



Latest developments in patent litigation in Japan

- Important court decisions for exercising patent rights in Japan -

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**Discover IP JAPAN
Conference 2017**

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1. Tendency for broader construction

Claim construction basis in Japan

1. General meaning of the claimed term (Dictionary, etc.)
Patent Act, Article 70 (1)



2. Description of the Specification
Patent Act, Article 70 (2)



3. File history



“Rice cake ” case

(Decision of the IP high court rendered on September 7, 2011 and March 22, 2012, Case No. 2011 (ne) 10002)

Problem to be solved of conventional rice cakes



heated

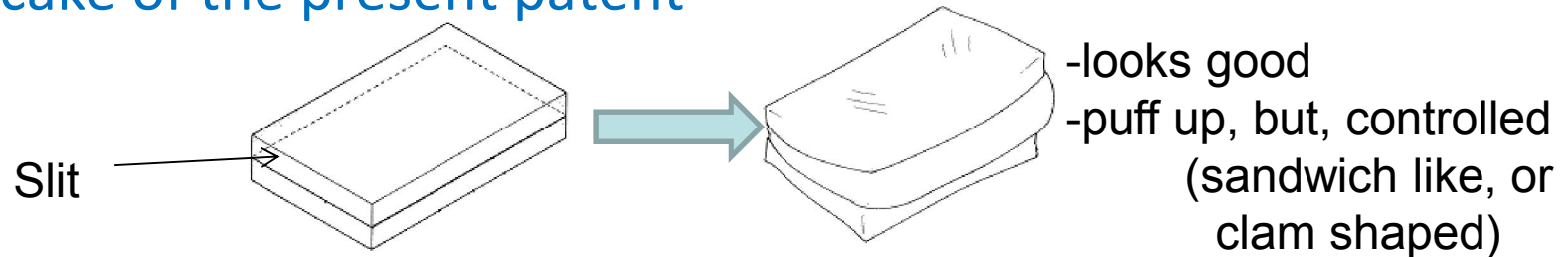


puff up, uncontrolled and sticky

“Rice cake ” case

(Decision of the IP high court rendered on September 7, 2011 and March 22, 2012, Case No. 2011 (ne) 10002)

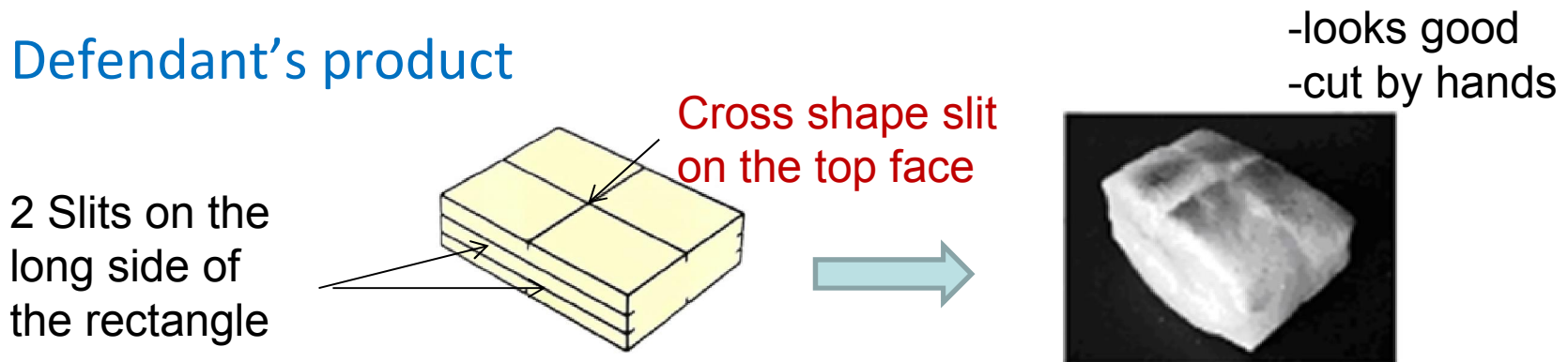
Rice cake of the present patent



Claim wording (simplified) :

Slits are neither on the bottom face nor top face but on vertical side faces of the rice cake

Defendant's product



“Rice cake ” case

(Decision of the IP high court rendered on September 7, 2011 and March 22, 2012, Case No. 2011 (ne) 10002)

■ District Court Judgment: [Non-infringement](#)

• Claim construction

The phrase of “neither on the bottom face nor on the top face but vertical side faces of the rice cake” determines that the slits are located on the vertical side faces but also means that no slits are either on the bottom face or on the top face.

• Reasons

- There is negative description about cross shaped slits on the surface of the rice cakes in the specification.(It says it looks scars on the human skin.)
- At the time of submitting amendment of the claim, Defendant clearly stated that “slits are located neither on the bottom face nor on the top face”.

“Rice cake ” case

(Decision of the IP high court rendered on September 7, 2011 and March 22, 2012, Case No. 2011 (ne) 10002)

■ IP High Court Judgment (Interlocutory judgment): [Infringement](#)

• Claim construction

The phrase of “neither on the bottom face nor on the top face” is just for clarifying that slits are on the side faces and does not mean excluding slits on the bottom face or the top face.

