
Contents & Abstracts

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BEKKU Tomonori

■ Cross-Border Patent Infringement: Two Recent Cases 6

ECHI Yasuyuki

With the advent of the IoT era, the question of under what circumstances an infringement of Japanese patent rights can be established in cases where “network-related inventions” are exploited in multiple countries or cases where some of the acts of exploitation are carried out outside of Japan in the supply chain of products for Japan is now an important issue. Recently, two important court cases have appeared on this problem: [L-glutamic Acid Production Method] (Tokyo District Court Judgment September 24, 2020, (2016 (Wa) 25436)) and [Comment Distribution System] (Tokyo District Court Judgment March 24, 2022 (2019 (Wa) 25152)).

The general practice when the above issue was addressed was to adhere to the “territorial principle”, and in order not to violate this principle, interpretative theory was generally oriented based on the criterion, “in which country was the act of exploitation carried out?”. However, in the age of cloud environments easily connecting the world through networks, it is no longer important in which country the servers and devices are located, and in which country the acts of exploitation are performed. Under these circumstances, we should not be overly preoccupied with the “territorial principle” so as not to diverge from the protection needs required in practice.

Consequently, in both types of cases, that is, cases where “network-related inventions” were exploited in multiple countries (the comment distribution system case) and cases where some of the acts of exploitation are carried out outside of Japan (the L-glutamic acid production method case), the stance should be that, as long as demand for a patented invention in Japan is deprived due to the infringer’s provision of a product or service to the Japanese market (i.e., as long as the “market place” is Japan), the applicable law is Japanese law and the patentee who has obtained a patent right in Japan may demand an injunction and damages for infringement of the Japanese patent right regardless of where the act of exploitation itself is performed.

■ A Review of a Supreme Court Judgment on the Scope of the Binding Power of a Court’s Judgment that Revokes a JPO Trial Board’s Decision - Is There Any Discrepancy between the General Rule and its Application in the *Fast-Revolving-Barrel Type Finishing Method Case?* - 22

OKADA Yoshimi

The purpose of this paper is to clarify the true meaning of the Supreme Court’s judgment in the *Fast-Revolving Barrel Type Finishing Method* case, April 28, 1992 (*Saikosaibansho-minji-hanreishu*, Vol. 46, No. 4, p. 245, (Case No. 1988 (Gyo-Tsu) 10)), which ruled on the general rule for deciding the scope of the binding power of a court’s

judgment that had revoked a JPO trial board’s decision. Since the Supreme Court Judgment in the *Topical Ophthalmic Formulations* case dated August 27, 2019 (*Saikosaibansho-saibanshu-minji*, No. 262, p. 51, (Case No. 2018 (Gyo-Hi) 69)), more studies have been made on the scope of the binding power of court’s judgments that revoke JPO trial board’s decisions, which is stipulated by Article 33, Paragraph 1 of the Administrative Case Litigation Act. The *Fast-Revolving-Barrel Type Finishing Method* case is the basic Supreme Court legal precedent for the binding power of courts’ judgments. The legal community, however, is divided into two major opinions on whether the Supreme Court appropriately applied its established general rule to the specific case in question: (Opinion 1) Whereas the reason of the first High Court judgment that had revoked the first JPO trial board’s decision had been based on the fact that the differences between the subject invention and the cited three inventions had been overlooked in the trial board’s decision, the Supreme Court extended the scope of binding power to the extent that the subject invention involves an inventive step over the three cited inventions, which is inappropriate. (Opinion 2) The judgment of the Supreme Court shows no discrepancy between its established general rule and the way of applying the rule to the concrete case. First, this paper examines the subject invention and the prior art inventions from a technical point of view. Based on this, it carefully reviews the first JPO trial board’s decision, the first High Court judgment, the second High Court judgment, and the Supreme Court Judgment. Through this, this study reveals that the first High Court judgment had revoked the first JPO trial board’s decision NOT simply for the reason that the differences between the subject invention and the three cited inventions had been overlooked, but for the reason that a specific technical feature of the subject invention had not been found in any of the prior art documents, of which the logical conclusion is that the subject invention could not be arrived at since the technical feature would not be brought into being by any combination of the plurality of the cited prior art inventions. The judgment is thus equivalent to a so-called “conclusive judgment”, which states that a subject invention involves an inventive step as long as considering only the prior art that had been examined in the first JPO trial board’s decision and the first High Court judgment. There is, therefore, no discrepancy between the general rule and its application to the specific case by the Supreme Court.

■ AI Outputs and Intellectual Property Law 45

ASO Tsukasa

In recent years, there has been a worldwide debate on whether autonomous AI (artificial intelligence) output should be included in the scope of protection under intellectual property law, and if not, whether some kind of legislative solution should be considered. The purpose of this paper is to compare French law with Japanese law on the protection of autonomous AI output.

With regard to patent law, utility model law, and design law, a comparison of the two countries reveals that the majority theory in France is to allow protection of autonomous AI outputs through an interpretive approach, and this is different from Japan. Meanwhile, copyright law in both France and Japan assumes that works are created by natural persons, and it is difficult to grant protection under copyright law to autonomous AI outputs. As for the legislative theory of autonomous AI output protection in relation to copyright, the proposed framework itself, such as whether to legislate as copyright, neighboring right, or special (*sui generis*) right, does not differ between the two countries.

