

Selected Articles from

YUASA AND HARA

INTELLECTUAL PROPERTY NEWS

VOL. 16 April 2005

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Review of the Enablement Requirement and the Written Description Requirement for Biotechnological and Pharmaceutical Inventions in Japan

1. Introduction

To protect biotechnological and pharmaceutical inventions in Japan, various types of claims are permissible. Specifically, pharmaceutical inventions can be described as compound or composition claims. For biotechnological inventions, nucleic acids, proteins, transformants, antibodies, microorganisms and other biological materials may be described in the claims. Further, in recent years, various new technologies have been developed, such as analysis of three-dimensional structures of proteins, in silico screening methods, SNPs and halotypes.

For drafting claims and specifications and prosecuting biotechnological and pharmaceutical inventions, it is necessary to take special care. In this article, a review of the enablement requirement and the written description requirement in Japan will be presented with a view to providing guidance for better protection of biotechnological and pharmaceutical inventions.

2. Articles stipulating disclosure requirements

In the Japanese Patent Law, there are three important provisions which regulate disclosure

requirements. These provisions are the enablement requirement, the written description requirement and the utility requirement.

Enablement requirement (Japanese Patent Law Article 36 (4))

The specification shall state the invention in a manner sufficiently clear and complete for the invention to be carried out by a person having ordinary skill in the art.

Written Description Requirement (Article 36 (6))

The statement of the claims shall comply with each of the following paragraphs:

(i) the invention for which a patent is sought shall be described in the detailed description of the invention

(ii) the invention for which a patent is sought shall be clear

(iii) each claim shall be concise

Utility (Industrial Applicability) (Article 29 (1) main sentence)

Any person who has made an invention which is industrially applicable may obtain a patent ...

3. Product claims

Product claims are directed to substances per se, such as compounds, genes, proteins or the like, and are acceptable for new substances only.

The examination guidelines published by the Japan Patent Office (JPO) state that to meet the enablement requirement for a product claim, the “invention of the product” should be clearly explained in the specification. Further, the specification should include descriptions to enable a person skilled in the art to make and use the product. Specifically, the original specification at the time of filing is required to include a method for producing the product, and at least one utility of the product.

In addition, and more importantly, physicochemical data and chemical data as working examples are required to support an assertion that a substance has actually been produced. As for a compound claim, NMR UV or IR spectrum data of the compound, for example, must be included in the original specification. As for claims directed to a gene invention, a working example showing that the gene has actually been isolated from the library, together with, for example, the nucleic acid sequence information of the gene is necessary.

Pharmacological data for a product invention

As for a compound claim, pharmacological data is not generally required to be described in the original specification.

Similarly, pharmacological data is not generally required for a gene (nucleic acid) invention. However, to meet the utility requirement, at least one specific biological function (i.e., utility) of the gene is required to be clarified in the specification. In a case that there is no data, and function of the gene of the invention is only presumed based on the homology to a known gene, there may be a problem. That is, 1) if the utility is recognized based on high homology to a known gene, the inventive step will not be recognized; and 2) if the inventive is recognized based on low homology to a known gene, the utility will not be recognized. **Consequently, it is suggested to include, in practice, biological activity data of the nucleic acid or of a protein encoded by the nucleic acid in the original specification.**

As for a protein claim, at least one working example showing that the protein has actually been produced and has exerted a physiological activity is required to be described in the original specification. This practice is clearly distinct from that for a compound claim. In this context, however, we should point out that the JPO appears to determine that a compound having at least one peptide bond (-NHCO) is a kind of biological material including peptides and proteins, and thus pharmacological data is necessary, even if the compound is a very small molecule.

Lastly, as for a claim directed to an antibody, a working example of an antibody is not generally required provided that the antigen to the antibody is novel. This practice in Japan seems to be based on the idea that conventional methods for obtaining an antibody are now well known in the art. Therefore, in general, an artisan could routinely obtain an antibody against an antigen if an antigen itself is sufficiently disclosed in the specification. We should point out, however, that a method for obtaining the antigen, a general method for producing an antibody and a method for confirming the activity of the antibody obtained are required to be described in the specification.

