

Judgments of Intellectual Property High Court, Fourth Division

Date of the Judgment: 2006.9.25

Case Number: 2005 (Ne) No.10047

Title (Case):

A case wherein the court held as follows:

- (i) In order to find that the patentee has intentionally excluded the constitution of the allegedly infringing product from the scope of claims during the prosecution history, the patentee must have taken actions by which the patentee can be deemed, by appearance, to be clearly aware of the constitution of the alleged product, and excluded it from the scope of claims. Such apparent actions may include the patentee's admission made in the prosecution history that the constitution of the alleged product is not included in the scope of claims, or exclusion of such constitution from the scope of claims by amendment or correction to the patent application;
- (ii) The "circumstances... under which the patentee... would have been unable to sell the assigned quantity" as prescribed in the proviso to Article 102, para.1 of the Patent Act are not limited to those specific to the products that the patentee was able to sell. Other relevant circumstances may also be taken into consideration, such as the existence of competing products or substitute goods in the market, the infringer's marketing efforts, brands and selling power, other characteristics of the infringing products that can motivate consumers to purchase the product (e.g. design, function), and the price of the infringing product;
- (iii) Taking into consideration the trends in the chair-type massagers market, changes in the sales of the products of the appellee (patentee) and of the appellant (alleged infringer), the details of the appellee's products and those of the appellant's products as well as the statements of the booklets for these products, the articles featuring the appellee's products, and the status of competing products, the assigned quantity of the appellant's products from which the quantity that the appellee would have been unable to sell is deducted shall be 1% of the total assigned quantity of the appellant's products; and
- (iv) With respect to the part of the assigned quantity that the appellee would have been unable to sell pursuant to the proviso to Article 102, para.1 of the Patent Act, the appellee cannot claim the amount of royalties under Article 102, para.3 of the Patent Act as the amount of damage.

Reference: Article 68, Article 102 paras.1 and 3, and Article 104-3 of the Patent Act

Summary of the Judgment:

1. Outline of the case

A dispute occurred between the appellant (alleged infringer) and the appellee (patentee) over the appellee's five patents relating to an air massager (Patents 1 to 5), and it triggered a patent infringement suit as well as suits to seek rescission of JPO's trial decisions. The judgment of prior instance upheld the validity of Patents 1 to 5 and found infringement thereof, and ordered the appellant to stop the manufacturing and selling of Appellant's Products 3 and 4 (chair-type massagers) and pay about 1.55 billion yen as damages. Subsequently, while this case was pending in this second instance, Patents 1 to 4 were declared to be invalid in the suits for rescission of JPO's trial decisions, and only Patent 5 was found to be valid. Therefore, this court of the second instance only addressed the issue of alleged infringement of Patent 5, and upheld the appellee's claim to the extent to seek an injunction against the manufacturing and selling of Appellant's Products 3 and 4 (chair-type massagers) as well as payment of damages of 11,488,500 yen.

2. Points at issue

The major points at issue in the second instance are: (1) whether or not Appellant's Products 3 and 4 have all the constituent features of Patent 5; (2) whether or not infringement of Patent 5 can be found under the doctrine of equivalents (alternative claim); (3) the validity of Patent 5; (4) the amount of damages.

3. Summaries of the judgments of this court

(1) Whether or not Appellant's Products have all the constituent features of Patent 5

(a) With regard to the meaning of the term "push up" as used in Constituent Features

A1 and B, the appellant argued that it requires that the airbags for the seat part must push up the user sufficiently to stretch his/her muscle to the extent that he/she can feel tension or strain. However, the court held as follows: "the term means no more than the pressing force that can be applied by supplying air into the bags installed in the seat of the chair-type massager, or in other words, it means that the massager applies an upward force to the extent that it can, in combination with the force to fix the legs, stretch the muscle of the user's legs and buttocks to some extent." In conclusion, the court determined that Appellant's Products have Constituent Features A1 and B of Patent 5. (b) With regard to the statement "a leg holder in which bags for legs are installed to hold the user's legs from both sides" used in Constituent Feature A3, there was a conflict on whether (i) this statement required that bags for legs shall be installed on both sides of each leg, or (ii) it could be satisfied even in the case where the massager has bags for legs that may hold both legs together as a unit. Since Appellant's Products 3 and 4 have urethane chips, etc. installed on one side of each leg, they would be deemed not to have Constituent Feature A3 under the appellant's construction (i) of the statement, and they would be deemed to have the constituent feature

under the appellee' s construction (ii).

The court held that bags for legs should be installed on both sides of each leg, on the following grounds.

“Nothing in Description 5 indicates that bags are installed only on one side of each leg in the manner that the legs are held together as a unit, or provides any suggestion on a specific constitution required therefor. The examples of working of the invention and the drawings thereof only disclose or illustrate the constitution wherein bags for legs are installed on both sides of each leg. In addition, in order to achieve the purpose of Patent 5, i.e. firmly holding the legs with air bags, even though the claim in Patent 5 does not disclose any detailed structure of the leg holder including a partition wall in the middle of the leg support, it seems more suitable to hold each leg with bags installed on both sides of it, and it would be very unsteady if both legs are held together as a unit with the bags inflated with air. Taking into consideration these ideas as well as the contents of the description and drawings mentioned above, it is reasonable to construe the phrase ‘the user’ s legs’ to mean ‘each of the user’ s legs.’ ”

(2) Whether or not infringement can be found under the doctrine of equivalents

The court held that even if Appellant’ s Products 3 and 4 cannot be regarded to have Constituent Feature A3 of Patent 5, the constitution of these products should be regarded as equivalent to Invention 5 and therefore they are included in the technical scope of Invention 5, on the following grounds.

