

Patent Right	Date	January 30, 2025	Court	Intellectual Property High Court, Second Division
	Case number	2024 (Gyo-Ko) 10006		
<p>- A case in which, with regard to the decision made by the JPO to dismiss an international application which was filed by the Appellant (first-instance Plaintiff) under the Patent Cooperation Treaty and for which the Appellant, in the national procedure for the application, submitted a national document stating "DABUS, the artificial intelligence that autonomously made the present invention" in the column for the name of the inventor as a national document prescribed in Article 184-5, paragraph (1) of the Patent Act, the court dismissed the Appellant's claim to seek rescission of the JPO decision by alleging its illegality.</p>				

Case type: Rescission of Decision of Application Dismissal

Result: Appeal dismissed

References: Article 184-5, paragraph (1), item (ii) and paragraph (3), the main paragraph of Article 29, paragraph (1), and Article 2 of the Patent Act

Related rights, etc.: Patent Application No. 2020-543051

(Prior instance judgment) Tokyo District Court, 2023 (Gyo-U) 5001

Summary of the Judgment

1. Concerning Issue (1) (whether "inventions" protected by patent rights are limited to those made by natural persons)

(1) A patent right is a right that is created and granted under the Patent Act, and a right to be granted a patent is also a right that is created and granted under that Act.

There are no provisions in the Patent Act regarding the occurrence of a "right to be granted a patent" and the primary owner of such right, except for the main sentence of Article 29, paragraph (1) of that Act, which provides that "A person that invents an invention with industrial applicability may obtain a patent for that invention,..." and Article 35, paragraph (3) of that Act, which provides for an exception to the former to the effect that with regard to an employee invention made by an employee, etc. who is a natural person, a right to be granted a patent for the invention primarily belongs to the employer under certain conditions. Therefore, the "right to be granted a patent" under the Patent Act is a right that comes into effect only when the inventor is a natural person.

In addition, the Patent Act presupposes that the inventor is a natural person in the patent application procedure and other procedures. There are no provisions in the Patent

Act specifying a procedure for granting a patent based on a right other than the "right to be granted a patent" prescribed in that Act or a procedure for granting a patent on the assumption that a person other than a natural person is named as the inventor.

Consequently, it is appropriate to construe that "inventions" for which patents may be granted under the Patent Act are limited to those for which natural persons are the inventors.

In other words, since the existing Patent Act recognizes the right to be granted a patent and provides for the procedure for granting a patent only with regard to inventions made by natural persons, no patents may be granted for inventions made autonomously by an AI (AI Inventions) under that Act.

(2) The Appellant argues that at the time of enactment of the Patent Act, the concept of AI inventions did not exist and there was no legal issue arising from it, and therefore that the fact that the Patent Act does not include any provisions concerning AI inventions cannot be the reason for denying the protection of AI inventions without exception. The Appellant also argues that the Patent Act should be interpreted and applied in a manner to also protect AI inventions to the extent possible in light of the purpose of the Patent Act, i.e., contributing to the development of industry.

However, a patent right is granted based on the Patent Act, which aims to "encourage inventions, and thereby contribute to the development of industry," and the design of the patent system is an issue that should be discussed from the perspective of a nation's industrial policy, including the aspect of international cooperation. Whether or not to grant a patent right for an AI invention is an issue that requires a discussion for legislation, based on extensive and deliberate discussions on various impacts that AI inventions would have on society, including whether a patent right for an AI invention should be designed to have the same content as the current patent right granted on the assumption that the inventor is a natural person. It is difficult to deal with this issue through the interpretation of the existing law. The issues argued by the Appellant, such as adverse effects that may arise from limiting the inventor to a natural person, should be considered in the course of such discussion on the legislative policy. It cannot be said that adopting a legal interpretation that simply includes AI inventions in the scope of subject matter of patent rights under the existing system will immediately lead to "encouraging inventions and thereby contributing to the development of industry."

2. Issue (2) (whether the "name of the inventor" is the mandatory information to be stated in a national document in the national procedure for an international patent application)

(1) According to the provisions of the Patent Act stipulating the national procedure for an international patent application, it is clear that the "name of the inventor" is set forth as the mandatory information to be stated in a national document.

(2) The Appellant argues that the name of the inventor is not the mandatory information to be stated in an application for an AI invention.

However, the Appellant's argument cannot be accepted because it is based on the erroneous assumption that under the Patent Act, patents may be granted for AI inventions made by persons without legal capacity.

(3) The Appellant argues that if the name of the inventor is considered to be the mandatory information to be stated in an application for an AI invention, this could lead to the increase in the number of applications filed with a natural person who is not the inventor being named as the inventor, and also argues that patents for AI inventions granted based on such misappropriated applications cannot be invalidated because there is no interested person that is entitled to demand a trial for invalidation on the grounds of misappropriation.

These issues pointed out by the Appellant can be regarded as problems with the existing law that does not assume the existence of AI Inventions, but they cannot be resolved just by considering that the entry in the column for the name of the inventor is not the mandatory information to be stated. As mentioned above, these issues should be considered through the discussion on the legislative policy regarding AI inventions, and they cannot be the ground for considering that the entry in the column for the name of the inventor is not the mandatory information to be stated.

Judgment rendered on January 30, 2025

2024 (Gyo-Ko) 10006 Case of appeal for seeking rescission of a decision of application dismissal

(Court of prior instance: Tokyo District Court, 2023 (Gyo-U) 5001)

Date of conclusion of oral argument: November 11, 2024

Judgment

Appellant: X

Defendant: The State

Administrative agency reaching the disposition: Commissioner of the Japan Patent Office (JPO)

Main text

1. The appeal shall be dismissed.
2. The Appellant shall bear the cost of the appeal.
3. An additional period of 30 days is designated for the Appellant for filing a final appeal or petition for acceptance of a final appeal against this judgment.

Facts and reasons

(Note) Beyond what is specified separately, the definitions of the abbreviated terms used in the text of this judgment are as follows.

Plaintiff: Appellant (first-instance Plaintiff)

Defendant: Appellee (first-instance Defendant)

AI invention: an invention made autonomously by an artificial intelligence (AI)

National document: a document prescribed in Article 184-5, paragraph (1) of the Patent Act

Patent Cooperation Treaty (PCT): Patent Cooperation Treaty done at Washington on June 19, 1970 (Treaty No. 13 of 1978)

TRIPS Agreement: Agreement on Trade-Related Aspects of Intellectual Property Rights (Treaty No. 15 of 1994)

Application: the international application related to Patent Application No. 2020-543051, which was filed by the Plaintiff pursuant to the Patent Cooperation Treaty and has been deemed to be a patent application pursuant to Article 184-3, paragraph (1) of the Patent Act

National Document: the national document submitted by the Plaintiff in the national

procedure for the Application

(In this document, the name of the inventor is stated as "DABUS, the artificial intelligence that autonomously made the present invention.")

JPO Decision: the decision rendered by the Commissioner of the JPO (JPO Commissioner) to dismiss the Application pursuant to Article 184-5, paragraph (3) of the Patent Act

As a matter of convenience, the definition of the abbreviated term "AI invention" is given based on the Plaintiff's arguments, but in this case, whether the invention claimed in the patent application in question was made autonomously by an artificial intelligence (AI) is not disputed. The abbreviated term "AI invention" is not used here on the presupposition that a product generated by an artificial intelligence (AI) may constitute an "invention" prescribed in the Patent Act (as discussed below, this is one of the issues of the case).

No. 1 Object of the appeal

1. The judgment in prior instance shall be set aside.
2. The decision rendered by the JPO Commissioner as of October 13, 2021, to dismiss Patent Application No. 2020-543051 shall be rescinded.

