

# Supreme Court Decision on Criteria for Effects of Patented Inventions and Resulting Revisions to Examination Guidelines and Handbooks

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The Supreme Court of Japan (SCJ) decided for the first time on the criteria for judging whether a claimed invention exhibits an “unpredictable and remarkable effect” in a judgment on August 27, 2019, in Case No. 2018 (Gyo-Hi) 69 [[Japanese](#)] [[English](#)]. In view of this decision, the Japan Patent Office (JPO) revised its Examination Guidelines and Handbook on December 16, 2020.

The case related to an appeal against a court judgment made by the Intellectual Property High Court (IPHC) in litigation rescinding a trial decision made by the JPO in a patent invalidation trial. The main issue in dispute at the SCJ was the validity of the patented invention and, more specifically, whether the patented invention can be deemed to have an inventive step over the prior art based on the “unpredictable and remarkable effect.”

Part III, Chapter 2, Section 2 of the Examination Guidelines prescribes that if the claimed invention exhibits an advantageous effect that is so remarkable that a person skilled in the art could not have predicted it from the state of the art at the filing date of the patent application, the effect should be considered as a factor in support of the inventive step of the claimed invention over the prior art. Accordingly, whether the claimed invention exhibits an “unpredictable and remarkable effect” is crucial in judging whether it has an inventive step over the prior art. However, the specific criteria for the “unpredictable and remarkable effect” were not completely clear from the Examination Guidelines.

According to court precedents prior to the SCJ decision, there were three major theories on the interpretation of the “unpredictable and remarkable effect.” The first, so-called “primary-cited-invention comparison theory,” refers to an effect which is “unpredictable and remarkable” as compared only to the effect exhibited by the primary cited invention (or the closest prior art). The second, so-called “subject-invention comparison theory,” refers to an effect which is “unpredictable and remarkable” as compared to the effect that a person skilled in the art at the filing date of the application could predict that the structure (or the constitution) of the subject invention (or the claimed invention) would exhibit. The third, so-called “state-of-the-art comparison theory,” refers to an effect which is “unpredictable and remarkable” as compared only to the same type of effects achieved in the state of the art (including the effects exhibited by inventions having different structures (or constitutions) from that of the subject invention) at the filing date of the application.

A typical case in which these three theories lead to different conclusions is when there was a prior art invention which has a different constitution from that of the claimed invention but exhibits the same type of effect as that of the claimed invention. In such a case, if the first theory, i.e., the “primary-cited-invention comparison theory,” or the third theory, i.e., the “state-of-the-art comparison theory,” is adopted, then the effect of the claimed invention will likely be judged not to be “unpredictable and remarkable,” and the inventive step of the claimed invention will likely be denied. On the other hand, if the second theory, i.e., the “subject-invention comparison theory,” is adopted, then the effect of the claimed invention will likely be judged to be “unpredictable and remarkable,” and the inventive step of the claimed invention will likely be accepted.

Prior to the present SCJ decision, the majority of academic theories and lower court precedents adopted the “subject-invention comparison theory,” although there was no clear decision indicating which theory should be adopted.

In the present decision, the SCJ held that whether the effect of the subject invention is “unpredictable and remarkable” should be “sufficiently examined from the perspectives of whether a person skilled in the art could have predicted it as an effect produced by the constitution of the subject invention at the priority date, and whether the effect is so remarkable as to go beyond the range of effects that a person skilled in the art could have predicted from the constitution of the subject invention.”

It is deemed that this holding reflects the SCJ’s opinion that whether the effect of the subject invention is “unpredictable and remarkable” should be judged based on the “subject-invention comparison theory,” both from the perspective of whether the claimed invention is “unpredictable” and whether it is “remarkable.”

Following this SCJ decision, the JPO revised the relevant parts of the Examination Guidelines ([Part III, Chapter 2, Section 2](#)) and the Examination Handbook ([Part III, Chapter 2, Section 3202](#)) to incorporate reference to this decision. The revised Examination Guidelines and Handbook came into effect on December 16, 2020.

Although the impact of the SCJ decision and the revisions to the Examination Guidelines and Handbook is still not completely clear, there is a possibility that the unpredictability and remarkability of the effect of the claimed invention will be more easily recognized, which in turn will make it easier to establish the inventive step to some extent.

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