• Reasons

- Advantageous effects of the invention is achieved by slits on the side face.
(When the rice cake is toasted up, upper part of the cake is heaved up.)
- There is no description in the specification which says slits on the bottom or upper face prevent from obtaining benefit of side slits.
- Once an argument is retracted, it should not be basis for the claim construction.

2. Doctrine of Equivalents is still vibrant

Tests for infringement under DOE

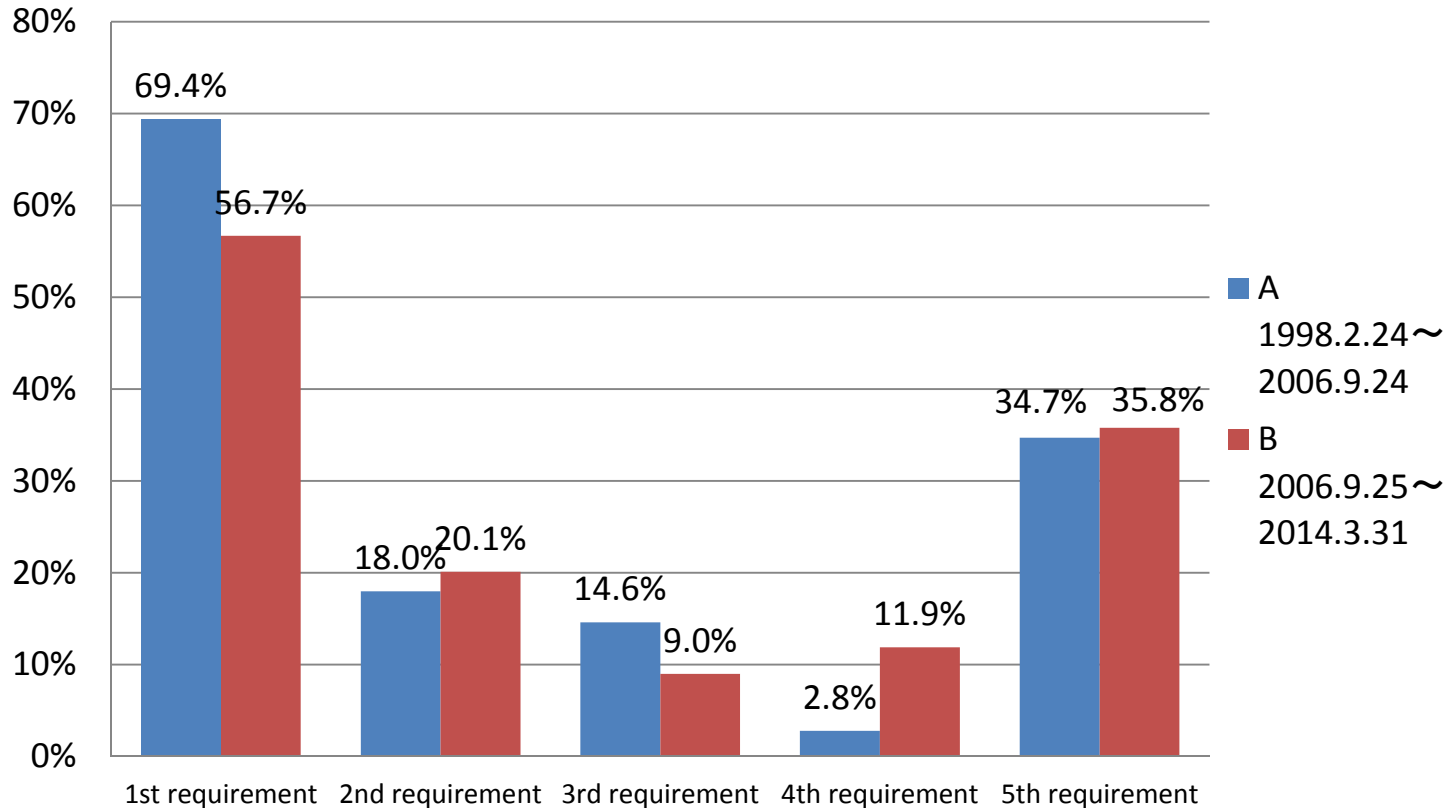
(The Supreme Court Decision rendered on February 24, 1998, Case No. 1994 (O) 1083)

Infringement under the doctrine of equivalents can be found, even if a claimed invention of the present patent has different part from the alleged infringing product, however, only in cases where

1. this part is **not the essential part** of the patented invention
2. **the same purpose** can be achieved and **the same function and effect** can be realized by replacing this part with a part of the alleged infringing product
3. a person of ordinary skilled in the art **could easily come up with the idea of such replacement** at the time of the production of the product
4. at the time of filing date of the patent, the product is **not identical to the prior art** or **could not have been easily conceived by a person of ordinary skilled in the art** based on the prior, and
5. there were **no special circumstances** such as the fact that the products had been **intentionally excluded** from the scope of the patent claim in the file history.

