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Date of the judgement

2001.06.12

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Case Number

1997(O)1918

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Reporter

Minshu Vol.55, No.4, at 793

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Title

Judgment upon the case where a demand to undertake the procedure for the transfer of the registration of a share in a patent vis-a-vis a person without any entitlement, who pretended to be an agent of a co-holder of the right to obtain a patent (the co-holder had applied for a patent) and had a patent granted and registered in his name, was acknowledged

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Case name

A case to demand to undertake the procedure to alter the name of the applicant for a patent

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Result

Judgment of the Third Petty bench, quashed and decided by the Supreme Court

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Court of the Second Instance

Naha Branch of Fukuoka High Court, Judgment of July 31, 1997

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Summary of the judgement

In a case where, in relation to a patent application which was made by A, a co-holder of the right to be granted a patent, jointly with other co-holders, B submitted to the President of the

Patent Office a notification for the change of the applicant for the patent from A to B with a document certifying that B had a share in the right to apply for a patent from A and the patent was registered with B being a co-holder of the patent, under the circumstances where B is a person without any entitlement who produced the above certificate without the consent of A and before the registration of the patent, A had initiated an action vis-a-vis B to be acknowledged that A is entitled to a share in the right to have a patent granted, and this right to have a patent granted and the patent in question relate to the same invention, A is entitled to demand that B undertake the procedure to transfer registration regarding B's share in the patent in question to A.

References

Patent Law, Article 33 and Article 123, para. 1, subpara. 6

Main text of the judgement

The judgment of the original instance court shall be quashed.

The koso-appeal of the jokoku appellee shall be dismissed.

The cost of jokoku and koso appeals shall be borne by the jokoku appellee.

Reasons

On the ground of the jokoku appeal by the representative of the jokoku appellant and the supplementary participant, HO and YT:

1. In the present case, the jokoku appellant claimed that the jokoku appellee had infringed the share in the right of the jokoku appellant to have a patent granted regarding the invention in relation to which the jokoku appellant had applied for a patent and demanded that the procedure to transfer the registration of the share in the patent which had been registered in the name of the jokoku appellee be undertaken.

2. Facts lawfully established by the original instance court are as follows:

(1) The jokoku appellant and the supplementary participant concluded a joint development and research contract on equipment for the disposal of raw wastes on August 11, 1992 and the latter invented the 'equipment for the disposal of raw wastes (hereinafter, 'the Invention')'. They jointly applied for a patent in relation to the Invention on October 29, 1992 (hereinafter, 'the Patent Application'). The jokoku appellee was involved in the application as a director (without

the power to represent the company) of the jokoku appellant.

(2) On June 29, 1993, the jokoku appellee submitted to the President of the Patent Office a notification for the change of the applicant for the patent from the jokoku appellant to jokoku appellee with a document certifying that the jokoku appellant had assigned a share in the right to have the patent granted to the jokoku appellee. This document had been prepared by the jokoku appellee, using the signet of the representative of the jokoku appellant without his consent.

(3) On July 5, 1994, the Patent Application was disclosed to the public. The content of the patent publication gazette was the same as the specification and the drawing as well as the summary.

(4) Concerning the Patent Application, it was publicised on July 12, 1995, and on March 28, 1996, a patent was granted and registered in the name of the supplementary participant and the jokoku appellee (hereinafter, 'the Patent').

(5) The jokoku appellant, before the Patent was registered, initiated an action for recognition that the jokoku appellant had a share in the right to have a patent granted in relation to the Invention vis-a-vis the jokoku appellee. However, since, as described in above (4), the Patent was registered, so the claim was altered while the case was pending at the first instance court and the jokoku appellant demanded that the jokoku appellee undertake measures to transfer the registration of the share of the jokoku appellee in the Patent.

3. The original instance court ruled as follows and dismissed the claim of the jokoku appellant.

Even the inventor or one who has inherited the right to have the patent granted from the inventor (hereinafter, 'the genuine rightholder') is not entitled to demand the transfer of the registration of a patent, if those other than the above (hereinafter, 'those without entitlement') had a patent registered. This is because if such a claim for the transfer of a patent registration by the genuine rightholder vis-a-vis those without entitlement is made available, this will have the same result as the court nullifying the patent granted to those without entitlement without the adjudication procedure for nullifying a patent by the Patent Office and registering the patent afresh for the benefit of the genuine rightholder. This is against the idea and system of the procedure for patent disputes in which a patent emerges by registration which is an administrative act, and the determination of the existence of the grounds for invalidating the patent is left in the first place to the decision of the Patent Office since a specialist-technical judgment is essential.

