

## Study of Introducing CIP System to Japan\*

The First Subcommittee,  
The First Patent Committee

### (Abstract)

Among diverse views on how to increase international competitiveness of Japanese industries with the use of intellectual property, there is a view that proposes the introduction of the Continuation-In-Part Application (CIP) system to Japan from the United States, aiming to strengthen protection for inventions in Japan. Considering the possibility of introducing the CIP system to Japan, this report clarifies the consistency and conflicts between the CIP system and the existing systems in Japan and suggests possible Japanese versions of the CIP system, which are roughly divided into two, one for giving the maximum protection to applicants and inventions, and the other for giving the minimum protection to applicants and inventions.

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### 1. Introduction

Recently, there have been diverse views on how to increase international competitiveness of Japanese industries with the use of intellectual property. One such view proposes the introduction of the Continuation-In-Part Application (CIP) system to Japan from the United States. This proposal is being discussed at the Intellectual Property Policy Committee of the Industrial Structure Council<sup>1)</sup> and also draws attention from many people including researchers at companies and universities. On the other hand, even among people who are in favor of the introduction of the CIP system, opinions are divided regarding an ideal form of a Japanese version of the CIP system and how to adjust and harmonize the CIP system with the existing systems in Japan upon introduction<sup>2)</sup>.

The First Sub-Committee of the First Patent Committee of FY2003 studied the current status of the CIP system in the United States and compared this system with the existing systems in Japan, and then discussed and prepared propositions for the introduction of the CIP system to Japan.

This report first presents the outline of the CIP system in the United States, including the purpose, advantages and disadvantages, and status of use of the system, and then compares

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this system with the existing systems in Japan, thereby clarifying problems that might occur upon its introduction to Japan, and finally suggests a private idea of a Japanese version of the CIP system.

In this report, the existing CIP system in the United States is referred to as the "US CIP system," a CIP system that is discussed in terms of introduction to Japan is referred to as a "Japanese version of the CIP system," and they are collectively referred to as the "CIP system."

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## 2. Background for Considering the Introduction of the CIP System

A continuation-in-part (CIP) application in the United States is an application filed during pendency at the patent office of an earlier application by the same applicant (parent application), disclosing a new matter that has not been disclosed in the parent application (35USC §120, MPEP 1.53(b)2)<sup>3</sup>). Novelty and other patentability requirements relating to the new matter disclosed in a CIP application are determined as of the filing date of the CIP application rather than the filing date of the parent application, whereas such requirements relating to other matters that have already been claimed in the parent application are determined as of the filing date of the parent application. Courts have also upheld this practice<sup>4</sup>). The term of a patent right (hereinafter referred to as "term of patent") based on a CIP application is calculated from the filing date of the parent application (35USC §54(2)).

As mentioned above, along with the recently growing interest in the discussion aiming

to make Japan an intellectual property-based nation, there is a movement toward strengthening protection for inventions, and under such circumstances, some people have taken note of the US CIP system in which a new matter may be added to a patent application after it is filed, and propose the introduction of a Japanese version of the CIP system.

Views in favor of the introduction of a Japanese version of the CIP system can be roughly divided into two. One major view is based on the argument that protection for inventions in the United States is stronger than that in Japan because in the United States, a new matter may be added to a patent application after it is filed. This view is strongly advocated especially among researchers at universities and companies. Researchers need to obtain patent protection for their achievements, but at the same time, they are required to make such achievements public through papers and academic presentations as soon as possible. Therefore, it is often the case that researchers first disclose incomplete research achievements, from which patentable inventions may arise, through papers and presentations, and then continue research activities to create complete inventions. Under the existing Japanese patent system which adopts the first-to-file principle instead of the first-to-invent principle, researchers have no option but to file patent applications for inventions that, although created only on basic concepts, have room for further improvement in order to obtain the status of the first applicant. In this situation, it is the Japanese researcher's desire to obtain more reliable patent rights for complete inventions that also contain research achievements made after the filing of the patent application. They consider that the introduction of a Japanese version of the CIP system will enable them to stand on equal footing with US researchers in terms of enjoying protection for inventions.

The other major view for proposing the introduction of a Japanese version of the CIP system is heard from industries, in light of the fact that the written description requirements for the patent specification and claims have recently become more stringent. More specifically, in cases where the notification of reasons for refusal is given due to minor descriptive defects and a new matter needs be disclosed in order to remedy such defects, a domestic priority claim

may be declared within one year from the filing date under the existing Japanese Patent Law (Section 41). However, if a notification of reasons for refusal is given after one year has elapsed from the filing date, the applicant has no course of action. From the perspective of protecting valuable inventions, it is undesirable that minor descriptive defects prevent inventions from being patented, and in cases such as those mentioned above, the invention should be protected by allowing the addition of a new matter to a patent application after it is filed. In this respect, the introduction of a Japanese version of the CIP system is desired so as to remedy descriptive defects notified as reasons for refusal of a patent application.

### 3. Outline of the US CIP System

#### 3.1 Purpose of the US CIP system

##### (1) History of the US CIP system

In the United States, a continuation, continuation-in-part, or divisional application may be filed to obtain another opportunity for examination while retaining the benefit of the filing date of the earlier or parent application (35USC §120). Among the three types of application, the concepts of continuation application and continuation-in-part application have long histories, which go back to the 1860s and the 1930s respectively. Based on subsequent case laws<sup>5)</sup>, these application systems were included in the US Patent Law in 1952<sup>6)</sup>.

