

Judgment rendered on December 25,2000

1999 (Gyo-Ke) 368 Case of Seeking Rescission of JPO Decision (Date of conclusion of oral argument: December 13, 2000)

Judgment

Plaintiff: Ishikawajima-Harima Heavy Industries Co., Ltd.

Defendant: Nippon Roll MFG Co., Ltd.

Main text

The plaintiff's claims shall be dismissed.

The court costs shall be borne by the plaintiff.

Facts and reasons

No. 1 Judicial decisions sought by the parties

1. Plaintiff

The JPO decision rendered on September 9, 1999 with respect to Case of 1998 Trial No. 35126 shall be rescinded.

The court costs shall be borne by the defendant.

2. Defendant

Same as the main text.

No. 2 Facts undisputed by the parties

1. Developments in procedures at the JPO

The defendant holds a patent right for a patent (Patent No. 1735179) granted for an invention titled "structure and method of use of a six roll calender."

With respect to the abovementioned patent, a patent application was filed on July 5, 1985 and the registration establishing a patent right was conducted on February 17, 1993. The JPO decision allowing the correction to the description and drawings attached to the application became final and binding on February 26, 1997.

On March 31, 1998, the plaintiff filed a request for a trial for patent invalidation with respect to the patents granted for the invention stated in Claim 1 (hereinafter referred to as "Invention 1") and the invention stated in Claim 2 (hereinafter referred to as "Invention 2") among the scope of claims contained in the corrected description related to the JPO decision allowing the correction mentioned above (hereinafter referred to as the "Description") against the defendant as the demandee.

The JPO, after conducting the proceedings for the claims as Case of 1998 Trial No. 35126, rendered a trial decision to dismiss the claims on September 9, 1999, and the certified copy of such JPO decision was served to the plaintiff on October 25 of the same year.

2. Summary of the invention

(1) Summary of Invention 1

A structure of a six roll calender characterized by a first roll R1 and second roll R2 standing substantially horizontally in a row, arranging third roll R3 in parallel with second roll R2 and substantially orthogonally with first roll R1 on the lower side or upper side of second roll R2, juxtaposing fourth roll R4 substantially horizontally with third roll R3 and substantially orthogonally with second roll R2 on the side of third roll R3 and in an opposite side position to first roll R1, arranging fifth roll R5 equipped with a roll crossing device substantially in parallel with fourth roll R4 and substantially orthogonally with third roll R3 on the lower side or upper side of fourth roll R4 and in an opposite side position to second roll R2 and further arranging sixth roll R6 having a roll gap adjusting device in parallel with fourth roll R4 and fifth roll R5 and substantially orthogonally with third roll R3 on the lower side or upper side of fifth roll R5 and in an opposite side position to second roll R2, and making the roll peripheral speed faster from first roll R1 in a sequential order, in a calender for polymers such as rubbers and plastics.

(2) Summary of Invention 2

A method to use a six roll calender that is characterized by inputting high polymer material between [the] first roll R1 and second roll R2 and rolling it between the two rolls, moving it backward in line with the roll surface of second roll R2, rolling it between second roll R2 and third roll R3, rolling it between third roll R3 and fourth roll R4, rolling it between fourth roll R4 and fifth roll R5, and further rolling it between fifth roll R5 and sixth roll R6, and thereby having the bank sequentially rotate in an opposite direction between each roll in a structure of a six roll calender wherein first roll R1 and second roll R2 stand substantially horizontally in a row, third roll R3 is arranged in parallel with second roll R2 and substantially orthogonally with first roll R1 on the lower side or upper side of second roll R2, fourth roll R4 is juxtaposed substantially horizontally with third roll R3 and substantially orthogonally with second roll R2 on the side of third roll R3 and in an opposite side position to first roll R1, fifth roll R5 equipped with a roll crossing device is arranged substantially in parallel with fourth roll R4 and substantially orthogonally with third roll R3 on the lower side or upper side of fourth roll R4 and in an opposite side position to second roll R2, and sixth roll R6 having a roll gap adjusting device is arranged in parallel with fourth roll R4 and fifth roll R5 and substantially orthogonally with third roll R3 on the lower side or upper side of fifth roll R5 and in an opposite side position to second roll R2, and the roll peripheral speed is made faster from first roll R1 in a sequential order, in a calender for polymers such as rubbers and plastics.