Trend in Judgement

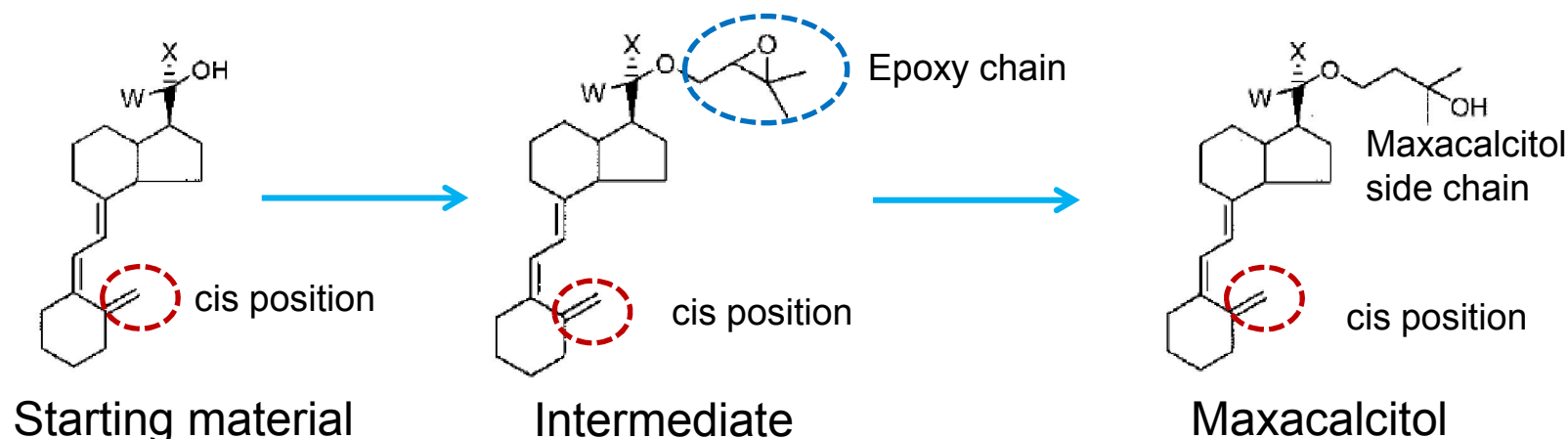
The reasons why infringement under the DOE was not found



“Maxacalcitol case” (Grand panel decision of the IP high court rendered on March 25, 2016, Case No. 2015 (ne) 10014)

Claimed invention: **A process** for preparing “Maxacalcitol”

(Simplified and focus on a specific chemical compound)



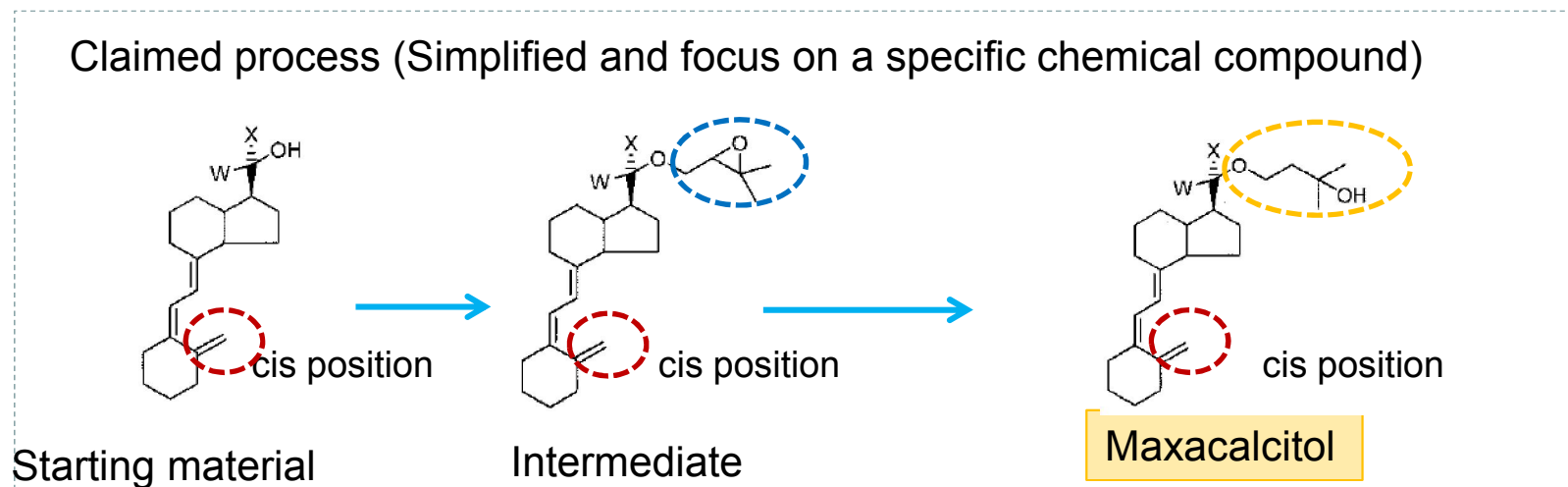
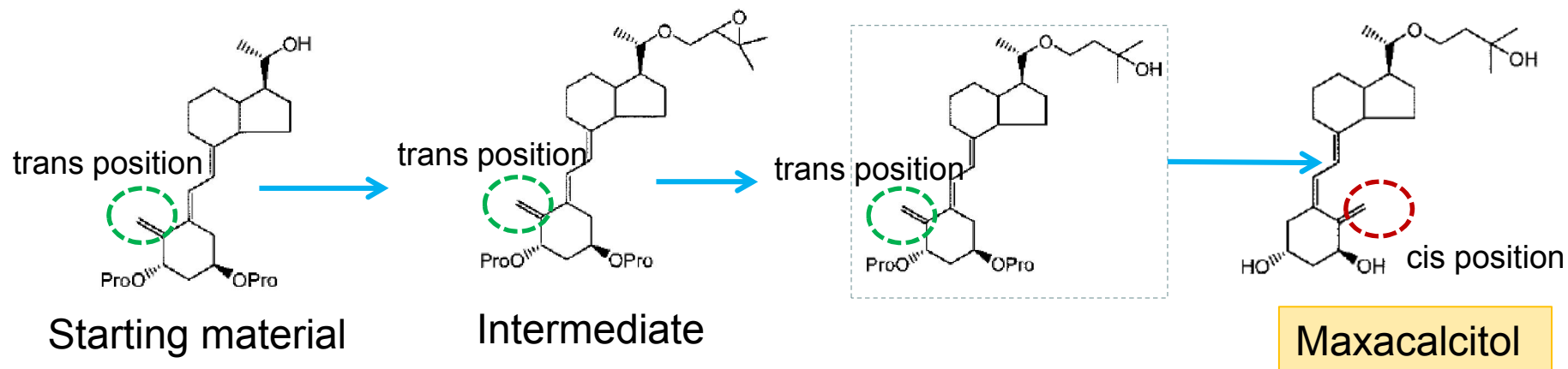
■ Description in the specification

