
ARTICLES

Study on Revisions Regarding Indirect Infringement*

The Fifth Subcommittee,
The Second Patent Committee

(Abstract)

Due to 2002 revisions of the Patent Law, indirect infringement provisions (Section 101 of the Patent Law) were revised (so that non-exclusive parts, of which protection has been regarded as insufficient in the past, can be subject to indirect infringement). Three years have passed since the enforcement of the law, and several judgments have been made on the cases in which the application of the revised indirect infringement provisions was disputed. It is important to analyze judicial precedents, as it is expected that there will be increasing cases in which the revised indirect infringement provisions are disputed in the future. This report examines points to keep in mind relating to the revised indirect infringement provisions through analysis of court judgments regarding the requirements for indirect infringement in judicial precedents in which newly established indirect infringement provisions (Section 101(ii) or (ii) of the Patent Law) were disputed. In addition, this report also verifies whether or not the provisions established to prevent the unreasonable broadening of the effect of patent rights are functioning as “brakes.”

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1. Introduction

Due to 2002 revisions of the Patent Law, indirect infringement provisions (Section 101 of the Patent Law) were revised so that non-exclusive parts and general-purpose software modules, of which protection has been regarded as insufficient in the past, can be subject to indirect infringement. Three years have passed since the enforcement of the law on January 1, 2003, and several judgments have been made on the cases in which the application of the revised indirect infringement provisions was disputed. It is expected that there will be increasing court cases in which the revised indirect infringement provisions are disputed as the industrial structure becomes more complex and disputes over patents in the IT field increase in the future. Therefore, it is extremely important for companies to analyze court judgments in judicial precedents. In particular, it is important from a practical perspective to examine court’s interpretation and

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operation of the following requirements that were set as “brakes” to prevent the unreasonable broadening of the effect of patent rights in the newly established indirect infringement provisions (Section 101(ii) and (iv) of the Patent Law): (1) articles indispensable for solving the problems through the invention concerned, (2) those which are generally distributed in Japan, and (3) knowing.

This report examines points to keep in mind relating to the revised indirect infringement provisions through analysis of judicial precedents in which the newly established indirect infringement provisions (Section 101(ii) and (iv) of the Patent Law) were disputed, as well as verifying whether or not “braking” requirements are functioning in actual judicial precedents.

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2. Details of the Provisions and Purpose of the Revisions

2.1 Revised provisions

Section 101(ii) and (iv) were newly established through 2002 revisions.

Section 101 of the Patent Law (Acts deemed to be infringement)

The following acts shall be deemed to be an infringement of a patent right or exclusive license:

(i) in the case of a patent for an invention of product, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc. of, in the course of trade, things to be used exclusively for the manufacture of the product;

(ii) in the case of a patent for an invention of product, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc. of, in the course of trade, articles to be used for the manufacture of the product (excluding those which are generally distributed in Japan) and indispensable for solving the problems through the invention concerned, knowing that the invention is a patented invention and that the articles are to be used for the working of the invention.

(iii) in the case of a patent for an invention of a process, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc. of, in the course of trade, things to be used exclusively for the working of such invention.

(iv) in the case of a patent for an invention of a process, acts of manufacturing, assigning, etc., or importing or offering for assignment, etc. of, in the course of trade, articles to be used for the use of such process (excluding those which are generally distributed in Japan) and indispensable for solving the problems through the invention concerned, knowing that the invention is a patented invention and that the articles are to be used for the working of the invention.

2.2 Purpose of the revisions¹⁾

Under the indirect infringement provisions before 2002 revisions, subjective requirements were not taken into consideration, and the fulfillment of the objective requirement “articles to be used exclusively for” was required. The subject was thus limited to “articles for exclusive use.” Therefore, there was the problem that almost no remedy would be available by indirect infringement provisions if the “exclusively” requirement was interpreted in a strict sense.

In particular, regarding software-related inventions, there was concern that indirect infringement provisions would not be applicable to modules, which consist of software, because they are often versatile, and thus, do not fulfill the “exclusively” requirement.

In addition, the United States and European countries had adopted provisions taking subjective requirements into account, and provisions in Japan were unique by international standards.