(a) Essential portion (First Requirement for finding DOE infringement)

The court found that the constituent feature replaced in Appellant’ s Products is not an essential portion of Invention 5, holding as follows.

“In light of the problem to be solved, the constitution and operation and effect of Invention 5 mentioned above, the essential portion of Invention 5 is the mechanism for inflating the bags for the seat and the bags for legs at the right time, wherein the bags for the seat are inflated while the legs are held from both sides with the bags for legs so as to stretch and massage the legs and buttocks. Certainly, it may be regarded as a necessary feature for this mechanism to hold each of the user’ s legs from both sides with the bags inflated by air. However, the issue of whether, as means of holding each of the user’ s legs, air bags should be installed on both sidewalls of the leg holder, or air bags should be installed on one sidewall of the leg holder and buffer materials such as urethane chips should be installed on the other sidewall, is not an essential point that characterizes the invention.”

(b) Interchangeability (Second Requirement)

The court found that interchangeability existed between the air bags used in Invention 5 and urethane chips, etc. used in Appellant’ s Products 3 and 4, holding as follows. “Even where the air bags installed on one sidewall of the leg holder are

replaced with urethane chips, etc., which are generally used as buffer materials, when the leg is pressed, by way of the pressing force from the air bags installed on one side wall, against the urethane chips, etc. installed on the other sidewall, a pressing force will be generated from the urethane chips, etc. towards the leg, and as a result, the leg will be held and pressed by the air bags and the urethane chips, etc. as if it is softly wrapped from both sides. Therefore, there will be no particular difference in terms of the purpose to be achieved or the operation and effect to be brought about, even if the air bags installed on one sidewall of the leg holder are replaced with urethane chips, etc. Consequently, it can be concluded that Appellant's Products 3 and 4 wherein urethane chips, etc. are installed on one sidewall of the leg holder instead of air bags, are capable of achieving the purpose of Invention 5 (chair-type air massager) and bring about the same operation and effect as Invention 5."

(c) Easiness in conceiving such interchangeability (Third Requirement)

The court found that it would be easy to replace the air bags installed on one side wall of the leg holder in Invention 5 with urethane chips, etc., holding as follows.

"The appellant initially manufactured and sold Appellant's Products 1 and 2 wherein air bags were installed on both sidewalls of the leg holder, and then manufactured and sold Appellant's Products 3 and 4 wherein the air bags installed on one sidewall of the leg holder were replaced with buffer materials, e.g. urethane chips, etc. Since it is publicly known that urethane chips, etc. have flexibility, persons skilled in the art, at the time of the manufacturing of Appellant's Products 3 and 4, could have easily conceived the idea that even where the air bags installed on one sidewall of the leg holder were replaced with urethane chips, etc., it would be possible to bring about the same operation and effect as the massager wherein air bags were installed on both sidewalls of the leg holder."

(d) Non-easiness in conceiving Appellant's Products 3 and 4 (Fourth Requirement)

The court found that since persons skilled in the art could not have easily arrived at Invention 5 based on the publicly known art at the time of the filing of the patent application, those skilled in the art also could not have easily conceived Appellant's Products 3 and 4 which differ from Invention 5 only in that the air bags on one sidewall of the leg holder are replaced with urethane chips, etc.

(e) Lack of Intentional exclusion (Fifth Requirement)

The appellant argued as follows: Despite the fact that at the time of the filing of the patent application that later matured into Patent 5, it was a publicly known art to install a partition wall in the middle of the leg support of the massager, or use urethane chips, etc. as buffer materials to mitigate the contact between the massager and the user's body, the appellee only chose the constitution wherein bags are installed on both sides of each leg, which means that the appellee intentionally excluded the constitution wherein bags are installed only on one side of the leg, from the scope of Invention 5.

With regard to this argument, the court held as follows.

“In order to find that the patentee has intentionally excluded the constitution of the allegedly infringing product from the scope of claims during the prosecution history, the patentee must have taken actions by which the patentee can be deemed, by appearance, to be clearly aware of the constitution of the alleged product and to have excluded it from the scope of claims. Such apparent actions may include the patentee’s admission made in the prosecution history that the constitution of the alleged product is not included in the scope of claims, or exclusion of such constitution from the scope of claims by amendment or correction to the patent application. Only by the reason that the patentee, in light of the publicly known art at the time of the filing of the patent application, could have easily arrived at the constitution of the alleged product, but did not include such constitution in the scope of claims, we should not conclude that the patentee intentionally excluded the constitution of the alleged product from the scope of claims.