No description about “trans isomer” of the starting material, and intermediate.

■ Existence of “trans isomer” is well known.

“Maxacalcitol case” (Grand panel decision of the IP high court rendered on March 25, 2016, Case No. 2015 (ne) 10014)

Defendant's process



“Maxacalcitol case” (Grand panel decision of the IP high court rendered on March 25, 2016, Case No. 2015 (ne) 10014)

■ Finding by the Tokyo District Court :

The Court found infringement under the DOE.

■ Finding by the IP high court :

- The Court upheld the lower court’s decision.
- The Court took generous position with regard to the 1st requirement and the 5th requirement

“Maxacalcitol case” (Grand panel decision of the IP high court rendered on March 25, 2016, Case No. 2015 (ne) 10014)

■ Finding with regard to the 1st requirement

- How to determine “essential part” of an invention ?
 - “A unique technical idea that has not seen in prior art”
 - Contribution of the patented invention should be also taken into account.
 - If the description of problem to be solved in the specification is objectively not clear, prior art should also be taken into account.
- Court finding about this case
 - “Essential part” of the present invention: making it possible to introduce a maxacalcitol side chain into an alcohol compound having vitamin D structure at position 20 through the new route.
 - = form of vitamin D structure of starting material and intermediate (cis-form or trans-form) is NOT the essential part of the invention

“Maxacalcitol case” (Grand panel decision of the IP high court rendered on March 25, 2016, Case No. 2015 (ne) 10014)

■ Finding with regard to the 5th requirement

- How to determine existence of “special circumstances” (intentional exclusion) ?
 - Only based on the fact that the applicant’s act of having not described the alternative means in the claim should NOT be found as "special circumstances".
- Court finding about this case: No “special circumstances” (intentional exclusion)
 - In the specification there is no description of trans-form vitamin D structure for the starting material.
 - There is no other evidence which shows objectively that the applicant recognized that the trans-form vitamin D structure was an alternative of cis-form vitamin D structure.

3. Much better than Alice

Subject Matter Eligibility in Japan(1)

Invention in the Patent Act



Article 2

“Invention” in this Act means creation of technical ideas of a high level which utilizes law of nature.

Law of nature, man-arranged rules (e.g. a rule for playing a game as such), mathematical methods or mental activities, or utilization just thereof (e.g. methods for doing business as such), are not considered to be ‘invention’, because they do not utilize a law of nature.

Subject Matter Eligibility in Japan(2)