3. Reasons of the trial decision

In its decision, the JPO found that the patents granted for Invention 1 and Invention 2 cannot be invalidated based on the reasons alleged and evidence submitted by the demander (plaintiff) for the following reasons: [i] it cannot be found that Invention 1 could have been easily created

by a person ordinarily skilled in the art based on the inventions stated in pages 93 to 98 in the August issue of Volume 20 of "PLASTICS AGE" published on August 1, 1974 (Exhibit Ko 1 in the trial; Exhibit Ko 3 in this action; hereinafter referred to as "Cited Document 1"), pages 101 to 106 in the June Issue of Volume 20 of "PLASTICS AGE" published on June 1 of the same year (Exhibit Ko 2 in the trial; Exhibit Ko 4 in this action; hereinafter referred to as "Cited Document 2") and Publication of Unexamined Patent Application 1976-144459 (Exhibit Ko 3 in the trial; hereinafter referred to as "Cited Document 3") as well as well-known matters; [ii] it cannot be found that Invention 1 could have been easily created by a person ordinarily skilled in the art based on pages 18 to 21 in Volume 4, No. 1 of "Modern Plastics International" published in January of 1974 (Exhibit Ko 5 in the trial; Exhibit Ko 5 in this action), Cited Document 1 and Publication of Examined Patent Application 1974-44586 (Exhibit Ko 4 in the trial; Exhibit Ko 8 in this action; hereinafter referred to as "Cited Document 4") as well as well-known matters; [iii] Invention 2 is a method to use Invention 1 in an ordinary manner and thus, for the same reasons mentioned in [i] and [ii] above, it cannot be said that Invention 2 could have been easily created by a person ordinarily skilled in the art; [iv] it cannot be found that the patent in question ("Patent") was obtained by the defendant who is the applicant by filing an application without succeeding to the right to obtain a patent from the true inventor; and [v] both Invention 1 and Invention 2 cannot be found to be an invention which was publicly known in Japan prior to the filing of the patent application in question.

No. 3 Grounds for rescission of the JPO decision alleged by the plaintiff

Among the reasons of the JPO decision, the plaintiff admits the JPO's finding of the summary of Invention 1 and Invention 2 as well as the JPO's determination that the Patent cannot be found to have been obtained by the defendant who is the applicant by filing a patent application without succeeding to the right to obtain a patent from the true inventor.

However, the JPO decision should be rescinded for being illegal by reaching a conclusion that the patents granted for Invention 1 and Invention 2 cannot be invalidated based on the following errors: [i] errors in determining the inventive steps with respect to Invention 1 (reasons of the JPO decision mentioned in [i] above; Grounds for Rescission 1); [ii] errors in determining whether or not Invention 1 was publicly known (reasons of the JPO decision mentioned in [v] above; Grounds for Rescission 2); and [iii] errors in determining the inventive steps of Invention 2 and whether or not Invention 2 was publicly known (reasons of the JPO decision mentioned in [iii] and [v] above; Grounds for Rescission 3).

