

JAPANESE *IP* LITIGATION



IPRI

(Intellectual Property Research & Institute)

I. Statistics on *IP* litigation in Japan

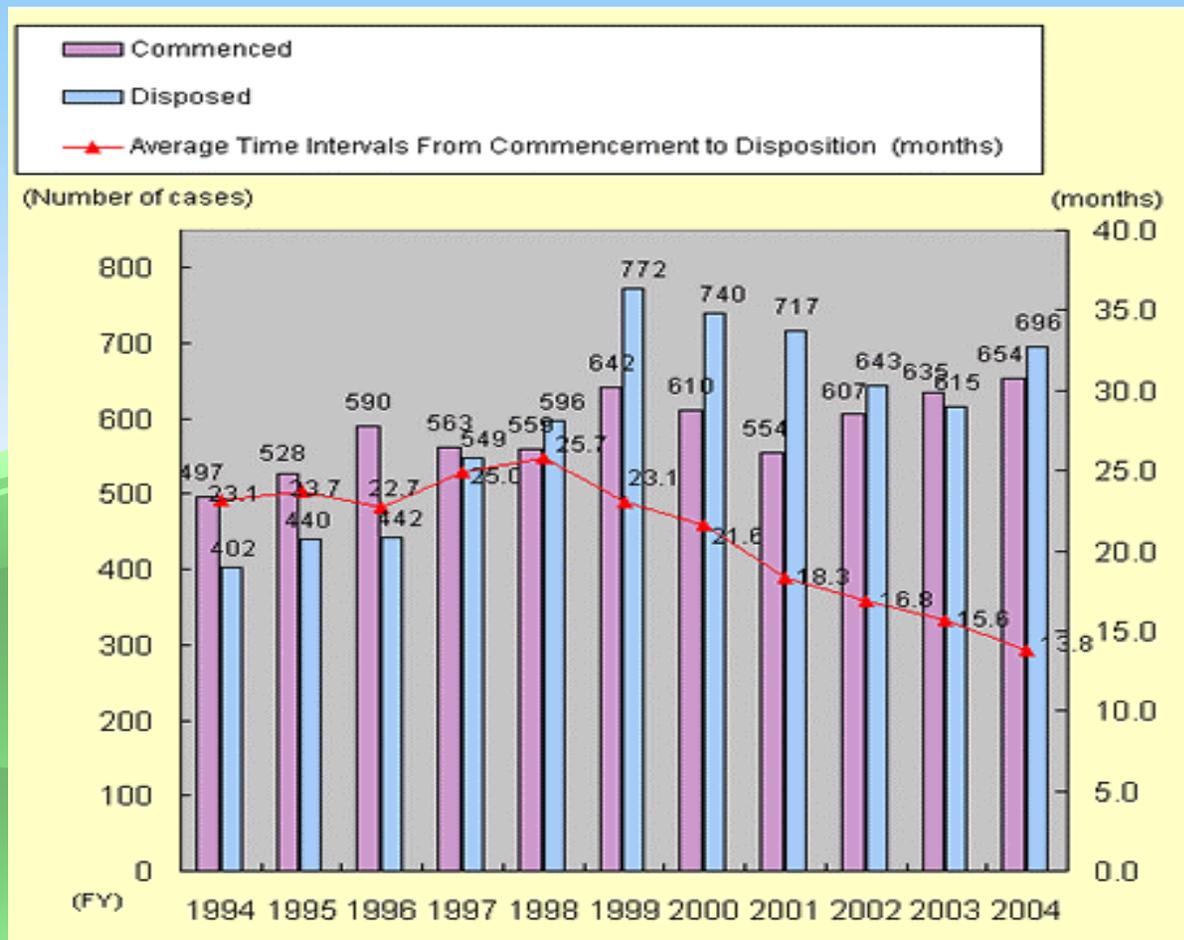
1. Population of Japan

127.⁷ million (as of February. 1, 2005)

