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# Articles

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## **Interpretation of the technical scope of the invention where a negative expression is included in the claim, by considering descriptions in the specification where two or more “effects” are written:**

**“Rice Cake” Case (Case No. 2011 (ne) 10002)  
(Echigo-seika (Plaintiff/Appellant) v. Sato-shokuhin  
(Defendant/Appellee))**

Hideki Takaishi

### **I. Summary of the Case**

On 7 September 2011, the IP High Court issued an interlocutory decision that the manufacturing and selling of pieces of rice cake produced by Sato-shokuhin (“Sato”) infringed the patent right owned by Echigo-seika (“Echigo”), thereby overturning the decision of the Tokyo District Court.

This IP High Court’s interlocutory decision is one of the most pro-patentee cases in recent times, and it should be noted that it is comparatively rare that a decision of the district court is overturned in favour of a patentee. The IP High Court is now considering what should be the appropriate amount of damages.

#### **[Background]**

Pieces of rice cake that are made by cutting a large sheet of rice cake into rectangular forms and then individually

wrapping them are popular as they are easily preserved and ready to be baked and eaten at any time. Sato and Echigo are the two largest manufacturers of such pieces of rice cake in Japan.

Since a wrapped piece of rice cake is hard to eat, it is baked so as to soften it. However, a problem with this is that the inside of the rice cake inflates and seeps out of the rice cake during baking, causing it to stick to a hot plate or grill.

In order to solve this problem, a piece of rice cake defined by Echigo’s patented claim includes “at least one slit line formed on not the top or bottom surface but the side peripheral surface of the rice cake.” Figure 1 is a working example shown in the specification of Echigo’s patent.

The specification of Echigo’s patent recites two main effects of the slit lines formed on the side peripheral surface: (i) the sudden inflation and seeping out of the

inside of the rice cake can be restricted; and (ii) a bad appearance, caused by the slit lines after the piece of rice cake is baked, can be prevented (that is, the aesthetic appearance thereof can be maintained); and so on (Figure 2).

Pieces of rice cake manufactured by Sato have slit lines not only on their side surfaces but also on their top (or bottom) surface (Fig. 3).

### [Issues]

The first issue is whether the appellant's product (a piece of rice cake) falls within the technical scope of the invention defined by Echigo's (appellee's) patented claim (JP4111382).

More specifically, the issue is whether the requirement that "at least one slit line is formed on not the top or bottom surface but the side peripheral sur-

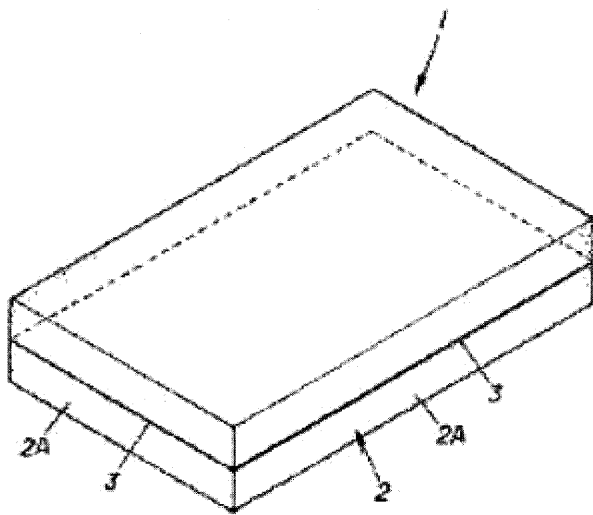


Fig. 1

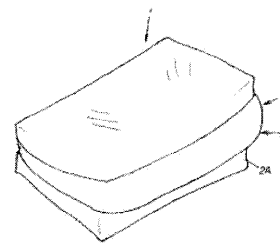


Fig. 2

(Figures 1 and 2 are cited from the website of the courts in Japan; "<http://www.courts.go.jp/hanrei/pdf/20110908113622.pdf>")

