

Date	June 24, 2004	Court	Tokyo High Court, 1st Intellectual Property Division
Case number	2003 (Gyo-Ke) 163		
– A case in which the court maintained the JPO decision invalidating the patent for an invention titled "power steering device" due to lack of an inventive step.			

References: Article 29, paragraph (2) of the Patent Act

Number of related rights, etc.: Patent No. 2603479, Invalidation Trial No. 2000-35401, 2000-35420

## Summary of the Judgment

### 1. Background

The plaintiff holds a patent right for Patent No. 2603479 (the "Patent Right" and the "Patent") in relation to an invention titled "power steering device" (the "Invention").

The developments of this case are as follows.

In response to the defendants' request for a trial for invalidation of the Patent, the JPO rendered a decision to invalidate the Patent (the "JPO Decision on the Prior Case"). Dissatisfied with this, the plaintiff instituted an action to seek rescission of said JPO decision with the Tokyo High Court, which rendered a judgment to rescind it. Said judgment (the "Judgment on the Prior Case") became final and binding. Accordingly, the JPO conducted trial proceedings again and rendered a decision to invalidate the Patent (the "JPO Decision"), on the grounds that the Invention is one which a person ordinarily skilled in the art could have easily made based on the invention ("Cited Invention 1") stated in the microfilm ("Cited Reference 1") of Utility Model Application No. 1984-135011 (Publication of Unexamined Utility Model Application No.1986-48870) and the invention ("Cited Invention 2") stated in Publication of Unexamined Patent Application No. 1984-63265 ("Cited Reference 2").

The main points of the grounds for rescission of the JPO Decision as alleged by the plaintiff are as follows.

The JPO Decision goes against the binding effect of the Judgment on the Prior Case (Ground for Rescission 1), falsely recognizes common features between the Invention and Cited Invention 1 (Ground for Rescission 2), contains errors in its determinations concerning Differences A to D (Grounds for Rescission 3 to 6), and also contains errors in its determinations concerning an inventive step and the special function and effect of the Invention (Grounds for Rescission 7 and 8). Therefore, the JPO Decision should be rescinded as an illegal one.

### 2. Court decision

As for Ground for Rescission 1, the plaintiff alleged as follows.

The JPO Decision on the Prior Case found a difference between the Invention and Cited Invention 2 through comparison and determined that a person ordinarily skilled in the art could have easily arrived at that difference based on Cited Invention 1. The Judgment on the Prior Case found errors in this substantive determination and rescinded said JPO decision. Therefore, the binding effect (Article 33, paragraph (1) of the Administrative Case Litigation Act) of the Judgment on the Prior Case arises in that the Invention cannot be considered to be one which a person ordinarily skilled in the art could have easily made based on Cited Inventions 1 and 2. On the other hand, the JPO Decision found a difference between the Invention and Cited Invention 1 through comparison and determined that a person ordinarily skilled in the art could have easily arrived at that difference based on Cited Invention 2. However, choosing either one of two cited inventions as the primary one is a mere technique of explanation. Since the JPO Decision used the same cited inventions as a whole, the determination given thereby goes against the binding effect of the Judgment on the Prior Case.

The court did not accept the plaintiff's allegations mentioned above, explaining as summarized below.

The binding effect of a judgment of rescission arises in relation to the finding of facts and legal determinations that are necessary to draw the main text of the judgment (see the judgment of the Third Petty Bench of the Supreme Court of April 28, 1992, Minshu, Vol. 46, No. 4, at 245), but the Judgment on the Prior Case does not generally deny making a determination concerning an inventive step based on Cited References 2 and 1. The Judgment on the Prior Case rescinds the JPO Decision on the Prior Case based on the specific reasons regarding the comparison with Cited Invention 2 and whether it was easy for a person ordinarily skilled in the art to arrive at the Invention. Therefore, it is obvious that the binding effect of the Judgment on the Prior Case arises only in relation to that part. Consequently, the aforementioned allegations of the plaintiff are utterly unacceptable.