No. 2 Outline of the case

The Plaintiff filed the Application, and then submitted the National Document to the JPO Commissioner in the national procedure for the Application. The JPO Commissioner ordered the Plaintiff to make an amendment to state the name of a natural person as the name of the inventor in the National Document, but the Plaintiff did not make an amendment as ordered. Therefore, the JPO Commissioner rendered the JPO Decision.

In this case, the Plaintiff sued the Defendant to seek rescission of the JPO Decision, alleging that the JPO Decision is illegal because the term "invention" referred to in the Patent Act includes an AI invention and the name of the inventor is not the mandatory information to be stated in the procedure for a patent application for an AI invention.

The court of prior instance dismissed the Plaintiff's claim, holding: since it is appropriate to construe that the "inventor" prescribed in the Patent Act is limited to a natural person, it is legitimate for the JPO Commissioner to have ordered the Plaintiff to make an amendment under Article 184-5, paragraph (2), item (iii) of the Patent Act for its failure to state the name of the inventor despite the provisions of paragraph (1), item (ii) of that Article, which require that "the name and the domicile or residence of the inventor" be stated in a national document, and have rendered the JPO Decision pursuant to paragraph (3) of that Article. Dissatisfied with this, the Plaintiff filed an

appeal.

1. Provisions of related laws and regulations

As described in the Attachment "Provisions of Related Laws and Regulations"

2. Basic facts (facts not disputed between the parties and facts easily found from evidence and the entire import of oral arguments)

(1) On September 17, 2019, under the Patent Cooperation Treaty, the Plaintiff filed the Application (PCT/IB2019/057809) in a foreign language (English) with the International Bureau of the World Intellectual Property Organization as the Receiving Office, with regard to the invention titled "Food container and devices and methods for attracting enhanced attention" (Note: "フードコンテナ並びに注意を喚起し誘引する装置及び方法" in Japanese, as referred to in the Japanese translation of the description (Exhibit Ko 1-3)). The Application designates Japan as one of the designated States referred to in Article 4(1)(ii) of that Treaty. Pursuant to Article 184-3, paragraph (1) of the Patent Act, the Application was deemed to be a patent application filed on that date (Exhibits Ko 1-3 and Ko 8-2).

(2) On August 5, 2020, in the national procedure for the Application (Patent Application No. 2020-543051), the Plaintiff submitted the National Document and the Japanese translations of the description, claims, drawings, and abstract as prescribed in Article 184-4, paragraph (1) of the Patent Act to the JPO Commissioner. On this occasion, the Plaintiff stated "DABUS, the artificial intelligence that autonomously made the present invention" in the column for the [Name] of the [Inventor] in the National Document (see the Regulation for Enforcement of the Patent Act, Form No. 53), and submitted a document stating that "The invention claimed in this application was made autonomously by an artificial intelligence (AI), and its inventor is specified as 'DABUS, the artificial intelligence that autonomously made the present invention'." (Exhibits Ko 1-1 to 1-9).

(3) On July 30, 2021, the JPO Commissioner ordered the Plaintiff to make an amendment to state the name of a natural person in the column for the name of the inventor in the National Document within two months from the date of dispatch of the written order of amendment (formality requirement) (August 3, 2021) pursuant to Article 184-5, paragraph (2) of the Patent Act, on the grounds that: the name of the inventor must be stated in a national document (paragraph (1), item (ii) of that Article) and a person whose name may be stated as the inventor is limited to a natural person, but it is found that the person stated in the column for the name of the inventor in the National Document is not a natural person, and therefore an amendment needs to be made to state the name of a natural person in the column for the name of the inventor

(Exhibit Ko 2).

(4) On September 30, 2021, the Plaintiff submitted a document to the JPO Commissioner, stating that there is no need to make an amendment in response to the order because: since there are no provisions in the Patent Act that prohibit naming AI as an inventor, there is no basis for the interpretation that the inventor is limited to a natural person; and it is necessary to ensure that inventions made by AI are protected by patent rights. The Plaintiff did not make an amendment by the designated time limit (Exhibit Ko 3).

(5) On October 13, 2021, the JPO Commissioner rendered the JPO Decision to dismiss the Application pursuant to Article 184-5, paragraph (3) of the Patent Act, on the grounds that the Plaintiff had not made an amendment for the procedure for submitting the National Document by the time limit designated as mentioned in (3) above (the JPO Decision was dispatched on October 19, 2021; Exhibit Ko 4).

(6) As of January 17, 2022, the Plaintiff filed a request for review regarding the JPO Decision under the Administrative Complaint Review Act. On October 12, 2022, the reviewing agency (the JPO Commissioner) made an administrative determination to dismiss this request for review (Exhibits Ko 5 to 8-2).

(6) On March 27, 2023, the Plaintiff filed this action to seek rescission of the JPO Decision, alleging that the JPO Decision is illegal.

3. Issues

(1) Whether "inventions" protected by patent rights are limited to those made by natural persons

(2) Whether the "name of the inventor" is the mandatory information to be stated in a national document in the national procedure for an international patent application

No. 4 Judgment of this court

This court also holds that the JPO Decision is legitimate and that the Plaintiff's claim is groundless, for the following reasons.

1. Concerning Issue (1) (whether "inventions" protected by patent rights are limited to those made by natural persons)

(1) "Invention" under the Patent Act and a right to be granted a patent

A. The Patent Act aims to encourage inventions through promoting the protection and utilization of inventions, and thereby contribute to the development of industry (Article 1 of that Act), and provides that a patent right comes into effect through registration of its establishment, following the application and examination procedures as prescribed in that Act (Article 66, paragraph (1) of that Act). In other words, a patent right is a

right that is created and granted under the Patent Act, and a right to be granted a patent is also a right that is created and granted under that Act. The Patent Act is a substantive law that provides for the substantive requirements for the occurrence of a patent right and a right to be granted a patent and the effects of these rights, and at the same time, it has a nature as a procedural law that provides for procedures for granting a patent right.

B. The main sentence of Article 29, paragraph (1) of the Patent Act provides that "A person that invents an invention with industrial applicability may obtain a patent for that invention,...," and the "person that invents an invention" as prescribed in that paragraph is understood as meaning a person who can be a subject of a right to be granted a patent, that is, a person who has legal capacity to hold rights.

In addition, it is literally clear that the term "employee, etc." referred to in Article 35, paragraph (1) of that Act refers to a natural person because the term "employer, etc." referred to in that paragraph includes a corporation or a national or local government, whereas the term "employee, etc." does not include a corporation, etc. Paragraph (3) of that Article stipulates that with regard to an "employee invention by an employee, etc.," the right to be granted a patent for the invention may primarily belong to the employer, etc. under certain conditions, and this provision is also based on the premise that the person who invents the invention is a natural person (employee, etc.). Since there are no provisions in the Patent Act regarding the occurrence of a "right to be granted a patent" and the primary owner of such right, except for the main sentence of Article 29, paragraph (1) of that Act and Article 35, paragraph (3) of that Act that provides for an exception to the former, the "right to be granted a patent" under the Patent Act is a right that comes into effect only when the inventor is a natural person. Not only in the national document for the international application, which is at issue in this case, but also in a written application of a patent application (Article 36, paragraph (1), item (ii) of the Patent Act), a patent gazette as a publication of a patent application (Article 64, paragraph (2), item (iii) of that Act), a patent gazette as a national publication of an international patent application (Article 184-9, paragraph (2), item (iv) of that Act), and a patent gazette upon registration of establishment (Article 66, paragraph (3), item (iii) of that Act), should the "name of the inventor" be stated or included. As contrasted with the fact that "*shimei*," a full name for a natural person, or "*meishō*," a name for a legal person, is required to be stated or indicated with regard to the patent applicant, the applicant, or the patentee, respectively, the Patent Act requires that "*shimei*," a full name for a natural person, be stated or indicated with regard to the inventor, and thus it presupposes that the inventor is a natural person, including the case of an employee

invention.