##### (2) Purpose of the US CIP system

Applicants for US patents not only face strict standards for allowance of amendments to the contents of the patent specification after it is filed, but must also satisfy strict requirements for writing the specification (description requirement, enablement requirement, and best mode requirement). Therefore, when the applicant adds experimental data to the specification after filing the application in order to satisfy the description requirement, the examiner often determines such data as matters that have not been claimed in the initial specification, which causes disputes between the examiner and the applicant as to whether or not such data is a new matter.

The US CIP system has been established

for the purpose of granting the benefit of the filing date of the parent application to a new matter that is disclosed after the filing of the parent application but does not affect the interpretation of the claims as described in the parent application, thereby protecting a wider range of inventions.

#### 3.2 Advantages and disadvantages of the US CIP system

##### (1) Advantages and disadvantages to the applicant

One of the advantages of the CIP system to the applicant is that it allows the applicant to add a new matter to the parent application. This enables the full protection of improvement inventions and establishes a solid framework of patent protection. Furthermore, even after filing a CIP application, the applicant can maintain the parent application at the patent office, without abandoning or withdrawing it. The applicant can also integrate multiple related applications. Because of these advantages, a variety of patent strategies are possible. The CIP system also facilitates the applicant to remedy descriptive defects notified as reasons for refusal of the patent application<sup>7)</sup>.

The disadvantage to the applicant is that the term of patent is calculated from the filing date of the parent application; the term of patent for the invention added later will be less than 20 years.

##### (2) Advantages and disadvantages to third parties

It is difficult to point out an advantage of the CIP system to parties other than the applicant. On the other hand, as one of the disadvantages, the examination procedure might be prolonged due to the possibility that a new matter will be added to a patent application after it is filed, until the scope of the patent is defined. This increases the needs of patent monitoring and also increases the risk in selling products. Where the patentability of individual claims should be determined as of different dates, it is difficult to determine whether or not the invention is infringed.

The US CIP system was also available to obtain what is called a submarine patent when the term of patent was 17 years from the date of registration. However, since the term of patent

was revised in 1995 to 20 years from the filing date, creation of submarine patents is no longer allowed. However, some people still criticize that the CIP system can be abused so as to make patents suddenly appear before the public.

### (3) Advantages and disadvantages to the patent office

The CIP system is advantageous to the patent office in that it can reduce the time for examination. Having issued an office action in respect of the parent application, the patent office can use examination results on the parent application in the course of examining the CIP application.

On the other hand, under the CIP system, the patent office has to deal with more applications because both the CIP application and the parent application may be pending at the patent office. Furthermore, the examination procedure will become complicated where the patentability of individual claims should be determined as of different dates.

### 3.3 Status of use of the US CIP system

Figure 1<sup>8)</sup> and Table 1 indicate the survey results on the status of use of the US CIP system.

Figure 1 shows the number of CIP applications filed each year from 1990 to 2000 and the share of CIP applications in total applications. From 1990 to 1995, the number of CIP applications continued to rise. After a drop in

1996, the number has resumed an upward trend.

On the other hand, the share of CIP applications in total applications differs considerably up until 1995 and since 1996. Until 1995, the share remained almost flat at about 7%, whereas it has been slightly below 5% since 1996. One of the causes of this decline may be the decrease in the number of CIP applications filed for the purpose of obtaining submarine patents as a result of the revision of the US Patent Law in 1995, by which the term of patent was revised from 17 years from the date of registration to 20 years from the filing date.

Table 1 shows the number of CIP-based patents registered in the United States each year from 2000 to 2002 and the share of CIP-based registered patents in total registered patents, targeting the companies/universities that registered a large number of CIP-based patents during the period. Every year, almost the same entities held the top ten spots in the ranking of the number of CIP-based registered patents. It is interesting that among the entities whose CIP-based registered patents accounted for more than 10% of their total patents registered each year, all entities except for the University of California, which ranked top every year, were manufacturers of chemicals and materials.

Japanese entities held about ten spots every year in the top hundred entities in the ranking of the number of CIP-based patents registered. The entities ranked in the top hundred were almost unchanged during this period. There