Consequently, through the 2002 revisions, in addition to conventional provisions requiring the fulfillment of the “exclusively” requirement, new provisions were established to promote

proper protection of inventions. Instead of requiring the fulfillment of the “exclusively” requirement, these new provisions require the fulfillment of the objective requirements “articles indispensable for solving the problems through the invention concerned” and “excluding those

which are generally distributed in Japan,” as well as the subjective requirement “knowing that the invention is a patented invention and that the articles are to be used for the working of the invention.”

Table 1 Judicial precedents concerning indirect infringement after the revisions
(as of the end of December 2005)

	Title of the case	Applicable provisions	Conclusion	Reason for not finding indirect infringement
1	Tokyo High Court; 2003.7.18; 2002(Ne)4193	Section 101(ii) (also (i))	Dismissed	Used for manufacture, and not indispensable for solving the problems
2	Tokyo District Court; 2004.4.23; 2004(Wa)6035 (Clip case)	Section 101(ii)	Dismissed	Not indispensable for solving the problems
3	Tokyo District Court; 2004.5.28; 2003(Wa)16055	Section 101(ii) (also (i))	Dismissed	Not falling within the technical scope
4	Tokyo High Court; 2004.10.27; 2004(Ne)3458 (intermediate appellate instance for No. 3)	Section 101(ii) (also (i))	Dismissed (original judgment upheld)	
5	Tokyo District Court; 2004.6.18; 2003(Wa)5443, etc.	Section 101(iv) (also (iii))	Dismissed	Not falling within the technical scope
6	Tokyo High Court; 2005.2.28; 2004(Ne)3686 (intermediate appellate instance for No. 5)	Section 101(iv) (also (iii))	Dismissed (original judgment upheld)	
7	Tokyo District Court; 2005.7.29; 2004(Wa)14019	Section 101(iv) (also (iii))	Dismissed	Patent should be invalidated.
8	Tokyo District Court; 2004.8.31; 2003(Wa)18830	Section 101(ii) and (iv)	Dismissed	Not falling within the technical scope
9	Tokyo District Court; 2004.10.29; 2003(Wa)27420	Section 101(ii) and (iv)	Dismissed	Not falling within the technical scope
10	Tokyo District Court; 2005.2.1; 2004(Wa)16732 (original instance for Ichitaro case)	Section 101(ii) and (iv)	Indirect infringement was found.	
11	Intellectual Property High Court; 2005.9.30; 2005(Ne)10040 (intermediate appellate instance for Ichitaro case)	Section 101(ii) and (iv)	Original judgment was reversed, though requirements under Section 101(ii) were fulfilled.	Patent should be invalidated.
12	Osaka District Court; 2004.10.21; 2004(Wa)10511	Section 101(iv)	Dismissed	Not falling within the technical scope
13	Tokyo High Court; 2005.1.25; 2004(Ne)2033	Section 28(ii) (also (i)) of the Utility Model Law	Dismissed	Not used for manufacture
14	Tokyo District Court; 2005.2.17; 2003(Wa)16706	Section 101(iv) (also (iii))	Dismissed	Not falling within the technical scope
15	Tokyo District Court; 2005.3.10; 2003(Wa)5813, etc. (survey measurement system case)	Section 101(iv)	Indirect infringement was found.	
16	Osaka District Court; 2005.3.14; 2004(Wa)810	Section 28(ii) (also (i)) of the Utility Model Law	Dismissed	Not falling within the technical scope
17	Tokyo District Court; 2005.3.18; 2003(Wa)18472	Section 101(ii) (also (i))	Dismissed	Not falling within the technical scope
18	Tokyo District Court; 2005.3.30; 2003(Wa)1068	Section 101(iv)	Dismissed	Not falling within the technical scope
19	Osaka District Court; 2005.7.28; 2004(Wa)6549, etc.	Section 101(iv) (also (iii))	Dismissed	Not falling within the technical scope
20	Osaka District Court; 2005.9.5; 2004(Wa)10153	Section 101(ii)	Dismissed	Patent should be invalidated.
21	Osaka District Court; 2005.12.8; 2005(Wa)310	Section 101(ii)	Dismissed	Not falling within the technical scope

3. Judicial precedents concerning indirect infringement after the revisions

Table 1 shows judicial precedents (as of the end of December 2005) concerning indirect infringement (Section 101(ii) and (iv) of the Patent Law, or Section 28(ii) of the Utility Model Law), which occurred after the revisions. Out of 21 cases, including 5 intermediate appellate court cases, indirect infringement was found in only two cases (Tokyo District Court, 2003(Wa) 5813 (survey measurement system case), and Tokyo District Court, 2004(Wa)16732 (original instance for Ichitaro case).