4. Use inventions

Inventions which direct to a new use, especially, a medical use of a substance are called “use inventions”.

A typical claim of a use invention may take the following form: “A pharmaceutical composition for treating the disease Z comprising the compound X”. This kind of pharmaceutical composition claim is useful for protecting a second and further use (for treating the disease Z) of a known substance

(the compound X).

If the compound X is new and the invention is directed to a first use of a new substance X, you may describe a claim as “A pharmaceutical composition comprising the compound X” without limitation of a specific medical use. This type of claim with no specific medical use is acceptable only if the substance is novel. Further, this type of claim is allowed only for applications filed in Japan on or after July 1, 1995.

The third type of claim for protecting use inventions typically takes the following form: “Use of the substance X for producing a pharmaceutical composition for treating the disease Z”. This type of use claim is interpreted as a method claim. That is the above exemplary claim is identical to “A method for producing pharmaceutical composition for treating the disease Z comprising the substance X”. Again, this type of claim is allowed only for applications filed in Japan on or after July 1, 1995. Since a use type claim is interpreted as a method claim, it is generally suggested to draft a pharmaceutical composition claim rather than a use claim for a second medical use invention, if possible.

Pharmacological data for a use invention

Under the current Japanese practice, we should point out that **specific pharmacological data demonstrating use of a specific compound are required to be described in the original specification.**

Specifically, it is important to include at least one working example of pharmacological data in the original specification. If such data is included, submission of supportive additional data during prosecution is generally acceptable. If there is no data, submission of additional data is not acceptable. In one notorious court case, submission of post-filing data during prosecution was denied (Ref. Tokyo High Court Decision Case No. 1996 (gyo ke) 201, 30/10/1998, Monthly Journal Patent & Company, 356, 56).

The data is not necessarily limited to in vivo data. If the data is in vitro data, rational explanation about the relationship between the in vitro data and a specific pharmacological effect described in the claims is required.

5. Special issues for biotechnological inventions

In a typical (old-fashioned) case, research for a new gene in a laboratory proceeds as follows:

Gene	Recombinant vector	Transformant	
		Recombinant protein	An antibody against the protein

You may describe any of the above biotechnological materials in the claims as chemical substances. Nucleic acid probes, nucleic acid primers for amplification, as well as a method for screening a ligand by using the recombinant protein (if the protein is a receptor) can also be described in the claims as necessary.

Gene

1. A nucleic acid consisting of a nucleic acid sequence of SEQ ID NO:1.
2. A nucleic acid encoding a protein consisting of an amino acid sequence of SEQ ID NO:2.

The above Claims 1 and 2 are typical claims for a new gene invention. We can see that these claims are very narrow, although Claim 2 is slightly broader than Claim 1. “A nucleic acid” is generally more recommendable than “DNA” or “gene”. This is because “DNA” is distinctly narrower than “nucleic acid”, which includes “RNA” and “DNA-RNA hybrids” or the like in addition to “DNA”. Further, if you use the term “gene”, the examiner may require clarification of each component constituting the gene, such as promoter, starting signal, enhancer or the like.

Gene (Deletion, Substitution, Addition type)

3. A nucleic acid encoding a protein of the following (a) or (b):
 - (a) a protein consisting of an amino acid sequence of SEQ ID NO:2;
 - (b) a protein consisting of an amino acid sequence wherein one or several amino acid residues are deleted, substituted and added to the amino acid sequence of SEQ ID NO:2, **and having the A enzyme activity.**

Claim 3 is a type of claim which is described in the Japanese examination guidelines as a recommendable example, and is significantly broader than Claims 1 and 2 described above. We should point out that in this deletion, substitution, addition type claim, a biological activity (An enzyme activity) should always be described in the claims to define variant proteins.

The JPO recommends using the term “one or several amino acid residues” which can be modified by a single point mutagenesis, for example. Some examiners accept the term “one or more amino acid residues”, which appears to be a little bit broader than “one or several”.

