

Juridical Problems of Yamaha Hatsudoki Kabushiki Kaisha's Patent Rejection by the Patent Appeal Commission: Study of the Supreme Court's Decision No. 841 K/PDT.SUS-HKI/2020

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Abstract. The rejection of the patent application filed by the Yamaha company by the Directorate General of Intellectual Property Rights (DJKI/*Direktorat Jenderal Kekayaan Intelektual*) impacts the loss to the company. This rejection is because the object to be patented is considered to have no inventive steps. Objecting to the rejection, Yamaha company appealed to the Patent Appeals Commission. However, the Patent Appeal Commission still rejected the application, so the Yamaha company made various legal efforts in the form of lawsuits to the Commercial Court and cassation to the Supreme Court. This research was conducted with normative juridical methods. The results on the Supreme Court Ruling showed that the problems arising concerning patent rejection filed by Yamaha companies because the claims filed in patent applications do not contain elements of novelty and inventive steps. Therefore, the rejection of patents on inventions filed by Yamaha companies certainly has legal consequences for Yamaha companies.

Keywords: Rejection, Patent, Appeals Commission.

1 Introduction

On May 26, 2017, the Directorate General of Intellectual Property Rights (hereinafter DJKI/ *Direktorat Jenderal Kekayaan Intelektual*), through letter No. HKI-3-HI.05.02.04P00201000536-TP notifies that the patent application for the invention entitled *Saddle Type Machines and Vehicles Including Engines* filed by the Yamaha company Hatsudoki Kabushiki Kaisha (Yamaha) has been rejected for patent registration. The rejection by DJKI has certainly gone through various considerations. One of them is by looking at the results of the substantive examination. Substantive examination compares the invention filed for a patent with previous inventions that have been patented.

However, the rejection by the DJKI made the Yamaha company object and dissatisfied. They took legal action by filing an appeal to the Patent Appeal Commission. Its appeal was submitted by the Yamaha company on August 15 2017, 81 days after the announcement of the rejection of the patent registration being notified by DJKI. When referring to the provisions of Article 68 paragraph (1) of Law No. 13 of 2016 concerning Patents (Patent Law), the time for an appeal submitted by the Yamaha company can still be accepted. It is because, following the applicable rules, it is determined that the period for a request is submitted no later than 3 (three) months from the date of the rejection notification. The result of the appeal states that

the Yamaha company's invention filed for a patent application does not contain any new (inventive) steps as stipulated in Article 3 paragraph (1), Article 5 and Article 7 and Article 8 of the Patent Law. Thus, the Patent Appeal Commission decided to reject the appeal.

This process then continued. Yamaha company, still dissatisfied because it felt that the proposed invention contained an inventive step, finally filed a lawsuit against the decision to reject the Patent Appeal Commission to the Commercial Court. However, the decision of the Commercial Court is still the same, rejecting the patent registration application filed by the Yamaha company. So finally, the Yamaha company filed an appeal to the Supreme Court.

Based on the case that happened to the Yamaha company, it can be seen that the trigger for the rejection of the patent application submitted by the Yamaha company by DJKI is because the object to be patented was deemed to have no inventive step. However, DJKI's assumption is certainly not just an opinion; accepting or rejecting a patent requires very complex steps that must be carried out by DJKI first, such as conducting a substantive examination.

In the substantive examination, many assessments are contained in it, such as an assessment of novelty, inventive steps, and their application in the industrial world (industrial applications). It follows Article 2 and Article 3 of the Patent Law. The rejection of the patent filed by the Yamaha company has caused a long problem. It is because the Yamaha company feels disadvantaged. The loss was because Yamaha felt that all the steps and requirements for obtaining a patent had been met.

In addition, Yamaha company also feels that the object to be patented is a new invention whose equivalent has been recognized by the European Patent and the Chinese Patent. Yamaha also stated that the patented and the patented comparative inventions have differences. Yamaha Company declares that the invention to be patented is a single-cylinder or multiple-cylinder V engine, which has an additional feature in the form of a location or position of placing the sensor on a protruding part. In contrast, the patent comparison invention is a single-cylinder or double-cylinder V engine without any additional features. Based on the description above, the problems that can be arranged include:

1. How can an invention be said to contain inventive steps so that it deserves to be granted a patent in Indonesia?
2. What problems arise from the rejection of Yamaha Hatsudoki Kabushiki Kaisha's patent regarding the improvement of the invention when reviewed based on Law No. 13 of 2016 concerning Patents?