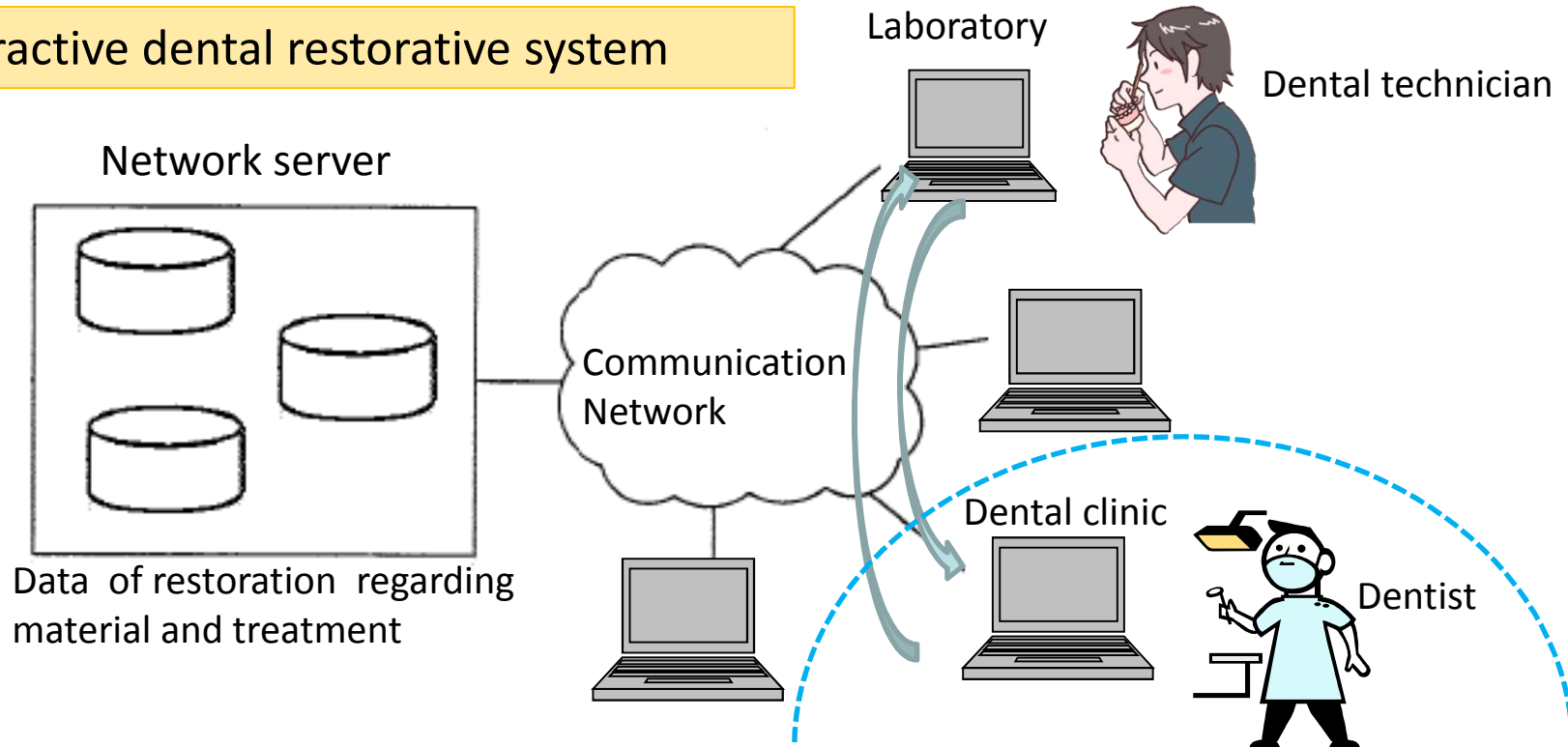
Test for Computer related Invention

“As to software related inventions, “**whether information processing by software is concretely realized by utilization of hardware resources**”, in other words, “**whether software and hardware resources work together**” is the key to find the eligible invention.

“Interactive dental restorative network” case

(The IP high court decision rendered on June 24, 2008, Case No. 2007 (gyo-ke) 10369)

Interactive dental restorative system



Issue:

Can a claim which **partly contains human mental activity** be eligible?

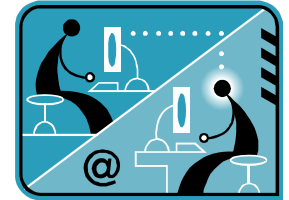
- A means to identifying dental restoration need
- A means to formulate the preliminary treatment plan

“Interactive dental restorative network ” case

(The IP high court decision rendered on June 24, 2008, Case No. 2007 (gyo-ke) 10369)

The BOA of JPO denied the subject matter eligibility.

Reason: Both identifying a dental restoration need and formulating treatment plan are mental activities.



The IP High Court overturned the decision:

- Even if the claim includes mental activity of human-beings, but the heart of the invention directs to provide technical means which supports mental activity of human-beings, it is eligible. (New test)
- “A means to identifying a dental restoration need” and “a means to formulate initial treatment plan” are realized by a dentist, but the claimed invention as a whole provided computer based technical means to support dental restoration.

Divided infringement

Possible approaches in Japan



- Indirect infringement: Patent Act Art. 101



- Joint tort

- “Control” approach:



“Supply system for spectacle lens” case,

(Decision of the Tokyo District Court rendered on December 14, 2007, Case No. 2004(wa) 25576)