“Consequently, even though, as the appellant argues, it was a publicly known art, at the time of the filing of the patent application that later matured into Patent 5, to install a partition wall in the middle of the leg support of the massager, or use urethane chips, etc. as buffer materials to mitigate the contact between the massager and the user’s body, and the appellee, during the prosecution history, could have included the constitution wherein air bags are installed on one sidewall of the leg holder and urethane chips, etc. are installed on the other sidewall, in the scope of claims, these facts do not necessarily lead to the conclusion that the appellee intentionally excluded such constitution from the scope of claims of Invention 5.”

(3) Validity of Patent 5

To challenge the validity of Patent 5, the appellant requested a trial for invalidation during the pendency of this suit in this second instance (Trial for Invalidation No. 2004-80055), and then filed a suit to seek rescission of the JPO’s trial decision dismissing the request for invalidation (Intellectual Property High Court, 2005 (Gyo-Ke) No. 10339). Based on the trial decision, the appellant also argued in this suit that Patent

5 should be invalidated on the grounds that had been argued in the said suit to seek rescission of the trial decision as grounds for rescission of the trial decision. In this case, the court denied invalidation of Patent 5 on the same grounds as those stated in the judgment of the suit to seek rescission of the trial decision.

(4) Amount of damages

(a) The appellant argued that the appellee’s products do not involve the working of Invention 5. However, the court determined that the appellee’s products can be deemed to involve the working of Invention 5, and therefore they obviously can be regarded as “articles which would have been sold… if there had been no such act of infringement” as prescribed in Article 102, para.1 of the Patent Act.

(b) With regard to the meaning of the proviso of Article 102, para.1 of the Patent Act, the court reasoned as follows.

“The main clause of Article 102, para.1 of the Patent Act provides for the method of calculating the amount of damages in the case where lost profits are claimed as damages under Article 709 of the Civil Code. The provision of this clause should be construed to stipulate that the amount of profit per unit of articles which would have been sold by the patentee if there had been no act of infringement, multiplied by the quantity of articles assigned by the infringer, shall be presumed to be the amount of damage within the limit not exceeding the patentee’s selling ability. The proviso to the said paragraph stipulates that the amount of damages can be reduced if the infringer has proven any circumstances that can overcome the presumption made under the main clause of the same paragraph. The ‘circumstances… under which the patentee… would have been unable to sell the assigned quantity’ are not limited to those specific to the products that the patentee was able to sell. Other relevant circumstances may also be taken into consideration, such as the existence of competing products or substitute goods in the market, the infringer’s marketing efforts, brands and selling power, other characteristics of the infringing product that can motivate consumers to purchase the product (e.g. design, function), and the price of the infringing product.”

(c) Having found the facts concerning the trends in the chair-type massagers market, changes in the sales of the appellee’s products and those of the appellant’s products, the details of the appellee’s products and those of the appellant’s products as well as the statements of the booklets for these products, the articles featuring the appellee’s products, and the status of competing products, the court held as follows.

“In this case, the following circumstances can be found: (i) Each of the appellee’s products cannot realize the function of Invention 5 unless certain operation modes are selected; (ii) the operation involving Invention 5 is an ancillary operation of a chair-type massager and its effect is limited; (iii) the operation involving Invention 5 is rarely featured in the booklets for the appellant’s products or those of appellee’s products; (iv) at the time of the registration of the establishment of Patent 5, the appellee’s market share was not more than ten percents, and there were influential competitors in the market for chair-type massagers; (v) the appellant’s products are also equipped with characteristic functions that are different from Invention 5, such as the function to massage both with massaging balls and air bags, and the function to automatically detect the pressure points by an optical sensor, and consumers seem to have chosen the appellant’s products while placing more importance on these functions; (vi) the appellee’s products are massagers that use air bags for massaging, and such type of massagers are not very competitive in the market and therefore the appellee’s selling power was limited.

“Taking all these circumstances into consideration, it is appropriate to find the

assigned quantity of the appellant's products from which the quantity that the appellee would have been unable to sell is deducted to be 1% of the total assigned quantity of the appellant's products."

(d) With respect to the part of the assigned quantity that the appellee would have been unable to sell pursuant to the proviso to Article 102, para.1 of the Patent Act (99% of the assigned quantity), the court rejected the appellee's argument that 5% of the amount of the appellant's sales should be awarded as the amount of royalties which shall be presumed to be the amount of damage under Article 102, para.3 of the Patent Act, on the following grounds. "Article 102, para.1 provides for the method of calculating the amount of damages by applying the concept of lost profits which assumes how much profits the patentee may have earned if there were no act of working the invention that would constitute patent infringement, whereas Article 102, para.3 provides that the amount of royalties which the patentee would have been entitled to receive for the working of the patented invention that has actually been made by the infringer may be presumed to be the amount of damage sustained by the patentee. Therefore, these provisions apply different approaches for calculating the amount of damage. Furthermore, if it were construed that royalties were also claimable for the quantity that the patentee would have been unable to sell, this would allow the patentee to be compensated for damage beyond the extent of lost profits which the patentee is rightfully entitled to claim for damages by reason of infringement. It is difficult to find a justifiable reason to allow such compensation of damage beyond lost profits."

(5) Conclusion

The court upheld the appellee's claim to the extent to seek an injunction against the manufacturing and selling of Appellant's Products 3 and 4, destruction of these products, and payment of damages of 11,488,500 yen with delay damages thereon.

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2005 (Ne) 10047 Appeal case claiming injunction of infringement of patent right, etc.