2 Research Methods

In writing this research, the authors used a normative juridical approach or library materials as the primary data in writing. The normative juridical approach method is legal research carried out by examining library materials or secondary data as a foundation for research by conducting a search on regulations or reading materials related to the problem to be studied [1]. This type of research is carried out through library materials covering legal principles, legal schematics, comparative law, and legal history.

The specification of the authors legal research is descriptive-analytical. Descriptive analysis is an analytical study describing the situation through words or sentences and then separating the categories to conclude. In this descriptive-analytical research specification that the author uses, the author describes the study's results with the data that the authors have found in full and in detail.

3 Results and Discussion

3.1 Factors of an invention can be said to contain inventive steps so that it deserves to be granted a patent in Indonesia

The patent rights are granted to inventions in the technology field, either in the form of a product or a process. If examined further, it can be seen that this invention was born from the intellectual process of an inventor [2]. This intellectual process will later be in the form of immovable objects that can be applied in the world of industry, trade and/or agriculture so that it has economic value [3].

For an invention to be guaranteed legal certainty, there are obligations that an inventor must fulfil. One of these obligations is that the results of the invention created must contain inventive steps [4]. The existence of this obligation indirectly requires inventors to be able to think creatively and innovatively so that they can continue to develop their inventions [3]. The Patent Law does not regulate the development of inventions, but it must be realized that at this time, the development of inventions is very necessary. The development of this invention is carried out on new and existing products or processes. The purpose of this development is to make the invention more of a high-value quality and follow the times' needs.

In the development of an invention, three main factors encourage the development and invention. These factors include [5]:

1. There is a development in time
It can be seen that as time progresses, it will certainly impact the development of various sectors of life, ranging from science, technology, mindset and so on [6, 7]. The development of these things impacts the development of an invention. This is because every invention created by an inventor is intended as a solution to overcome human problems that are increasingly complex every time. It also follows Article 1 paragraph (2) of the Patent Law, which states that an invention is an inventor's idea poured into a problem-solving activity in the technology sector. So, in this case, it can be concluded that without developing an invention following the times, the purpose of creating an invention will never be achieved.
2. Increasing human needs
It is undeniable that human needs will always change from time to time. Human needs in the past 20 years and now, of course, have been different, especially in human needs in the next 20 years. As human needs increase, of course, inventions created 20 years ago are no longer able to meet current human needs. Therefore, it is necessary to develop inventions from time to time to be able to answer all these human needs.
3. The development of science and technology as well as education and culture
The development of science and technology certainly has many positive impacts. This is because, with the development of science and technology, human life will be more advanced and prosperous [8, 9]. For example, in this case, it can be seen with the presence of electric cars, which impact the efficiency of human time. This is because humans do not have to spend time refuelling with the car. Therefore, of course, the development of science and technology will greatly affect the development of inventions.

When examined further, it can be seen that the granting of patent rights as a form of legal protection for an invention is intended by the government to increase and stimulate the

creativity of an investor. It is because patents can be part of a country's development milestones, especially in stimulating economic growth, as is the case with developed countries [10, 11].

To obtain protection and guarantee for the patent, there are several conditions that an invention must meet. This requirement is as explained in Article 3 of the Patent Law, which states that patent rights are only granted to inventions that have the following categories [12]:

1. Inventions that have an element of novelty

Article 3 paragraph (1) in conjunction with Article 5 paragraph (1) of the Patent Law, explains that an invention will be granted a patent on it if the invention is a new invention. An invention that is considered new here means that the invention is not the same as the previously disclosed invention. The meaning of unequal here is that the invention for which a patent application is filed has never been published in Indonesia or outside Indonesia before the application for the patent is filed. Announced here is not only in the form of written or oral descriptions but also in various other ways that make it known and even the implementation of the invention for which others will grant the patent. In this case, it is also known as prior art [7, 13]. In order to determine whether an invention contains novelty, the categorical syllogism method is used [5]. This categorical syllogism means to draw a premise using a negative formula [14]. In this case, if it is compared to determining the element of novelty in an invention, it can be seen that if the two premises are negative. In other words, the invention filed for a patent with the previous invention does not have similarities. Thus, the invention is deemed to contain an element of novelty. This is because there is no link that connects the two premises. The existence of an obligation for an invention to contain an element of novelty is also known as the basic principle of patent protection known as new and novelty [15].