- “Tool” approach

“Method for preparing electrodeposited image” case,

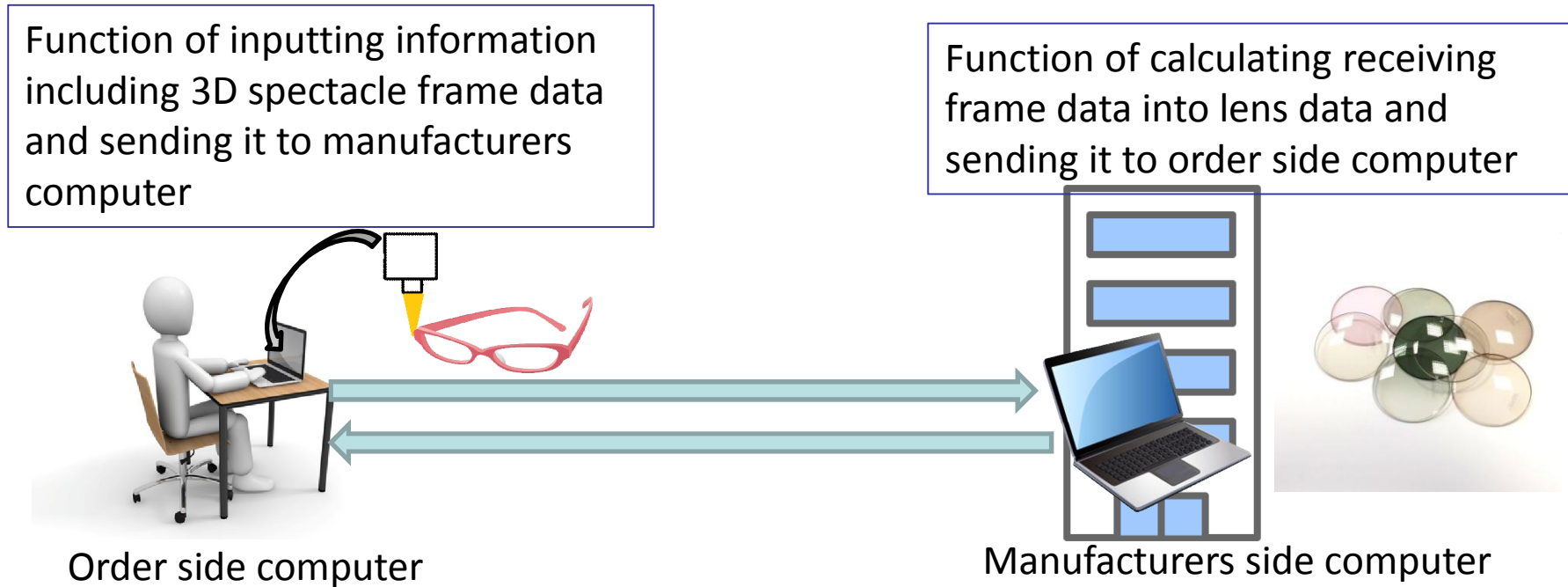
(Decision of the Tokyo District Court rendered on September 20, 2001, Case No. 2000 (wa) 20503)



“Supply system for spectacle lens” case

(The Tokyo District Court decision rendered on December 14, 2007, Case No. 2004 (wa) 25576)

Claimed invention: **Supply system** for spectacle consist of **order side computer and manufacturers side computer**



In the Defendant system, **order side computers are owned by opticians.**
Defendant provided lens to opticians using the system.

“Supply system for spectacle lens” case

(The Tokyo District Court decision rendered on December 14, 2007, Case No. 2004 (wa) 25576)

Finding by the court

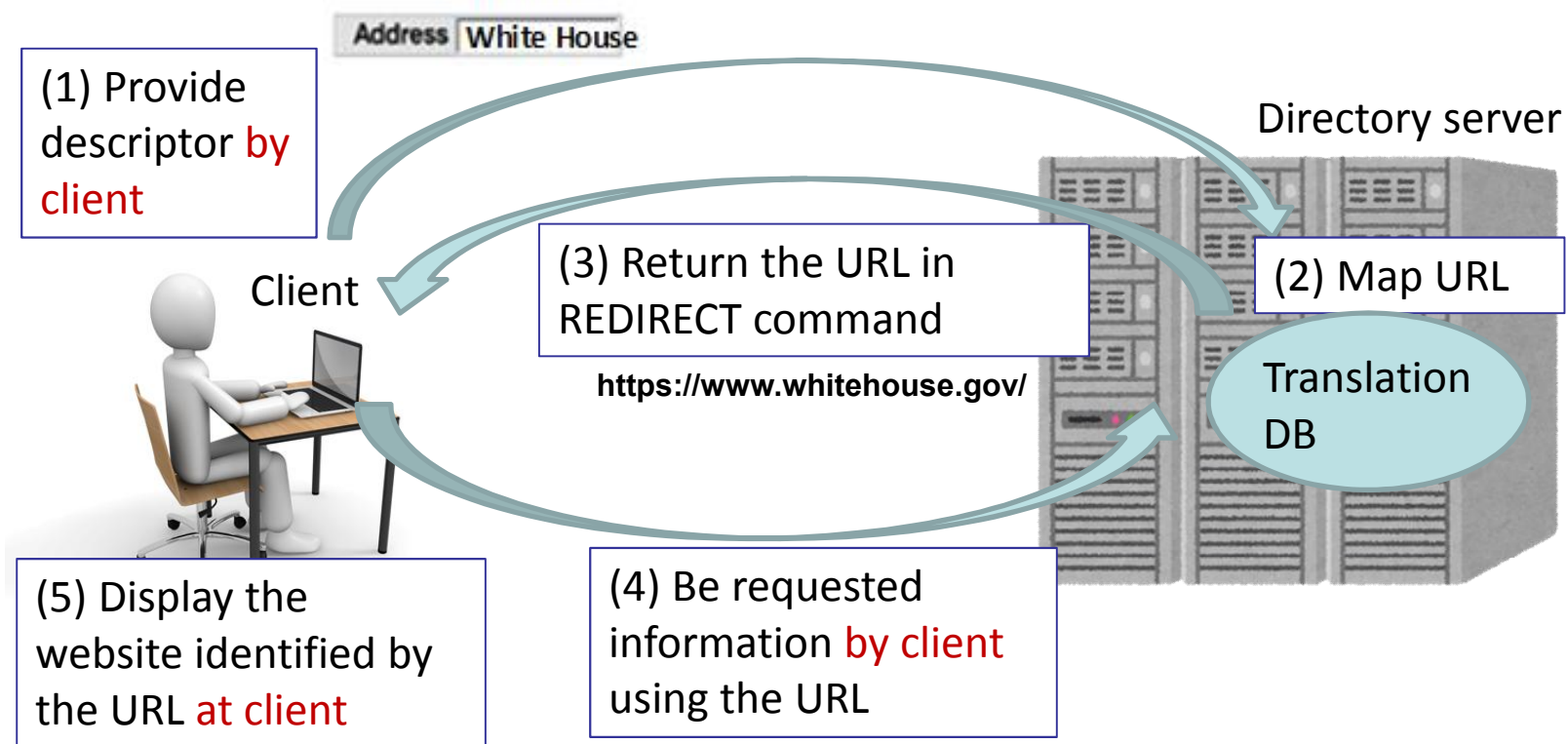
The court found direct infringement.