2. Number of lawyers in Japan

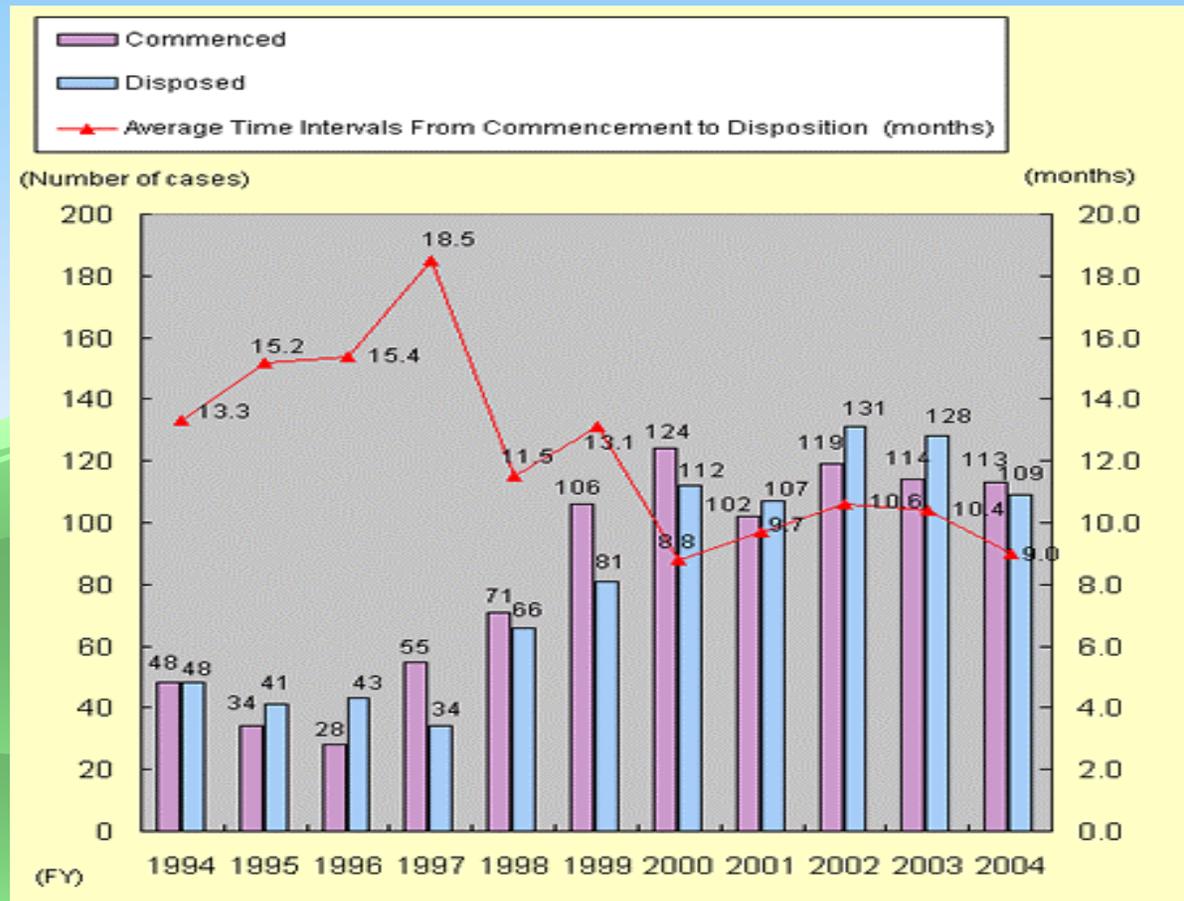
- ❖ Attorney at law: **21,000**
- ❖ Patent attorney: **6,000**
- ❖ Judge: **2,000**
- ❖ Prosecutor: **1,200**

3. Number of IP cases commenced and resolved, and average time intervals from commencement to resolution in all district courts of Japan