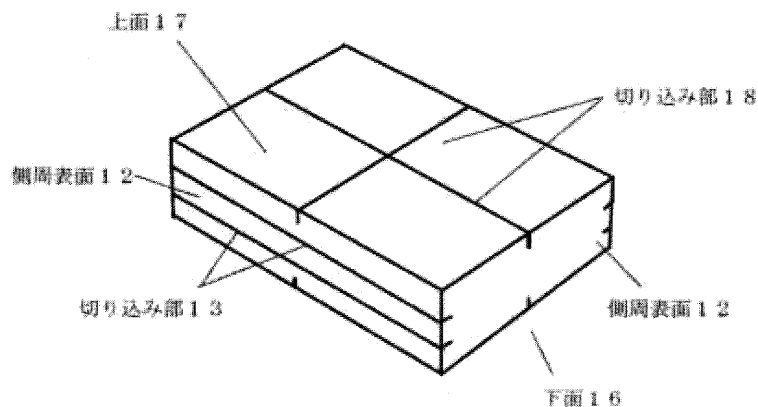


Fig. 3

(Figure 3 is cited from the website of the courts in Japan; "<http://www.courts.go.jp/hanrei/pdf/20110908113622.pdf>")

face of the rice cake” should be narrowly interpreted as meaning NOT to include a rice cake having slit lines not only on its side surface but also on its top surface.

The second issue is whether Echigo’s patent is invalid.

### [Claim]

At least one slit line or groove portion is formed on not the top or bottom surface but the side peripheral surface of a piece of rice cake which has a rectangular parallelepiped shape and is eaten after being baked on a net, and it is formed along the side peripheral surface.

This slit line or groove portion is formed so as to have round continuation along the side peripheral surface or formed on the opposite two sides of the side peripheral surface.

When the rice cake is baked, the upper side of this slit line or groove portion is raised and the content of the rice cake expands at the place of this slit line or groove portion like a sandwich or *monaka*; as a result, it is restrained such that the content of the rice cake expands outside.

(\* The claim language has been simplified by the author in order to aid understanding.)

## II. Decision of Tokyo District Court (First Instance)

### 1. Issue 1 (Argument of Infringement)

#### 1. Overview

The Tokyo District Court found that a piece of rice cake having slit lines not only on its side surface but also on its top surface like Sato’s product did NOT fall within the technical scope of the invention defined by Echigo’s patented claim.

The reason for this is that the Tokyo District Court gave a narrow interpretation to the requirement that “at least one slit line is formed on not the top or bottom surface but the side peripheral surface of the rice cake”; this therefore did NOT include a rice cake which has slit lines on its top surface based on the descriptions in the specification of Echigo’s patent.

#### 2. Interpretation of the claim sentence itself

Echigo (Plaintiff) asserted that the phrase “not the top or bottom surface but” was inserted in order to clarify that “side peripheral surface” was not the “top or bottom surface”; however, the Tokyo District Court rejected this argument because if Echigo wished to clarify this, Echigo should have claimed, for example, “side peripheral surface ... which is not the top or bottom surface.”

#### 3. Descriptions in the specification of Echigo’s patent

The Tokyo District Court found that descriptions in the specification of Echigo’s patent showed, in essence, that (i) when a rice cake was broiled and eaten conventionally, due to the expansion that occurred when it was heated, the inside of the rice cake would seep out and soil the gridiron, (ii) in order to try to control this expansion, slit lines that crossed on the surface of rice cake were made; however, after baking, the area of the rice cake that expanded resembled a human’s scar and, consequently, this method was abandoned, (iii) the objective was to “control the expansion caused by the swelling during baking and to utilise a rice cake whose aesthetic appearance should not be damaged” and, in order to achieve this, this invention “not only prepares

such slit lines on the flat upper surface (flat crestal plane) of the rice cake but also prepares such slit lines on the side circumference surface”, (vi) this invention achieves this objective by adopting this composition, and (v) the objective of “utilising a rice cake whose aesthetic appearance was not compromised by setting such a slit line” means, specifically, “not only that slit lines prepared on the side surface are hard to see compared to slit lines prepared on the flat upper surface (flat crestal plane) of the rice cake, but also that they are less likely to expand in a manner that resembles a human’s scar; this should be avoided given that the side surface of a rice cake is more remote than the flat upper surface (flat crestal plane) of a rice cake from the top of an oven.”