C. As such, the Patent Act stipulates that when a natural person makes an invention, the right to be granted a patent for the invention comes into effect as a right that primarily belongs to the natural person in principle, with an exception that in the case of an employee invention, this right may primarily belong to the employer, etc. under certain conditions, but there are no provisions in the Patent Act stipulating that the right to be granted a patent comes into effect as a right that belongs to any other persons. Nor are there any provisions in the Patent Act specifying a procedure for granting a patent based on a right other than the "right to be granted a patent" prescribed in that Act or a procedure for granting a patent on the assumption that a person other than a natural person is named as the inventor. Consequently, it is appropriate to construe that "inventions" for which patents may be granted under that Act are limited to those for which natural persons are the inventors.

D. (A) In contrast to this, the Plaintiff argues as follows. The main sentence of Article 29, paragraph (1) of the Patent Act does not stipulate that "a right to be granted a patent does not come into effect with regard to an AI invention," and the interpretation that a corporation cannot be an inventor is derived only in combination with Article 35, paragraph (3) of that Act, and hence, with regard to an AI invention, for which there are no provisions equivalent to Article 35, paragraph (3) of that Act, it is impossible to construe that a right to be granted a patent does not come into effect, only on the basis of the main sentence of Article 29, paragraph (1) of that Act.

However, since the right to be granted a patent is created and granted under the Patent Act as in the case of a patent right, it cannot be recognized under the Patent Act that the right to be granted a patent comes into effect with regard to an invention made by a person without legal capacity despite the absence of provisions in that Act stipulating that the right to be granted a patent comes into effect with regard to an invention made by a person without legal capacity or specifying the person to whom that right belongs, only because there are no provisions to the contrary.

In the first place, the "right to be granted a patent" that is anticipated under the Patent Act should be construed after reviewing the consistency with the wording of the main sentence of Article 29, paragraph (1) of the Patent Act and the wording of other provisions in that Act, and as mentioned in C. above, it is understood through such review that the "person that invents an invention" referred to in the main sentence of that paragraph refers to a natural person. Consequently, the Plaintiff's arguments mentioned above are groundless.

(B) Citing the Supreme Court judgments mentioned above, the Plaintiff argues, among

others, that these judgments do not emphasize the issue of whether the invention was created by a natural person. However, these Supreme Court judgments were rendered in the cases in which issues such as the degree of technical perfection or the use of the laws of nature were disputed as the requirements for an invention, and the person who made the "invention" was not at issue. It is true that the definition of an "invention" as prescribed in Article 2, paragraph (1) of the Patent Act (a highly advanced creation of technical ideas utilizing the laws of nature) does not explicitly involve the viewpoint of who is the inventor. However, as reviewed thus far, with regard to the procedure for obtaining a patent, the Patent Act does not provide for a procedure for granting a patent for an invention made by a person without legal capacity. Consequently, even if the concept of "invention" under the Patent Act is in itself interpreted as meaning not limited to an invention made by a natural person, there is still no room to grant a patent right through the procedure under that Act for an "invention" made by a person without legal capacity.

(C) With regard to the invention made by DABUS, an AI, the Plaintiff argues that they hold the right to be granted a patent for the invention claimed in the Application based on the right to acquire fruits as a possessor in good faith (Article 189, paragraph (1) and Article 205 of the Civil Code) or an owner (Article 206 and Article 89, paragraph (1) of that Code).

However, the concrete content of a property right that protects an invention, which is information, should be determined by the Patent Act or any other individual laws. An AI is not subject to ownership because it is not a tangible object, and even if the user of an AI is considered to be a person who exercises their property rights as prescribed in Article 205 of the Civil Code, the "right to be granted a patent for an AI invention" does not fall within the scope of "products obtained from the intended use of a thing" or "money and other things that may be obtained in exchange for the use of any thing" (Article 88, paragraphs (1) and (2) of the Civil Code). As mentioned above, there are no provisions based on which the right to be granted a patent comes into effect with regard to an AI invention, and therefore, under the existing law, it is impossible to construe that this right falls within the scope of fruits involved in the exercise of a property right. In the first place, it must be said that what should be envisioned as the content of such property right related to an AI is in itself an issue to be examined in the future. It is impossible to construe that the right to be granted a patent, which is not recognized under the Patent Act, would come into effect based on these provisions of the Civil Code, and in this case, Article 89 of the Civil Code cannot be applied directly or *mutatis mutandis*. Therefore, the Plaintiff's arguments are inappropriate.

(D) The Plaintiff argues that the Patent Act of Japan does not include provisions stipulating that the primary ownership of the right to be granted a patent is limited to the inventor, which are found in the patent laws of the United Kingdom, Australia and New Zealand, nor provisions limiting the scope of the person who can be the applicant for a patent, which are found in the patent law of the United States, and thus, there is no limitation under the Patent Act of Japan with regard to the primary ownership of the right to be granted a patent and the person who can be the applicant for a patent.

However, as explained thus far, the Patent Act should be interpreted as stipulating that the right to be granted a patent comes into effect only with regard to an invention made by an inventor who is a natural person and limiting the primary ownership of this right to such inventor.

(E) The Plaintiff argues as follows: at the time of enactment of the Patent Act, the concept of AI inventions did not exist and there was no legal issue arising from it, and it is clear that the Patent Act was enacted while assuming only inventions made by natural persons; therefore, the fact that the Patent Act does not include any provisions concerning AI inventions cannot be the reason for denying the protection of AI inventions without exception. The Plaintiff also argues as follows: since AI inventions have actually been born and put into use, and are expected to increase in the future, the Patent Act should be interpreted and applied in a manner to also protect these inventions to the extent possible in light of the purpose of the Patent Act, i.e., contributing to the development of industry; if inventions protected by patent rights are limited to those made by natural persons, this would have adverse effects, such as reducing the incentive to create AI inventions, or keeping AI inventions undisclosed to the public even if they are created, which runs counter to the purpose of the Patent Act, i.e., contributing to the development of industry.

It is true, as argued by the Plaintiff, that after the enactment of the Patent Act until its most recent amendment, no legislative measure has been taken on the premise of the rapid advancement of artificial intelligence technology in recent years, and in particular, AI's capability to create "inventions" autonomously.

However, a patent right is not a heaven-sent natural right but it is granted based on the Patent Act, which aims to "encourage inventions, and thereby contribute to the development of industry," and the design of the patent system is an issue that should be discussed from the perspective of a nation's industrial policy, including the aspect of international cooperation.

For example, the Report of the Next Generation Intellectual Property System Review Committee (April 2016, Intellectual Property Strategy Headquarters,

Verification, Evaluation, and Planning Committee, Next Generation Intellectual Property System Review Committee; Exhibit Otsu 10) pointed out as follows regarding autonomous creation by artificial intelligence (AI-created works): "[AI-created works] will have an impact on the existing intellectual property system, which is premised on creative activities by humans, and on related business activities, in the form of 'explosive increase of the amount of information,' because artificial intelligence is considered to be capable of continuing to generate a far greater amount of information than humans"; "There is concern that if AI-created works are treated in the same manner as works created by natural persons, this could result in the monopolization of a vast amount of information and knowledge by persons who are capable of using artificial intelligence (e.g., developers and owners of AI), leading to a situation in which any works that humans could have conceived of have already been created by artificial intelligence.