The breakdown of reasons for dismissal regarding 19 cases in which indirect infringement was not found is as follows: “not being articles to be used for the manufacture of the product, etc. (not falling within the technical scope)” for 14 cases, “not being articles indispensable for solving the problems” for two cases, and “the patent should be invalidated” for three cases. Regarding the cases in which the court found that the patent should be invalidated, in 2005(Ne)10040 (intermediate appellate instance for Ichitaro case), the Intellectual Property High Court handed down its ruling on the requirements under Section 101(ii) of the Patent Law for the first time.

The following is the result of consideration of the requirements for application of newly established indirect infringement provisions based on judicial precedents.

4. Consideration and Study on Requirements in the Indirect Infringement Provisions

4.1 “Articles indispensable for solving the problems through the invention”

(1) Significance of the requirements¹⁾

The “articles indispensable for solving the problems through the invention” requirement was stipulated in order to limit the subject of the new indirect infringement provisions to parts, etc. considered to be important from the perspective of an “invention” so that the indirect infringement provisions will not unreasonably broaden the effect of patent rights when the

“used exclusively for” requirement is removed. The following shows the standards for determining the fulfillment of this requirement as published at the time of legislation.

- 1) Parts, tools, raw materials, etc. fall into “articles indispensable for solving the problems through the invention” if the “problems to be solved by the invention” are solved only by means of the parts, tools, raw materials, etc. For example, in regard to an invention of a ballpoint pen erasable by a rubber eraser, special pigment, etc. used for the ink fall into such articles. However, the holder and cap of the said ballpoint pen, which are not specially different from those of ordinary ballpoint pens, do not fall into such articles, even if they are indispensable for manufacturing the ballpoint pen.
- 2) “Articles indispensable for solving the problems through the invention” also include tools, raw materials, etc. used for the manufacture of a product or the use of a process, in addition to the constituents of the invention described in the claims.
- 3) Even the constituents of the invention described in the claims do not fall into the “articles indispensable for solving the problems through the invention” if they have been needed in the past independently of the problems to be solved by the invention.
- 4) “Articles indispensable for solving the problems through the invention” are included in the subject of indirect infringement, even if they have other non-infringing uses.

(2) Judicial precedents

- 1) Tokyo District Court, 2004(Wa)6035 (Clip case)

The patented invention in question is related to a jig for plating printed-circuit board, which is composed of (1) a jig body having a holding member on which an inflected part that is inflected outward and rearward is laid and (2) a clip that fixes the printed-circuit board on the jig body by its elastic force. In this case, parties concerned disputed over whether the clip manufactured and sold by the defendant constitutes indirect infringement of the patented invention in question.

The plaintiff argued that since the existence of the clip is indispensable for achieving the purpose of the invention and Section 101(ii)

of the Patent Law eliminates the “exclusively” requirement in the provisions before 2002 revisions (i.e. the “articles for exclusive use” requirement), the defendant’s clip constitutes indirect infringement, as long as the principal problem to be solved by the invention can be solved by applying a holding member without an inflected part.

However, the court held as follows. Parts, etc. fall into “articles indispensable for solving the problems through the invention” if the “problems to be solved by the invention” are solved only by means of the parts, etc. In other words, it is reasonable to understand that characteristic members, etc., which directly bring a particular constitution or component that characterizes a characteristic technical means that is not seen in prior art but is newly disclosed by the invention in question as a method of solving the problems of prior art, fall into such articles. Therefore, even members, etc. described in the claims do not fall into “articles indispensable for solving the problems” if they do not fall into those that directly form a characteristic technical means newly disclosed by the invention in question for solving the problems.

On that basis, the court found that the clip had been used before the application for the patented invention in question was filed, and that the point that a holding member, on which a part inflected outward and rearward is laid, is set on the jig body, falls into a technical matter newly disclosed by the invention for solving the problems of prior art. The court then held that the clip itself does not fall into “articles indispensable for solving the problems,” recognizing that the clip does not fall into members which directly bring a particular constitution that characterizes a characteristic technical means newly disclosed by the invention for solving the problems of prior art.