Judgment rendered on September 25, 2006

Date of conclusion of oral argument: June 7, 2006

(Court of prior instance: Tokyo District Court, 2001 (Wa) 3485, judgment rendered on March 26, 2003)

Judgment

Appellant (Defendant): Family Co., Ltd.

Counsel attorney: MIYAMA Shunji

Patent attorney as an assistant in court: SUMIDA Yoshihiro, TAKAISHI Satoru, NISHITANI Toshio, FURUKAWA Yasuyuki

Appellee (Plaintiff): TOSHIBA TEC CORPORATION

Counsel attorney: Ooba Masashige, Ozaki Hideo

Main Text

1. The judgment in prior instance shall be modified as follows.

(1) The appellant shall not manufacture, sell or offer for sale the chair-type massagers listed in (3) and (4) of the list of articles attached to the judgment in prior instance.

(2) The appellant shall dispose of the chair-type massagers listed in (3) and (4) of the list of articles attached to the judgment in prior instance that are in its possession.

(3) The appellant shall pay to the appellee 11,488,500 yen with the money accrued on part of this amount, 2,930,400 yen, at the rate of 5% per annum for the period from March 6, 2001 until the completion of payment and the money accrued on part of the first-mentioned amount, 8,558,100 yen, at the rate of 5% per annum for the period from May 9, 2002 until the completion of payment.

(4) The appellee's other claims shall all be dismissed.

2. The court costs for both the first and second instances shall be divided by 300 and the appellant shall bear one three hundredth and the appellee shall bear the remaining amount.

3. This judgment may be provisionally executed only for 1.(3) above of the main text.

Facts and reasons

No. 1 Judicial decision sought by the parties

1. The appellant sought the following judgment: "(1) The decision made against the appellant in the judgment in prior instance shall be rescinded. (2) All of the appellee's claims shall be dismissed."

2. The appellee sought the following judgment: "The appeal in question shall be

dismissed." In addition, the appellee's claims in the first and second instances are as follows.

(1) The appellant shall not manufacture, sell or offer for sale the chair-type massagers listed in (1) through (4) of the list of articles attached to the judgment in prior instance.

(2) The appellant shall dispose of the chair-type massagers listed in (1) through (4) of the list of articles attached to the judgment in prior instance that are in its possession.

(3) The appellant shall pay to the appellee 3,656,697,000 yen with the money accrued on part of this amount, 1,902,574,000 yen, at the rate of 5% per annum for the period from March 6, 2001 until the completion of payment and the money accrued on part of the first-mentioned amount, 1,754,123,000 yen, at the rate of 5% per annum for the period from May 9, 2002 until the completion of payment.

No. 2 Outline of the case

In this judgment, as in the case of or according to the judgment in prior instance, the same abbreviations shall be used such as "Patent 1," "Invention 1," "Description 1," "Appellee's Product," "Appellant's Product," "Fujiiryoki," "Matsushita Denko."

1. This is a case in which the appellee alleged that the appellant's act of manufacturing and selling, etc the Appellant's Products 1 through 4 (the products listed in [items] (1) through (4) stated in the list of articles attached to the judgment in prior instance), which are chair-type massagers, infringes the Patent Rights 1 through 5 held by the appellee, and based on this allegation, the appellee claimed against the appellant [i] injunction of manufacture and sale, etc of the Appellant's Products, [ii] disposal of said Products, and [iii] payment of 3,656,697,000 yen and delay damages accrued thereon as compensation for damages, etc. (provided, however, that the claims for injunction of manufacture and sale, etc. of the Appellant's Product 3 based on Patent Right 2 and Appellant's Products 2 through 4 based on Patent Right 4 are excluded from the claims in the principal action).

2. The judgment in prior instance found that the Appellant's Product 1 falls within the technical scope of Inventions 1, 3, 4 and 5, the Appellant's Product 2 falls within the technical scope of Inventions 1, 3 and 5, the Appellant's Product 3 falls within the technical scope of Inventions 1 and 5, and the Appellant's Product 4 falls within the technical scope of Inventions 1 and 5 and that it was not obvious that there are reasons for invalidation of Patent Rights 1, 2, 3 and 5 (it has not been alleged that there are obvious reasons for invalidation of Patent Right 4). Furthermore, the judgment in prior instance took into consideration the fact that a design change has been made with respect to Appellant's Products 1 and 2 and their production has been terminated and

upheld the claims to the extent of [i] injunction of manufacture and sale, etc. of Appellant's Products 3 and 4 [ii] disposal of Appellant's Products 3 and 4, and [iii] payment of 1,547,443,172 yen and delay damages accrued thereon as compensation for damages, etc.

Dissatisfied with the judgment in prior instance, the appellant filed an appeal (although the following background mentioned below exists, the appellee has maintained the abovementioned same claims as those in the prior instance).

3. The background to and conclusion of the trial for invalidation and an action seeking rescission of the JPO decision concerning Patents 1 through 5 are as follows.