Gene (Hybridize type)

4. A nucleic acid consisting of DNA of the following (a) or (b);
- (a) DNA consisting of a nucleic acid sequence of SEQ ID NO:1;
- (b) DNA which hybridizes **under a stringent condition** to a DNA consisting of a nucleic acid sequence complementary to the DNA consisting of a nucleic acid sequence of SEQ ID NO:1 and encodes a protein **having the A enzyme activity**.

Claim 4 is also a type of claim which is described in the Japanese examination guidelines as a recommendable example. Claim 4 is also significantly broader than Claims 1 and 2. Similarly to deletion, substitution, addition type claims, biological activity (A enzyme activity) should always be described in the claims to define variant proteins.

The examination guidelines state that “a stringent condition” should be specifically defined in the specification. However, there is no clear standard for the definition of “a stringent condition”, which is actually very important. In this connection, there have been cases where a hybridization condition of 50 °C, 2 x SSC has been accepted as a stringent condition. Further, in the Examiner’s Training Manual published by the United States Patent and Trademark Office (USPTO), “65 °C, 6 x SSC” is described as a stringent hybridization condition. In practice, it may be useful to describe various degrees of hybridization conditions step by step when we draft a specification.

Other points for gene inventions

- i) “% identity or homology” claim for defining variant nucleic acids does not appear to be generally accepted by the JPO.
- ii) Working examples for producing variant nucleic acids are not generally required. In such cases, however, it is recommended to include descriptions for supporting the variant, such as structures of the gene or the protein encoded by the gene (e.g. motif, consensus sequence), or regions important for function of the protein (e.g. activity site).
- iii) As for a short nucleic acid fragment such as oligonucleotide which can be used as a probe or a primer, variants of such short fragments are generally not acceptable. Minimum acceptable length of a short fragment appears to be 14 or 15 nucleotides, which can maintain its hybridization specificity.
- iv) The term “comprising a nucleic acid sequence” is practically acceptable for a long sequence encoding a protein, but is not generally acceptable for a short sequence such as a primer oligonucleotide.

Proteins

1. A protein consisting of an amino acid sequence of SEQ ID NO:2.

2. *A protein consisting of an amino acid sequence wherein one or several amino acid residues are deleted, substituted and added to the amino acid sequence of SEQ ID NO:2, and having the A enzyme activity.*

A protein can be described by its amino acid sequence or a nucleic acid sequence of the gene encoding the protein. To meet the enablement requirement, at least one working example showing that the protein has actually been produced and has exerted a biological activity is required to be described in the original invention.

Monoclonal antibodies

1. *A monoclonal antibody which is reactive to the antigen A.*
2. *A monoclonal antibody which is reactive to the antigen A, which is produced by the hybridoma deposited under accession No. XXXX.*
3. *A monoclonal antibody which is reactive to the antigen A, but not to the antigen B*

Claim 1 is acceptable only when the antigen A is novel. If the antigen A is not novel, an antibody against the antigen is generally considered to have no patentable inventive step. In such a case, specific monoclonal antibodies disclosed in the working examples may be allowable if a high sensitivity, or high specificity of the disclosed monoclonal antibodies, for example, is argued.

6. Rejection regarding the written description requirement for broad or generic claims

Under the Japanese Patent Law, the written description requirement is stipulated in Article 36(6)(i) as follows:

Article 36 (6)

- (i) the invention for which a patent is sought shall be described in the detailed description of the invention*

In October 2003, the examination guidelines relating to the above written description requirement were revised. Under the revised guidelines, it is stated that it is examined whether the claimed invention is **substantially disclosed** in the specification. That is, the original specification is required to include sufficient substantial descriptions to support the whole scope of the claims.

Specifically, in the guidelines, a typical example of violation of Article 36 (6) (i) (the written description requirement) is stated as follows:

In a case that the validity of the disclosed details in the specification cannot be broadened into the scope of the claimed invention according to a theory, empirical rules, technical common sense or the like.