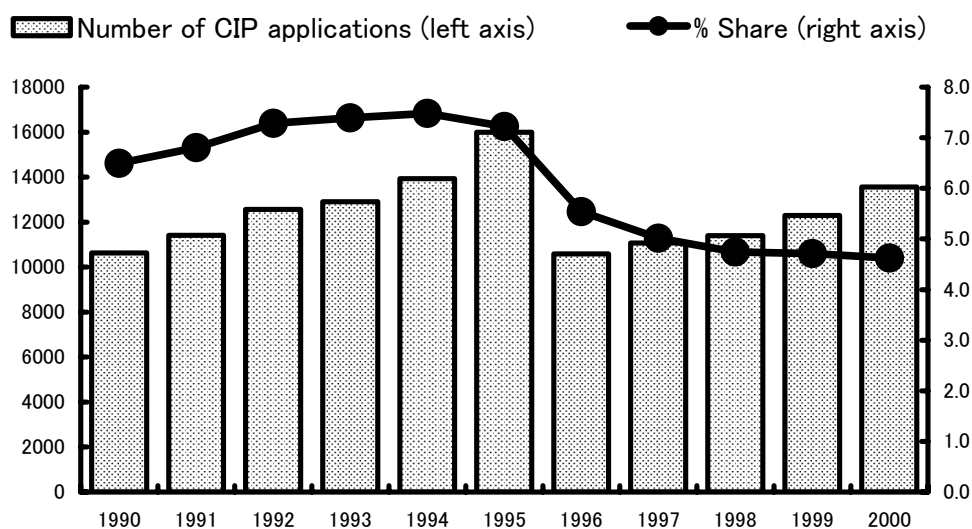


Figure 1 Number and share of CIP applications in the United States

Table 1 Number of CIP-based patents registered in the United States\*1

Year	Rank	Assignee	[1] Number of CIP-based patents registered	[2] Number of US patents registered	Share of CIP- based regis- tered patents (%) ([1] / [2] x 100)
2000	Top 10	1 University of California	105	463	22.7
		2 INTERNATIONAL BUSINESS MACHINES (IBM)	83	2,924	2.8
		3 MICRON TECHNOLOGY (MICRON)	69	1,313	5.3
		3 PROCTER & GAMBLE (P&G)	69	470	14.7
		5 HEWLETT-PACKARD (HP)	66	904	7.3
		5 3M INNOVATIVE PROPERTIES (3M)	66	495	13.3
		7 DU PONT DE NEMOURS (DU PONT)	59	345	17.1
		8 LUCENT TECHNOLOGIES (LUCENT)	53	1,416	3.7
		9 APPLIED MATERIALS	52	392	13.3
		10 ADVANCED MICRO DEVICES (AMD)	47	1,055	4.5
	Japanese companies in top 11-100	11 Hitachi	46	1,048	4.4
		18 Seiko Epson	36	409	8.8
		25 Fujitsu	30	1,172	2.6
		40 Sony	22	1,394	1.6
		42 Denso	21	430	4.9
		52 Canon	19	1,903	1.0
		62 Nikon	17	280	6.1
		74 Toshiba	16	1,267	1.3
		87 Matsushita Electric Industries	14	1,155	1.2
97 Fuji Photo Film	13	549	2.4		
97 Mitsubishi Electric	13	1,043	1.2		
Total*2			13,466	158,014	8.5 *3
2001	Top 10	1 University of California	94	434	21.7
		2 HEWLETT-PACKARD (HP)	88	988	8.9
		3 INTERNATIONAL BUSINESS MACHINES (IBM)	87	3,457	2.5
		3 MICRON TECHNOLOGY (MICRON)	87	1,654	5.3
		5 PROCTER & GAMBLE (P&G)	72	428	16.8
		6 3M INNOVATIVE PROPERTIES (3M)	68	451	15.1
		7 APPLIED MATERIALS	65	441	14.7
		8 Hitachi	56	1,285	4.4
		9 GENERAL ELECTRIC (GE)	53	1,112	4.8
		10 DU PONT DE NEMOURS (DU PONT)	46	342	13.5
	Japanese companies in top 11-100	20 Fujitsu	37	1,210	3.1
		26 Seiko Epson	32	505	6.3
		28 Matsushita Electric Industries	30	1,450	2.1
		29 Nikon	29	287	10.1
		31 Sony	26	1,395	1.9
		59 Toshiba	18	1,178	1.5
		68 Fuji Photo Film	17	586	2.9
		81 Denso	15	476	3.2
		Total*2			13,748
2002	Top 10	1 University of California	98	466	21.0
		2 3M INNOVATIVE PROPERTIES (3M)	87	546	15.9
		3 PROCTER & GAMBLE (P&G)	84	434	19.4
		4 INTERNATIONAL BUSINESS MACHINES (IBM)	78	3,339	2.3
		5 MICRON TECHNOLOGY (MICRON)	71	1,843	3.9
		6 APPLIED MATERIALS	63	507	12.4
		7 GENERAL ELECTRIC (GE)	61	1,424	4.3
		8 HEWLETT-PACKARD (HP)	57	1,067	5.3
		8 SOUTHPAC TRUST INTERNATIONAL	57	95	60.0
		10 Hitachi	49	1,618	3.0
	Japanese companies in top 11-100	24 Seiko Epson	30	634	4.7
		33 Nikon	24	248	9.7
		43 Fujitsu	22	1,271	1.7
		43 Matsushita Electric Industries	22	1,569	1.4
		48 Sony	20	1,457	1.4
		48 Toshiba	20	1,172	1.7
		58 Sumitomo Electric Industries	19	246	7.7
		72 Hamamatsu Photonics	16	26	61.5
		Total*2			13,017

Notes:

1. Figures in this table are based on the results of the survey via Dialog-CLAIMS, a US patent online database compiled by IFI Claims(R) Patent Service.
2. "Total" refers to all registered patents, including those ranked below 100 and those whose assignees are unknown.
3. "Overall average share" refers to the share of total CIP-based registered patents in total patents registered each year. The shaded companies are assignees whose share of CIP-based registered patents exceeds the overall average share.

were few companies whose share of CIP-based registered patents in their total registered patents exceeded the overall average share (the share of total CIP-based registered patents in total patents registered each year).

#### **4. Relationships between the US CIP System and the Existing Systems in Japan**

This section compares the US CIP system with the existing systems in Japan and studies problems that may occur upon the introduction of a Japanese version of the CIP system.