(1) Patent 1 (Patent No. 3012127)

On November 8, 2001, the appellant filed a request for a trial for patent invalidation with respect to Patent 1 (Invalidation Trial No. 2001-35499) and on July 31, 2002, the JPO rendered a trial decision to invalidate said Patent. In response to this, the appellee instituted an action seeking the rescission of such JPO decision with the Tokyo High Court (Case No. 2002 (Gyo-Ke) 427). However, on March 23, 2004, the court rendered a judgment to dismiss the appellee's claims (Exhibit Otsu No. 146) and a petition for acceptance of final appeal filed with respect to such judgment (No. 2004 (Gyo-Hi) 189) was not accepted (Exhibit Otsu No. 163).

Accordingly, the JPO decision invalidating Patent 1 became final and binding.

(2) Patent 2 (Patent No. 3014572)

On December 5, 2001, the appellant filed a request for a trial for patent invalidation with respect to Patent 2 (Invalidation Trial No. 2001-35530) and on July 31, 2002, the JPO, after allowing the correction, rendered a trial decision to dismiss the appellant's request for a trial. In response to this, the appellant instituted an action seeking rescission of such JPO decision with the Tokyo High Court (Case No. 2002 (Gyo-Ke) 459) and on March 23, 2004, the court rendered a judgment to rescind said JPO decision (Exhibit Otsu No. 147) and a petition for acceptance of final appeal filed with respect to such judgment (No. 2004 (Gyo-No) 63) was rejected (Exhibit Otsu No. 158). Following said judgment, on February 7, 2005, the JPO, after allowing the correction with respect to Patent 2, rendered a trial decision to invalidate said Patent (Exhibit Otsu No. 171) and this JPO decision became final and binding.

Accordingly, the JPO decision invalidating Patent 2 became final and binding.

(3) Patent 3 (Patent No. 3012774)

On December 4, 2001, the appellant filed a request for a trial for patent invalidation with respect to Patent 3 (Invalidation Trial No. 2001-35526) and on June 20, 2002, the JPO rendered a trial decision to invalidate said Patent. In response to this, the appellee

instituted an action seeking rescission of such JPO decision with the Tokyo High Court (No. 2002 (Gyo-Ke) 341). However, on March 23, 2004, the court rendered a judgment to dismiss the appellee's claims (Exhibit Otsu No. 148) and a petition for acceptance of final appeal filed with respect to such judgment (No. 2004 (Gyo-Hi) 182) was not accepted (Exhibit Otsu No. 164).

Accordingly, the JPO decision dismissing Patent 3 became final and binding.

(4) Patent 4 (Patent No. 3012780)

Patent 4 is related to Claim 3 of Patent No. 3012780. On November 16, 2001, the appellant filed a request for a trial for patent invalidation with respect to Claims 1 through 4 of Patent 4 (Invalidation Trial No. 2001-35508) and on July 31, 2002, the JPO, after allowing the correction, rendered a trial decision to invalidate the patent related to Claim 1 and to dismiss the request for a trial for patent invalidation with respect to the patents related to Claims 2 through 4.

The appellant instituted an action seeking rescission of part of the JPO decision that dismissed the request for a trial for patent invalidation with respect to the patents related to Claims 2 through 4 with the Tokyo High Court (Tokyo High Court No. 2002 (Gyo-Ke) 460). On March 23, 2004, the court rendered a judgment to rescind part of the JPO's decision that dismissed the request for a trial for patent invalidation with respect to the patents related to Claims 2 through 4 (Exhibit Otsu No. 149) and a petition for acceptance of final appeal filed with respect to such judgment by the appellee (No. 2004 (Gyo-Hi) 183) was not accepted (Exhibit Otsu No. 165). The appellee later filed a request for a trial for correction with respect to Claim 3 (Correction Trial No. 2004-39172). However, on April 26, 2005, the JPO rendered a trial decision to dismiss the request for a trial (Exhibit Otsu No. 172) and on August 2, 2005, it further rendered a trial decision to invalidate the patents related to Claims 2 through 4 (Exhibit Otsu No. 173) and these decisions became final and binding.

Accordingly, the JPO decision invalidating Patent 4 became final and binding.

(5) Patent 5 (Patent No. 3121727)

On December 11, 2001, the appellant filed a request for a trial for patent invalidation with respect to Patent 5 (Invalidation Trial No. 2001-35537) and on June 20, 2002, the JPO rendered a trial decision to dismiss the request for a trial (Exhibit Otsu No. 73). In response to this, the appellant instituted an action seeking rescission of such JPO decision with the Tokyo High Court (Case No. 2002 (Gyo-Ke) 386). However, on September 29, 2003, the court rendered a judgment to dismiss the appellant's claim (Exhibit Otsu No. 153).

On October 15, 2002, the appellant filed a request for a trial for patent invalidation

for the second time (Invalidation Trial 2002-35436) (Exhibit Otsu No. 96) and on April 2, 2003, the JPO rendered a trial decision to dismiss the request for a trial (Exhibit Ko No. 56).

On May 11, 2004, while the principal action was pending in this court, the appellant further filed a request for a trial for patent invalidation for the third time (Invalidation Trial No. 2004-80055) (Exhibit Otsu No. 156). However, on September 28, 2004, the JPO rendered a trial decision to dismiss the request for a trial (Exhibit Otsu No. 166). In response to this, the appellant instituted an action seeking rescission of such JPO decision with the Tokyo High Court (Intellectual Property High Court Case No. 2005 (Gyo-Ke) 10339) (Exhibit Otsu No. 167), and this case was pending in this court. On December 1, 2005, this court rendered a judgment to dismiss the appellant's claims (Exhibit Ko No. 60), and a petition for acceptance of final appeal filed with respect to such judgment (No. 2006 (Gyo-Hi) 53) was not accepted (Exhibit Ko No. 61).