(omitted)

No. 5 Court decision

(omitted)

2. Regarding Grounds for Rescission 2 (errors in determining whether or not Invention 1 was publicly known)

(1) Taking into consideration drawing 6298 (Exhibit Ko 12), drawing 6299 (Exhibit Ko 13), drawing 6509 (Exhibit Ko 16), drawing 6516 (Exhibit Ko 17), drawing 6517 (Exhibit Ko 18) and the defendant's drawings register (Exhibit Ko 15) as well as the record of examination of witness [C] in the trial (Exhibit Ko 14), the record of examination of witness [D] in the trial (Exhibit Ko 19) and the record of examination of witness [E] in the trial (Exhibit Ko 22, excluding the parts that will not be adopted mentioned below), in addition to the entire import of the oral argument, the following facts may be found: [i] The defendant devised a six roll calender having a roll structure identical with that of Invention 1 around 1981 in response to inquiries from customers, prepared drawings 6298 and 6299 that are schematic drawings in September of the same year and later made a proposal regarding the six roll calender having this structure to several customers; [ii] [E], which had been managing a company manufacturing vinyl chloride products by using roll calenders in Taiwan for many years, had a business relationship with the defendant since early times and had a close relationship with [C] and others, who had served as an officer or manager of the design division of the defendant. When [C] met with [E] in Taiwan around 1983 or 1984, he/she heard the evaluation given by [E] that the seven roll calender observed in Germany was "not good" and thus [C] told [E] that the defendant is planning to develop the six roll calender mentioned in [i] above and showed the roll structure by drawing it then and there. In response to this, [E] gave his/her assent to the plan and showed his/her interest; [iii] Around October 1984, [C] visited Taiwan and received a request for quotation for the six roll calender from [E] and thus the defendant prepared drawing 6509 for the quotation around December 26 of the same year. Around mid-January of 1985, [C] held a preliminary planning session regarding the quotation with [E] by showing the drawings in Taiwan; [iv] At the beginning of February of 1985, [E] visited the defendant with [F] and others and held a meeting for a detailed quotation based on drawing 6509 with the relevant responsible personnel of the defendant. At that time, [E] brought the drawings of a six roll calender he/she prepared; [v] Around mid-March of 1985, the defendant prepared drawings 6516 and 6517 in relation to the quotation and such drawings have been presented or delivered to [E]; [vi] The defendant did not enter into a confidentiality agreement with respect to the six roll calender mentioned above with [E] nor did the defendant explicitly demand [E] to keep it a secret. Thus, the parts in the record of the examination of [E] (Exhibit Ko 22) and the record of examination of [F] (Exhibit Ko 23) that are contrary to the abovementioned facts cannot be

adopted.

(2) Even if the content of the invention is known to a person who has a responsibility to keep a secret for the inventor, such invention would not be regarded as having been "publicly known" as prescribed in Article 29, paragraph (1), item (i) of the Patent Act. It had been already recognized from around 1983 to 1984 that a responsibility to keep a secret for the inventor will also arise in cases where the content of the invention is implicitly demanded or expected to be kept confidential, based on social customs or commercial practices, even if there are no specific clear instructions or demands from the inventor, in addition to the case where a responsibility to keep a secret arises based on a duty of confidentiality under laws or agreements. This is based on the following reasons: [i] Even in 1983 or 1984, which was prior to the revision to the former Unfair Competition Prevention Act (Act No. 14 of 1934) by Act No. 66 of 1990, it was generally observed as a matter of course to respect the trade secrets of others in the trading society and this was more applicable to the parties to a business transaction or other persons in a certain relationship. Furthermore, even at that time, unauthorized acquisition or disclosure, etc. of trade secrets of others was recognized to constitute tort; [ii] In the practice of business transactions where the process such as business negotiations that lead to conclusion of a contract, etc. often changes in a prompt and fluid manner, if the specific content of the invention such as the product or technology, etc. related to it cannot be disclosed without undergoing a process wherein the inventor instructs or demands the other party to keep the invention confidential and confirms that the other party has understood such instructions or demands each time a product or technology, etc. related to the invention is subject to the business negotiation, etc., this situation will hinder smooth and prompt execution of transactions and will be against the interests of the parties. Especially, in the field of production equipment, when business negotiations are conducted between a manufacturer and seller and a consumer with respect to a product containing a technology that has been newly developed, there is a good chance that the consumer will be implicitly demanded not to disclose the new technology to a third party and the manufacturer and seller will disclose the new technology to the consumer with the expectation and trust that the customer will act as mentioned above even if there are no special agreements or explicit instructions or demands concerning confidentiality between the parties. Accordingly, in such case, the consumer should be regarded as having a responsibility to keep a secret for the manufacturer and seller with respect to the new technology, based on social customs or commercial practices.