Whether or not to grant a patent right for an AI invention is an issue that requires a discussion for legislation, based on extensive and deliberate discussions on various impacts that AI inventions would have on society, including whether a patent right for an AI invention should be designed to have the same content as the current patent right granted on the assumption that the inventor is a natural person (in principle, a patent right is effective for a period of 20 years from the filing date of the patent application, and the patentee has an exclusive right to work the patented invention in the course of trade (the main clause of Article 68 of the Patent Act) and also has the right to claim an injunction (Article 100 of that Act) and the right to claim damages against the infringer). It is difficult to deal with this issue through the interpretation of the existing law. The issues argued by the Plaintiff, such as adverse effects that may arise from limiting the inventor to a natural person, should be considered in the course of such discussion on the legislative policy.

Accordingly, the fact that the Patent Act did not presuppose the existence of AI inventions at the time of the JPO Decision (and it still does not at the present time) means that a legislative decision has not been made to protect AI inventions by granting patent rights, and in such case, it cannot be said that adopting a legal interpretation that simply includes AI inventions in the scope of subject matter of patent rights under the existing system will immediately lead to "encouraging inventions and thereby contributing to the development of industry."

(F) The Plaintiff argues that since Article 27, paragraph 1 of the TRIPS Agreement provides for the obligation to offer protection under patent law to inventions that are new, involve an inventive step and are capable of industrial application, irrespective of

whether they are made by natural persons, it is contrary to the provisions of the TRIPS Agreement to interpret the Patent Act of Japan as excluding protection of AI inventions.

However, the TRIPS Agreement, including Article 27, paragraph 1 cited by the Plaintiff, does not provide a definition of the term "invention" referred to in that paragraph, and as mentioned in (E) above, there has not been a situation until recently in which AI can make an "invention" autonomously. In view of these points, the TRIPS Agreement cannot be understood as providing for the obligation to offer protection under patent law for AI inventions.

E. As explained above, none of the Plaintiff's arguments can be accepted.

(2) Summary

Consequently, since the existing Patent Act recognizes the right to be granted a patent and provides for the procedure for granting a patent only with regard to inventions made by natural persons, no patents may be granted for AI inventions under that Act.

It follows that, without the need to determine whether AI inventions are included in the concept of "invention" under the Patent Act, there is no ground for the Plaintiff's argument that patents may be granted for AI inventions under the Patent Act.

2. Issue (2) (whether the "name of the inventor" is the mandatory information to be stated in a national document in the national procedure for an international patent application)

(1) The Patent Act provides that in the national procedure for an international patent application, a national document stating the name of the inventor must be submitted (the main sentence and item (ii) of Article 184-5, paragraph (1) of that Act), and that if the procedure for submitting a national document does not comply with formal requirements specified by Order of the Ministry of Economy, Trade and Industry, the JPO Commissioner may order an amendment to be made with respect to the procedure within an adequate specified period of time (the main sentence and item (iii) of paragraph (2) of that Article). Following these provisions, Article 38-5, item (i) of the Regulation for Enforcement of the Patent Act specifies the formality requirement for a national document as stating the matters set forth in the items of Article 184-5, paragraph (1) of the Patent Act, including the name of the inventor. The Patent Act further provides that if the amendment with respect to the procedure is not made as ordered within the specified period of time, the JPO Commissioner may dismiss the international patent application (Article 184-5, paragraph (3) of that Act). According to these provisions, it is clear that the "name of the inventor" is set forth as the mandatory information to be stated in a national document.

(2) The Plaintiff argues that the name of the inventor is not the mandatory information to be stated in an application for an AI invention.

However, the Plaintiff's argument cannot be accepted because it is based on the erroneous assumption that under the Patent Act, patents may be granted for AI inventions made by persons without legal capacity.

Incidentally, the Plaintiff points out a case in which an individual does not have a surname, but it goes without saying that it would suffice to state only the individual's given name in such case. In another case pointed out by the Plaintiff, substantive examination was conducted with regard to an application stating the name of a corporation only due to overlooking the failure to satisfy the requirement of stating the mandatory information to be stated. Naturally, it cannot be considered that the "name of the inventor" is not the mandatory information to be stated in the patent application procedure only because of the existence of these cases.

Furthermore, as long as the existing Patent Act assumes that the inventor is a natural person, it is naturally a logical consequence that the "name of the inventor" to be stated in an application document, etc. is the name of a natural person. Based on the assumption contrary to this, the Plaintiff argues that it is against Article 14 of the Constitution to consider the "name of the inventor" to be the mandatory information to be stated in an application for an AI invention, and such argument cannot be accepted.

(3) The Plaintiff argues that if the name of the inventor is considered to be the mandatory information to be stated in an application for an AI invention, this could lead to the increase in the number of applications filed with a natural person who is not the inventor being named as the inventor, and also argues that patents for AI inventions granted based on such misappropriated applications cannot be invalidated because there is no interested person that is entitled to demand a trial for invalidation on the grounds of misappropriation.

These issues pointed out by the Plaintiff can be regarded as problems with the existing law that does not assume the existence of AI Inventions, but they cannot be resolved just by considering that the entry in the column for the name of the inventor is not the mandatory information to be stated. As mentioned above, the issues pointed out by the Plaintiff should be considered through the discussion on the legislative policy regarding AI inventions, and they cannot be the ground for considering that the entry in the column for the name of the inventor is not the mandatory information to be stated.

The misappropriation of an application, which is pointed out by the Plaintiff, can be the reason for making a decision to reject a patent application (Article 49, item (vii) of the Patent Act), and it can also be alleged as the defense of patent invalidity in a

patent infringement lawsuit (Article 104-3, paragraphs (1) and (3) of that Act). Even if there is no one entitled to demand a trial for patent invalidation regarding an AI invention as the interested person referred to in Article 123, paragraph (2) of that Act (the person holding the right to be granted a patent) on the grounds that the patent falls under Article 123, paragraph (1), item (vi) of that Act, this only means that a situation that was not anticipated under the existing law has taken place, and it cannot be the reason for changing the abovementioned interpretation that under the Patent Act, patents may be granted only with regard to inventions made by natural persons.

(4) The Plaintiff argues that if the name of the inventor is considered to be the mandatory information to be stated in an application for an AI invention, this is not consistent with the determination presented by the European Patent Office (EPO).

However, the explanation given by the EPO as pointed out by the Plaintiff (Exhibit Ko 10, Paragraph 4.4.1) is the determination presented by the EPO regarding the interpretation of the first sentence of Article 81 of the European Patent Convention (EPC), which requires the inventor to be indicated in a European patent application, and it is only part of the reasons for the EPO's determination to conclude that only natural persons are eligible to be inventors. It cannot be the ground for considering, as the interpretation of the Patent Act of Japan, that the "name of the inventor" is not the mandatory information to be stated in a national document.

(5) Consequently, in the national procedure for an international patent application, the "name of the inventor" is the mandatory information to be stated in a national document.

3. Conclusion

For the reasons stated above, the JPO Decision is legitimate, and the judgment in prior instance that dismissed the Plaintiff's claim is appropriate. The appeal is groundless and therefore dismissed. Accordingly, the judgment is rendered as indicated in the main text.

Intellectual Property High Court, Second Division

Presiding judge: SHIMIZU Hibiku

Judge: KIKUCHI Eri

Judge: RAI Shinichi

(Attachment)

Provisions of Related Laws and Regulations

1. Patent Act

(Purpose)

Article 1 The purpose of this Act is to encourage inventions through promoting the protection and utilization of inventions, and thereby contribute to the development of industry.

(Definitions)

Article 2(1) The term "invention" as used in this Act means a highly advanced creation of technical ideas utilizing the laws of nature.