(6) Summary

As described above, as the JPO decisions invalidating Patents 1 through 4 out of Patents 1 through 5 have become final and binding, patent rights deriving from such patents shall be deemed to have never existed in the first place. Therefore, infringement of Patent 5 shall be the sole issue in this instance.

4. The following assumed facts are undisputed between the parties in the principal action.

(1) Constituent features of Invention 5 (Exhibit Ko No. 23)

A1 a seat portion in which seat bags that inflate and deflate in association with the supply and discharge of compressed air and that elevate the user when they have inflated are arranged at predetermined positions;

A2 a chair body having the abovementioned seat portion and a back portion which is provided at the rear end of the seat portion at a predetermined inclination angle;

A3 a leg rest portion which is provided at the front side of the seat portion and in which leg bags that inflate and deflate in association with the supply and discharge of compressed air and hold the user's legs from both sides when they have inflated are arranged at predetermined positions;

A4 a compressed air supply means to supply compressed air;

A5 a distribution means to distribute and supply to the abovementioned bags compressed air supplied by the compressed air supply means via supply and discharge tubes;

A6 an input means to input a plurality of operational modes which includes an operational mode that performs supply and discharge of compressed air to the leg bags

in synchronization with the supply and discharge operation of compressed air to the seat bags;

A7 a control means to control the compressed air supply means and distribution means in order to perform supply and discharge of compressed air to the bags in accordance with the operational mode input as the desired operational mode from among the operational modes by the abovementioned input means

B the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs in an operational mode that performs supply and discharge of compressed air to the leg bags in synchronization with the supply and discharge operation of compressed air to the seat bags;

C a chair-type air massager comprised of the features mentioned in A1 through A7 above and characterized by the structure mentioned in B above.

(2) The appellant's acts

The appellant manufactured and sold the Appellant's Products. Appellant's Products 3 and 4 were made by changing the design of the leg rest portion of the Appellant's Products 1 and 2, respectively, and were manufactured and sold by the appellant after the principal action was filed.

(3) Comparison between Invention 5 and the Appellant's Products

Appellant's Products 1 and 2 fulfill constituent features A2 through A7 and C of Invention 5. Appellant's Products 3 and 4 fulfill constituent features A2, A4 through A7 and C of said Invention (therefore, fulfillment of constituent features A1 and B and constituent features A1, A3 and B of said Invention would be at issue with respect to Appellant's Products 1 and 2 and Appellant's Products 3 and 4, respectively).

No. 3 Points of the allegations of the parties

As described above, since the JPO decisions invalidating Patents 1 through 4 have become final and binding, infringement of Invention 5 would be the sole issue in this instance. Thus, the major issues in this case would be [i] whether or not the Appellant's Products fulfill the constituent features of Patent 5, [ii] whether or not infringement under the doctrine of equivalents can be found (preliminary allegation), [iii] validity of Patent 5 and [iv] the amount of damage (the allegations of the parties with respect to the validity of Patent 5 are as stated in subsection "3. Regarding the validity of Patent 5" under the section "No. 4 Court decision" stated below).

1. Whether or not the Appellant's Products fulfill the constituent features of Invention 5

Except for the parts added and supplemented below, the allegations of the parties in

this respect are the same as those presented in the judgment in prior instance, i.e. the statements presented in "(1) Structure of the Appellant's Products" in subsection "2. Issues and allegations of the parties" under the section titled "No. 2 Outline of the case," and in "E. Regarding Invention 5" in "(2) Comparison between the Inventions and Appellant's Products" under the abovementioned subsection in the judgment in prior instance. Therefore, the corresponding parts of the judgment in prior instance may be cited.

(1) Fulfillment of constituent features A1 and B

A. Meaning of the term "elevating" (constituent features A1 and B)

(Allegations of the appellee)

The judgment in prior instance held that the phrase "inflate in a manner elevating" used in Claim 1 of Invention 5 means a suppress strength which raises the user's buttocks and thighs and enables the muscles in those portions to stretch. This holding is justifiable.

Invention 5 is structured by the combination of airbags that press the user's buttocks and thighs (seat bags) and airbags that sandwich the user's legs (leg bags) and produces the working effect to stretch (extend) the user's thighs by controlling the timing of inflation of bags and having the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs.

The term "stretch" is not stated in the scope of claims and is only used to describe the working effect of Invention 5 in the detailed explanation of the invention in Description 5 (Exhibit Ko No. 23). The appellant alleges that this term "stretch" has the same meaning as that of "stretch" used in stretching exercise performed on the floor and that interpreting such term as meaning to lift up the user's buttocks and thighs is insufficient. However, since Invention 5 is an invention of a chair-type air massager, the seat bags are designed to inflate against the weight of the seated user and thus, it is obvious from a common sense standpoint that they do not lift upwards the user's body itself.

Accordingly, all of the Appellant's Products fulfill the structure of "elevating" prescribed in constituent features A1 and B.