*Example 4: Although a **patent is claimed comprehensively in the claims for receptor R activating compounds obtained by a particular screening method**, only the chemical structures of new receptor R activating compounds X, Y and Z, taken as examples here, and the method of producing them, are described in the detailed description of the invention. However, neither the chemical structures nor the production method is described for any other compound. Their chemical structures and the production methods cannot be inferred theoretically, by empirical rules or by technical common sense.*

*Example 8: In the claims, **an invention of a chemical substance is claimed, and that substance is presented in Markush form with multiple alternatives**. In the detailed description of the invention, however, an instance of production is mentioned only for chemical substances with a specific frame structure among all the alternatives. For the other alternatives with a different frame structure, there are not full particulars sufficient to convince a person skilled in the art that they are equivalent to the named substances.*

In Example 4, the claim is directed to compounds obtained by a particular screening method. The specification discloses only a small number of compounds which have actually been obtained by the method. The JPO considers that these specific compounds are not sufficient to support the generic claim. Example 8 is a broad compound claim, wherein compounds are defined in Markush form with multiple alternatives.

For such pharmaceutical or biotechnological cases as Examples 4 or 8, we have received only enablement requirement rejections under Article 36(4) of the Japanese Patent Law. Since the revision of the examination guidelines, however, we have received written description requirement rejections in addition to enablement requirement rejections in some cases directed to compounds and pharmaceutical compositions. It is generally considered that additional supportive data can be filed as a response to the enablement requirement rejection if the original specification includes at least one instance of physicochemical and pharmacological data. We are still not certain whether the JPO will reject such post-filing data during prosecution as a response to a written description requirement rejection. In practice, if we receive both an enablement requirement rejection and a written description requirement rejection, it will generally be necessary to narrow the claims somewhat based on the substantial disclosure in the original specification (not necessarily to the scope of the

working examples).

We hope that this article will provide practical guidance for drafting claims and specifications and prosecuting Japanese patent applications relating to biotechnological and pharmaceutical inventions.

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Court Case Review (Copyright)
**Copyright Infringement by Multiple Parties in Cyberspace:
Managerial Liability of Bulletin Board System on the Internet**
*(Shogakukan et al. v. undisclosed, Case (wa) 15526/2003,
unpublished (Tokyo District Court, Mar. 11, 2004))*

1. Introduction

On March 11, 2004, the 46th Civil Division of the Tokyo District Court rendered a judgment for an alleged copyright infringement by a manager of a Bulletin Board System (hereafter, referred to as “BBS”) on the Internet. In this judgment, the court construed the liability of the BBS manager to be restrictive, and rejected demands for injunction and damage.

In the subject case, a user of the BBS wrote up articles of a publication without the publisher’s permission. An editor of the publisher notified the BBS manager of the copyright infringement, and requested him to delete the articles from the BBS. However, the court judged that the manager was an assisting party rather than a principal party or a direct infringer, and was thus not responsible for the deletion of the articles. Furthermore, the court rejected the demand of damage, because the notice of the publisher was not sufficient to specify the copyright infringement.

2. Outline of the Case

The plaintiffs are a comic artist and a publisher. The subject publication in this case is directed to readers of the comic artist, and contains one of her comics, novel, and two dialog articles (hereafter referred to as “Dialog 1” and “Dialog 2”) as well as an annex Compact Disk. The publication has 200 pages, and Dialogs 1 and 2 occupy 18 and 11 pages, respectively. The copyright of Dialogs 1 and 2 is assigned to the comic artist and the publisher.

The defendant is a founder and manager of an Internet BBS. The BBS has more than 300 categories,

and each category has a number of threads about various topics. Anyone can access and contribute to any of the threads' descriptions free of charge, and the contribution is automatically allowed to be "publicly transmittable" (uploaded). The BBS had its own guidelines for deletion of uploaded contributions. According to the guidelines, if a person wishes a contribution on the BBS to be deleted, the person is required to send an appropriate notice to a dedicated thread in question.

In this case, a user wrote up the Dialogs 1 and 2 on the BBS without permission of the copyright owners, and thus allowed the Dialogs 1 and 2 to be accessed by the public. Upload of the dialogues by the user infringed the copyright under Art. 23, par. 1 and Art 2, par. 1, item 9 quinquies of Japanese Copyright Law. Since it was difficult for the demandants to locate the direct infringer, an editor of the publisher sent warning letters via email. However, the BBS manager failed to comply with the editor's request, and left Dialogs 1 and 2 on the BBS. Thus, the demandants filed a lawsuit against the BBS manager as a defendant.