- When it comes to the issue of whether the defendants system fall within the scope of the claim, it does not matter if plural entities are involved in the system and each entity possess a part of the system.
- As to the issue of to whom injunction and damage can be sought, it should be determined based on **who control the system**.
- In this case it is clear that Defendant control the system. Therefore Plaintiff can seek injunction and damage against Defendant.

“Internet number” case

(The IP high court decision rendered on March 24, 2010, Case No. 2008 (ne) 10085)

Claimed invention: **Method** of **providing an access** to information in the server system from client



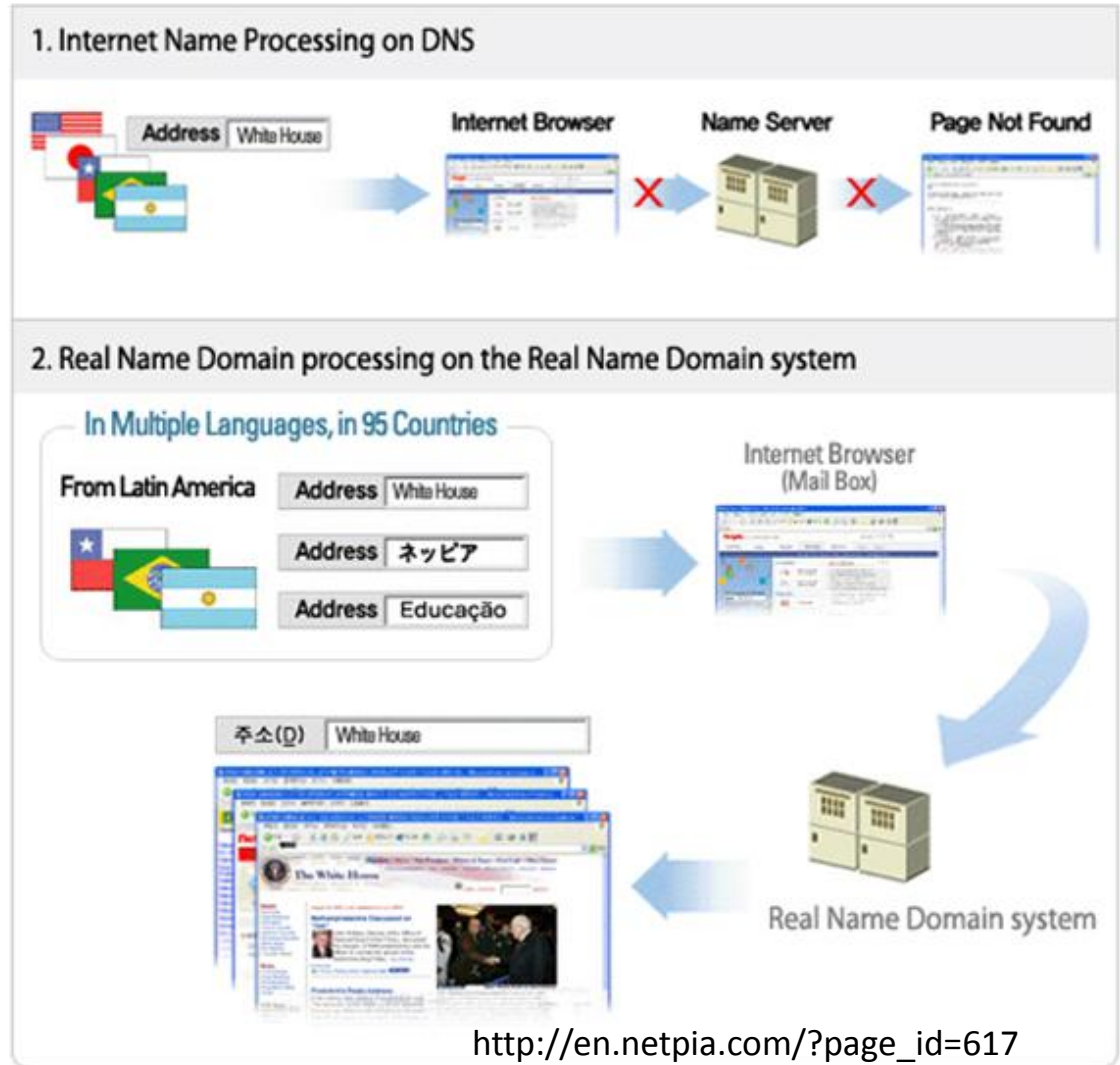
“Internet number” case

(The IP high court decision rendered on March 24, 2010, Case No. 2008 (ne) 10085)

Defendant's service:

“REAL NAME DOMAIN”

There's no need for
www, .com, .net, etc.
Personal names, company
titles, telephone numbers,
products, and brand names
in any language can be the
internet address.