2. Inventions containing an inventive step

An invention is said to contain an inventive step if the invention is an invention that was never anticipated [12]. This is as contained in Article 3 paragraph (1) in conjunction with Article 7 paragraph (1) of the Patent Law, which states that a patent is granted to an invention with an inventive step. In this case, the inventive step in question is if the invention is created by a person who has expertise in the field of engineering, and the invention created cannot be predicted.

This unpredictable intention can be exemplified by "A patent application for a razor where if the head of the razor is removed, the handle of the razor will instantly become a toothbrush." In this case, \ the application for the invention of the razor can be accepted because the invention was unexpected even by the creator of the razor and the creator of the toothbrush.

Then for the assessment and examination of an invention that was not foreseeable, it can be identified by observing the patent application for the proposed invention. Assessment and examination of the submitted application, either through the first application or through an application for priority rights.

In addition, assessment and examination to prove whether an invention is classified as an invention that cannot be previously predicted can be through the question of whether an invention is known to the general public in a particular creative field as well as the question of whether experts already know an invention in the field of the invention [15].

3. Inventions that can be applied in the industrial world (industrial applicability)

In this case, what is meant by being applicable in the industrial world is that the invention can be used and utilized to assist the process of existing activities in the industrial sector. In addition, it is also intended that the invention is able to answer and solve human problems and needs.

However, to state whether an invention can be applied in the industrial world or not is not an easy thing. According to Article 3 paragraph (1), in conjunction with Article 8 of the Patent Law, it is stated that a new invention can be said to be applicable in the industrial world if the invention is in the form of a product. This is because the product can be made repeatedly with the same quality, and if the invention is in the form of a process, the process can be applied and used in practice.

There is a requirement that an invention must be applicable in industrial processes in order to obtain a patent to provide benefits to the growth and development of the Indonesian state. This is because it is known that at this time, there are almost no industrial activities that do not require and do not use technology in carrying out their production processes, so this requirement will certainly spur inventors to create inventions that can be used to facilitate human life [3].

The existence of this also has an impact on the progress of the development of the Indonesian state, which at the same time makes the Indonesian people prosperous so that the Indonesian state can catch up with developed countries. This is triggered because the conditions that can be applied in the industrial world in applying for a patent will open and stimulate industrialization in the country to bring in foreign investors to invest.

Although there are other factors, the three main factors, namely novelty, inventive step and industrial applications, are cumulative requirements that must be met if an application for a patent on an invention is to be filed. In addition, the patent application must also be accompanied by several formal requirements that have been determined in the legislation [16].

3.2 Resolving Problems That Arose as a result of Yamaha Patent Rejection Hatsudoki Kabushiki Kaisha

Regarding the rejection of the patent registration application that has occurred to the Yamaha Company, if it is based on the applicable laws and regulations, the authors agree with the decision issued by the DJKI, the Patent Appeal Commission, the Commercial Court at the Central Jakarta District Court, and the Supreme Court. This is because the invention for which a patent is being applied with the title *Saddle Type Machines and Vehicles Including Machines* does not comply with the requirements for granting a patent. This is because:

1. The novelty element is not fulfilled

In this case, it can be seen that the proposed invention does not fulfil the element of novelty. This can be seen in claim 1 of the invention filed by the Yamaha Company. In this case, claim 1 of the Yamaha Company states that the proposed invention is a single cylinder or double cylinder V engine in which there are features such as:

- a. The cylinder head therein includes the main head body as well as a part protruding from the main head body;
- b. A burning groove formed in the main body of the head;
- c. Exhaust gas lines are located from the combustion curve to the protruding part;
- d. Oxygen concentration sensor in the exhaust gas which detects oxygen concentration located in the main body; and