- 2) Tokyo District Court, 2004(Wa)16732 (original instance for Ichitaro case), and Intellectual Property High Court, 2005 (Ne)10040 (intermediate appellate instance for Ichitaro case)

The patented invention in question is equipment and a process designed to perform a help function by which the first icon, which is to have explanations on icons’ functions displayed, and the second icon, which is to have a prescribed information processing function exe-

cuted, are displayed on the display screen, and by which explanation on the second icon’s function is displayed on the screen in accordance with designation of the second icon following designation of the first icon. In this case, parties concerned disputed whether the program product manufactured and sold by the defendant (appellant) (hereinafter described as the subject product) constitutes indirect infringement of the patented invention in question.

The defendant argued that the help function, which the plaintiff (appellee) had argued that was the function of the subject product, was the function of Windows, and this function was realized irrespective of installation of the subject product, and therefore, there was no relationship between the solution of the problems and the installation of the subject product, and the subject product was not “indispensable for solving the problems through the invention,” because it could not be said that the problems to be solved by the invention could be solved only by means of the subject product.

In the intermediate appellate instance, the defendant in the original instance (appellant) also argued that the subject product was not indispensable for solving the problems through the invention in question, because the help function of the subject product was the mere execution of an executable file within Windows by an API function contained in the subject product and the widely disclosed API function was nothing more than a general-purpose article in software development.

However, the original court recognized that the subject product was used for the manufacture of “personal computers on which the subject product is installed” and was indispensable for solving the problems—a function explanation service is not available (in conventional means) if one has forgotten or has not known the keyword—through the patented invention in question. The court also found that the subject product was indispensable for solving the problems through the patented invention in question, since the help function of the subject product was executable only by a personal computer on which the defendant’s product has been installed. The intermediate appellate court upheld this finding.

(3) Study

In the above-mentioned clip case, the court found that the point that a holding member, on which an inflected part that is inflected outward and rearward is laid, is set on the jig body directly forms the characteristic technical means newly disclosed by the invention in question for solving the problems, and then held that the subject product “clip” was a member described in the claims, but did not fall into articles that directly form the characteristic technical means newly disclosed by the invention for solving the problems. Applying this holding to the above-mentioned case of a “ballpoint pen erasable by a rubber eraser,” the clip in this case corresponds to the “holder and cap,” and the above-mentioned judgment is thus regarded as reasonable.

In the above-mentioned original instance and intermediate appellate instance for the Ichitaro case, the court determined that the subject product was “indispensable for solving the problems” because the help function of the invention could be realized as the function of Ichitaro only if the subject product (Ichitaro) was installed in a personal computer.

According to this determination, if several kinds of software having similar functions were installed, whether the function of individual software is “indispensable for solving the problems” would be individually determined, regardless of whether or not the problems have already been solved by previously installed software.

The determinations made in these judicial precedents are reasonable in light of the purpose of legislation and the above-mentioned standards for determination. The “articles indispensable for solving the problems” requirement is considered to be functioning as a brake on the unreasonable broadening of patent rights due to relaxation of the indirect infringement provisions.

4.2 “Those which are generally distributed in Japan”

(1) Significance of the requirement¹⁾

“Those which are generally distributed in Japan” were excluded from the subject of the indirect infringement provisions because it is not desirable from the perspective of ensuring trade safety to include the manufacturing and assigning, etc. of these articles in the acts of indirect infringement.

“Those which are generally distributed” are defined as common products generally distributed in Japan, which are not custom-made products but standard or popular products generally available in the market, for example, screws, nails, and transistors.

(2) Judicial precedents

In 2004(Wa)16732 (original instance for the Ichitaro case), the Tokyo District Court held that the defendant’s product was obviously not one of “those which are generally distributed in Japan,” but did not mention the reasons for that holding. In 2005(Ne)10040 (intermediate appellate instance for the Ichitaro case), the Intellectual Property High Court held as follows: In this case, if the appellant’s product is installed on a personal computer in the form including the help function, a “personal computer on which the appellant’s product is installed,” which fulfills the constituent features of the first and second inventions in question, will be completed without fail, and the appellant’s product should not be regarded as falling into “those which are generally distributed in Japan,” because it contains parts used exclusively for the manufacture of the product that has the constitution of the first and second inventions.

In addition, since the API function included in the appellant’s product is generally disclosed and is a mere general-purpose article in software development, the court held, in response to the appellant’s argument that the API function is not indispensable for solving the problems, that it was obvious that even if the API function was generally disclosed for software development, such fact would not immediately prove that it falls into “those which are generally distributed in Japan.”

