

Product-by-Process Claim Update in 2017

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- ◆ Product-by-Process Claim Update
 - ✓ The Supreme Court decision
 - ✓ Reactions by the JPO and the IP High Court
 - The JPO updated the Examination Handbook.
 - The IP High Court decisions

◆ Product-by-Process Claim

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Basic Theories in PBP Claims

- ✓ Two basic theories of interpretation on PBP claims
- Identical Product Theory
A claim is constructed as being directed to the product irrespective of the recited process.
- Process Limiting Theory
A claim is constructed as being directed to the product limited by the recited manufacturing process.

The Supreme Court Decision -1/2

“*Pravastatin Sodium Case*” decision by the Supreme Court overruled the decision by the Grand Panel in IP High Court, and ruled a new standard for PBP claims with regard to the theories on Jun. 5th, 2015 (Case No.: 2012(ju)1204, 2506).

The Supreme Court Decision -2/2

- ✓ A PBP claim should be construed as product *per se*, *i.e.*, a product having the same structure and properties as those of the product manufactured by the process recited in the claim, regardless of whether or not it was manufactured by the process. This construction applies both in case of infringement analysis and in case of validity analysis.
- ✓ A PBP claim can satisfy the clarity requirement (Patent Act §36 (6)(ii)) only when the product was impossible or extremely impractical to be defined by its structure or properties as of the filing date.

The Supreme Court Overturning

	Supreme Court	IP High Court
PBP Test	<u>Only when there were circumstances</u> where it <u>was impossible or extremely impractical</u> to directly define the product by its structure or characteristics at the time of the filing.	<u>when there were circumstances</u> where it was <u>impossible or difficult</u> to directly define the product by its structure or characteristics at the time of the filing
Scope of Proper PBP Claims	A product having the same structure and characteristics as the product manufactured by the process. (<u>Identical Product Theory</u>)	Any products that are identical to the products manufactured through the manufacturing process. (<u>Identical Product Theory</u>)
Scope of Improper PBP Claims	<u>Unpatentable based on lack of clarity (Patent Act §36.6.2).</u>	A product manufactured by the manufacturing process in the scope of claims. (<u>Process Limiting Theory</u>)

◆ Product-by-Process Claim

- ✓ The Supreme Court decision
- ✓ **Reactions by the JPO and the IP High Court**
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Reactions by the JPO and the IP High Court

2015:

After the decision by the Supreme Court, the JPO revised the Examination Handbook to impose overly strict standards.

2016:

A. New Examination Handbook

On Mar. 30th, 2016, JPO updated their Handbook for PBP claims.

B. IP High Court Decisions

During the period between Sep. to Nov. of 2016, the IP High Court issued three decisions where a less strict standard was applied, especially when compared to decisions issued right after the Supreme Court ruling.