##### **4.1 Relationship with the first-to-file principle**

A CIP application may be filed by adding a new matter to the parent application. The appropriateness of allowing the addition of a new matter is studied from the perspective of the requirements relating to the subject, i.e. to whom the patent should be granted. Please note that the requirements relating to the object (whether the invention is publicly known, disclosed in earlier applications, involves inventive step, etc.) are not included in the scope of discussion here.

In countries including Japan where patents are granted to the first applicant in cases where two or more applications relating to the same invention are filed on different dates (Section 39 of the Patent Law), which is called the first-to-file principle, the scope of the patent, or at least the outline thereof, should be determined at the time of the filing of the application. Therefore, in general, it is not allowed under the first-to-file principle, to apply the filing date of the parent application retrospectively to any new matter added thereafter.

In other words, it would be conceptually possible to allow the addition of a new matter to a patent application after it is filed while maintaining the first-to-file principle, by providing that the patentability of the new matter shall be determined as of the date on which it is added. In consequence, the CIP system can be introduced even under the first-to-file principle.

On the other hand, in the United States where the CIP system is available, patents are granted to the first inventor in cases where two or more persons have made the same invention, which is called the first-to-invent principle

(35USC §102). Under this principle, the question of who the first inventor is, is the issue to be resolved, irrespective of who the first applicant is. Even if a new matter is added to a patent application after it is filed, the date on which the invention involving the new matter was made will never change. Therefore, under the first-to-invent principle, there is no necessity to strongly prohibit the addition of a new matter.

##### **4.2 Relationship with the domestic priority claim system**

The domestic priority claim system and the US CIP system have a common feature of allowing an addition of a new matter to the parent application, however they are different in respect of various aspects such as the time limit for addition, treatment of the parent application, term of patent, written description requirements, and condition on the parent application. In consequence, upon the introduction of a Japanese version of the CIP system, it is necessary to sufficiently consider such differences to the existing domestic priority claim system and determine whether to have both systems or integrate the domestic priority claim system into the Japanese version of the CIP system.

###### **(1) Time limit for addition**

While a patent application claiming domestic priority may be filed within one year from the filing date of the parent application (Section 1(1)(i) of the Japanese Patent Law), a CIP application may be filed during pendency of the parent application at the patent office. Consequently, the US CIP system can be used depending on examination results of the parent application.

###### **(2) Treatment of the parent application**

Under the domestic priority claim system, the parent application shall be deemed to have been withdrawn at the expiration of one year and three months from its filing date (Section 42 of the Japanese Patent Law), whereas under the US CIP system, the applicant may choose to withdraw, abandon or maintain the parent application. Consequently, the US CIP system imposes fewer restrictions on the possibility of obtaining a patent based on the parent application and therefore enables applicants to obtain patents in various ways.

## (3) Term of patent

The term of patent based on a patent application claiming domestic priority is 20 years from the filing date of the application claiming priority; therefore, by filing a patent application claiming domestic priority, the end of the term of patent can be extended by up to one year. On the other hand, the term of patent based on a CIP application is 20 years from the filing date of the parent application (35USC §154).

## (4) Written description requirements

While there are no specific written description requirements to be satisfied when claiming domestic priority, a CIP application may not be entitled to the benefit of the filing date of the parent application if the parent application fails to satisfy the written description requirements (e.g. where a CIP application is filed in order to remedy descriptive defects notified as reasons for refusal of the parent application).

## (5) Condition on the parent application

A patent application claiming domestic priority may not be filed based on a divisional application or converted application (Section 41(1)(ii) of the Japanese Patent Law), whereas a CIP application may be filed based on a divisional application as parent application.

## (6) Status of use of the systems

Comparing the status of use of the CIP system in the United States and that of the domestic priority claim system in Japan in 1999 and 2000, the rate of applications filed under the former system against total applications was 4.7% and 4.6%, whereas the rate of applications filed under the latter system to total applications was 5.2% and 5.3% respectively<sup>9)</sup>; thus, the rate of use of the Japanese domestic priority claim system is higher than that of the US CIP system. Furthermore, while the rate of use of the US CIP system has been declining year by year, the rate of use of the Japanese domestic priority claim system has been slightly rising.

Considering that the rate of use of the US CIP system is lower than that of the Japanese domestic priority claim system despite the fact that the former is available for a far longer period of time than the latter, there may be differences between them in respect of the purpose and manner of use. Therefore, prior to the intro-

duction of a Japanese version of the CIP system, it is desirable to sufficiently examine the purpose and manner of the use of the US CIP system.

#### 4.3 Relationship with the system of publication of unexamined applications

In Japan, under the system of publication of unexamined applications (Section 64 of the Japanese Patent Law), the whole text of all unexamined applications are published. In consequence, upon the introduction of a Japanese version of the CIP system, it is necessary to take conflicts with the publication of unexamined applications into consideration. For example, where a CIP application is filed after the parent application is published, the parent application shall fall under the scope of a distributed publication (Section 29(1) of the Japanese Patent Law). If the parent application, after being published, is treated as a distributed document, in the same manner as another patent application filed by the same applicant, a CIP application may be filed in effect only within 18 months from the filing date until the date of publication, which is longer by no more than six months than the period for claiming domestic priority.