“Internet number” case

(The IP high court decision rendered on March 24, 2010, Case No. 2008 (ne) 10085)

- Finding by the Tokyo District Court: The Patent is **invalid**.
- Finding by the IP High Court: Changed the decision of the Tokyo District Court and found the infringement.
 - The Patent is **valid**.
 - Defendant’s system falls within the scope of the claim.
 - The entity who conducts “method of providing an access” of the Present Patent is Defendant. The Present Patent is not directed to “access” but “providing access”. Actual access by client is not necessary for infringing the Present Patent.

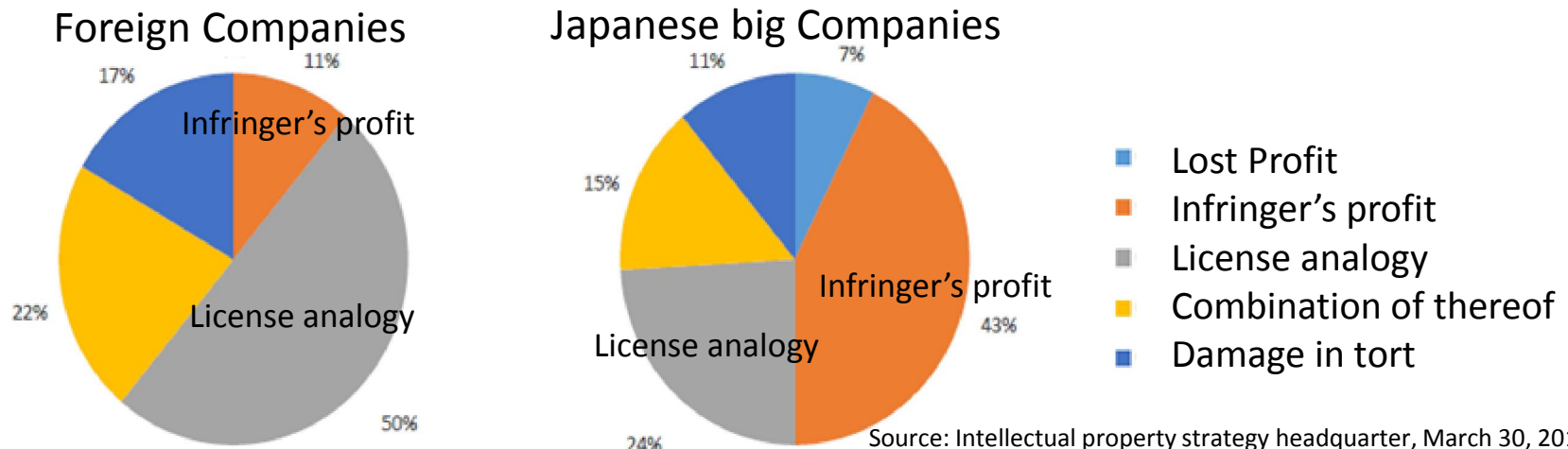
4. Damage calculation

Damage calculation basis in Japan

■ Damage calculation basis (Patent Act Art. 102)

1. Lost Profit (Patent Act Art. 102 (1))
2. Infringer's profit (Patent Act Art. 102 (2))
3. License analogy (Patent Act Art. 102(3))
4. Damage in tort (Civil Act Art. 709)

■ Strategy taken by plaintiffs (on request basis)



“Waste storage device” case

(Grand panel decision of the IP high court rendered on February 1, 2013, Case No. 2012 (ne) 10015)

Facts

Plaintiff: **UK Company X**



Company A, which is exclusive agency of **Company X**, imported and sold products of X in Japan

Defendant Y imported and sold the defendant's product

Issue :

Can Company X seek damage based on infringer's profit stipulated in Article 102 (2) of the Patent Act?

“Waste storage device” case

(Grand panel decision of the IP high court rendered on February 1, 2013, Case No. 2012 (ne) 10015)

■ Finding by the Tokyo District Court

- The Court denied damage calculation based on the infringer's profit.

Reason: There is no exploitation of the Present Patent by Company X in Japan . Company A imported and sold the Plaintiffs products in Japan.

- Damage awarded by the Court: Approx. 21 million Yen

“Waste storage device” case

(Grand panel decision of the IP high court rendered on February 1, 2013, Case No. 2012 (ne) 10015)

■ Finding by the Grand Panel of the IP High Court

- The Court granted damage calculation based on the infringer's profit.

Reason: If patentee is circumstanced having had profit unless patent was not infringed, seeking damage based on infringer's profit should be granted.

(The Article 102 (2) of the Patent Act does not say anything about necessity of exploitation of the patent by the patentee.)

- Damage awarded by the Court: Approx. **148 million Yen**

5. Take home points

Take home points

1. Japanese infringement courts take sometimes broader construction of the claim in light of the technical idea or problem to be solved of the invention.
2. Argument based on DOE sometimes powerful in Japan. The test for the 1st and 5th requirements are getting relaxed.
3. Obtain patents of computer related inventions and enforce them in Japan!
4. It may be possible to seek damage based on Infringer's profit, even if you reside in the US.

Thank you for your attention



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