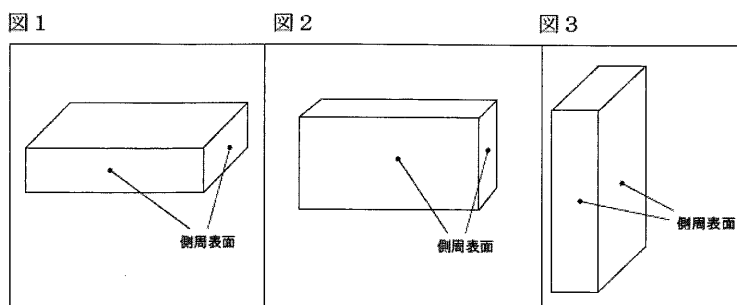
Echigo (Plaintiff) asserted that the phrase “not the top or bottom surface but” was necessary to specify the technical scope of the invention defined by Echigo’s patented claim because if the phrase was not used and the claim was “at least one slit line is formed on the side peripheral surface of the rice cake,” such a “side peripheral surface” could include three patterns as shown below; however, the Tokyo District Court rejected this argument because this invention is a rice cake which is baked on a net for cooking;

therefore “side peripheral surface of the rice cake” is normally assumed to be only as in Figure 1 below.

#### 4. Prosecution History

After an examiner rejected Echigo’s patent application, Echigo amended its claim that “one slit line is formed on only the side peripheral surface of the rice cake.” However, because the examiner also rejected the amendment on the basis that such an amended invention was not included in the original specification, Echigo gave up pursuing the amendment and submitted an opinion asserting that the final claim, “at least one slit line is formed on not the top or bottom surface but the side peripheral surface of the rice cake,” should not be limited to “... formed on only the side peripheral surface of the rice cake.”

Echigo asserted that the history of amendments showed that the final claim did not mean “... formed on only the side peripheral surface of the rice cake;” however, the Tokyo District Court rejected this argument on the basis that the prosecution history only showed that Echigo submitted an opinion that matched Echigo’s assertions, and such a prosecution history should not affect the interpretation of the claim.



## 2. Issue 2 (Argument of Invalidity)

Since Sato's product did not fall within the technical scope of the invention defined by Echigo's patented claim, there was no need to determine whether the patent was invalid or not.

## III. Decision of IP High Court (Second Instance)

### 1. Issue 1 (Argument of Infringement)

#### 1. Overview

Contrary to the Tokyo District Court's decision, the IP High Court found that a piece of rice cake having slit lines not only on its side surface but also on its top surface fell within the technical scope of the invention defined by Echigo's patented claim because (I) such an interpretation is a natural understanding of the patented claim, and (II) such an interpretation matches the descriptions in the specification of Echigo's patent.

#### 2. Interpretation of the claim sentence itself

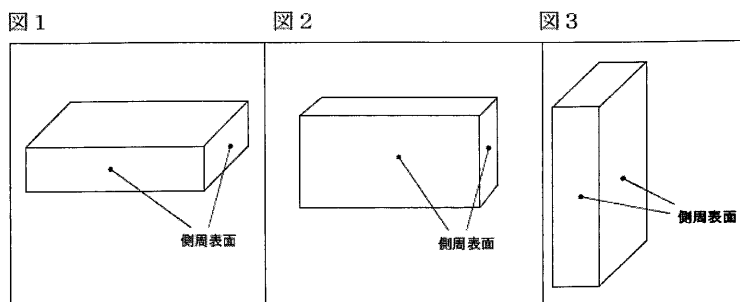
As regards the natural understanding of the patented claim, the IP High Court pointed out that the patented claim does not include a punctuation mark as follows: "at least one slit line is formed on, not the top or bottom surface but, the side peripheral surface of the rice cake." The IP High Court found that because there is

no punctuation mark in said sentence, it is naturally understood that the phrase "not the top or bottom surface but" modifies the words "side peripheral surface," and the phrase does not exclude rice cakes that also have slit lines on the top or bottom surface.

### 3. Descriptions in the specification of Echigo's patent

As regards descriptions in the specification of Echigo's patent, the IP High Court found that there is no description in the specification of Echigo's patent that the above-mentioned effects ((i) sudden inflation and seeping out of the inside of the piece of rice cake can be restricted; and (ii) a bad appearance caused by the slit lines after the piece of rice cake is baked can be prevented (that is, the aesthetic appearance thereof can be maintained)) are not produced in the case where slit lines are provided on both the top and side surfaces of the rice cake.