In order to introduce a Japanese version of the CIP system while ensuring that it will function effectively, it will be necessary to adjust the existing publication system in terms of the time of publication and the matters to be published, in addition to the treatment of the parent application as a prior art document. At the same time, it is also necessary to consider equilibrating the interest between the CIP applicant and third parties.

Figure 1 shown above indicates the status of use of the US CIP system but it does not cover the period after the pre-grant publication system was introduced in the United States. When discussing the consistency between a Japanese version of the CIP system and the existing publication system, it will be productive to investigate and analyze the changes in the purpose and manner of using the US CIP system after the introduction of the pre-grant publication system in the United States.

In the United States, before the pre-grant publication system was introduced by the amendment to the Patent Law in 1999 and put into force in November 25, 2000, the CIP system

had been available and effectively used as a means to add a new matter to the parent application under the circumstances where the parent application had not been published. Even after the introduction of the pre-grant publication system, it seems possible to effectively use the CIP system as before by choosing not to publish the parent application.

#### 4.4 Relationship with the divisional application system

As mentioned above, under the US CIP system, both a CIP application and the parent application may be pending at the patent office. This would cause an overlap between the CIP system and the existing divisional application system. In consequence, upon the introduction of a Japanese version of the CIP system, it is necessary to consider the consistency with the existing divisional application system, especially in terms of the following points.

##### (1) Object to be divided

Under the existing divisional application system, a patent application may be divided only to the extent of the description, patent claims or drawings attached to the request thereof (Section 44(1) of the Japanese Patent Law), but no new matter may be added to the application. On the other hand, a US CIP application may be filed to add a new matter that has not been disclosed in the parent application.

If a Japanese version of the CIP system is designed to enable both a CIP application and the parent application to be pending at the patent office, as under the US CIP system, it would be legally possible to file a divisional application adding a new matter to the parent application, which is not allowed under the existing law. As a result, the existing divisional application system would be included in the Japanese version of the CIP system.

##### (2) Time limit for filing

A divisional application may be filed only within the time limit by which the description, patent claims or drawings attached to the request may be amended (Section 44(1) of the Japanese Patent Law). On the other hand, a US CIP application may be filed any time during the pendency of the parent application at the patent office.

##### (3) Effect

In the case of dividing a patent application, the new application shall be deemed to have been filed at the time of filing of the parent application (Section 44(2) of the Japanese Patent Law). However, if the new application contains any new matter, it is no longer a divisional application, and therefore even if it contains parts that have been disclosed in the parent application, the filing date of the new application as a whole will not go back to the filing date of the parent application. On the other hand, a US CIP application may be entitled to the benefit of the filing date of the parent application in respect of the matters that have been disclosed in the parent application, but it may be entitled only to the benefit of the filing date of the CIP application in respect of any new matters.

#### 4.5 Relationship with the amendment system

The Japanese Patent Law was revised in 1993 to drastically review the amendment system, by prohibiting "addition of new matter" (Section 17-2(3) of the Patent Law), for the purpose of ensuring prompt granting of right, equal treatment of applications, and equilibrium between the applicant and third parties, while taking into consideration international harmonization in patent systems<sup>10)</sup>. Before this legal revision, the addition of a new matter was allowed through the amendment procedure as long as such new matter would not change the gist of the invention (Section 41 of the old Patent Law), and where the gist of the invention was changed by making an amendment to the application, the filing date was moved to the date on which the amendment was made (Section 53(4) and (5) and Section 40 of the old Patent Law)<sup>11)</sup>.

On the other hand, a US CIP application may contain a new matter that has not been disclosed in the specification of the parent application, and it shall be examined as if it were filed on the filing date of the parent application in respect of the invention relating to the matters that have been disclosed in the parent application. Furthermore, a US CIP application may be filed any time during the pending of the parent application at the patent office. In this case, if a new matter does not fall under the scope of "new subject matter," or in other words, a new matter does not affect the interpretation of the claims in



the parent application, the patentability of the claims is determined as of the filing date of the parent application. In consequence, where a US CIP application is filed to add working examples and experimental data that are related to the claims contained in the parent application, but these new matters do not affect the interpretation of the claims, the patentability on the new matters is determined as of the filing date of the parent application.

Thus, the US CIP system closely resembles the amendment system under the old Japanese Patent Law in terms of the treatment of new matters.

Therefore, if the US CIP system is introduced to Japan without modification in terms of the treatment of new matters, it would enable "addition of new matters," which is prohibited under the existing Japanese Patent Law, or more specifically, it would be possible to make an addition or change without changing the date as of which the patentability should be determined, in respect of matters within almost the same range of those amendable under the old Patent Law.

If such a CIP application is accepted, it would give excessive protection to the applicant while bringing about unexpected disadvantages to third parties, which would go against the trend of the times from the perspective of ensuring international harmonization.

At the same time, the existing amendment system in Japan is defective in that it prevents the applicant from remedying minor descriptive defects, which results in useful inventions being denied protection due to minor and unessential errors.

Consequently, upon the introduction of a Japanese version of the CIP system, it is necessary to sufficiently consider the consistency with the amendment system, and in particular, it is also necessary to clearly provide for cases where the patentability should be determined as of the filing date of the parent application and cases where the patentability should be determined as of the filing date of the CIP application.