(3) Study

Regarding “those which are generally distributed in Japan,” the scope thereof among “articles indispensable for solving the problems” will become an issue.

In the intermediate appellate instance for the Ichitaro case, the “help function” included in the appellant’s product (Ichitaro) was regarded as the “part used exclusively for the manufacture of the product that has the constitution of the invention in question,” that is, the part for exclusive use, and was determined as not falling into

“those which are generally distributed.” However, the court did not make any direct determination on the scope of those which are generally distributed. In addition, at this time, there have been no other judicial precedents in which a court made determination on “those which are generally distributed,” and the scope thereof has not been made clear.

In the intermediate appellate instance for the Ichitaro case, the court clearly specified that articles having a part for exclusive use would not fall into “those which are generally distributed.” This serves as one of the indicators for defining the scope of those which are generally distributed.

In addition, regarding the API function, the intermediate appellate court for the Ichitaro case determined that it was obvious that even if the API function was generally disclosed, such fact would not prove that the appellant’s product itself (Ichitaro) falls into “those which are generally distributed.”

Even if the API function, which is part of the appellant’s product, is a general-purpose article, such fact seems to be insufficient to argue that the appellant’s product itself falls into “those which are generally distributed.” To prove that articles are “those which are generally distributed,” it is necessary to argue that the “things to be used for the manufacture of the product (not the API function but Ichitaro itself)” mentioned in Section 101(ii) of the Patent Law fall into “those which are generally distributed.”

Regarding the scope of “those which are generally distributed in Japan” and the question of whether this requirement is functioning as a “brake,” we have to wait for clarification thereof in future judicial precedents.

4.3 “Knowing”

(1) Significance of the requirement¹⁾

The “knowing” requirement is a subjective requirement under Section 101(ii) and (iv) of the Patent Law. This was set as one of the requirements for establishment of indirect infringement because “it is too harsh to impose on suppliers the duty of care to the existence of patent rights regarding the content of working by others after parts, etc. are supplied since the parts, etc. sometimes have many uses other than

infringing use.”¹⁾

“Knowing” refers to actually knowing that (1) the invention is a patented invention and that (2) the product is used for the working of the invention. If one did not know these facts, he/she would not meet this requirement, even in the case of negligence.

This is a subjective requirement, so it is difficult to prove that the other party conducted relevant acts knowing these facts (recognizing (1) and (2)). However, it is generally considered that “in the case one sent a letter of warning to the other party, it is relatively easy to prove the other party’s malicious intent, at least after the sending of the letter of warning.”

(2) Judicial precedents

In 2004(Wa)16732, the Tokyo District Court held that the defendant is recognized as having come to know that the invention in question is a patented invention and that the defendant’s product is used for the working of the invention in question, at the latest, at the time of the service of a petition for a provisional disposition order filed by the plaintiff on November 7, 2004.”

In 2005(Ne)10040 (intermediate appellate instance for the Ichitaro case, the Intellectual Property High Court held as follows: In terms of a request for injunction, the time when the subjective requirement for indirect infringement should be met is the time of conclusion of oral argument in the fact-finding proceedings of the case to seek an injunction, ... in this case, it is reasonable to recognize that the appellant came to know that the first and second inventions in question are patented inventions and that the appellant’s product is used for the working of these inventions, at the latest, on August 13, 2004, which is obviously, according to the record, the date when the appellant received the service of a complaint for this case.

In these two judicial precedents, courts determined that the “knowing” requirement was met at least after the service of the complaint or the petition for a provisional disposition order.

(3) Study

After the service of a complaint or other document, working is conducted recognizing the service. Therefore, such working is found as being conducted “knowing” relevant facts. Since a

letter of warning is similar to a complaint, etc. in terms of causing recognition of facts, it is reasonable to think that “if a letter of warning was sent to the other party, it will be relatively easily possible to prove the other party’s malicious intent, at least after the sending of the letter of warning” and that “‘malicious intent’ is presumed after the receipt of the letter of warning.”²⁾ If the purpose of legislation is based on the reason that “it is too harsh to impose on suppliers the duty of care to the existence of patent rights regarding the content of working by others after parts, etc. are supplied,” it is not contrary to the purpose of legislation to consider that the “knowing” requirement is met due to receipt of a letter of warning.