(Allegations of the appellant)

The finding made in the judgment in prior instance with respect to the meaning of the term "elevating" prescribed in constituent features A1 and B is erroneous.

In light of the publicly known art at the time when an application for Invention 5 was filed, Invention 5 was found to be patentable because of its special remarkable effect of simultaneously stretching and massaging the muscles of the user's buttocks and

thighs. As long as the term "stretch" is not defined in Description 5, it should be recognized as literally meaning to extend and stretch the muscles to the extent that the user can feel tension or strain in the muscles. Lifting up the user's buttocks and thighs as interpreted in the judgment in prior instance does not realize the effect meant by the term "elevating."

Although it is a fact that the Appellant's Products are equipped with seat bags that inflate, the suppress strength applied to the muscles of the user's buttocks and thighs differs little between the two cases: [i] where the seat bags are inflated after the leg bags provided in the leg rest are inflated; and [ii] where only the seat bags are inflated without inflating the leg bags provided in the leg rest.

Therefore, all of the Appellant's Products do not fulfill the structure of "elevating" as prescribed in constituent features A1 and B.

B. Fulfillment of the condition of "in a state where the leg bags have inflated and are holding the user's legs" (constituent feature B)

(Allegation of the appellee)

The Appellant's Products fulfill the condition of "in a state where the leg bags have inflated and are holding the user's legs" (constituent feature B). The appellant alleges that, in the Appellant's Products, if the airbags provided in the seat portion inflate after the airbags provided in the leg rest have started to inflate, the air in the airbags provided in the leg rest backflow to the airbags provided in the seat portion. However, even if such situation occurs, the pressure in the airbags provided in the leg rest of the Appellant's Products would only decrease temporarily, and after that the pressure levels in the airbags provided in the leg rest and in the airbags provided in the seat portion would both increase. Therefore, the fact remains that the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs.

(Allegations of the appellant)

In the written opinion prepared by attorney at law C (Exhibit Otsu No. 133), it is pointed out that, in the Appellant's Products, a valve which controls the supply and discharge of air into the airbags provided in the seat portion and a valve which controls the supply and discharge of air into the airbags provided in the leg rest are provided in the same air chamber, and if the airbags provided in the seat portion start to inflate after the airbags in the leg rest have started to inflate, the air in the airbags provided in the leg rest backflow to the airbags provided in the seat portion at the time when the airbags provided in the seat portion have started to inflate. Therefore, it cannot be found that, in any of the Appellant's Products, the seat bags inflate in a manner elevating the user in a

state where the user's legs are held and thus, the Appellant's Products do not fulfill the structure of "in a state where the leg bags have inflated and are holding the user's legs" as prescribed in constituent feature B.

(2) Fulfillment of constituent feature A3

(Allegations of the appellee)

The judgment in prior instance found that the feature of "a leg rest portion [...] in which leg bags that [...] hold the [...] legs from both sides [...] are arranged at predetermined positions" of Invention 5 would not be limited to a structure wherein leg bags would be arranged on both sides of the user's right and left legs, respectively, and determined that Appellant's Products 3 and 4 fall within the technical scope of Invention 5. These finding and determination are justifiable.

Constituent feature A3 prescribes the structure of "a leg rest portion [...] in which leg bags that [...] hold the user's legs from both sides [...] are arranged at predetermined positions" and this is not limited to the feature of "leg bags that hold the user's right and left legs from both sides, respectively."

The characteristic function of the leg bags in Invention 5 can be found in their function to hold and fix the user's legs when the bags have inflated. In light of the object and functions of these bags in Invention 5, the feature of "a leg rest portion [...] in which leg bags that [...] hold the user's legs from both sides when they have inflated are arranged at predetermined positions" should be construed as including the case where both the user's legs are held from both sides as a set by arranging an intermediate wall or urethane chips provided in said wall to lie between the legs.

Therefore, the Appellant's Products 3 and 4 fulfill constituent feature A3.

(Allegations of the appellant)

The construction made in the judgment in prior instance with respect to the phrase "holding the user's legs from both sides" as prescribed in constituent feature A3 is erroneous.

Since Invention 5 elevates the user in a state of being deprived of freedom of movement and confined with his/her legs being held, the phrase "holding the user's legs from both sides" is stated in the scope of claims. Moreover, the working example stated in Description 5 discloses solely the leg bags that hold each of the user's right and left legs from both sides. In light of such statement, Invention 5 requires the leg bags to be arranged on both sides of the user's right and left legs and thus, it is natural and reasonable to construe that the Appellant's Products 3 and 4 in which an intermediate wall or urethane chips provided in said wall is arranged to lie between the user's both legs do not fall within the technical scope of Invention 5.

2. Whether or not infringement under the doctrine of equivalents can be found

In this instance, the appellee alleged that even if the feature of "a leg rest portion [...] in which leg bags that [...] hold the user's leg portion from both sides [...] are arranged at predetermined positions" of Invention 5 means a structure of arranging leg bags on both sides of the user's right and left legs, Appellant's Products 3 and 4 fall within the technical scope of Invention 5 for having a structure equivalent to that of Invention 5. In this regard, the allegations of the parties are as follows.