#### **4.6 Relationship with the written description requirements**

Under the existing Japanese Patent Law, it is very difficult to remedy descriptive defects, by making an amendment so as to satisfy the writ-

ten description requirements in terms of the description, patent claims or drawings. In such a case, it may be possible to use the domestic priority claim system. However, a patent application claiming domestic priority may be filed only within one year from the filing date of the parent application, and because the examination procedure usually takes more than one year, in most cases, a patent application claiming domestic priority can no longer be filed when it is found in the examination that the parent application fails to satisfy the written description requirements.

On the other hand, in the United States, even where a patent application fails to satisfy the written description requirements, the applicant may submit a new specification and remedy defects in the earlier application by filing a CIP application. However, a CIP application may be entitled to the benefit of the filing date of the parent application on the condition that the parent application satisfies the written description requirements. Therefore, a CIP application is filed to remedy any descriptive defects in the parent application, and it may not be entitled to the benefit of the filing date of the parent application.

Under the existing domestic priority claim system in Japan, the benefit of the filing date of the parent application may be granted only in respect of the invention that has been disclosed in the parent application. However, the "invention that has been disclosed in the parent application" is not defined in the Patent Law. Therefore, upon the introduction of a Japanese version of the CIP system, it is necessary to clearly define the "invention that has been disclosed in the parent application."

### **5. Propositions for the Introduction of the CIP System**

Upon the introduction of a Japanese version of the CIP system, it is necessary to take into consideration not only the consistency with the existing systems in Japan, as mentioned above, but also the equilibrium between the applicant and third parties. Needless to say, the stronger the protection given to applicants and their inventions, the greater the disadvantages suffered by third parties. On the other hand, if

too much emphasis were given to the interest of third parties, it would be difficult to strengthen protection for applicants and their inventions.

The discussion on the equilibrium point in the interest between the applicant and third parties will have to wait until another occasion because this issue largely depends on the policies and value standards of the changing times. This section makes propositions for the introduction of a Japanese version of the CIP system, focusing on the two major points: to what extent protection for inventions can be strengthened by the introduction of the CIP system (maximum protection); and to what extent protection for inventions should be assured to make the introduction of the CIP system meaningful (minimum protection).

### 5.1 Proposition 1 (maximum protection)

#### (1) Period when the CIP system is available

In order to strengthen protection for applicants and their inventions to the maximum extent, the CIP system should be available any time during pendency of the patent application at the patent office. Through this arrangement, it will be possible to add improvement inventions as well as working examples and experimental data obtained after the filing of the parent application, as needed.

Nevertheless, even if it is aimed to protect applicants and their inventions to the maximum extent, the term of patent based on a CIP application should be calculated from the filing date of the parent application. Should the term of patent start from the filing date of the CIP application, it would be possible to defer the expiration of the term of patent by repeatedly filing CIP applications<sup>12)</sup>.

#### (2) Consistency with the publication system

Even where the CIP system is available any time during pendency of the parent application, the system would not be able to function effectively if a CIP application were refused due to the published parent application as a cited document in the notification of reasons for refusal.

An appropriate measure to avoid this situation would be to exclude the parent application from the scope of cited documents. It would also be appropriate to further exclude matters

made publicly known by the applicant or inventor's acts from the scope of application of Sections 29 and 29-2, because the applicant or inventor is very likely to have worked the invention at the time of filing the CIP application. Through these arrangements, the CIP system would be able to function effectively.

It is needless to say that patent applications filed by third parties during the period between the filing date of the parent application and the filing date of the CIP application should be included in the scope of cited documents in respect of the CIP applications.

Under the CIP system, by filing a CIP application and then withdrawing the parent application before the parent application is published, it would be possible in effect to defer the time of publication of the CIP application. Therefore, it is necessary to prevent such a situation by calculating the period until the publication of the CIP application from the filing date of the parent application.

#### (3) Consistency with the divisional application system

If the parent application may continue to be pending at the patent office even after a CIP application is filed, this would mean that the CIP system includes the divisional application system. Therefore, it would be a possible measure to combine the CIP system and the divisional application system into a new system, which may be called continuation-in-part divisional application system.

Under such a new system, the time limit for filing a divisional application can be extended beyond the existing time limit, by which an amendment may be made (Section 44(1) of the Patent Law), and it can also be consistent with the time limit for dividing a patent application in the United States and Europe (35USC §120, 121; EPC§76(3), EPR §25), thereby achieving international harmonization in patent systems. Furthermore, such a new system will allow a new matter to be added upon the filing of a divisional application, which will further strengthen protection for applicants and their inventions. However, it is needless to say that the patentability of any new matter added upon the filing of a divisional application should be determined as of the filing date of the divisional application rather than the filing date of the par-

ent application.

As for publication of unexamined applications, it would be appropriate to treat a CIP application in the same manner as treating a divisional application under the existing system.

(4) Consistency with the domestic priority claim system

The CIP system and the domestic priority claim system are similar to each other in that both systems allow a new matter to be added to a patent application after it is filed. If the term of patent based on a CIP application is to start from the filing date of the parent application, the advantages of the domestic priority claim system will remain even after the introduction of the CIP system. More specifically, by filing a patent application claiming domestic priority, it would be possible to add a new matter to the parent application while ensuring that the term of patent will start from the filing date of the application claiming priority.

Consequently, from the perspective of protecting applicants and their inventions, it is desirable to have both the CIP system and the domestic priority claim system. It is also necessary to maintain the domestic priority claim system in light of the relationship with the system for claiming priority under the Paris Convention.