Regarding Ground for Rescission 2, the court found errors of the JPO Decision in its finding of the common features between the Invention and Cited Invention 1 but determined that such errors have no effect on the conclusion of the JPO Decision. Regarding Grounds for Rescission 3 to 8, the court did not accept any of the plaintiff's allegations.

As a result, the court ruled that the JPO Decision contains no error in its conclusion, and dismissed the plaintiff's claim.

Judgment rendered on June 24, 2004

2003 (Gyo-Ke) 163 Case of Seeking Rescission of a JPO decision

Date of conclusion of oral argument: June 10, 2004

Judgment

Plaintiff: Koyo Seiko Co., Ltd.

Defendant: NSK Ltd.

Defendant: Kabushiki Kaisha Maki Kikai Seisakusho

Main Text

1. The plaintiff's claim shall be dismissed.
2. The plaintiff shall bear the court costs.

Facts and reasons

No. 1 Claims

A JPO decision rendered regarding Invalidation Trial No. 2000-35401 and Invalidation Trial No. 2000-35420 on March 12, 2003 is rescinded.

No. 2 Background

1. Undisputed facts

(1) The plaintiff holds a patent right for Patent No. 2603479 (the application was filed on July 24, 1987; Patent Application No. 1987-186083; establishment of the patent right was registered on January 29, 1997; hereinafter referred to as the "Patent") in relation to an invention titled "power steering device" (hereinafter referred to as the "Invention").

An opposition to the grant of a patent was filed in relation to the Patent, and the plaintiff filed a request for correction dated September 28, 1998. On December 21 of the same year, the JPO accepted the correction and rendered a ruling on the opposition to the effect that the Patent is to be maintained. Said ruling became final and binding.

After that, the defendant, NSK Ltd., filed a request for a trial for patent invalidation (Invalidation Trial No. 2000-35401) dated July 24, 2000. The defendant, Kabushiki Kaisha Maki Kikai Seisakusho filed a request for a trial for patent invalidation (Invalidation Trial No. 2000-35420) dated July 31 of the same year. The JPO consolidated said requests and conducted the proceedings. As a result, the JPO rendered a decision (hereinafter referred to as the "JPO Decision on the Prior Case") to the effect that "The patent for the invention claimed in Claim 1 of Patent No. 2603479 shall be invalidated" on February 16, 2001. In response to the aforementioned JPO decision, the plaintiff instituted an action to seek rescission thereof with the Tokyo High Court. On February 27, 2002, said court rendered a judgment to the effect that "The JPO decision rendered regarding Invalidation Trial No. 2000-35401 and Invalidation Trial No. 2000-35420 on February 16, 2001 shall be rescinded" (2001 (Gyo-Ke) 126; hereinafter referred to as the "Judgment on the Prior Case"). Said judgment became final and binding.

After that, the JPO conducted further proceedings, and rendered a decision to the effect that "The patent for the invention claimed in Claim 1 of Patent No. 2603479 shall be invalidated" (hereinafter referred to as the "JPO Decision") on March 12, 2003. A certified copy of the JPO Decision was served to the plaintiff on March 25 of the same year.

(2) The gist of the Invention is as follows, as stated in the JPO Decision.

[Claim 1] A power steering device wherein a steering shaft that is connected to the wheel and is arranged inside the vehicle interior is connected, via a universal joint, to a rack pinion type steering mechanism that is arranged outside the vehicle interior and a steering aid motor is driven based on the result of detection of [a] steering torque applied to said wheel, which is characterized by the following: [i] an upper shaft, a connecting member, and a lower shaft are arranged on said steering shaft in this order from the wheel side to the steering mechanism side; [ii] said lower shaft has an input shaft and an output shaft that are connected via a torsion bar, and also has [a] the first impact energy absorption mechanism that is interposed in the transmission system from said upper shaft to lower shaft, [b] a torque sensor that detects said steering torque by detecting the torsional displacement of said torsion bar, [c] a transmission device that has a worm wheel that is fitted into said output shaft of said lower shaft at the position closer to the steering mechanism than the position where said torque sensor of said steering shaft is arranged and a worm shaft that is orthogonally meshed with the shaft center of said worm wheel, [d] a housing of said steering shaft that comprises an upper shaft housing, a lower shaft housing, and a connecting member housing that connects said upper shaft housing and lower shaft housing, and [e] the second impact energy absorption mechanism that is arranged between said upper shaft housing and connecting member housing; [iii] said lower shaft housing is arranged at the end on the steering mechanism side of the housing of said steering shaft and stores said transmission device and said torque sensor, and is also structured while being divided into the wheel side and the steering mechanism side, outside either of which said motor is mounted.