However, even if such legislation is conceivable, the need for legislation for the protection of AI output is problematic. According to the incentive theory, the situation must be such that, if valuable information is not protected, its creation will not take place. However, it cannot be said that AI systems will only be provided if the AI system creator has rights to the AI output, and it cannot be said that, even if AI output is not protected, incentives to AI system creators are accounted for because the program or the like for AI is protected by intellectual property law. In conclusion, it is difficult to affirm the necessity of kind of new protection for autonomous AI output at this point. In this sense, the protection of autonomous AI output will be left to future discussions, including policy decisions, but the discussion of French law should be a valuable reference.

■ **A Case in Which It Was Held That a Single-Color Indication on a Good Does Not Fall Under an Indication of Goods or Business** 60

ISHII Mio

In this case, X et al. claimed that the red color (indication X, specified by color swatch) on the soles of women's high-heeled shoes is an indication of a good and demanded an injunction, etc. against Y, which manufactures and sells a similar good (good Y) with red color on the soles, in violation of Article 2, Paragraph (1), item (i) of the Unfair Competition Prevention Act. [1] Regarding the indication of the good by the indication X itself, the court adopted the requirement of special distinctiveness and well-knownness in accordance with previous judicial precedents on forms in general. Further, [2] the court held that, if an indication related to a good includes multiple product forms and some of the product forms do not fall under an indication of goods or business, it is reasonable to conclude that the indication related to the good does, as a whole, not fall under an indication of goods or business. The court denied that indication X as a whole constituted an indication of a good because goods X and Y give clearly different impressions in terms of the gloss and texture of the soles, and the form of good Y was not well known as an indication of a good originating from X et al. Following this, the court applied [1] and denied also the relevance of indication X itself for the good.

This judgment consists of a part that, like previous court cases, directly examines the applicability of indication X itself as an indication of a good ([1]) and a part that, unlike previous cases, examines goods X and Y, points out major differences in their specific forms, and brings out issues such as the broadness of a single color ([2]). In addition, [2] emphasizes a difference in brand value due to different forms and price ranges, which also suggests the scope of market interest that should be protected. This judgment is not only the first case of a violation of the Unfair Competition Prevention Act concerning a single color after the revision of the Trademark Act but is also significant in the sense set out above. The fact that the judgment emphasizes the results of verification of a single color, which is difficult to specify, and the fact that it suggests what elements could have been added to a single color to make it an indication of goods or business will probably have an impact on practice.

In this case, the good is related to fashion, which is a meaning that the esthetics thereof could be regarded a function of the good, and it is considered that the court was able to deny the applicability as an indication of a good by emphasizing this. In addition, as indicated also in this judgment, it will probably be necessary to concretely examine the strength of distinctiveness in terms of origin Exclusive adaptability and legal tolerance of monopoly from the relation with the characteristics, colors, and other constituent elements of the good.

■ **The Search for IP Human Resource Development Reforms and Development Trends in Chinese Universities** 78

YUAN Zhenfu

Since the beginning of the 21st century, IP human resource development at Chinese universities has shown significant progress. For example, the number of universities with intellectual property faculties has increased rapidly, and as of March 2022, more than 50 universities had already established intellectual property faculties. Intellectual property departments are also becoming more independent by the day, and as of February 2022, 105 universities had established intellectual property majors on the undergraduate level. In addition to this, the curricula related to intellectual property at universities are also diversifying. Some curricula are related to law, while others are found in management. Further, some curricula cover theory, while others deal with practice.

Overall, IP human resource development at Chinese universities shows the following characteristics. The first one is the parasitic nature of the establishment of intellectual property faculties. In the majority of universities, the faculty of intellectual property is subordinate to the faculty of law. The second characteristic lies in the diversity of IP education models. There are four stages of IP human resource development at universities: polytechnics (specialized

programs = two- or three-year junior colleges), undergraduate level (four-year faculties), master's programs, and doctoral programs. The third characteristic is the openness of IP education and training. Every year, universities conduct extremely large-scale IP training in collaboration with government departments, industry associations and companies.

Chinese universities are placing more emphasis on systematization and innovation in IP human resource development, and a lot of searching and reforms are underway to this end. Typical human resource development and teaching models include the following. (1) Integrated faculty and master's course projects named "Science and Engineering Undergraduate Level/Master of Intellectual Property" which are being explored by Shanghai University and Nanjing University of Science and Technology. (2) The very distinctive educational model of industry-academia fusion around IP at Chongqing University of Technology. (3) An embedded teaching model of IP skills that Shanghai University is exploring on the basis of curricula such as "IP Litigation Practice".

In the future, the IP human resource development at Chinese universities will probably evolve as follows. Firstly, the qualities of IP human resources will become more complex. Universities will place more emphasis on providing a more complex knowledge structure in human resource development. Secondly, intellectual property faculties will become more independent. Faculties are likely to gain more autonomy in human resource development. Thirdly, IP management personnel will also become mainstream. In the future, management personnel will become mainstream in IP human resource development, similarly to legal personnel.