(2) to (4) omitted

(Requirements for Patentability)

Article 29(1) A person that invents an invention with industrial applicability may obtain a patent for that invention, unless the invention is as follows:

- (i) an invention that is public knowledge within Japan or in a foreign country prior to the filing of the patent application;
- (ii) an invention that is publicly known to be worked within Japan or in a foreign country prior to the filing of the patent application; or
- (iii) an invention that is described in a distributed publication or made available for public use over telecommunications lines within Japan or in a foreign country prior to the filing of the patent application.

(2) A person may not obtain a patent if prior to the filing of the patent application, a person of ordinary skill in the art of the invention would have easily been able to make that invention based on an invention prescribed in the items of the preceding paragraph, notwithstanding the preceding paragraph.

(Right to Be Granted a Patent)

Article 33(1) The right to be granted a patent may be transferred.

(2) The right to be granted a patent may not be pledged.

(3) When the right to be granted a patent is co-owned, no co-owner may transfer the co-owner's respective share without the consent of all the other co-owners.

(4) When the right to be granted a patent is co-owned, no co-owner may establish a provisional exclusive license or grant a provisional non-exclusive license on the patent right to be obtained based on the right to be granted a patent without the consent of all the other co-owners.

(Employee Inventions)

Article 35(1) If an employee, officer of a corporation, or a national or local government (hereinafter referred to as an "employee, etc.") has obtained a patent for an invention which, by its nature, falls within the scope of the business of an employer, a corporation, or a national or local government (hereinafter referred to as an "employer, etc. ") and was achieved by an act categorized as a present or past duty of the employee, etc. performed for the employer, etc. (hereinafter referred to as "employee invention"), or if a successor to the right to be granted a patent for the employee invention has obtained a patent therefor, the employer, etc. has a non-exclusive license on the patent right.

(2) omitted

(3) In the case of an employee invention by an employee, etc., when it is prescribed in any agreement, employment regulation or any other stipulation providing in advance that the right to be granted a patent for any employee invention is vested in the employer, etc., the right to be granted a patent belongs to the employer, etc. from its occurrence.

(4) to (7) omitted

(Patent Applications)

Article 36(1) A person seeking a patent must submit a written application to the Commissioner of the Japan Patent Office stating the following:

(i) the name and domicile or residence of the applicant for the patent; and

(ii) the name and domicile or residence of the inventor.

(2) to (7) omitted

(Registration of Establishment of a Patent Right)

Article 66(1) A patent right comes into effect through registration of its establishment.

(2) Establishment of a patent right is registered once all of the annual patent fees under Article 107, paragraph (1) are paid for the first year to the third year or once an exemption or grace period is granted for the payment of the same.

(3) Once the registration referred to in the preceding paragraph has been made, the following matters must be published in the patent gazette; provided, however, that this does not apply to the matters set forth in paragraph (v) if the patent application has already been published:

(i) the name, and the domicile or residence of the patentee;

(ii) the number and the filing date of the patent application;

(iii) the name, and the domicile or residence of the inventor;

(iv) to (vii) omitted

(4) omitted

(Effect of Patent Rights)

Article 68 The patentee has an exclusive right to work the patented invention in the

course of trade; provided, however, that if the patentee grants an exclusive license to the patent, this does not apply within the scope of the exclusive licensee's exclusive right to work the patented invention.

(The Filing of the Patent Application through an International Application)

Article 184-3(1) An international application (limited to a patent application) to which an international filing date is accorded under Article 11 (1) or (2)(b), or Article 14 (2) of the Patent Cooperation Treaty Done at Washington on June 19, 1970 (hereinafter referred to as "the treaty" in this Chapter), which specifies Japan as a designated state as referred to in Article 4 (1)(ii) of the treaty is deemed to be a patent application that was filed on the international filing date.

(2) Article 43 (including as applied mutatis mutandis pursuant to Article 43-2, paragraph (2) (including as applied mutatis mutandis pursuant to Article 43-3, paragraph (3)) and Article 43-3, paragraph (3)) does not apply to an international application that is deemed to be a patent application pursuant to the preceding paragraph (hereinafter referred to as an "international patent application").

(Submission of Documents and Order to Amend Procedures)

Article 184-5(1) An applicant filing an international patent application must submit a document to the Commissioner of the Japan Patent Office within the period for submitting national documents, stating the following:

- (i) the name, and the domicile or residence of the applicant;
- (ii) the name, and the domicile or residence of the inventor; and
- (iii) matters provided by Order of the Ministry of Economy, Trade and Industry, including the international application number.

(2) The Commissioner of the Japan Patent Office may order an amendment to be made with respect to a procedure within an adequate specified period of time in the following cases:

- (i) and (ii) omitted
- (iii) the procedure under the preceding paragraph does not comply with formal requirements specified by Order of the Ministry of Economy, Trade and Industry;
- (iv) and (v) omitted

(3) If a person that the Commissioner of the Japan Patent Office has ordered to make the amendment with respect to a procedure to the preceding paragraph does not make the amendment within the period of time the Commissioner specifies pursuant to that paragraph, the Commissioner may dismiss the international patent application.

(Fees)

Article 195(1) The following persons must pay the amount of fees that Cabinet Order

specifies in view of the actual costs:

(i) to (vii) omitted

(2) A person set forth in the center column of the attached table must pay the amount of fees that Cabinet Order specifies within the scope of the amount of money set forth in the corresponding right-hand column of the table.

(3) to (13) omitted

Appended Table (In relation to Article 195)

(i) to (iii) omitted

	[Person who must pay fees]	[Amounts]
(iv)	A person responsible for the procedures under Article 184-5, paragraph (1)	16,000 yen per case

(v) to (xx) omitted

2. Regulation for Enforcement of the Patent Act

(Form of Document)

Article 38-4 A document referred to in Article 184-5, paragraph (1) of the Patent Act must be prepared using Form No. 53.

(Formal Requirements for the Procedure for Submitting Documents)

Article 38-5 The formal requirements specified by Order of the Ministry of Economy, Trade and Industry as referred to in Article 184-5, paragraph (2), item (iii) of the Patent Act are as follows:

- (i) the document states the matters set forth in the items of Article 184-5, paragraph (1) of the Patent Act; and
- (ii) the document is prepared using the format prescribed in the preceding Article.

Form No. 53 (In relation to Article 38-4)

[Title of Document] National document

([Date of Submission] MM/DD/YY)

[Addressed to] Commissioner of the Japan Patent Office

[Indication of the Application]

[International Application Number]

[Classification of Application]

[Inventor]

[Domicile or Residence]

[Name (*shimei*)]

[Applicant for Patent]

[Identification Number]

[Domicile or Residence]

[Name (*shimei* or *meishō*)]

([Country/Region])

[Agent]

[Identification Number]

[Domicile or Residence]

[Name (*shimei* or *meishō*)]

([Indication of Fee])

([Prepayment Register Number])

([Amount of Fee Paid])

[List of Articles Submitted]

[Title of Article] (Translation of the claims: 1)

[Title of Article] (Translation of the description: 1)

[Title of Article] (Translation of the drawings: 1)

[Title of Article] (Translation of the abstract: 1)

[Notes]

1. To submit this document with the translation pursuant to Article 184-4, paragraph (4) of the Patent Act, make a section titled "[Other]" following "[Indication of Fee]" and describe "Submission of the translation pursuant to Article 184-4, paragraph (4) of the Patent Act" in that section.

2. To submit a magnetic disc pursuant to Article 38-13-2, paragraph (2), describe as follows in the section titled "[List of Articles Submitted]":

[Name of Article] A magnetic disc in which sequence listing is recorded

3. Notes 1 to 5, 10 to 12, 14, 16, 17, and 21 to 25 for Form No. 2, Notes 9, 11, 12, 14 to 16, 18, 20, 21, 23 to 25, 35, and 36 for Form No. 26, and Note 1 for Form No. 52 apply.