(3) In the JPO Decision, the JPO ruled as follows, as stated in a copy of the written JPO Decision attached to this judgment: As the Invention is one which a person ordinarily skilled in the art could have easily made based on the invention (hereinafter referred to as "Cited Invention 1") stated in the microfilm (Exhibit Ko No. 4; hereinafter referred to as "Cited Reference 1") of Utility Model Application No. 1984-135011 (Publication of Unexamined Utility Model Application No.1986-48870) and the invention (hereinafter referred to as "Cited Invention 2") stated in Publication of Unexamined Patent Application No. 1984-63265 (Exhibit Ko No. 5; hereinafter referred to as "Cited Reference 2"), the Patent was granted in violation of the provisions of Article 29, paragraph (2) of the Patent Act and falls under Article 123, paragraph (1), item (ii) of said Act, and therefore, it should be invalidated.

## 2. Main points of the grounds for rescission of the JPO Decision as alleged by the plaintiff

The JPO Decision goes against the binding effect of the Judgment on the Prior Case (Ground for Rescission 1), falsely recognizes common features between the Invention and Cited Invention 1 (Ground for Rescission 2), contains an error in its determinations concerning Differences A to D (Grounds for Rescission 3 to 6), and also contains an error in its determinations concerning an inventive step and the special function and effect of the Invention (Grounds for Rescission 7 and 8). Therefore, the JPO Decision should be rescinded as an illegal one.

(omitted)

### No. 3 Court decision

#### 1. Regarding the issue of going against the binding effect (Ground for Rescission 1)

(1) In the JPO Decision on the Prior Case (Attachment to Exhibit Ko No. 6), the JPO ruled that "The Invention is recognized as one which a person ordinarily skilled in the art could have easily made based on the inventions stated in Exhibits Ko No. 2 and No. 3 (Note: Cited References in the Principal Action 2 and 1) and well known art" (page 24 of the attachment to this judgment), and determined that the patent pertaining to the Invention should be invalidated. On the other hand, in the Judgment on the Prior Case (Exhibit Ko No. 6), the court ruled as follows in relation to Ground for Rescission 1 (error in the finding of common features and overlooking of a difference): "The JPO decision should be considered to contain an error in its comparison and finding that the 'first steering shaft 2' and the 'second steering shaft 5' of Exhibit Ko No. 2 correspond to the 'upper shaft' and the 'lower shaft' in the steering shaft of the Invention, respectively. The finding of common features between them on this premise ... should also be considered to be erroneous. As a result, the JPO decision obviously overlooked a difference, specifically, the point that the 'steering torque detection means' of the invention stated in Exhibit Ko No. 2 is provided on the second steering shaft while the 'torque sensor' of the Invention is provided on the steering shaft that corresponds to the first steering shaft" (pages 15 to 16). In relation to Ground for Rescission 2 (error in the determination concerning Difference 1), the court ruled that the JPO Decision on the Prior Case "should be considered to contain an error in its determination that a person ordinarily skilled in the art could have easily conceived of making the first and second steering shafts of the invention stated in Exhibit Ko No. 2 be of a coaxial structure like the steering shaft of the Invention" (pages 16 to 17). Based on this ruling, the court rescinded the JPO Decision on the Prior Case.