There are no judicial precedents disputing this point, because the revisions of the indirect infringement provisions are of a quite recent date. Therefore, there are some concerns about concluding that the sending of a letter of warning equals meeting the “knowing” requirement, because even if a letter of warning was sent, the subjective requirement may not be established if there are circumstances such as not being able to know usage by users.

Nonetheless, it is no mistake that the sending of a letter of warning is an effective method of proof. The following considers the matters that seem to be minimum requirements for a letter of warning for proving the fact of “knowing.”

- Ensuring effectiveness:
Confirm that the date of sending and the content of the letter of warning are provable, by sending the letter through contents-certified mail
- Contents
 - Other party (name of the company and name of the representative)
 - Name of the sender (name of the company, contact information, etc.)
 - Fact that the invention in question is a patented invention (patent number, scope of claims, etc.)
 - Fact that the product in question is used for the working of the invention (indirectly infringing product, relations with direct infringement, etc.)

Is it possible to prove the fact of “knowing” without sending a letter of warning? It is considered extremely difficult to do that, excluding cases where the parties concerned have held license/assignment negotiations for the relevant patent in the past.

However, “it is considered that malicious intent is presumed due to whistle blowing and revealing of internal documents, including contracts, memorandums, and reports on the study of other companies’ rights, based on an order to submit documents.”²⁾ For example, there are judicial precedents in which the court held that, in relation to customers, if a company sold a product recognizing that a direct infringement will be constituted, assistance for tort (assistance for direct infringement by customers) will be established and the company will bear joint tort liability.^{3),4)} Therefore, there may be cases where the fact of “knowing” can be proved without giving any warning. There is actually judicial precedent in which the court found the fact of “knowing” though a letter of warning was not sent (Tokyo District Court, 2003(Wa)5813 (survey measurement system case)).

In terms of whether or not the fact of “having not known” can be proven, if one received a letter of warning, it is almost impossible to deny the fact of “knowing” in relation to working after the receipt of the letter of warning.

It is extremely difficult to prove not knowing that “the invention in question is a patented invention” (above-mentioned (1)) because at least the existence of the patent right is recognized through the letter of warning. Regarding the fact that “the product in question is used for the working of the invention” (above-mentioned (2)), the argument of not knowing is unlikely to be accepted if a letter of warning describes that fact (specification of the patent right, indirectly infringing products, directly infringing products and one who works directly infringing products).

Taking into account past damages cases, this requirement is expected to serve as a “brake” in the point that a claim for damages is not received where the existence of a patent right, etc. is not known. However, even if one is sure that his/her working does not constitute indirect infringement, it is difficult for him/her to deny the fact of “knowing” if he/she received a letter of warning, etc. Therefore, it is doubtful that the requirement functions as a “brake.”

4.4 “Articles to be used for the use of such process”

This is not a point at issue roused by the revisions. However, one of the standards for determination regarding “articles to be used for the use of such process” was indicated by the Intellectual Property High Court in 2005(Ne) 10040 (intermediate appellate court for the Ichitaro case).

In this case, the court held that the act of manufacturing, assigning or offering for assignment, etc. software would not constitute indirect infringement of process claims that claim the process conducted by a computer on which the software is installed.

In the first instance, the court held that indirect infringement under Section 101(iv) of the Patent Law was established, without giving any clear explanation on process claims.

What is worth noting in this judgment is that the court limited the scope of establishment of indirect infringement based on the following interpretation: “The act of manufacturing, assigning, etc. articles by use of which a process relating to the patented invention can be worked is deemed to be infringement of the patent right, but the act of manufacturing, assigning, etc. articles used for the manufacture of such articles as mentioned above is not deemed to be infringement of the patent right.” In this case, the court gave the following explanation regarding this limited interpretation. “The Japan Patent Office started operations in which a ‘computer-readable storage medium having a program recorded thereon’ and ‘program itself’ are regarded as being able to be patented inventions. The operations were started for the former by the ‘Implementation Guidelines for Examinations in Specific Fields’ published in February 1997 and for the latter by the ‘Revised Examination Guidelines for Patents and Utility Models’ published in December 2000. In addition, the Patent Law revised by Law No. 24 of 2002 explicitly provides that a program, etc. not recorded on any storage medium itself may be the subject matter of protection under the law (see Section 2(3)(i) and Section 2(4) of the said law; the law was enforced on September 1, 2002). In light of such circumstances, even if Section 101(iv) of the said law is interpreted as above mentioned, protection of inventions of program, etc. under the

law will not be impaired.”