3. Issues

This case involves the following three issues:

- (i) Whether the Dialogs 1 and 2 were uploaded simply for the purpose of citation, and thus do not give rise to any infringement.
- (ii) Whether an injunction can be issued against a party assisting infringement.
- (iii) Requirements for damage against an Internet BBS manager or an Internet web manager.

With regard to the Issue (i) above, the court judged that the upload of Dialogs 1 and 2 was not simply for the purposes of citation, and that the user was a direct infringer. Thus, the liability of the BBS manager, who assisted the direct infringement, should be discussed. In this relation, we now focus on Issues (ii) and (iii).

3.1. Injunction

3.1.1 Differences between Japanese Copyright Law and other Intellectual Property Laws

Under Japanese Copyright, Patent, and Trademark Laws, an injunction can be filed against "a person who is infringing or who is likely to infringe other's rights" (so-called direct infringer or principal party of infringement). Moreover, Japanese Patent Law and Trademark Law have additional provisions that certain conducts closely related to direct infringement shall be deemed to be direct infringement. Namely, under the Japanese Patent Law and Trademark Law, the subject of injunction is enlarged from direct infringement into indirect infringement.

In contrast, Japanese Copyright Law does not have any provisions of such kind of deemed infringement, although other types of conducts, for example, stipulated in Art.113, par. 1, are deemed to be infringement. Thus, whether an injunction can be issued against those who assist or

abet copyright infringement has not been clearly decided by the courts.

3.1.2 The Assertion of the Plaintiffs and the Defendant

The plaintiffs stressed that it was almost impossible for the copyright owners to locate the direct infringer on the BBS; and that the defendant, the BBS manager, was ultimately responsible for the BBS operation and could easily delete the offending uploads. The defendant did not admit such liability.

3.1.3 The Judgment of the Court

The court rejected the injunction on the basis of the following reasons.

Under Japanese Civil Code, any claim based on possession should be exercised to principal parties holding such possession. Therefore, a claim based on Copyright, including an injunction, should be exercised to principal parties. From this viewpoint, a scope of injunction should be limited to principal parties, as explicitly stipulated in Art. 112, par. 1 of the Copyright Law.

The Patent Law and the Trademark Law have exceptional provisions. Namely, specific embodiments of assisting infringement are deemed to be infringement, and are the targets of injunction. In contrast, the Copyright Law does not have any corresponding provisions. If an injunction can be issued against those who assist or abet infringement or provide tools of infringement, without any explicit provisions, the scope of injunction can be infinitely enlarged, which would result in an unacceptable limitation of the freedom of expression.

In this case, the party who controlled the infringement was the BBS user, rather than the BBS manager. Thus, an injunction could not be issued against the defendant.

The plaintiffs' assertion can be construed as claiming that an assisting party is a quasi-infringer and thus a substantial target of injunction, on condition that the assisting party is closely involved with the infringement and can easily halt the infringement, whereas it is almost impossible for a copyright owner to file a petition for injunction against a principal party. However, such an assertion was not acceptable.

Under exceptional circumstances, the BBS manager could be regarded as a direct infringer and thus be a target of injunction. Examples of such exceptional cases include a case where a user requests a BBS manager to delete the user's writing on the BBS and the BBS manager

refuses the request. However, the case under discussion was not found to fall within the scope of special circumstances.

3.2. Damage

3.2.1 The Assertions of the Plaintiffs and the Defendant

The plaintiffs asserted that the defendant had an obligation to delete the Dialogs 1 and 2 from the BBS, since the defendant provided opportunity to infringe their copyright. In addition, even though warning emails were sent to the defendant, the defendant did not take any active measures against the alleged copyright infringement. Such inaction gave rise to liability in Tort.

3.2.2 The Court Judgment

The court also rejected the damage for the following reasons.

In principle, a BBS manager is a mere intermediary in information transmission on the Internet. Thus, in general, such a person is not obliged to take measures to avoid copyright infringement. As an exceptional case, a BBS manager has such an obligation under exceptional circumstances or if a BBS manager can be regarded as a direct infringer.