3. Patent Cooperation Treaty

Article 4 The Request

(1) The request shall contain:

- (i) a petition to the effect that the international application be processed according to this Treaty;
- (ii) the designation of the Contracting State or States in which protection for the invention is desired on the basis of the international application ("designated States"); if for any designated

State a regional patent is available and the applicant wishes to obtain a regional patent rather than a national patent, the request shall so indicate; if, under a treaty concerning a regional patent, the applicant cannot limit his application to certain of the States party to that treaty, designation of one of those States and the indication of the wish to obtain the regional patent shall be treated as designation of all the States party to that treaty; if, under the national law of the designated State, the designation of that State has the effect of an application for a regional patent, the designation of the said State shall be treated as an indication of the wish to obtain the regional patent;

(iii) to (vi) omitted

(2) to (4) omitted

Article 11 Filing Date and Effects of the International Application

(1) The receiving Office shall accord as the international filing date the date of receipt of the international application, provided that that Office has found that, at the time of receipt:

(i) the applicant does not obviously lack, for reasons of residence or nationality, the right to file an international application with the receiving Office,

(ii) the international application is in the prescribed language,

(iii) the international application contains at least the following elements:

(a) an indication that it is intended as an international application,

(b) the designation of at least one Contracting State,

(c) the name of the applicant, as prescribed,

(d) a part which on the face of it appears to be a description,

(e) a part which on the face of it appears to be a claim or claims.

(2)(a) If the receiving Office finds that the international application did not, at the time of receipt, fulfill the requirements listed in paragraph (1), it shall, as provided in the Regulations, invite the applicant to file the required correction.

(b) If the applicant complies with the invitation, as provided in the Regulations, the receiving Office shall accord as the international filing date the date of receipt of the required correction.

(3) Subject to Article 64(4), any international application fulfilling the requirements listed in items (i) to (iii) of paragraph (1) and accorded an international filing date shall have the effect of a regular national application in each designated State as of the international filing date, which date shall be considered to be the actual filing date in each designated State.

(4) omitted

Article 14 Certain Defects in the International Application

(1)(a) The receiving Office shall check whether the international application contains

any of the following defects, that is to say:

- (i) it is not signed as provided in the Regulations;
 - (ii) it does not contain the prescribed indications concerning the applicant;
 - (iii) it does not contain a title;
 - (iv) it does not contain an abstract;
 - (v) it does not comply to the extent provided in the Regulations with the prescribed physical requirements.
- (b) If the receiving Office finds any of the said defects, it shall invite the applicant to correct the international application within the prescribed time limit, failing which that application shall be considered withdrawn and the receiving Office shall so declare.
- (2) If the international application refers to drawings which, in fact, are not included in that application, the receiving Office shall notify the applicant accordingly and he may furnish them within the prescribed time limit and, if he does, the international filing date shall be the date on which the drawings are received by the receiving Office. Otherwise, any reference to the said drawings shall be considered non-existent.
- (3) to (4) omitted

Article 22 Copy, Translation, and Fee, to Designated Offices

- (1) The applicant shall furnish a copy of the international application (unless the communication provided for in Article 20 has already taken place) and a translation thereof (as prescribed), and pay the national fee (if any), to each designated Office not later than at the expiration of 30 months from the priority date. Where the national law of the designated State requires the indication of the name of and other prescribed data concerning the inventor but allows that these indications be furnished at a time later than that of the filing of a national application, the applicant shall, unless they were contained in the request, furnish the said indications to the national Office of or acting for the State not later than at the expiration of 30 months from the priority date.
- (2) Where the International Searching Authority makes a declaration, under Article 17(2)(a), that no international search report will be established, the time limit for performing the acts referred to in paragraph (1) of this Article shall be the same as that provided for in paragraph (1).
- (3) Any national law may, for performing the acts referred to in paragraphs (1) or (2), fix time limits which expire later than the time limit provided for in those paragraphs.

End

(Attachment)

Arguments of the Parties

1. Concerning Issue (1) (whether "inventions" protected by patent rights are limited to those made by natural persons)

(Plaintiff's arguments)

It is clear that the Patent Act does not deliberately exclude protection of AI inventions in terms of the substantive requirements for patentability.

(1) Concept of "invention" under the Patent Act

Article 2, paragraph (1) of the Patent Act defines the term "invention" as "a highly advanced creation of technical ideas utilizing the laws of nature." The term "technical ideas" used in this definition means that a specific means for solving a certain problem is replicable, and the term "creation" only means an act of making up something from scratch and a discovery of something that already exists is not included in the scope of creation. Thus, that paragraph literally does not limit inventions to those created by natural persons.

No other provisions in the Patent Act can be the grounds for excluding AI inventions from the concept of "invention" under the Patent Act.

(2) Patentability requirements

A. As for the patentability requirements, Article 29 of the Patent Act only provides that a patent may be granted for an invention that satisfies the requirements of industrial applicability (the main sentence of paragraph (1) of that Article), novelty (paragraph (1) of that Article), and an inventive step (paragraph (2) of that Article), and Article 32 of that Act only provides, as a negative requirement, that an invention that is likely to violate public policy or harm public health should not be patented. Thus, the Patent Act does not limit patentable inventions to inventions made by natural persons as a substantive requirement for granting a patent.

B. Since the Plaintiff is the creator of DABUS, an AI, and manages DABUS exclusively on their own behalf by means such as limitation of access, the Plaintiff holds a right to be granted a patent for the invention claimed in the Application based on the right to acquire fruits as a possessor in good faith (Article 189, paragraph (1) and Article 205 of the Civil Code) or owner (Article 206 and Article 89, paragraph (1) of that Code).

The lack of the right to be granted a patent could be the reason for rejection of a patent application (Article 49, item (vii) of the Patent Act) but it is not stipulated as a reason for dismissal of a patent application, and it does not affect the issue concerning whether or not the JPO Decision is legitimate.

(3) Problems with limiting the "invention" to an invention made by a natural person

If the term "invention" under the Patent Act is interpreted as meaning only an invention made by a natural person, an AI invention would not be included in the scope of publicly known inventions or publicly worked inventions prescribed in the items of Article 29, paragraph (1) of the Patent Act, and hence, a patent application filed by a person that made the same invention as an AI invention that actually exists would not be rejected in terms of the novelty requirement. This would undermine the foundation of the patent system designed to grant exclusive rights to persons who disclose novel inventions, and the interpretation that would invite such unreasonable consequence is erroneous.

(4) Consistency with the TRIPS Agreement

Article 27, paragraph 1 of the TRIPS Agreement provides as follows regarding patentable subject matter: "Subject to the provisions of paragraphs 2 and 3, patents shall be available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application." The Japanese translation of this provision literally reads "patents are granted," but the term "shall" contained in the original English text, "patents shall be available," is a legal term that is usually used by a drafter with the intention of imposing an obligation (Exhibit Ko 9), and therefore, to be exact, this phrase means "patents must be granted."

Paragraphs 2 and 3 of that Article only provide that Members may exclude inventions contrary to public policy (paragraph 2) or inventions relating to diagnostic methods or biological processes (paragraph 3) respectively from the scope of patentable subject matter. Therefore, as it turns out, paragraph 1 of that Article provides for the obligation to offer protection under patent law to inventions that are new, involve an inventive step and are capable of industrial application, irrespective of whether or not they are made by natural persons.

Thus, the interpretation that the Patent Act does not exclude AI inventions from the scope of protection is consistent with the relevant provisions of the TRIPS Agreement, whereas the interpretation that the Patent Act excludes AI inventions from the scope of protection is in conflict with the relevant provisions of the TRIPS Agreement.