4. However, the above ruling of the original instance court is not justifiable. The reasons are as follows:

According to the facts indicated in paragraph 2 above, the genuine rightholders who are entitled to have a patent granted are the jokoku appellant and the supplementary participant, while the

jokoku appellee is a person without entitlement who does not have such a right. The jokoku appellant has lost the share in the right to have a patent granted, which is a proprietary interest, while the jokoku appellee holds a share in the Patent with legal grounds. Furthermore, under the circumstances described in paragraph 2 above, the Patent has been registered as a result of the Patent Application by the jokoku appellant, following the procedure as provided by the Patent Law, and can be regarded to have continuity with the right of the jokoku appellant to have a patent granted, and is a transformation of such a right.

On the other hand, the jokoku appellant may initiate an adjudication procedure for the nullification of the Patent, but even if, after the decision to invalidate the patent, he applies for the patent in relation to the Invention, since the Patent Application has been publicised, the application will be rejected and the jokoku appellant will not be able to become a patent holder in relation to the Invention. It is obvious that this is unfair (furthermore, if, under the decision to nullify the Patent, the supplementary participant to the appeal, who is undisputedly a genuine rightholder is also to lose his right, then requiring a patent adjudication procedure in the present case is even more inappropriate). There is a possibility that the jokoku appellant may claim compensation for tort on the ground of patent infringement, but it is unlikely that the jokoku appellant would be able to sufficiently recover the profit which could have been expected, had the patent been registered in relation to the Invention. Furthermore, since the jokoku appellant had initiated the present action vis-a-vis the jokoku appellee for the recognition of the share in the right to have a patent granted in relation to the Invention, finding this action unlawful because the patent was registered while the case was pending, while not allowing the claim to be altered to a claim for the transfer of the registration of the Patent is inappropriate in terms of the protection of the jokoku appellant and is also against the economy of litigation.

In order to rectify such an inconvenience, instead of extinguishing the Patent itself which emerged from the Patent Application, it is sufficient to allow the jokoku appellant to inherit the status of the co-holder of the Patent which the jokoku appellee holds and to treat the jokoku appellant as a co-holder of the Patent, and for this purpose, the method of allowing the transfer of the registration of the share in the Patent from the jokoku appellee to the jokoku appellant is the simplest and the most direct method.

On the other hand, the Patent Law provides that the patent emerges by registration with the Patent Office, that the fact that the patent applicant is not the inventor or a person who inherited the right is a ground of rejection of the patent application and a ground for the invalidation of the patent, and also that this is for the patent officer or a patent judge of the Patent Office to determine in the first place. However, in the present case, it is not disputed between the parties whether the Invention has the requirements of novelty or an inventive step, but the primary point of dispute is the attribution of the rights. The attribution of the patent per se is not

necessarily a matter which cannot be decided without special knowledge or expertise on technology, and therefore, in a case such as the present one, it is, on the contrary, inappropriate to decide differently from the above for the reason of the respect for the preliminary decision-making power of the administrative agency. There may be a contribution of the jokoku appellee such as the payment of the patent fee concerning the emergence and sustenance of the Patent, but it is sufficient if the jokoku appellant remunerates this amount to the jokoku appellee, and this does not prevent the present claim by the jokoku appellant.

Considering the above, under the factual circumstances of the present case, it is appropriate to construe that the jokoku appellant is entitled to demand the transfer of the registration from the jokoku appellee, of the share of the Patent.

5. Thus, the ruling of the original instance court is unlawful in the interpretation and application of law. And it is obvious that this affects the conclusion of the judgment of the original instance court. The argument argues this point and is with grounds, and the judgment of the original instance court cannot but be quashed. In light of the above, the judgment of the first instance court which acknowledged the claim of the jokoku appellant is justifiable, and the koso appeal by the jokoku appellee shall be dismissed.

Thus, the justices unanimously rule as the main text of the judgment.

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Presiding judge

Justice MOTOHARA Toshifumi

Justice CHIKUSA Hideo

Justice KANATANI Toshihiro

Justice OKUDA Masamichi

(*Translated by Sir Ernest Satow Chair of Japanese Law, University of London)