According to the aforementioned holding, the court is recognized as having rescinded, in the Judgment on the Prior Case, the JPO Decision on the Prior Case for the following two specific

reasons: [i] the first and second steering shafts of Cited Invention 2 do not correspond to the upper and lower shafts of the Invention; and [ii] a person ordinarily skilled in the art could have not easily conceived of making the first and second steering shafts of Cited Invention 2 be of a coaxial structure like the steering shaft of the Invention. Therefore, the binding effect as prescribed in Article 33, paragraph (1) of the Administrative Case Litigation Act is recognized as working in relation to the above holding.

Contrary to this, in the JPO Decision, the JPO finds the following: [i] Cited Invention 2 serves as a motivation to arrange the motor and torque sensor of the steering shaft of Cited Invention 1 inside the vehicle interior, and based on this, there is an idea of arranging a motor, etc. inside the vehicle interior of the steering shaft of a coaxial structure (page 21); and [ii] a structure wherein the steering shaft is connected via a universal joint to the rack pinion-type steering mechanism that is arranged outside the vehicle interior is disclosed (on the same page). Therefore, it is obvious that the JPO Decision does not go against the aforementioned binding effect of the Judgment on the Prior Case.

(2) The plaintiff alleges that said binding effect arises in that the Invention cannot be considered to be one which a person ordinarily skilled in the art could have easily made based on Cited Inventions 1 and 2.

However, the binding effect of a judgment of rescission arises in relation to the finding of facts and legal determinations that are necessary to draw the main text of the judgment (see the judgment of the Third Petty Bench of the Supreme Court of April 28, 1992, Minshu, Vol. 46, No. 4, at 245), but the Judgment on the Prior Case does not generally deny making a determination concerning an inventive step based on Cited Reference 2 (and 1). As indicated above, the Judgment on the Prior Case rescinds the JPO Decision on the Prior Case based on the aforementioned specific reasons regarding Cited Invention 2. Therefore, it is obvious that the binding effect of the Judgment on the Prior Case arises only in relation to that part. Consequently, the aforementioned allegation of the plaintiff is utterly unacceptable.

(3) In addition, the plaintiff also alleges that the JPO Decision goes against the binding effect of the Judgment on the Prior Case because it made a determination that contradicts the following effect of the Judgment on the Prior Case (page 21): [i] it is not easy for a person ordinarily skilled in the art to provide an impact energy absorption mechanism and a motor transmission device on the same axis; and [ii] it is not easy for a person ordinarily skilled in the art to arrange one shaft, on which an impact energy absorption mechanism and a motor transmission device are provided, inside the vehicle interior.

However, as indicated above, in the Judgment on the Prior Case, the court rescinded the JPO Decision on the Prior Case for the following two specific reasons: [i] the first and second steering shafts of Cited Invention 2 do not correspond to the upper and lower shafts of the

Invention; and [ii] a person ordinarily skilled in the art could have not easily conceived of making the first and second steering shafts of Cited Invention 2 be of a coaxial structure like the steering shaft of the Invention. Therefore, it is obvious that the court did not determine whether it is more generally easy for a person ordinarily skilled in the art to provide an impact energy absorption mechanism and a motor transmission device on the same axis and to arrange them inside the vehicle interior, differently from the allegation of the plaintiff (there is no statement regarding the arrangement of the steering shaft inside the vehicle interior in the determination in the Judgment in the Prior Case).

The aforementioned allegation of the plaintiff argues the binding effect of the Judgment on the Prior Case without correctly interpreting it, and is thus unacceptable.

(omitted)

## 9. Conclusion

In that case, the Invention is not patentable pursuant to the provisions of Article 29, paragraph (2) of the Patent Act. The JPO Decision contains no error in its conclusion to the same effect. The JPO Decision contains no other defects due to which it should be rescinded.

Consequently, the plaintiff's claim in this action shall be dismissed as there is no reason therefor. The judgment shall be rendered in the form of the main text.

Tokyo High Court, First Intellectual Property Division

Presiding judge: KITAYAMA Motoaki

Judge: SHIMIZU Misao

Judge: UEDA Takuya