(5) Consistency with the determination by the European Patent Office

With regard to the corresponding patent application in Europe for the invention claimed in the Application, the European Patent Office (EPO) stated as follows: "Firstly, under Article 52(1) EPC (note: European Patent Convention), any invention which is novel, industrially applicable and involves an inventive step is patentable. The appellant

has argued that the scope of this provision is not limited to human-made inventions. The Board agrees. How the invention was made apparently plays no role in the European patent system. (omitted) Therefore, it is arguable that AI-generated inventions too are patentable under Article 52(1) EPC." (Exhibit Ko 10, Paragraph 4.6.2).

As explained above, whether an invention was generated by a natural person or an AI is not an important fact in granting a patent.

(6) Counterarguments against the Defendant's arguments

A. Occurrence of a right to be granted a patent for an AI invention

(A) Article 29, paragraph (1) of the Patent Act provides that an inventor (natural person) "may" obtain a patent, which is an obvious matter, and it does not provide such as that "a right to be granted a patent does not come into effect with regard to an AI invention."

For example, it is considered that a corporation that is not a natural person cannot be an inventor and cannot obtain a right to be granted a patent pursuant to the main sentence of that paragraph. However, such interpretation is not necessarily derived from the wording of the main sentence of that paragraph but is derived only in combination with Article 35, paragraph (3) of that Act, which provides for an exception to the ownership of a right to be granted a patent for an employee invention. In the case of an AI invention, for which there is no provision equivalent to Article 35, paragraph (3) of that Act, it is impossible to consider that a right to be granted a patent does not come into effect, only on the basis of the wording of the main sentence of Article 29, paragraph (1) of that Act.

(B) The Patent Act of Japan does not include provisions stipulating that the primary ownership of the right to be granted a patent is limited to the inventor, which are found in the patent laws of the United Kingdom, Australia and New Zealand, nor provisions limiting the scope of the person who can be the applicant for a patent, which are found in the patent law of the United States, and thus it is clear that there is no limitation under the Patent Act of Japan with regard to the primary ownership of the right to be granted a patent and the person who can be the applicant for a patent.

(C) In the first place, at the time of enactment of the Patent Act, the concept of AI inventions did not exist and there was no legal issue arising from it, and it is clear that the Patent Act was enacted while assuming only inventions made by natural persons. Therefore, the fact that the Patent Act does not include any provisions concerning AI inventions cannot be the reason for denying the protection of AI inventions without exception.

AI inventions, which had not been even thought of in the past, have actually been born and put into use, and are expected to increase in the future. Therefore, if the conventional view regarding the principle of inventor ownership is adopted blindly and

the perspective of giving an incentive for AI inventions is abstracted deliberately, this would obviously invite a situation contrary to the purpose of the Patent Act, i.e., "contributing to the development of industry" (Article 1 of the Patent Act). Hence, the existing law should be interpreted and applied in a manner to protect inventions acceptable based on the interpretation of the existing law to the extent possible.

B. Article 2, paragraph (1) of the Intellectual Property Basic Act

In the wording of Article 2, paragraph (1) of the Intellectual Property Basic Act, "その他" and "その他の" are not strictly distinguished (both are translated as "and other [XX]" in English), and that paragraph cannot be interpreted as stipulating that all "inventions, devices, new varieties of plants, designs, works" are included in the scope of "property that is produced through creative activities by human beings" because of the use of the term "and other" immediately before the latter phrase. Even if this is not the case, it is natural to understand that paragraph as not necessarily presupposing that "inventions" are produced through creative activities by human beings.

In light of the legislative history of that Act, AI inventions did not actually exist according to the state of the art at that time, and there was no argument that "inventions" were limited to those made by natural persons. Since that Act was established with the intention of protecting intellectual property actively and as broadly as possible as a national strategy, it is unreasonable to derive from that Act an interpretation of the definition of the term "invention" in a limited manner.

(Defendant's arguments)

An invention to be protected by granting a patent right under the Patent Act is limited to an invention made by a natural person, and an AI invention that does not satisfy this is not patentable.

(1) It is appropriate to construe that a product generated by an AI is not included in the scope of "invention"

A. Article 2, paragraph (1) of the Patent Act defines the term "invention" as a "highly advanced creation of technical ideas utilizing the laws of nature." The phrase "creation of technical ideas" used in this definition is understood as presupposing that some intellectual activities of a natural person are naturally involved. In addition, this definition is understood as following the definition advocated by German jurist Josef Kohler, "intellectual creation by a human being that is technically expressed and that brings about a certain effect by controlling the nature and leveraging the power of the nature," substantially as it is.

B. Article 2, paragraph (1) of the Intellectual Property Basic Act defines the term "intellectual property" (which includes patent rights pursuant to paragraph (2) of that

Article) as "inventions, devices, new varieties of plants, designs, works and other property that is produced through creative activities by human beings (omitted)," thus, treating "inventions" as "property that is produced through creative activities by human beings" as in the case of the Patent Act.

C. As explained above, in light of the definition of the term "invention" under the Patent Act and the history of the enactment of that Act, it is appropriate to construe that "inventions" that are eligible for protection through the grant of patent rights under the existing Patent Act must be those produced through creative activities by human beings, and that AI inventions, which are produced without the involvement of creative activities by human beings, are not included in the scope of "invention" prescribed in Article 2, paragraph (1) of that Act.

(2) It is extremely difficult to consider that a "right to be granted a patent" comes into effect with regard to an invention for which the inventor who is a natural person cannot be assumed, such as an AI invention

A. The main sentence of Article 29, paragraph (1) of the Patent Act provides that: "A person that invents an invention with industrial applicability may obtain a patent for that invention (omitted)." This provision adopts the view under the principle of inventor ownership that a "right to be granted a patent" primarily belongs to such "person that invents an invention," with the aim of "encouraging inventions, and thereby contribute to the development of industry" (Article 1 of that Act).

In light of such rules concerning the occurrence and ownership of a "right to be granted a patent," it is clearly considered as a given that the "person that invents an invention" referred to in Article 29, paragraph (1) of that Act is a person that can be a party to whom rights and obligations belong and that is capable of carrying out some creative activities or intellectual activities, which are assumed in the definition of an "invention," that is, a natural person.

In addition, an inventor is considered to acquire a right to inventor's reputation as a moral right, and this can also be understood as presupposing that a "person that invents an invention" is a natural person that is entitled to enjoy moral interests.

B. Under the Patent Act, there is no provision assuming an invention for which the inventor that is a natural person cannot be assumed, such as an AI invention, and stipulating that a "right to be granted a patent" comes into effect also for such invention and primarily belongs to someone.

(3) Counterarguments against the Plaintiff's arguments

A. Regarding the argument that the Patent Act does not deliberately exclude protection of AI inventions in terms of the substantive requirements for patentability

As the Plaintiff admits, the Patent Act is established based on the premise that a patent right is to be granted only for an invention made by a natural person, and the legislator of that Act did not make a policy decision to grant a patent right for a product produced by someone that is not a natural person.

In addition, it is provided that the patentee has an exclusive right to work the patented invention in the course of trade (the main clause of Article 68 of the Patent Act), and it is inappropriate to adopt an interpretation that allows such a strong right to come into effect without a legal ground.

The Plaintiff's argument that a patent right should be granted for an AI invention even under the existing Patent Act because of the absence of an explicit provision to the contrary is a legislative view that goes beyond the bounds of interpretation.