Even though in the present case a warning email was sent to the defendant, it could not be readily verified that the sender of the email was actually authorized to represent the genuine copyright owner. Furthermore, the sender of the email did not specifically point out alleged portions on the BBS and relevant portions of the publication in the email. On the contrary, the BBS manager took risk to receive a complaint from the user if the BBS manager improperly deleted the uploaded writing.

On the basis of these findings, it was concluded that the case did not include any special circumstances which would oblige the defendant to delete the writings.

4. Discussion

4.1. Injunction

Recent developments of telecommunication technologies have caused various types of copyright infringement. Such infringements include P2P communication like Napstar-type file sharing system and uploading of literary works on an Internet BBS without permission of copyright owners. In this type of P2P communication, it is effective to file a lawsuit against a server manager or a BBS manager, rather than against a direct infringer.

With regard to damage, an assist is subject to Tort under Art. 719, par. 2 of the Japanese Civil Code. In contrast, the target of injunction is generally limited to “a person who is infringing or is likely to infringe the copyright” (so-called “principal party”; Art. 112, par. 1 of the Japanese Copyright Law).

As explained in 3.1.1, the Copyright Law does not provide for “indirect infringement”, in contrast to the Patent Law and the Trademark Law. Therefore, it is not clearly established what condition should be satisfied for admission of an injunction against an assisting party.

In the following three recent cases, the issue of an injunction against an assisting party was argued; (i) MP3 file exchange based on a P2P file sharing system similar to that operated by Napstar (Japanese Society for Rights of Authors, Composers and Publishers (JASRAC) v. Nihon MMO Inc., 1780 HANREI JIHŌ 25, Case (yo) 22010/2002, provisional judgment (Tokyo District Court, April 11, 2002); 1819 HANREI JIHŌ 29, Case(wa) 4237/2002, interlocutory judgment (Tokyo District Court, January 29, 2003); final judgment (Tokyo District Court, December 17, 2003)); (ii) playing and showing “KARAOKE” using a leased on-line KARAOKE unit (Japanese Society for Rights of Authors, Composers and Publishers (JASRAC) v. undisclosed, 1124 HANREI TAIMUZU 285, Case (wa) 9435/2002 (Osaka District Court, February 13, 2003); (iii) uploading of a part of a publication on an Internet BBS (the subject case). The injunction were admitted for (i) and (ii), but rejected for (iii).

	Direct Infringer	Indirectly Involved Party	Injunction
(i)	Users of a file sharing system	A manager of a file server	○
(ii)	Pubs equipped with an on-line KARAOKE system	A leasing company of an on-line KARAOKE system	○
(iii)	A user who uploaded a part of a publication on an Internet BBS	A manager of an Internet BBS	×

In the case of (i), users exchanged MP3 files via a server in violation of the Copyright Law. An organization for management of copyrights filed a demand for an injunction against a server manager to halt transmission of the files. The court judged that the server manager was the principal party, and admitted the demand for the injunction. Therefore, in the case (i), the concept of the “principal party” was enlarged to include the server manager.

In the case of (ii), a company leased on-line KARAOKE units to pubs, and allowed the pubs to play KARAOKE music and display images as a part of their business via telecommunication lines, without permission of copyright holders. The court judged that the leasing company was an assisting party rather than a principal party. The court also judged that Art.112, par. 1 of the Copyright Law (the provision of injunction) is applicable to an aiding party under certain conditions, and admitted

the demand for injunction. Thus, in the case (ii), Art. 112, par. 1 was construed to include certain assisting parties as quasi-principal parties.

In contrast, in the case (iii), the court interpreted Art. 112, par.1 strictly, and rejected the demand for injunction.

Although the detailed logic for enlargement of the scope of an injunction against an assisting party is different between (i) and (ii), the courts indicated similar criteria to interpret the law. Namely, an injunction against an assisting party was admitted in consideration of (a) specific assisting behavior and its nature, (b) manageability and controllability of an assisting party on direct infringement by an aiding party, and (c) benefits obtained by an assisting party as a result of direct infringement. These criteria are in accordance with so-called “Club Cats Eye” judgment (42 MINSYŪ 199 (Supreme Court, Mar. 15, 1988)), which was originally related not to an injunction but rather to indemnification for damage.