- e. The placement of the oxygen concentration sensor mounted on a protruding part with the main body part and the detecting part overlapping each other when viewed from a cylinder axis direction

However, the fact is that the features in claim 1 have been previously disclosed. This can be seen from the comparative documents contained in the substantive examination. Such as, the comparative document numbered JP 2004-316430 A belonging to Honda Motor Co., Ltd which in its invention reveals a feature of "exhaust gas sensor mounted on the exhaust hole of the cylinder head, the oxygen concentration sensor has a protruding end and a sensor at an angle that at least overlaps the edge of the drain when viewed from above." In addition, another comparative document which has disclosed other features contained in claim 1 is the comparative document with No. US 2002/026909 AI belonging to Akiwa Toshihiro, whose invention reveals an "oxygen concentration sensor protruding laterally from the cylinder head."

From these matters, it can be concluded that claim 1 filed by Yamaha Company to obtain a patent on its invention does not fulfil the novelty step stipulated in Article 3 paragraph (1) and Article 5 of the Patent Law. The provision in Article 3 paragraph (1) states that patents are only granted to new inventions that contain inventive steps and can be applied in the industrial world.

Then the provisions of Article 5 of the Patent Law explain how to find out whether an invention is considered new or not, namely by looking at the date of receipt of the invention, if the invention date of receipt is not the same as the technology previously disclosed (both in Indonesia and outside Indonesia) then it is classified as a new invention. Apart from the date of receipt, the difference here is also seen from the function of the technical characteristics of the invention filed for application with the previously disclosed invention.

2. The proposed invention does not contain any inventive steps

In this case, the claim filed by the Yamaha Company also does not meet the requirements for granting an inventive step patent as stipulated in Article 3 paragraph (1) and Article 7 of the Patent Law. This provision states that an invention that can be granted a patent is an invention that contains an inventive step, where an inventive step here means that the invention cannot be foreseen by someone who has expertise in the said field.

If these provisions are examined in the case of the Yamaha Company, it can be reflected in claims 2-18 which are claims derived from independent claims 1. Claims 2-18 reveal the location or position of placing sensors in protruding parts. However, the fact is that the derivative claims are only claims that refer to claim 1, which does not have a novelty step and is only a simple construction structure so that it is a general work that can be done by people who are experts in the field.

From the two reasons for the patent's rejection and the facts, it can be seen that the invention proposed by Yamaha Company is indeed not classified as patentability. The meaning of patentability here is the condition when an invention can be granted a patent against it. Patentability here can also be interpreted that an invention does not need to be a complicated, complex activity but rather a product or process that becomes a problem solver

for problems that arise from everyday human needs. Judging from this, it is appropriate that the invention submitted for patent registration by the Yamaha Company is rejected.

The refusal of patents filed by the Yamaha company certainly has legal consequences for the Yamaha company. The legal consequence is that the Yamaha company does not get the exclusive rights contained in Article 19 of the Patent Law. The rights that the Yamaha company does not own include:

1. Yamaha Company does not have the right to make, sell and/or rent inventions for which the patent application has been denied; and
2. Yamaha Company does not have the right and authority to import and/or trade inventions whose patent applications have been denied.

4 Conclusion

In determining whether an invention is eligible for a patent, the invention must first be developed. Invention development is a change made to previously existing inventions so that later the inventions that have been created are increasingly moving towards perfection. If an invention that has been under development wants to get a patent, then the criteria that the invention must meet are that the first one has an element of novelty and inventive step and can be applied in the industrial world (industrial applications).

Regarding the problems arising due to the rejection of Yamaha's patent Hatsudoki Kabushiki Kaisha when reviewed based on Law No. 13 of 2016 concerning Patents, it is because DJKI refuses to grant patent rights to the patent registration application submitted by the Yamaha company. DJKI believes that the claims submitted by the Yamaha company do not contain elements of novelty and inventive steps. The rejection of patent rights on inventions submitted by the Yamaha company certainly has legal consequences for the Yamaha company; namely, the Yamaha company does not get exclusive rights to inventions whose patent applications have been rejected.

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