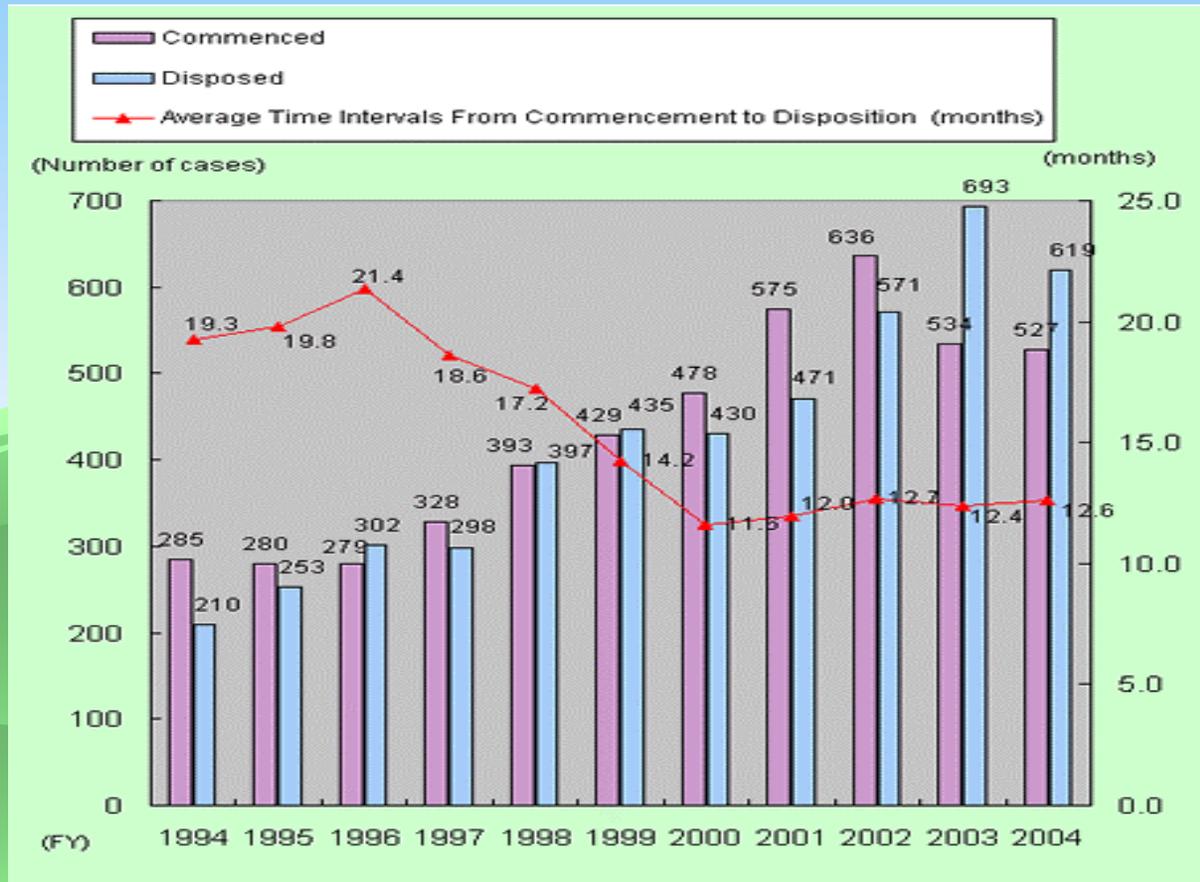
http://www.ip.courts.go.jp/eng/documents/stat_03.html

4. Number of IP appeals commenced and resolved, and average time intervals from commencement to resolution in the Tokyo High Court