◆ Product-by-Process Claim

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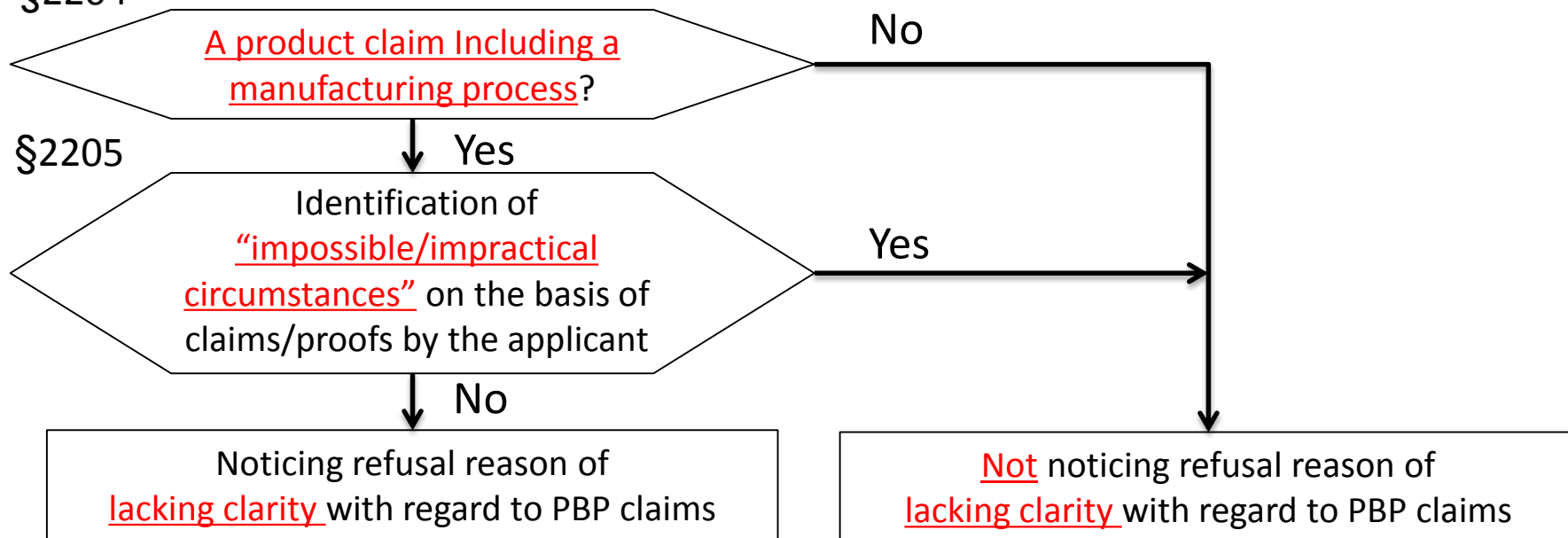
A. New Examination Handbook - Background

- ✓ Before the Supreme Court decision, PBP claims were reviewed based on the High Court decision of the “Optical disk polycarbonate” case, decided on June 11th, 2002.
 - Based on the Identical Product Theory.
 - A claim including unclear process or unclear structure or characteristics of the product is refused because of lack of clarity.
- ✓ After the Supreme Court decision, JPO updated Patent and Utility Model Examination Handbook with regard to PBP claims.
 - 1st amendment was on Sep. 16th, 2015
 - 2nd amendment was on Mar. 30th, 2016 (Latest)

Examination Handbook

- ✓ The Handbook includes three provisions on PBP claims, at §2203-2205.
- ✓ §2203 refer to an abstract provision and indicates 2 steps for examining a PBP claim.
 - Whether corresponding to a PBP claim or not. (§2204)
 - Whether corresponding to “impossible/impractical circumstances” or not. (§2205)
- ✓ The Examination Handbook before 2016 update is as follows;

§2204



Revision of §2204 1/3

- ✓ No change in the basic policy to identify PBP claims from 1st to 2nd Ver.;

“The examiner determines whether or not at least a portion of a claim for an invention of a product corresponds to a “case where a claim recites the manufacturing process of the product” by taking into consideration, in addition to the description, the claims, and the drawings, as well as common general knowledge, at the time of the filing of the application, in the technical field to which the invention belongs”.

- ✓ Introducing a new concept of lack of clarity (Patent Act §36(6)2) for PBP claims in 2nd Ver.

“if a claim corresponds formally to one of the following types or examples showing “where a claim recites the manufacturing process of the product”, when it is clear what structure or characteristics of the product are represented by the manufacturing process considering the description, claims and drawings as well as common general knowledge, ... the examiner does not consider that the claimed invention violates the clarity requirement ...”

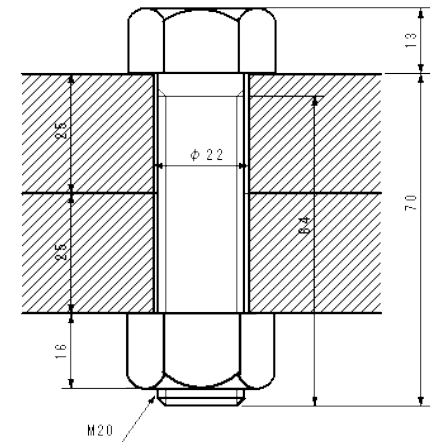
Revision of §2204 2/3

- ✓ Examples of PBP / non-PBP claims are modified.
 - Type (1-1): Examples of PBP claims including chronological elements. (ex. Sequential process, etc.)
 - Type (1-2): Examples of PBP claims including a technical feature or condition. (ex. Temperature, time, etc.)
 - Type (1-3): Examples of PBP claims referring to an invention of a manufacturing process. (ex. Claim referring to process claim)
 - Type (2): Examples of Non-PBP claims

Revision of §2204 3/3

- ✓ Type (1-1): One example of PBP claims including chronological elements is deleted, because it is clear what are the structure or characteristics of the product.