The IP High Court also found that the phrase "not the top or bottom surface but" was inserted in order to clearly limit the claimed term "the side peripheral surface" only as shown in Figure 1 and in order to exclude surfaces as shown in Figures 2 and 3 below, because even though a rice cake is normally baked on a net for cooking as shown in Figure 1 below, it is possible to bake a rice cake as shown in Figure 2 or Figure 3.



The IP High Court additionally found that even if the appearance of the rice cake is damaged due to the slit lines on the top surface, a piece of rice cake having slit lines on its side and top surfaces would not be necessarily excluded from said technical scope because Echigo's patented invention aims to restrict the sudden inflation and seeping out of the interior of the rice cake.

The IP High Court found that even if a rice cake had slit lines on the top surface like Sato's product and it resembled a human's scar after baking to some extent, the slit lines formed on the side peripheral surface weaken the extent to which the slit lines formed on the top surface looked like a human's scar after baking because the seeping out of the interior of the piece of rice cake after sudden inflation should be reduced by the slit lines on the side peripheral surface.

#### 4. Prosecution History

During the examination procedure for the patent application, Echigo amended the claims once so as to exclude a piece of rice cake having slit lines on its top or bottom surface. However, since the Examiner pointed out that the amendment had introduced new matter, Echigo withdrew it.

In this regard, Sato argued that since Echigo had once excluded rice cakes having slit lines on their top surfaces, Sato's rice cake having slit lines on its top surface did not fall within the technical scope of the invention defined by Echigo's patented claim (based on prosecution history estoppel).

However, the IP High Court did not accept Sato's argument, on the basis that Echigo should not be bound by its opinion that was submitted to the JPO but

which was later withdrawn, and that Echigo had consistently argued that a rice cake having slit lines on its side and top surfaces fell within the technical scope of the invention defined by its patented claim throughout the examination procedure, except in the argument regarding the withdrawn amendment.

## 2. Issue 2 (Argument of Invalidity) (Essence)

Sato argued that it manufactured and sold rice cakes having slit lines on their side surfaces before the date of Echigo's patent application.

However, the IP High Court rejected Sato's argument, stating that (i) it had only limited confidence in a witness who appeared for Sato because some of his statements were contradicted by other evidence, and (ii) even though Sato submitted a piece of rice cake having slit lines on its side and top surfaces packed in a package and alleged that it had been manufactured and publicly sold by Sato before the date of Echigo's patent application, the fact that there were pictures of a rice cake drawn on the package with slit lines formed only on the top surface cast doubt over this submission.

In short, the IP High Court rejected Sato's argument.

## IV. Analysis

### 1. How to consider descriptions in the specification of a patent for claim interpretation

#### (1) General rule

Japanese Patent Law Article 70 reads that "(i) the technical scope of a patented invention shall be determined by the statements in the scope of claims attached

to the application” and “(ii) in the case of the preceding paragraph, the meaning of each term used in the scope of claims shall be interpreted in the light of the statements in the description and drawings attached to the application.”

Based on this Article 70-2, it is standard practice in the Japanese courts to consider the descriptions in the specification of a patent in order to interpret and construe claims. The question here is how to consider such descriptions for claim interpretation and construction.

Under the current practice, in most cases Japanese courts refer to descriptions in the patent specification to clarify the meaning of a claimed term or to interpret a claimed term more narrowly than the meaning of the term as defined in a typical dictionary. When interpreting a claimed term narrowly, Japanese courts often consider the “effects of the patented invention” written in the specification; in other words, Japanese courts often narrowly interpret a claimed term because, if interpreted broadly, it would not achieve the effect of the patented invention written in the specification.

As regards “effects of the patented invention written in the specification”, there are two main factors to consider: (i) when a problem in the prior art is not perfectly solved but improved to some extent, and (ii) when only one of the two or more effects written in the specification is achieved.

## (2) Analysis of this case

The most critical difference between the decisions of the Tokyo District Court and IP High Court was how to consider the “effects of the patented invention” written in Echigo’s specification.

As mentioned above, it is standard

practice to interpret narrowly the technical scope of the invention based on descriptions regarding the effects of the patented invention in the specification of a patent. One of the important questions here is how to consider descriptions when two or more effects of the patented invention are written in the specification.