B. Regarding the argument based on the TRIPS Agreement

It is clear from the wording of Article 27, paragraph 1 of the TRIPS Agreement that this clause is not specifically intended to define the term "invention" to which it applies. No proper ground can be found for considering that it is a general interpretation of that paragraph to understand that it provides for an obligation to grant a patent to protect a product produced by someone that is not a natural person, such as an AI invention, as long as the product is new, involves an inventive step, and is capable of industrial application. In fact, in multiple countries among the Members of the TRIPS Agreement, courts have ruled that an AI is not eligible to be an inventor.

C. Regarding the argument that invokes the decision by the Board of the EPO

In the first place, since Japan is not an EPC Contracting State, the decision by the Board of the EPO (Exhibit Ko 10), which is cited by the Plaintiff, cannot be directly referred to in interpreting the Patent Act of Japan.

Moreover, the abovementioned decision ruled that only a natural person is eligible to be an inventor and upheld the decision in prior instance that dismissed the application in which an AI was designated as an inventor, for the same reason. The part cited by the Plaintiff has been deliberately extracted from the Board's explanation to discuss an anticipated counterargument against its conclusion, in which the Board expressed partial support for such anticipated counterargument, and it has little value as a reference for interpreting the Patent Act of Japan.

2. Issue (2) (whether the "name of the inventor" is the mandatory information to be stated in a national document in the national procedure for an international patent application)

(Plaintiff's arguments)

It should be considered that the name of the inventor is not the mandatory information

to be stated in an application for an AI invention. Therefore, the JPO Decision is illegal in that the JPO found the National Document to be in violation of the formality requirement on the grounds that the name of something that is not a natural person is stated in the column for the "name" of the "inventor" in the national document.

(1) The name of the inventor is not the mandatory information to be stated in an application for an AI invention.

Article 184-5, paragraph (2), item (iii) of the Patent Act and Article 38-5, item (i) of the Regulation for Enforcement of the Patent Act require the name of the inventor to be stated, merely for the purpose of making it clear that in the case of an invention invented by a natural person, an inventor's right to reputation belongs to that natural person.

In the case of an AI invention that is generated autonomously by an AI without the involvement of a natural person, a right to apply for a patent arises as a property right, but an inventor's right to reputation does not arise as a moral right, and therefore, it is not necessary to clarify who holds that right, and the purpose of requiring the name of the inventor to be stated in the national document does not apply to such case. In addition, since the absence of a statement of the name of the inventor would not invite any unreasonable situation in the relationship with the true inventor or any third party, the statement of the name of the inventor means nothing after all.

Consequently, it should be understood that in the application procedure for an AI invention, a statement of the name of the inventor is not the mandatory information to be stated in a national document.

(2) [Supplementary argument presented in this instance] The provision of Article 184-5, paragraph (1), item (ii) of the Patent Act, which requires the name of the inventor to be stated in a national document, is not an inviolable rule to the effect that the name of the inventor must always be stated in any case, in light of the wording of paragraph (2) of that Article and Article 38-5 of the Regulation for Enforcement of that Act. This is corroborated by the case in which a patent with the inventor having no surname has been registered (Exhibit Ko 28) and the cases in which substantive examination has been conducted with regard to a patent application naming a corporation as the inventor (Exhibits Ko 29 and 30).

Dismissing a patent application for an AI invention only on the grounds of the violation of the formality requirement, i.e., a statement of the "name of the inventor," which is impossible, is equal to excluding an AI invention from the scope of protection although it should be included in the scope of protection under the Patent Act based on the substantive requirement, thus allowing the formality requirement to override the substantive requirement and creating a new substantive requirement. This is an

erroneous interpretation of the relevant law and regulation.

In addition, compared to the abovementioned cases, if the Application is dismissed and only the Plaintiff, who stated the name of the AI as the name of the inventor, is not allowed to undergo substantive examination, this is in contravention of the principle of equality established in Article 14 of the Constitution.

(3) Problems with considering the name of the inventor as the mandatory information to be stated

A. Misappropriated applications would increase

If the name of the inventor is considered to be the mandatory information to be stated in an application for an AI invention as well, a company that utilizes an AI invention would choose either of the following actions: [i] give up the protection for the AI invention; or [ii] obtain a patent by naming a certain natural person as an inventor. Since it is unlikely that such company would give up protection for an invention that could have been protected under the Patent Act (the action mentioned in [i]), it is highly possible for the company to choose the action mentioned in [ii] in light of economic rationality.

In such case, as long as the AI invention satisfies the patentability requirements, the natural person who is not the inventor would be named as the inventor. This might as well help creating the appearance as if the JPO granted an inventor's right to reputation to a person that inherently does not have such right, and encourage patent applications to be filed by persons who inherently do not have a right to be granted a patent as legitimate applications. This would effectively result in permitting, facilitating and encouraging misappropriated applications for AI inventions and would render the provisions of the Patent Act regarding misappropriated applications meaningless.

B. Patents that cannot be invalidated would arise

Furthermore, with regard to a patent for an AI invention based on such a misappropriated application, given that only a person who has a right to be granted a patent may request a trial for invalidation of a patent on the grounds that the patent is based on a misappropriated application (Article 123, paragraph (2) of the Patent Act), if a patent has been granted for an AI invention erroneously, no one would be able to request a trial for invalidation of the patent on the grounds that it is based on a misappropriated application because there would be no one who has succeeded to the right of the "inventor" to be granted a patent, in which case the patent that should have been invalid would remain in effect.

(4) Consistency with the determination by the European Patent Office

The European Patent Office (EPO) stated as follows with regard to the provision of the first sentence of Article 81 of the European Patent Convention (EPC) ("The

European patent application shall designate the inventor."): "The auxiliary request relies on the argument that Article 81, first sentence, EPC does not apply where the application does not relate to a human-made invention. The Board agrees with this approach. The provisions concerning the designation [of the inventor] were drafted to confer specific rights on the inventor. It is arguable that where no human inventor can be identified, then the ratio legis of Article 81, first sentence, EPC does not apply." (Exhibit Ko 10, Paragraph 4.4.1).

Since the first sentence of Article 81 of the EPC provides to the same effect as Article 184-5, paragraph (2), item (iii) of the Patent Act of Japan, the EPO's explanation mentioned above is consistent with the interpretation that in the application procedure for an AI invention, a statement of the name of the inventor is not the mandatory information to be stated in a national document.

(Defendant's arguments)

The name of a natural person who is the inventor should be stated in the column for the name of the inventor in a national document. This requirement cannot be satisfied by a statement of the name or anything that is not the name of a natural person, and the National Document which contains such a statement is unavoidably judged to be in violation of the formality requirement.

(1) The name of the inventor is the mandatory information to be stated

A national document is required to be prepared using Form No. 53 (Article 38-4 and Article 38-5, item (ii) of the Regulation for Enforcement of the Patent Act), while stating therein the matters set forth in the items of Article 184-5, paragraph (1) of the Patent Act (the "name of the inventor" is set forth in item (ii)) (Article 38-5, item (i) of that Regulation). Therefore, the name of the inventor is the mandatory information to be stated in a national document.

As mentioned in 1. (Defendant's arguments) above, the inventor is considered to be limited to a natural person under the Patent Act, and it is clear that the "name" refers to the full name of the inventor, who is a natural person. No provisions in the Patent Act imply that the entry in the column for the name of the inventor can be omitted or replaced with the name other than the name of the inventor, who is a natural person.

(2) Counterarguments against the Plaintiff's arguments

A. All of the Plaintiff's arguments that the name of the inventor of an AI invention is not the mandatory information to be stated in a national document are based on the assumption that a patent right may be granted for an AI invention, which is erroneous.

B. Regarding the Plaintiff's argument invoking the decision by the Board of the EPO, the same as (3) C. in 1. (Defendant's arguments) above applies.

End