The Case (i)

(a) Conduct as Assistance

The server manager provided the file sharing services on its own initiative. MP3 files accounted for about 15 % of the services, and about 96.7 % of the MP3 files were copied without permission of copyright owners. Since file sharing services were attractive to those who hoped to obtain files for free, a large number of copyright infringements were easily predictable by the server manager.

(b) Capacity to Control Direct Infringement

The server manager provided the server and applications indispensable for the services. Furthermore, the server manager could easily have halted direct infringement by shutting down the services. In this view, the server manager controlled the exchange of files copied without permission.

(c) Benefits obtained by an Assisting Party

As the number of users of a web site increases, the value of the web site is enhanced, resulting in an increased advertisement exposure. Therefore, providing and promoting the file sharing services led to benefits for the server manager.

The Case (ii)

(a) Conduct as Assistance

In the case (ii), the KARAOKE units and the KARAOKE contents were provided exclusively by the leasing company. The direct infringers, the owners of pubs, could not prepare the contents.

Although the leasing company was obliged to ensure that licensing agreements on the contents were concluded with copyright holders, the company failed to verify the agreements. In addition, the company allowed the pub owners to play the KARAOKE music and display the images without the permission of the copyright holders, although the company recognized that such use caused direct infringement.

(b) Capacity to Control Direct Infringement

In the on-line KARAOKE system, the leasing company controls the KARAOKE unit via a telecommunication line. Namely, the leasing company can remotely activate the KARAOKE unit, and can “lock” the unit if the lessee breaches the agreement. In this way, the leasing company controlled the direct infringement.

(c) Benefits of an Aiding Party

The benefits for the leasing company are more directly related to the company’s business than in the case (i), since the leasing company charged a leasing fee and a telecommunication services fee to the lessee.

The Case (iii)

(a) Conduct as Assistance

In the case (iii), the BBS manager provided opportunities for anyone to express his or her opinions and comments at no charge. The BBS could be utilized for various purposes, and the BBS manager did not take any initiative to infringe copyrights; contributions to the BBS were related to a variety of areas and thus not controlled by the manager. However, the manager’s behavior after receiving the warning emails seems to be problematic.

(b) Capacity to Control Direct Infringement

As explained above, the manager could not control the contents of the contributions on the BBS; the users had initiative as to what they contributed to the BBS. The BBS manager, however, could easily delete the Dialogs 1 and 2. In this regard, the BBS manager controlled and managed the direct infringement, as the cases (i) and (ii).

(c) Benefits for an Assisting Party from Direct Infringement

When the number of visitors to a BBS increases, advertising effectiveness of the BBS is enhanced, similarly to the case of (i).

The BBS manager of (iii) could enjoy the benefit as the server manager of (i).

In this context, the judgment sounds curious to distinguish the case (iii) from the cases (i) and (ii). In view of recent trend of Japanese practice, it was possible to admit the injunction.

In fact, the Tokyo High Court overturned this judgment, and admitted both the injunction and the damage on March 3, 2005 (Shogakukan et al. v. undisclosed, Case (ne) 2067/2004, unpublished (Tokyo High Court, Mar. 3, 2005)).

In the near future, various and unexpected types of copyright infringement will occur on the Internet and via telecommunication lines. It will be interesting to observe the courts' judgments in such cases.

If a demand for an injunction against a BBS or server manager is rejected, a copyright owner has to locate a direct infringer and exercise the right against him or her. According to a press release of the Recording Industry Association Japan (RIAJ) dated November 16, 2004, 7 member-companies of RIAJ demanded an Internet Service Provider (ISP) to disclose names of those who illegally uploaded music data on the Internet, in accordance with Art. 4, item 1 of the Law concerning Limitation of Damages to Specific Telecommunications Services Providers and Disclosure of Sender Information.