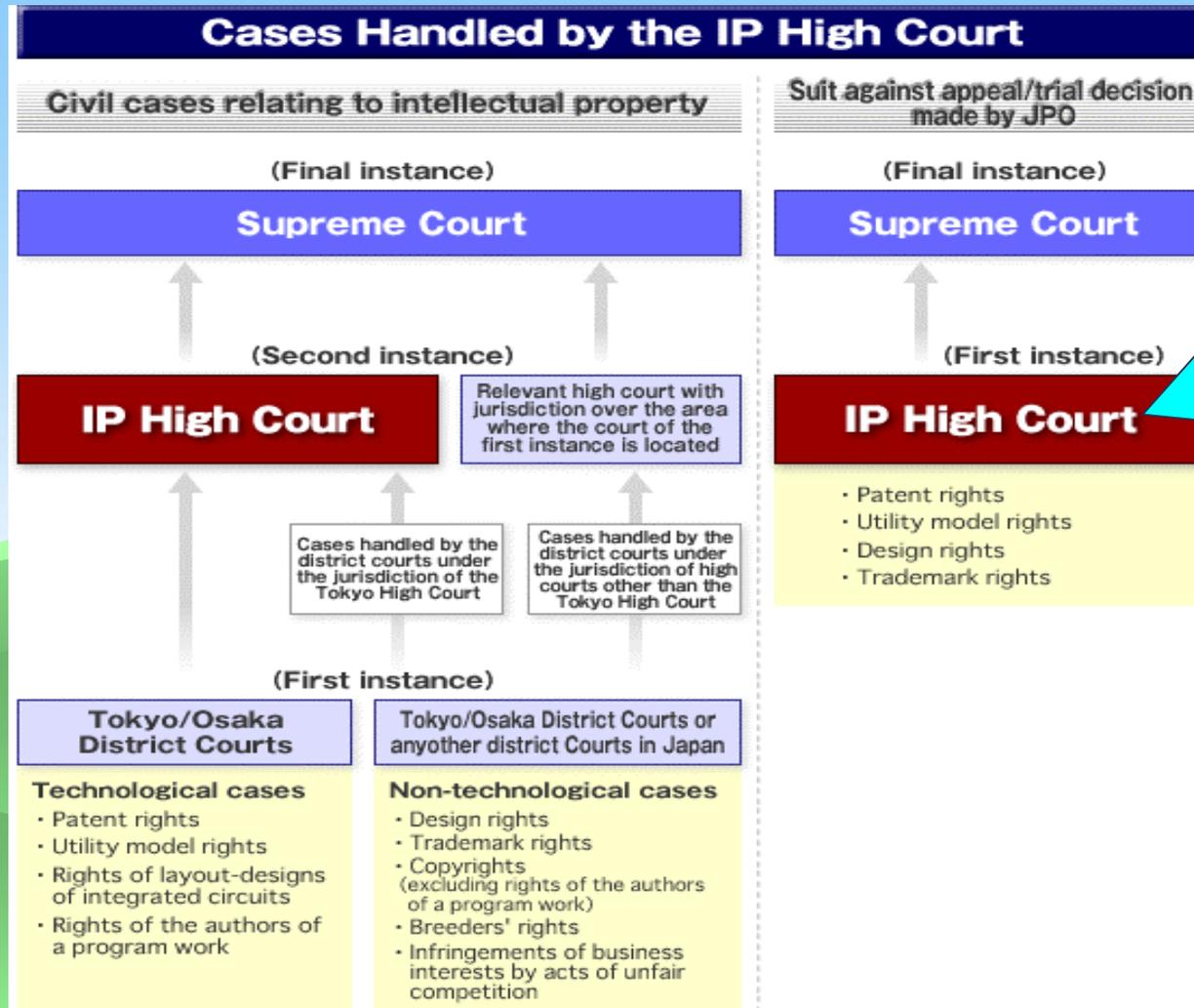
http://www.ip.courts.go.jp/eng/documents/stat_01.html

5. Number of suits against appeal/trial decision made by JPO commenced and resolved, and average time intervals from commencement to resolution



http://www.ip.courts.go.jp/eng/documents/stat_02.html

II. Concentrated jurisdiction



The IP High Court, as a special branch of the Tokyo High Court, was established as of April 1, 2005.

