreasonable to approve B's independent patent right in relation to the structure wherein said rearview mirror is added to said automobile, and it is desired that the structure is considered to be a joint invention of A and B.

However, according to one popular theory, the invention becomes B's independent invention as there is no subjective relationship between A and B in relation to said rearview mirror.

Some say that such conclusion is unreasonable and that such an invention should be found to have been jointly made as a "deemed joint invention." However, this theory is not necessarily favored by the majority.

As one of the solutions, it is hoped that law will provide that an invention is found to have been jointly made as a "deemed joint invention" despite lack of a subjective relationship between the parties if the part in which the parties have no subjective relationship has no substantial technical value and falls under the scope of being "(substantially) identical" as set forth in Article 29-2 of the Japanese Patent Act.

- Clarification of the scope of application of a protective order

One of the means for avoiding the problem seems to be not conducting multinational research and development in the areas in which inventions subject to

a protective order are created, on the premise that the concept of a "country" in a multinational relationship refers not to nationality but to the place where an invention is created. If standards for the areas and scope to which a protective order applies in all countries with a protective order system are made clear, it would be possible to make clear the countries from which one should stay away in multinational research and development or the areas in which there is no problem with conducting multinational research and development, including such countries.

***Please comment on any additional issues concerning the multinational inventions you consider relevant to this Working Question.***

**(Answer)**

None.

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