If we intend to have both the CIP system and the domestic priority claim system, we should maintain the domestic priority claim system as it stands, whereas opinions would vary regarding whether or not to accept a CIP application that is filed based on the parent application claiming domestic priority.

(5) Consistency with the amendment system

If a CIP application were entitled to the benefit of the filing date of the parent application for any matter it would add to the parent application, the existing amendment system would exist only in name and the objective of the first-to-file principle would be ignored.

In light of the consistency with the existing amendment system, the patentability of any new matter added by a CIP application should be determined as of the filing date of the parent application if such new matter falls under the scope of amendable matters, and it should be determined as of the filing date of the CIP application if the new matter goes beyond that scope.

(6) Effect

A CIP system arranged as mentioned above will make protection for applicants and their inventions stronger than ever before. In particular, it will strengthen protection for industry leaders on the cutting edge of development. A person who has first filed a patent application for a basic invention will be able to file subsequent patent applications and obtain patents for inventions made by making improvements to the basic invention.

On the other hand, it is only natural that the CIP system would be less beneficial to those who come second and thereafter in development, compared to the industry leaders.

In order to compete with industry leaders, those who come second and thereafter might file more applications to obtain patents of related inventions, improvement patents, and defensive patents than they do now (especially after the publication of applications filed by industry leaders), which would increase the burden of patent monitoring on third parties and prolong the examination procedure at the patent office.

## 5.2 Proposition 2 (minimum protection)

The minimum protection to be achieved by the introduction of the CIP system may assure that a patent application will not be refused due to descriptive defects. This section focuses on the introduction of the CIP system only aimed to remedy descriptive defects notified as reasons for refusal of the parent application.

(1) Period when the CIP system is available

If the introduction of the CIP system is only aimed to remedy descriptive defects notified as reasons for refusal of the parent application, the CIP system should be available only during the period when a written opinion may be submitted against a notification of reasons for refusal of the parent application. Another possible measure would be to allow the filing of a CIP application only in the case where the parent application is refused for the reason of descriptive defects.

Needless to say, in such case, the patentability of any new matter added by a CIP application should be determined as of the filing date of the CIP application.

## (2) Consistency with the publication system

Even where the CIP system is introduced only with the aim of remedying descriptive defects, the system would not be able to function adequately if a CIP application were refused due to the published parent application as a cited document in the notification of reasons for refusal. Consequently, measures should be taken to avoid this situation, such as excluding the parent application from the scope of cited documents.

## (3) Comparison with the domestic priority claim system

Under the existing system, a patent application claiming domestic priority may not be filed based on a divisional application or converted application (Section 41(1) of the Patent Law). However, if the CIP system is to be introduced for the purpose of remedying descriptive defects, it would be necessary to allow a CIP application to be filed based on a divisional or converted application as a parent application.

In such case, it would not be necessary to leave the parent application pending at the patent office after the filing of a CIP application. Consequently, it would be appropriate to design a CIP system under which the parent application shall be automatically deemed to have been withdrawn upon the filing of a CIP system, as under the domestic priority claim system.

## (4) Effect

A CIP system arranged as mentioned above will be able to minimize disadvantages that might be suffered by third parties upon its introduction. On the other hand, as a CIP system designed in this manner will be available only in extremely limited cases, the meaning of its introduction might be questioned in terms of its effectiveness.

## 6. Conclusion

This report clarified problems that might occur upon the introduction of the CIP system to Japan, and suggested two possible Japanese versions of the CIP system, one for giving the maximum protection to applicants, and the other for giving the minimum protection to applicants. Should the CIP system actually be introduced to

Japan, it would be designed as an intermediary between these two suggested versions, taking equilibrium between the applicant and third parties into consideration.

We hope that this report will contribute to legal reforms aimed to establish Japan as an intellectual property-based nation, and stimulate the discussion on the introduction of a Japanese version of the CIP system.

### Notes:

- 1) Patent System Subcommittee of the Intellectual Property Policy Committee of the Industrial Structure Council, Interim Report titled *Saitekina tokkyo shinsa ni muketa tokkyo seido no arikata ni tsuite* (Ideal patent system for optimal patent examination), January 2003; Working Group on the Patent Strategic Plan Issues under the Patent System Subcommittee, Interim Report titled *Sekai saikō reberu no jinsoku tekikaku na tokkyo shinsa no jitsugen ni mukete* (Aiming for Patent Examination of the World's Highest Speed and Precision), January 2004
- 2) These opinions include: (1) a Japanese version of the CIP system should be designed as a system under which a patent application claiming domestic priority may be filed even after one year has elapsed from the filing date of the parent application; (2) in light of the fact that, through the recent revision of the Patent Law, the standards for allowing amendment in Japan have been made as strict as those in the United States, a Japanese version of the CIP system should be designed as a system under which a new patent application may be filed after an amendment is rejected, which was abolished upon the introduction of the domestic priority claim system (Yoichiro Yamaguchi, *Patent* Vol. 50, No. 1, 66-68).
- 3) Suzuye & Suzuye, ed., *Beikoku tokkyo shutsugan chūkan shori soshō: Amerika tokkyo no jitsumu* (US patent application, intermediate processing, litigation: US patent practices), revised edition, Japan Institute of Invention and Innovation (2003), 146-156; Sota Asahina, *Gaikoku tokkyo no chishiki* (Knowledge on foreign patents), Research Institute of Economy, Trade and Industry (1977), 198-200; First International Committee, *Beikoku tokkyo wo umaku shutku suru hōhō*, (How to succeed in obtaining US patents), third edition, Japan Intellectual Property Association (2003) 66-76; Nishijima, Teramoto, Aikawa, Shobayashi, Hotate, and Ito, *Patent* Vol. 55, No. 4, (2002), 10-11
- 4) *Lutice* case (169 USPQ 795, CCPA 1971)  
In this case, the applicant filed a CIP application