<http://www.ip.courts.go.jp/eng/aboutus/jurisdiction.html>

III. Assertion of patent invalidity in IP litigation

1. The rolls of the JPO and courts in the IP field

- ❖ JPO: Issue and extinguishment of patents
- ❖ Courts: Infringement litigation

2. Before the Supreme Court of Japan's judgment on April. 11, 2000

- ❖ In IP litigation, the assertion of patent invalidation was allowed, due to the delay of the invalidation trial by the JPO.
- ❖ When a reason for invalidation existed, the infringement was denied in the litigation by interpreting the technical scope literally or limiting the scope to the embodiment *etc.*

3. On April 11, 2000, The Supreme Court of Japan held that enforcing a patent right was an “abuse of right” when a clear reason for invalidation existed.
- ❖ After this judgment, lower courts allowed the “abuse of right” argument in approximately 100 patent, utility model, design and trademark infringement cases.
 - ❖ Reasons for invalidation include not only violation of substantive requirements (lacking in novelty or inventive steps *etc.*), but also violation of formal requirements (illegal correction or imperfection of description in a specification *etc.*).
4. The amended Patent Act came into effect as of April 1st, 2005
- ❖ The Patent Act article 104 ter provides that a patentee may not enforce the patent right when the patent has reason for invalidation (the “clear” reason is unnecessary.).
 - ❖ The article applies (with necessary modification) to the Utility Model Act, the Design Act and the Trademark Act.

5. Problems left #1 - How is retrial avoided?

Ex. After losing an infringement case, it is possible for a patent infringer to have the patent declared invalid by the JPO.

→ Such cases causes retrial.

6. Measures taken - to encourage swift hearing:

- ❖ The Patent Act Article 168 provides that courts send a notice that an infringement litigation has commenced to the JPO commissioner (Paragraph 3), the commissioner send notice whether a trial for invalidation is requested or not to the court (Paragraph 4) and the commissioner may request the court to send the copies of the necessary litigation records (Paragraph 6).
- ❖ The Patent Act Article 180 bis provides that the IP High Court may seek an opinion regarding the litigation from the commissioner (Paragraph 1).

7. Problems left #2 - How is waste avoided?

- ❖ **On March 9, 1999, the Supreme Court of Japan** held that an invalidation decision by the JPO shall be cancelled when an amendment decision by the JPO became final during an action for cancellation of the invalidation decision.
- In such case, the invalidation decision becomes in vain.

8. Measures taken - to encourage swift invalidation trial

- ❖ The Patent Act Article 126 paragraph 2 provides that **trial for amendment may be requested only within 90 days after bringing action for cancellation of the invalidation decision by the JPO.**
- ❖ The Patent Act Article 181 paragraph 2 provides that the IP High Court may remand the case to the JPO for further hearing when bringing an action against the invalidation decision by the JPO.

VI. Doctrine of equivalents

1. **On February. 24, 1998, The Supreme Court of Japan affirmed an adoption of the doctrine of equivalents.**
 - ❖ **After the judgment, there were approximately 10 judgments following the Supreme Court's ruling.**
2. **The way to interpret the technical scope (It is used in almost all the litigation regarding the doctrine.)**
 - (1) Literal interpretation of the technical scope
 - (2) Element by element & all elements rule
 - (3) The 5 factors of the doctrine in Japan
 - A. A replaced element must not belong to the essential part of the patented invention.
 - B. The possibility of replacement
 - C. The ease of replacement
 - D. The difficulty in arriving at the replacement from other public known technique
 - E. Non-existence of special circumstances (ex. an intentional limitation of the claims in the application procedure *etc.*)

V. Infringement litigation & technical support

- ◆ Adequacy of introducing the technical judgment to the courts
- ◆ Expansion of the counselor's authority (possible to examine)
- ◆ Introduction of the special committee system (The number of the committee members amounts to more than 150.)
- ◆ Construction of **the swift and accurate hearing** by the adoption of the in-camera system, the protective order system and the public trial suspension system