- *"an apparatus having an anchorage formed by inserting a bolt provided with a convex portion into a hole provided with a concave portion so that the concave portion and the convex portion are engaged, and screwing a nut into an end portion of the bolt"*



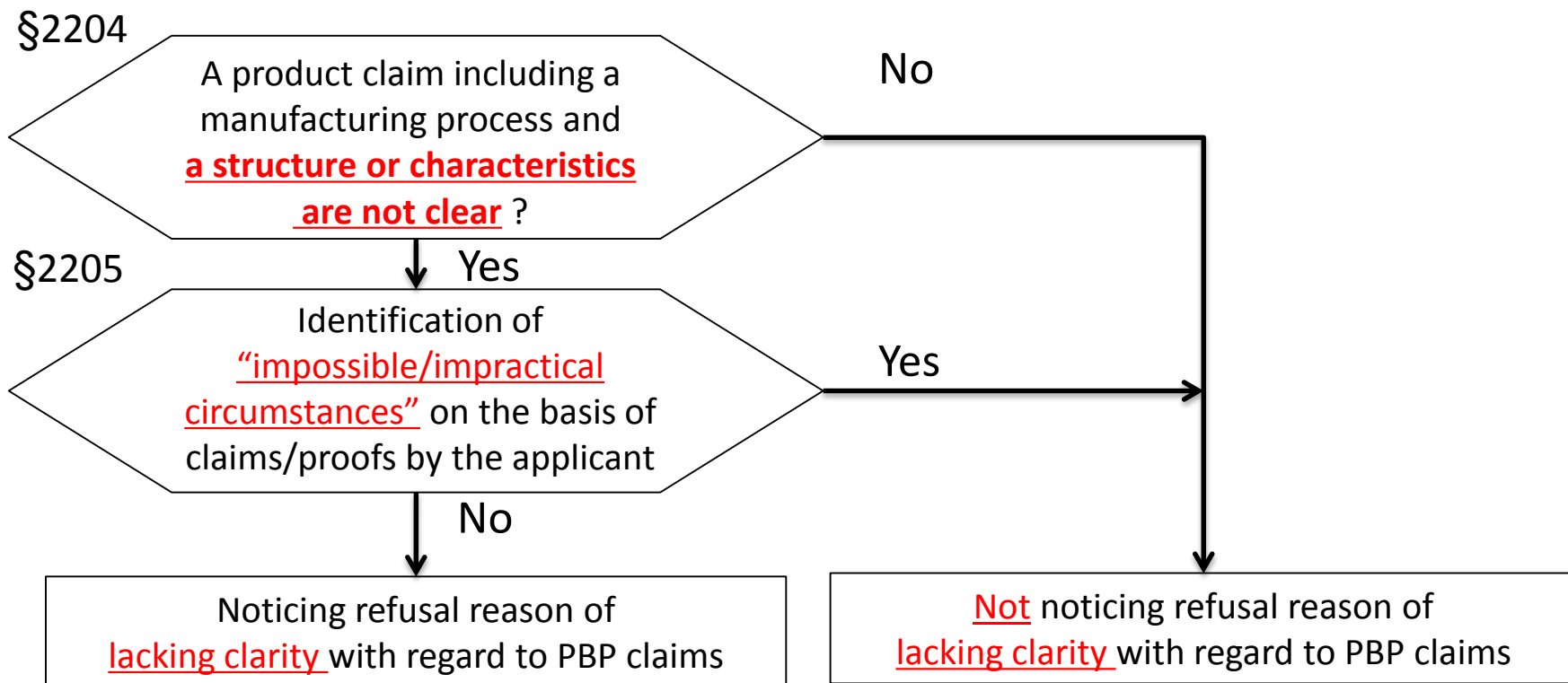
- ✓ No substantial change in Type (1-2), (1-3) and (2).