to limit the claim in the parent application, indicating "Mw/Mn of at least 2.0 but less than about 3.0..." The court pointed out that one of the working examples included in the original application had substantially disclosed Mw/Mn as 2.6 but it had never covered the range between 2.0 and 3.0 or even those skilled in the art could not have understood that range from the specification of the parent application. For this reason, the court judged that the parent application had not substantially disclosed the claim mentioned in the CIP application, and therefore the CIP application should not be entitled to the benefit of the filing date of the parent application.

Smith case

In this case, by filing a CIP application, the applicant revised the claim in the parent application, "at least 12 carbon atoms," into a broader generic claim, "8 to 36 carbon atoms." The court held that, irrespective of the validity of an inductive or deductive approach for arriving at the claimed subgenus, the subgenus could not be necessarily deemed to be implied by the genus that included the subgenus or species contained therein. For this reason, the court judged that the CIP application that broadened the claim of the parent application should not be entitled to the benefit of the filing date of the parent application.

5) Russet case (118 USPQ 101, CCPA 1958)

In this case, the applicant filed a US patent application, and then filed a CIP application to broaden the claims of the initial application after one year had elapsed from the date of publication of a UK patent application corresponding to the initial US application. The applicant added a matter to broaden the claim after the expiration of the grace period under the one-year rule (USC§102(b)). However, as the added matter was obvious from the disclosure in the initial application, the broadened claim was not accepted as a valid generic claim.

6) Continuation patent application (CPA) was included in the Patent Law in 1952 as Section 120, based on the court judgment in 1864 (*Godfrey v Eames*, 68 U.S. 317, 1864). The introduction of the CPA system was promoted by the judgment of this case and the subsequent patent practices (to accept a continuation application on the condition of the identity in the disclosure and the applicant). The outline of this benchmark judgment is as follows. Against the first notice of rejection issued in 1855, the applicant withdrew the first application and filed the second application on the same day in 1857. The patent was issued for the second application, and an infringement suit was initiated over the patent. The defendant alleged invalidity of the patent, arguing that the patented invention had been publicly used in 1854. The plaintiff (patentee), as a defense

against such allegation, argued that the second application was identical to the first application, and both applications were not independent but continuous applications. The court, applying the concept of amendment that had been introduced in 1836, regarded the second application as a sort of amendment to the first application, and acknowledged continuity between the first and second applications. As a result, the plaintiff's argument was upheld and the patent escaped invalidation (*Henry Koda*, *Beikoku tokkyohō chikujō kaisetsu*, (Section-by-section summary of the US patent law), fourth edition, Japan Institute of Invention and Innovation (201), 149-153).

7) Ryoichi Takaoka, *Amerika tokkyo jitsumu handobukku* (Handbook for US patent practice), Chuokeizaisha (2002), 197-203; Manabu Kensaka, "Continuation-in-part (CIP) shutsugan ni okeru mondaiten" (Problems of CIP application), *AIPPI* Vol. 30, No. 10, AIPPI Japan (1985), 686-690.

8) The number and share of US CIP applications shown in Figure 1 are compiled by making reference to Cecil D. Quillen, Jr., Ogden H. Webster, and Richard Eichmann, *Continuing Patent Applications and Performance of the U.S. Patent and Trademark Office-Extended*, Published in the *Federal Circuit Bar Journal*, Vol. 12, No. 1 (August 2002), 35-55.

9) First Sub-Committee of the First Patent Committee, "Pari jōyaku no yūsenken seido to kyakutaiteki yūkōhan'i no toriatsukai" (Treatment of priority under the Paris Convention and the valid scope of object), *Chizaikanri* Vol. 53, No. 11, Japan Intellectual Property Association (2003), 1723-1738.

10) Intellectual Property System Reform Office of the General Affairs Division of the General Affairs Department of the Japan Patent Office, ed., *Kaisei tokkyohō jitsuyōshin'anhō kaisetsu* (Explanation of the amended Patent Law and Utility Model Law), Yuhikaku (1994), 10-23; Intellectual Property System Reform Office of the General Affairs Division of the General Affairs Department of the Japan Patent Office, ed., *Heisei 6 nen kaisei kōgyōshoyūkenhō no kaisetsu* (Explanation of the intellectual property laws amended in 1994), Japan Institute of Invention and Innovation (1995), 52-66.

11) Kosaku Yoshifuji and Ken'ichi Kumagai, *Tokkyohō gaisetsu* (Summary of the patent law), 13th edition, Yuhikaku (2001), 320-330.

12) Kazuhiko Takeda, *Tokkyo no jitsumu (dai 7 han): Riron to jissai* (Patent practice (seventh edition): Theory and Practice), Diamond (2004), 269, 504.

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