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Part 2: The Possibility of Acquiring Rights for Business Model Related Inventions from a New Perspective

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In October 2018, the Intellectual Property High Court (IPHC) made a decision (hereinafter referred to as "this decision") that an invention that can be referred to as a business model related invention pertaining to a restaurant operation method and not using ICT (information and communications technology) at all, called a "Steak Serving System", has patent eligibility, and this became a hot topic. The reason for this is that, although it is clearly defined that a method for doing business itself does not fall under the category of an invention, and moreover a business model-related invention is clearly defined as "an invention realized by using information and communications technology (ICT) for a business method" by the Japan Patent Office, an invention related to a business model that is contrary to the above was granted a patent.

The question of what kind of idea should be recognized as an invention, defined in the Patent Act as "the creation of a technical idea utilizing the laws of nature" (patent eligibility), has been a subject of research for a long time, and is discussed in actual patent examinations and patent litigation. Business model related inventions and software related inventions in particular tend to be problematic, and there has been an argument for a long time whether such inventions should be recognized as inventions inherently utilizing the laws of nature. In the background of this decision, which recognized the patent eligibility of an idea that would not have been recognized as an invention in the past, it is possible to discern the court's current criteria for determining patent eligibility based on decisions in which patent eligibility has been contested thus far.

In this decision, in determining patent eligibility with reference to the specification, following the statement that "the patent invention includes a person's procedure from receiving an order to being served at a steak restaurant (Steak Serving Method) as an element and, in addition to this element, the patent invention adopts a configuration including specific articles or units (devices) such as a tag, a weighing machine, and a seal (marking), and satisfies the unavoidable requirements arising when implementing the steak serving method of the present

invention by preventing confusion with the other customers' meat, thereby achieving the purpose of the present invention to serve a desired amount of steak to customers at a low price", it was concluded that "the present patent invention adopts specific articles or units (the weighing machine of the present patent invention) such as a tag, a weighing machine, and a seal (marking) as technical means for solving the problem by preventing confusion with the other customers' meat in light of the technical problem of the patent invention, the configuration of the technical means for solving the problem, and technical significance such as effects derived from the configuration, and the present patent invention as a whole falls under 'the creation of a technical idea utilizing the laws of nature'". As a result, it was recognized that the present patent invention has patent eligibility. Please note that the underlining above and below has been added by the author.

This decision is not the first time that the normative matters underlined above in the determination of patent eligibility have been seen. The first case in which similar normative matters were indicated is the "Case of the Medicine Bag with a Cutout Line" (Intellectual Property High Court, delivered on October 31, 2007, Heisei 19 (Gyo-Ke) Case No. 10056). In the decision, the court concluded that "It can be said that the amended invention of the present application utilizes the laws of nature in light of technical significance such as the configuration and effects derived from the configuration ... as a whole", and recognized that the amended invention had patent eligibility. Although the "technical significance" on which the decision of patent eligibility is based is not defined in the decision, "technological significance" exists as a similar term with a similar meaning, which is used in the Ordinance for Enforcement of the Patent Act Section 24-2, which specifies that "The description specified by the Ordinance of the Ministry of Economy, Trade and Industry under the Patent Act Article 36(4)(i) shall describe the problem to be solved by the invention, the means for solving the problem, the matters necessary for a person ordinarily skilled in the art to which the invention pertains to understand the technical significance of the invention", so it can be read that the "technical significance" (technological significance) is to be understood based on the problem to be solved by the invention (purpose and effect) and the means for solving the problem (technical means).

This is followed by the "Case of the Dental Treatment Network" (Intellectual Property High Court, delivered on June 24, 2008, Heisei 19 (Gyo-Ke) Case No. 10369). In the decision, following the statement that "even in a case where an invention includes an act of a person's mental activity or relates to a mental activity, it can be said that an invention should not be excluded from the subject matter of a patent as not being "an invention" if the essential nature of the invention supports a person's mental activity or provides the technical means to replace a person's mental activity", it was concluded that "the present invention 1 cannot be said to be directed to such a mental activity per se, but as a whole, ... the present invention provides

technical means for supporting dental treatment, which functions based on a computer, in light of the purpose of the invention and the detailed description of the invention described in the specification. As a result, it was recognized that the present patent invention had patent eligibility. Here, the "essential nature of the invention" is not defined in the decision, but in the study of the "essential nature of the invention", it is stated that the technical significance is clarified by taking into consideration the detailed description of the invention in the specification, and patent eligibility is decided through such technical significance. Accordingly, it can be said that patent eligibility was decided in this decision "in light of technical significance such as the technical problem and the configuration of the technical means to solve such problem".

Further, only two months after the above case, there was the "Case of the Bilingual Dictionary" (Intellectual Property High Court, delivered on August 26, 2008, Heisei 20 (Gyo-Ke) No. 10001). In the decision, following the normative matters that "when it is understood that the creation of a technical idea utilizing the laws of nature is shown as the main means for solving the problem by considering the whole description of the claims and with reference to the description in the specification, etc., it should be said that the claimed inventions fall under the "invention" prescribed in the paragraph", it was recognized that the present patent invention had patent eligibility. In the decision, patent eligibility was decided based on the "main means for solving the problem". In this respect, making a decision based on the "main means for solving the problem" is to make a decision in consideration of the problem and/or effects. Accordingly, it can be also said that that patent eligibility is decided "in light of the technical problem and technical significance such as the configuration of the technical means for solving such problem".

All the methods for determining patent eligibility in these three cases, which have been consecutively decided within only one year from the decision of the "Case of the Medicine Bag with a Cutout Line" delivered on October 31, 2007, are based on "deciding as to whether or not to use the laws of nature as a whole" stated in the Patent Examination Standards, and it can be seen that the decision of "as a whole" is in common in being decided "in light of the technical problem and technical significance such as the configuration of the technical means for solving such problem", although there are differences in expressions. In most of the cases that were contested after these three cases regarding patent eligibility, the same decision as in the above methods was made, except for some cases, so it can be seen that the decision regarding the "Steak Serving System" was made in line with this movement. Accordingly, we think that a certain standard has been established in the court at present as criteria for deciding whether or not an invention utilizes the laws of nature (patent eligibility). For your information, in the most recent case, on June 18, 2020, a decision of dismissal was made in a lawsuit for cancelling a trial decision in which patent eligibility related to a business model of a "Settlement Method of Electronically Recorded Monetary Claim and Monetary Claim Management Server" was contested. In this

decision as well, the court ruled that patent eligibility was decided "in light of the technical problem, the configuration of the technical means for solving the problem, and technical significance such as effects derived from the configuration, as a whole".

As a result, even in the case of business model-related inventions that do not use ICT as seen in the "Steak Providing System", it is possible to foresee the acquisition of the rights of such inventions by filing an application that clarifies the relationship between the problem to be solved (however, it is difficult to "identify" the problem) and the constituent elements of the business model. Therefore, it seems that the situation is such that it is possible to file an application with appropriate expectations, rather than a blind application in which the possibility of acquiring rights cannot be seen.

End.