

Meias Knitting Machine Case
Supreme Court
Case S42 (Gyo-Tsu) 28, Judgment on March 10, 1976 (S51)

FACTS

Scope of Trial for Suits to Cancel Trial Decision

HOLDING

The appellant (demandant for an invalidation trial) asserts that the judgment in the prior instance is illegal because it erred in application of the law and contravenes the Supreme Court Decision of 16 October 1953 (Minshu Case No. 10 at 189, judgment of the Second Petty Bench on 16 October 1953 upon Case No. (O) 745 of 1951 of the Patent Office) in that it did not render an opinion on the facts alleged by the appellant at the Patent Office and in the prior instance on the grounds that those facts had never been considered by the Patent Office.

According to the Patent Act, in order to bring rectification proceedings in regard to an administrative decision on a patent application, i.e., a decision on a patent or a decision of refusal, one must always go through the proceedings of an appeal trial by appealing to trial-examiners who have specialized expertise and experiences, unlike other general administrative decisions. Moreover, an action of rescission may only be filed against the trial decision and may not be filed against the original decision on the patent or refusal. Furthermore, in the lawsuit, only the legality or illegality of the trial decision may be disputed. That is, the appropriateness or inappropriateness of the decision on a patent or refusal may only be disputed indirectly by discussing the appropriateness or inappropriateness of the trial decision.

In a trial on patent invalidation, the Patent Act requires that any grounds for patent invalidity disputed in the trial be specified and clarified by the parties. Therefore, it is clear that the Patent Act adopts the structure of proceedings where allegations and evidence of patent invalidity are discussed only for issues pertaining to specified grounds and where the judgment by the trial examiners is confined to such issues.

It has been construed that the reason why one instance for the examination of the facts is omitted and the Tokyo High Court has exclusive jurisdiction over any action against a trial decision is that the grounds for invalidity should have already been assessed sufficiently in the appeal trial with the involvement of the parties.

If we consider the structure and the nature of the appeal and trial procedures prescribed by the Patent Act for a decision regarding a patent, in the case where the illegality of the decision in a trial for patent invalidation is disputed in an action of rescission, only the specified grounds for invalidity which have actually been disputed and assessed in the appeal procedure should be assessed in the action. Thus, it is considered that the Patent Act does not allow one to assert illegality of the trial decision based on the other grounds for invalidity and to seek judgment of the court in the action.

Let us further discuss the specification of the grounds for invalidity. Each item of Article 57(1) (current Art. 49(1)) lists grounds for invalidity of a patent in an abstract manner. Each of the reasons listed therein should be considered as a distinct and independent ground for invalidity because they are different in nature and content as grounds for invalidity of a patent. Moreover, with regard to the item (i) of Article 57(1), violations of each of the provisions listed therein are different in nature and content, and thus, should be considered as a different ground for invalidity.

However, we must be cautious in deciding whether a ground for invalidity may adequately be specified by simply distinguishing the grounds based on the items of the Article or the violated provisions in an abstract manner.

A ground for invalidity which is the object of examination in a trial for patent invalidation must be specifically identified, and even if two grounds both relate to the novelty of an invention, an assertion of invalidity over a certain known fact and another assertion of invalidity over another known fact must be considered as two distinct grounds for invalidity.

Therefore, in a litigation concerning rescission of the trial decision, one is not allowed to assert the legality or illegality of the trial decision based on the grounds for invalidity over a known fact which has not been examined in the trial procedure.

The same argument would apply to a litigation rescinding the trial decision in a trial against the examiner's decision of refusal. Consequently, the Commissioner of the Patent Office is not allowed to assert that a patent application be rejected based on a certain specific reason for refusal which has not been examined in the trial decision.