4.2 Indemnification for Damage

In the subject case, the demand for indemnification for damage was rejected, partly because the court judged that the request for deletion by the editor of the publisher was not sufficient. According to the subject judgment, it is desirable to state the relationship between a copyright holder and a sender of a warning letter; and to specify what is to be deleted as well as a relevant portion of a publication, upon requesting deletion.

In the subject judgment, reference is not clearly made to the effect of not complying with the BBS guideline for request of deletion. For a larger BBS or HP, it is more necessary to set up a system to accept requests of deletion. Therefore, if the guideline operates effectively, it is preferable to send a request in compliance with the guideline. With regard to the subject BBS, however, the guideline was fraught with problems. According to the guideline, volunteers deleted the requested contributions, and thus implementation of requested deletion was not ensured.

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Revision of Utility Model and Patent Fee Charges under Revision of the Patent law(2004), Effective from April 1,2005

1. Utility Model Maintenance Annual Fee Changes

Annual fees paid to maintain a utility model in force are to be revised as indicated in the following table.

Please note that annual fees will vary depending on a filing date of an application.

	Application filed by March 31, 2005		Application filed on or after April 1, 2005	
	Basic fee	Fee per claim	Basic fee	Fee per claim
First to third year	7,600 yen	700 yen	2,100 yen	100 yen
Fourth to sixth year	15,100 yen	1,400 yen	6,100 yen	300 yen
Seventh to tenth year	-	-	18,100 yen	900 yen

2. Request for examination fees for a patent application filed under the new search system

Starting from April 1, 2005, a system for utilizing the services of designated and registered search organizations will be introduced. The system is intended to assist patent applicants and the like in deciding whether to file a Request for Examination, by making the most of prior art search capacity of search organizations (which conduct prior art search for patent examination under a commission from the Japanese Patent Office).

Specifically, when a Request for Examination is filed along with a search report prepared and issued by a “designated and registered search organization”, reduced request for examination fees will be applicable.

Request for examination fees are to be revised as indicated in the following table. Please note that applicable request for examination fees will vary depending on a filing date of an application.

Please be also advised that where an international patent application under PCT is filed along with a search report issued by a designated and registered search organization, request for examination fees will vary depending on whether an international search report has been prepared by the Japanese Patent Office.

(1) Request for examination fees for a patent application

	Application filed by March 31, 2004		Application filed on or after April 1, 2004	
	Basic fee	Fee per claim	Basic fee	Fee per claim
No search report is submitted	84,300 yen	2,000 yen	168,600 yen	4,000 yen
A search report issued by a designated and registered search organization is submitted	50,600 yen	1,200 yen	134,900 yen	3,200 yen

(2) Request for examination fees for an international patent application under PCT where an international

search report is prepared by the Japanese Patent Office

(Note: Even in a case that a search report issued by a designated and registered search organization is submitted, a lower rate, i.e., “normal request for examination fees for an international patent application under PCT where an international search report is prepared by the Japanese Patent Office” remains applicable.)

	Application filed by March 31, 2004		Application filed on or after April 1, 2004	
	Basic fee	Fee per claim	Basic fee	Fee per claim
No search report is submitted or a search report issued by a designated and registered search organization is submitted	16,900 yen	400 yen	101,200 yen	2,400 yen

(3) Request for examination fees for an international patent application under PCT where an international search report is prepared by designated Offices or the like other than the Japanese Patent Office

(Note: When a search report issued by a designated and registered search organization is submitted, a lower rate, i.e., “request for examination fees where a search report is issued by a designated registered search organization is submitted” is applicable.)

	Application filed by March 31, 2004		Application filed on or after April 1, 2004	
	Basic fee	Fee per claim	Basic fee	Fee per claim
No search report is submitted	67,400 yen	1,600 yen	151,700 yen	3,600 yen
A search report issued by a designated and registered search organization is submitted	50,600 yen	1,200 yen	134,900 yen	3,200 yen

(4) Request for examination fees for a patent divisional application deemed to have been filed by December 31, 1987

	Basic fee	Fee per claim
No search report is submitted	154,600 yen	18,400 yen
A search report issued by a designated and registered search organization is submitted	123,700 yen	14,400 yen

** Fees for conducting searches vary from organization to organization.*