According to the report of the Legislative Affairs Subcommittee of the Intellectual Property Policy Committee in the Industrial Structure Council, it seems that there was intent to make it possible, through legal revisions, to charge indirect infringement of software based on the concept of the “invention of process.” However, it is considered that the court decided to impose limitations so as to prevent protection of rights from becoming excessively broad, taking into account common articles that are not software. Seeing judicial precedents, there was a case where the court found that a CD-ROM was used for the use of a process in the case of a process claim (Tokyo High Court, 2003(Ne)1223). The intermediate appellate court for the Ichitaro case made judgment, finding a personal computer on which Ichitaro is installed as an article used for the use of the process, which is the patented invention of process.

The judgment of the intermediate appellate court for the Ichitaro case is different from other judgments in the past in the point that the court first strictly determined the mode of use and then determined that the effect of indirect infringement would not extend to an article (Ichitaro) that constitutes an article used for the use.

With regard to common articles, without such a determination, the act of manufacturing, selling, etc. parts of a product that constitutes indirect infringement of a process claim will also fall into indirect infringement, and the scope of indirect infringement may become unreasonably broad. Therefore, determination in this judgment is regarded as reasonable, taking into account not only software but also common articles.

5. Comparison between Indirect Infringement before and after the Revisions

Before the revisions, indirect infringement was determined based on the objective requirement, i.e. the “articles to be used exclusively for” requirement, without requiring the subjectivity of the actor (Section 101(i) and (ii) of the Patent Law before 2002 revisions). Consequently, indirect infringement was hardly recognized due to strict interpretation of the “exclu-

sively” requirement.

Contrary to this, the indirect infringement provisions after the revisions include provisions stipulating that indirect infringement be recognized even when the “exclusively” requirement is not met. On that basis, the following requirements that serve as “brakes” were set to prevent the effect of patent rights from becoming unreasonably broad: (1) articles indispensable for solving the problems through the invention, (2) those which are generally distributed in Japan and (3) knowing.

As discussed above, there has been no case in which one escaped from the application of the indirect infringement provisions due to fulfillment of the requirement (2); therefore, it is not clear whether or not this requirement is functioning as a “brake.” Next, regarding the “knowing” requirement, it is doubtful whether or not the requirement functions as a “brake,” because even if one is quite sure that his/her act does not constitute indirect infringement, it is difficult for him/her to deny the fulfillment of the “knowing” requirement if he/she has received a letter of warning, etc.

Lastly, regarding “articles indispensable for solving the problems through the invention,” it is necessary, according to the above-mentioned judicial precedents, to prove that the subject product “falls into articles that directly form a characteristic technical means newly disclosed by the invention in question for solving the problems.” In judicial precedent, “articles directly form a characteristic technical means” are defined as follows: it is reasonable to understand that characteristic members, etc., which directly bring a particular constitution or component that characterizes a characteristic technical means that is not seen in prior art but is newly disclosed by the invention in question as a method of solving the problems of prior art, fall into such articles. In this manner, this requirement clearly limits the scope of subject of indirect infringement, and therefore, it is most expected to serve

as a “brake” on the unreasonable broadening of the indirect infringement provisions compared to other requirements.

6. Summary

This report analyzed judicial precedents in which the application of the newly established indirect infringement provisions (Section 101(ii) and (iv) of the Patent Law) was disputed, with the aim of verifying whether or not braking provisions, which were set to prevent the effect of patent rights from becoming unreasonably broad, are functioning.

In judicial precedents, the majority of reasons for judgments denying indirect infringement were “not falling within the technical scope.” Therefore, it is not clear whether or not braking provisions are functioning. However, seeing judicial precedents in which indirect infringement was found, it is obvious that the indirect infringement provisions after the revisions made it easier to prove indirect infringement compared to those before the revisions.

The indirect infringement provisions are designed to deem the act not falling into the working of a patented invention to be infringement of the patent right. If braking provisions are erroneously interpreted, application of the indirect infringement provisions may be unreasonably broadened. Thus, it is important to continuously pay attention to interpretations and practices by the courts in the future.

Notes / References:

- 1) Comments on the 2002 Revisions of Industrial Property Law, pp.21-38
- 2) “CHIZAI KANRI” (Intellectual Property Management), Vol.35, No. 5 (2005)
- 3) Osaka High Court, 2000(Ne)3014
- 4) Osaka High Court, 2000(Ne)3015

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