Revision of §2205

- ✓ Basic concept for identifying “impossible/impractical circumstances” does not substantially change.
- ✓ Some examples are added for following types of existing an “impossible/impractical circumstances”.
 - Type (i): Case in which analyzing the structure or features of an item at application time is technically impossible
 - Type (ii): Case in which, in view of the fact that, due to the nature of a patent application, rapidity, etc., are required, significantly excessive financial expenditure or time would be required to perform work to identify the structure or properties of the item
 - Type (iii): Case in which a relationship with the invention of the present application is completely undescribed.

Summary of “A. Examination Handbook”

According to new Examination Handbook after 2016 update, a concept of lack of clarity (Patent Act §36(6)2) for PBP claims is newly introduced in §2204.



◆ Product-by-Process Claim

- ✓ The Supreme Court decision
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B. The IP High Court Decisions

- ✓ Although not by the same reason, three IP High Court decisions softened the strict requirements put in place following Supreme Court standard.
 - 2015 (Gyo-Ke) 10242 on Sep. 20th, 2016
Litigation Rescinding Invalidation Trial Decision for Patent No.3277180
 - 2015 (Gyo-Ke) 10184 on Sep. 29th, 2016
Litigation Rescinding Invalidation Trial Decision for Patent No.4968605
 - 2015 (Gyo-Ke) 10025 on Nov. 29th, 2016
Litigation Rescinding Appeal against Rejection Decision No. 2014-26857

- ✓ The IP High Court ruled based on the understanding that PBP claims where the structure or characteristics are clear considering the description, claims, drawings and common technical knowledge shall not be invalidated based on lack of clarity (Patent Act §36(6)2) .

“2015 (Gyo-Ke) 10242” decided on Sep. 20th, 2016

Litigation Rescinding Invalidation Trial Decision for
Patent No.3277180 “TAPE FOR FORMING A DOUBLE-EYE-LID”

Summary

This invention relates to a tape to form a good-shaped double-eye-lid safely.

Claim 1

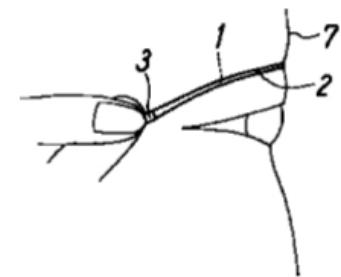
A tape for forming a double-eye-lid being formed by coating an adhesive (2) to a narrow tape-shaped element (1),

the tape-shaped element (1) is made of synthetic resin being capable of extension and having resilient elasticity after being extended.

Figure 1



Figure 4



3: Holding 4: Adhesive Sealing
7: Eye-lid

Reasoning for accepting PBP claim

- ✓ It may be possible to understand Claim 1 as a PBP claim because it includes “by coating ...” and no other specific circumstance in the wording of the claim. However, the basic problem of a PBP claim is that an unclarity of structure or characteristics may impose a disadvantage to a third party.
- ✓ Even if the claim includes a chronological process, no issue related to clarity (Patent Act §36(6)2) should be found when it is possible to unequivocally identify a structure or characteristics of the product based on claims, description, figures, and common general knowledge.

“2015 (Gyo-Ke) 10184” decided on Sep. 29th, 2016

Litigation Rescinding Invalidation Trial Decision for Patent No.4968605 “CANDLE”

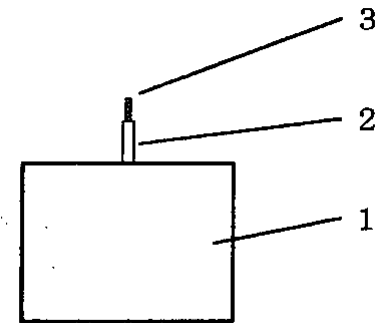
Summary

This invention relates to a candle capable of a shortened lit up time.