In this case, as stated above, the specification of Echigo’s patent recites two main effects: (i) the sudden inflation and seeping out of the inside of the rice cake can be restricted; and (ii) a bad appearance, resembling a human’s scar, caused by the slit lines after the rice cake is baked, can be prevented (that is, the aesthetic appearance thereof can be maintained).

The Tokyo District Court stated that Echigo’s patented claim should be interpreted as strictly achieving both of the effects. The Tokyo District Court found that if a rice cake had slit lines on the top surface, like Sato’s product, the slit lines resembled a human’s scar after baking.

On the other hand, the IP High Court did not find that Echigo’s patented claim should be interpreted as needing to achieve both of the effects in a comprehensive way; in other words, where one of the two effects is achieved, the IP High Court did not consider it necessary that the other effect must be comprehensively achieved. The IP High Court found that even if a rice cake had slit lines on the top surface like Sato’s product and it looked like a human’s scar after baking to some extent, the slit lines formed on the side peripheral surface weaken the extent to which the slit lines formed on the top surface looked like a human’s scar after baking because the sudden seeping out of the interior of the piece of rice cake after rapid inflation should mainly affect the

slit lines formed on the side peripheral surface.

Whilst the decision of the Tokyo District Court was overturned by the IP High Court, a Japanese court very often interprets a patented claim narrowly based on descriptions in the specification of the patent and, in particular, descriptions regarding “effects” are mentioned to limit them. Therefore, as regards the strategy for preparing specifications, a patent applicant may want to avoid reciting too many “effects”; in other words, even if an applied invention may generate two or more effects, an applicant should consider whether writing all such effects in a specification contributes to the patentability of the applied invention. In order to establish a strong patent right in infringement cases before the courts, in most cases (except inventions for chemical, pharmaceutical, genetic or other kinds of inventions whose effects are not anticipated easily), an applicant should include only the most important effect and avoid mentioning any secondary or subsidiary effects that do not contribute to the patentability of the applied invention.

To understand such a patent application strategy under the current practice or tendency of Japanese courts in this area, it is worth studying the decision of the Tokyo District Court in this case.

## **2. How to consider prosecution history for claim interpretation**

Under the current Japanese practice, the prosecution history generally does not favour a patent owner; in other words, the prosecution history generally only limits the technical scope of the invention defined by the patented claim.

In the first instance, even though Echigo submitted an opinion asserting that

the final claim, “at least one slit line is formed on not the top or bottom surface but the side peripheral surface of the rice cake,” should not be limited to “... formed on only the side peripheral surface of the rice cake,” the Tokyo District Court considered that such a prosecution history only showed that Echigo submitted an opinion that matched Echigo’s assertions, and such a prosecution history should not affect the interpretation of the claim. Namely, the Tokyo District Court did not consider the opinion that Echigo submitted in the prosecution history before the Japan Patent Office (JPO) in its favour.

In the second instance, even though Echigo had once excluded rice cakes having slit lines on their top surface, the IP High Court considered that Echigo should not be bound by an opinion that it submitted to the JPO but which it later withdrew. As such, the IP High Court did not consider Echigo’s amendment a limitation to the claim because such an amendment had been withdrawn.

Namely, the Tokyo District Court considered the file history limited the technical scope of the invention; the IP High Court also did not consider it in favour of the patentee but merely disregarded it on that basis that the amendment was already withdrawn. Therefore, on this point, the decisions of the Tokyo District Court and the IP High Court did not contradict each other.

According to the decision of the IP High Court, even if an applicant submits a petition of an amendment to limit claims, a court does not view such prosecution history as a limitation on the technical scope of the invention, provided that the petition is withdrawn. Therefore, when an examiner rejects an amendment,



an applicant should fully withdraw the amendment in order to avoid the risk that a court would interpret the questioned claimed term narrowly in an infringement suit despite the fact that the amendment was once rejected by an examiner of the JPO. For example, when an examiner rejects an amendment to add an element “A”, the applicant should not only peti-

tion another amendment to add the element B but also withdraw the first amendment which added the element A and clearly state this in an opinion. By doing so, an applicant will be able to assert before the court at a later date that its patent is not limited to the element A because such an amendment has already been withdrawn.

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