In this case, in light of the facts mentioned in (1) above, it is obvious that the six roll calender stated in drawing 6509, drawing 6516 and drawing 6517 with respect to which [E] received explanations from [C] and other responsible personnel of the defendant or which was presented or delivered to [E] is production equipment that contains a technology that has been

newly developed by the defendant and was not publicly known and that [E] had the ability and experience to reach a recognition and understanding to that effect. Moreover, it is appropriate to presume that, in light of the relationship between [E] and the defendant, [E] understood that he/she was implicitly demanded to keep the six roll calender confidential even if no explicit instructions or demands were made by the defendant at the time when business negotiations were held for the six roll calender, based on social customs or commercial practices, and that the defendant disclosed the six roll calender to [E] with the expectation and trust that [E] had the abovementioned ability and experience as well as the understanding of confidentiality.

As such, [E] is found to be a person who has a responsibility to keep secret the technical contents of the six roll calender for the defendant even if no special and explicit instructions or demands were made by the defendant, based on social customs or commercial practices. Therefore, even if the six roll calender stated in drawing 6509, drawing 6516 and drawing 6517 can be regarded as the act of working of Invention 1, it cannot be found that Invention 1 was publicly known.

There is no evidence clarifying the specific facts regarding the defendant's act of making a proposal with respect to the six roll calender to several customers after around September 1981. However, even if the content of the six roll calender having a roll structure identical with that of Invention 1 is disclosed in such proposal, in light of the abovementioned findings and determinations, it cannot be found that Invention 1 was publicly known.

(3) The plaintiff alleges that, since he/she heard the content of the six roll calender based on Invention 1 from [E], who visited the plaintiff on February 6, 1985, Invention 1 was publicly known.

However, even if there are facts that [E] visited the plaintiff on February 6, 1985 and made explanations on the six roll calender, there is no evidence clarifying the specific contents of the explanation made by [E]. As such, it cannot be immediately found that [E] disclosed the content of Invention 1 which comprises all of the structures mentioned above to the responsible personnel of the plaintiff and therefore, it cannot be concluded that Invention 1 had become publicly known.

The plaintiff alleges that, in response to the request of [E], he/she sent to [E] the plaintiff's drawings that state a six roll calender wherein the roll arrangement, roll crossing device and installation position of the roll gap adjusting device are identical with those of Invention 1 (Exhibit Ko 24-1). On the other hand, the plaintiff has also alleged that the plaintiff's drawings were prepared without any relation to the explanation given by [E]. Moreover, the contents of explanations given by [E] cannot be presumed from the statements in the plaintiff's drawings. Furthermore, even if an invention identical with Invention 1 is stated in the plaintiff's drawings, [E] has a responsibility to keep secret the technical contents of the six roll calender stated in the

plaintiff's drawings for the plaintiff, based on social customs or commercial practices, as in the case mentioned above, and thus the plaintiff's act of sending the plaintiff's drawings to [E] cannot serve as the grounds for finding that Invention 1 had become publicly known.

(4) Accordingly, the errors alleged by the plaintiff cannot be found with respect to the determination of the JPO decision which found that Invention 1 was not an invention publicly known in Japan prior to the filing of the patent application.

(omitted)

4. As found above, the grounds for rescission of the JPO decision alleged by the plaintiff are groundless and there are no other defects in the JPO decision.

Accordingly, the plaintiff's claims shall be dismissed and the judgment shall be rendered in the form of the main text by applying Article 7 of the Administrative Case Litigation Act and Article 61 of the Code of Civil Procedures.

Tokyo High Court, 13th Civil Division

Presiding Judge: SHINOHARA Katsumi

Judge: ISHIHARA Naoki

Judge: MIYASAKA Masatoshi