Claim 1

A candle having a core(3) which is projected from the main body(1) thereof, wherein the core(3) is covered with a wax, and the wax covering an end part of the core which is at least 3mm from a tip of the core, is scraped off or melt off the wax so that remaining ratio of the wax at the end part is 19 to 30% of the wax covering the other part of the core than the end, and the tip of the core is configured to start to light within 3 second.

Figure 2



- 2: Waxed part of the core
- 3: Wax removed part of the core

Reasoning for accepting PBP claim

- ✓ If a claim includes a manufacturing process and the structure or characteristics of the product are clearly described, it is not necessary for the patent owner to argue “impossible/impractical circumstances” because the claim does not lack clarity.
- ✓ Although the wording “core is exposed by scrapping-off or melting-off the wax” can be interpreted as a process, this process merely states the structure of “remaining ratio of the wax covering the core within at least 3mm from a tip is 19 to 30%”. Therefore, the court understood the Claim 1 has no issue of clarity.

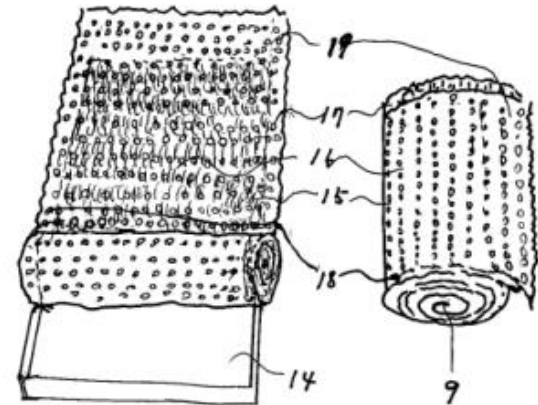
“2015 (Gyo-Ke) 10025” decided on Nov. 29th, 2016

Litigation Rescinding Invalidation Trial Decision for JP2011-87735 “SEEDING ROLL”

Claim 1

An thin cylinder-shaped light-permeable seedling roll
formed by
extending a translucent sheet (15) from three edges
other than a winding starting edge of a rice growing tray
(14) by 80 to 100 cm in length,
laying the sheet (15) as a root cutting sheet on the
bottom of the rice growing tray (14),
placing a light-weight rice cultivation earth substitute
material such as rice husk mat on a surface of the sheet
(15),
laying down a cotton nonwoven fabric on the surface
and fixing the cotton nonwoven fabric by fixating rasp of
the seeds so as to prevent roots of rice from being raised
and to make a covered soil extremely low, and
winding the light-weight rice seed mat together with the
root cutting sheet.

Figure 2



Reasoning for accepting PBP claim

- ✓ Even if the claim includes a manufacturing process, the PBP claim has no issues related to clarity (Patent Act §36(6)2) because the process is included to identify the structure or characteristics clear based on the claims, description, figures and the common general knowledge.
- ✓ The process of “extending”, “laying”, “placing”, “laying down” and “winding” clearly indicates a structure of the seeding roll, hence Claim 1 is not to be interpreted as a PBP claim in what regards the clarity requirement.

Summary of “B. The IP High Court decisions”

- ✓ The High Court interpretation is similar to the JPO standard, *“when it is clear what structure or characteristics of the product are represented by the manufacturing process considering the description, claims and drawings as well as common general knowledge, ... the examiner does not consider that the claimed invention violates the clarity requirement ...”*
- ✓ Further decisions are to be expected because there is not yet a clear test for analyzing the issues with PBP claims.
 - 2015 (Gyo-Ke) 10242 and 2015 (Gyo-Ke) 10184 were both decided by Judge Mr. Tsuroka and rules that claims are PBP claims having no issues related to clarity (Patent Act §36(6)2).
 - 2015 (Gyo-Ke) 10184 was decided by (former) Chief Judge Mr. Shitara and understands that there is not need to determine the existence of “impossible/impractical circumstances”.

Summary of “PBP Claims”

- A. In the examination stage, only PBP claims whose structure or characteristics are not clear based on the description, the claims, the drawings, and common general knowledge, shall be refused by lack of clarity.

- B. IP High Court basic interpretation seems to be same or similar to the JPO policy.

HOWEVER, please do not forget the Supreme Court decision, “improper PBP claim shall be rejected due to lack of clarity”

Thank you!

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