

Points Related to the Revised Patent Law on Software*

Software Committee

In order to cope with IT (Information Technology), the revised Patent Law was approved on April 11, 2002, in which the valid scope of a patent for software was focused, and provisions of the revised Patent Law have been effective since September 1, 2002 one after another.

The followings are Frequently Asked Questions. By the way, the Examination Guidelines were revised several times with respect to software related inventions so far. In 1997, the protection of software using storage medium such as CD-ROMs (tangible objects) was ensured, and in 2000 programs were allowed to be described in a claim as “invention of a product”.

Q1 I hear the Patent Law was revised in order to cope with a circulation of software on a network. How was the Patent Law revised?

A1 According to a revision of the Examination Guidelines in 2000, programs were allowed to be described in a claim as “invention of a product” even before the recent revision. However, “product” generally means a tangible object, and the definition of “working” in the pre-revised Patent Law considered a tangible object (“assignment”) to be a precondition. In addition, they doubted that a court would decide in the same way as the Examination Guidelines with respect to a question whether a circulation of programs (intangible objects) on a network fell under working of a patent or not. Therefore, many people demanded to revise the Patent Law so as to define a circulation of programs on a network as working of a patent.

In response to this demand, Article 2, paragraph 3, subparagraph 1 of the Patent Law

was revised, in which it was expressly stated that “programs and so on” were included in a “product” and “provision of programs through electric telecommunication lines” was included in “assignment and so on” as working of a patent.

Q2 In the recent revision of the Patent Law, “programs and so on” were included in a “product”. What do “programs and so on” mean, except for programs?

According to the recent revision of the Patent

A2 Law, the provision that “programs and so on” mean programs and other information for the use of computer processing, which is similar to programs” was added (Article 2, paragraph 4 of the Patent Law). Besides programs, “data that have data structure prescribing processing details of programs” are included as well.

By the way, with respect to storage medium storing “data that have data structure prescribing processing details of programs”, the protection thereof was ensured in accordance with the Examination Guidelines revised in 1997.

Q3 In the recent revision of the Patent Law, “provision of programs through electric telecommunication lines” was included in “assignment and so on” as working of a patent. What kind of acts is applicable?

A3 Not only transmission of programs and so on on a network but also provision of program functions to users, which is carried out by ASP (Application Service Provider), not involving transmission of programs, are applicable.

Q4 I hear the judgment standards of indirect infringement were eased. Why were such standards eased, and to what extent were they eased?

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A4 Because, according to Article 101 (acts deemed to be infringement) of the current Patent Law, in the case of a patent for an invention of product, a requirement of indirect infringement was limited to acts of manufacturing... “articles to be used exclusively for the manufacture of the product”, and so a patent right could not be exercised over a third party’s sale of general-purpose parts such as modules of computer programs or interface. The current Law only allows exclusive parts consisting of a patent to be subject to indirect infringement.

Then the revised Patent Law prescribes not only exclusive goods but also general-purpose goods as a target of indirect infringement. The provision of Article 101, subparagraph 2 of the pre-revised Patent Law was changed to Article 101, subparagraph 3, subparagraph 2 as below was added, and subparagraph 4 regarding invention of process was added as well.

“In the case of a patent for an invention of product, acts of manufacturing or assigning, or offering for assignment or import of, in the course of trade, articles to be used for the manufacture of the product (excluding product that has wide circulation in Japan), which are indispensable for solution of the question in the invention in the knowledge that the invention is patented invention and that the articles are used for exploitation of such invention” (Article 101, paragraph 2 of the Patent Law).

Modules that can be used for general purposes may be a target of indirect infringement, and you should pay attention to general-purpose interface that is applicable to two or more OS (Operating System) in order to avoid indirect infringement.

For example, computer programs are manufactured by being divided according to modules, which is carried out commonly. If two or more companies share the manufacture of modules, each company might seem to more often cause indirect infringement.

This is also applicable not only to a program patent, but also to other patent of product or patent of process.

Q5 What circumstances does “knowing that” in Article 101 of the revised Patent Law indicate, and how can we prove it?

A5 “knowing that”, mentioned in Article 101, subparagraphs 2 and 4 of the revised Patent Law means such circumstances as clearly notifying the opponent or distributing an advertisement or article to the effect that it knows the existence of the patent.

Therefore, publication of Patent Gazette may not be enough to prove that the opponent has known the existence thereof. To the contrary, if you exploit the patent in spite of receiving a notice or warning from the patentee, it will be acknowledged that you did it “knowing that”.

If the opponent suggests the existence of the patent in an advertisement or if the opponent aims avoidance of direct infringement in a promotional article, it may probably be acknowledged that the opponent did it “knowing that”. However, it will be easier to prove that the opponent has known the existence thereof by sending a notice or warning.

Warning letter should be sent by a contents-certified mail, in which you should state that the parts concerned are indispensable for the invention and the exploitation concerned falls under indirect infringement pursuant to Article 101 of the Patent Law.

Q6 What does “product that has wide circulation” in Article 101 of the revised Patent Law mean?

A6 It means a product that is generally available in a general market. To the contrary, a custom-made item, which is not sold in a general market, does not fall under “product that has wide circulation”.

According to the recent revision of the Patent Law, indirect infringement can be applicable even to general-purpose products, however, stability of transactions might be threatened if products even in common use in a market are recklessly covered by indirect infringement.

Then, the revised Patent Law prescribes that products in common use in a market are not covered by indirect infringement.

Goods that are circulated in a narrow and closed way of trade or that are circulated abroad but not in Japan do not seem to fall under “product that has wide circulation”.

By the way, when must it be having “wide circulation”? It is upon infringement.

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