(1) Essential part (First requirement)

(Allegations of the appellee)

Due to the filing of the principal action, Appellant's Products 3 and 4 were manufactured and sold anew by the appellant by changing the designs of Appellant's Products 1 and 2 which the appellant had manufactured and sold until that point. While airbags were arranged in both of the sidewalls of the leg rest portion in Appellant's Products 1 and 2, such airbags were interchanged with chip urethane or urethane foam in one of the sidewalls in Appellant's Product 3 and by chip urethane and low repulsion urethane in one of the sidewalls in Appellant's Product 4.

The abovementioned structure of Appellant's Products 3 and 4 with respect to which the appellant interchanged parts is not an essential part of Invention 5.

The characteristic features of Invention 5 can be found in [i] the structure of "a leg rest portion which is provided at the front side of the seat portion and in which leg bags that inflate and deflate in association with the supply and discharge of compressed air and that hold the user's legs from both sides when they have inflated are arranged at predetermined positions" as prescribed in constituent feature A3, [ii] overall structure as a commercially available chair-type air massager that comprises the constituent features of Invention 5, and [iii] the structure of the timing of inflation of the leg bags and seat bags as prescribed in constituent feature B.

The act of holding and kneading the user's legs from both sides by bags is a means to solve the problem that never existed in publicly-known art, i.e. mechanization of massaging of calves, and is characterized by holding the user's legs by bags arranged in the leg rest portion to solve such problem.

Appellant's Products 3 and 4 are products in which the airbags are, in one of the sidewalls of the leg rest portion, interchanged with chip urethane, etc. provided in the sidewall and that hold the legs from both sides by the suppress strength produced by the inflation of airbags and the reaction force from the sidewall produced by such suppress strength. The chip urethane, etc. provided in the sidewall performs the same massage action as bags and the difference in using bags or chip urethane, etc. is

irrelevant to the essential part of constituent feature A3 of Invention 5.

(Allegations of the appellant)

The abovementioned structure with respect to which the appellant interchanged parts is an essential part of Invention 5.

The essential part of Invention 5 lies in the point where airbags are arranged on each of the mutually opposed side surfaces of the concave receiving portion of the leg rest portion. At the time when the application was filed with respect to Patent 5, a structure wherein an intermediate wall is provided in the leg receiving portion was publicly known and thus, the essential element of Invention 5 can be found in the adoption of a structure wherein the user's legs are respectively held by bags from both sides. The appellee has also emphasized the structure of holding the user's legs from both sides as the difference with the cited publication in the written opinion submitted in response to the notice of reasons of refusal for Patent 5 (Exhibit Otsu No. 28), and therefore, it is obvious that the appellee regarded such point as the characteristic point of Invention 5.

As such, the structures of Invention 5 and Appellant's Products 3 and 4 are different in terms of the essential part of Invention 5.

(2) Interchangeability (Second requirement)

(Allegation of the appellee)

Appellant's Products 3 and 4 are products in which the airbags provided in Appellant's Products 1 and 2 are interchanged with chip urethane, etc. in one of the sidewalls of the leg rest portion. By this interchange, a massage action of holding and kneading in a manner wrapping around the user's legs (calves) is performed just in the same manner as in Appellant's Products 1 and 2, which work Invention 5. Even if the airbags are interchanged with chip urethane, etc. in one of the sidewalls of the leg rest portion, it substantially produces the same movement as the airbags that press the user's legs from both sides, and thus, the chip urethane, etc. provided on the surface facing the airbags produces suppress strength on the user's legs against the suppress strength produced by the airbags provided in one of the sidewalls and a massage effect is produced by holding and kneading the user's legs from both sides. In fact, general users, who have their legs massaged by using Appellant's Products 3 and 4, are unable to differentiate which side the airbag is used and which side urethane is used.

Therefore, even if the leg bags are interchanged with chip urethane, etc. in one of the sidewalls of the leg rest portion, Appellant's Products 3 and 4 achieve the same object as the chair-type massager of Invention 5 and produce the same working effect.

(Allegation of the appellant)

Appellant's Products 3 and 4 do not achieve the same object as the chair-type massager of Invention 5 nor do they produce the same working effect.

The airbags of Invention 5 are pressing members that actively press the human body while the chip urethane, etc. used in Appellant's Products 3 and 4 is only a buffer used passively, and thus, there is a huge difference between them including their working. For example, in Appellant's Product 4, while the thickness of urethane affixed to the sidewall of the leg rest is about 25mm, the thickness of airbags that have inflated almost reaches 130mm (Exhibits Otsu No. 135 through No. 137). On the side of the chip urethane, etc., there is no pressing or releasing action by the supply and discharge of air, and instead, the chip urethane functions to receive the pressing and releasing actions of the airbags mutually opposed thereto and to reduce the pressing force the user receives in the legs from the bags. There is an obvious difference between the pressing force of the buffer as a reaction force of the pressing force produced by the inflation of airbags and the pressing force produced by the inflation of airbags, and thus the chip urethane, etc. used in Appellant's Products 3 and 4 does not perform a function beyond that of the buffers which have been generally used in the past.

Therefore, no interchangeability can be found between the chip urethane, etc. used in Applicant's Products 3 and 4 and airbags.

(3) Ease of interchangeability (Third requirement)

(Allegation of the appellee)

There is no difficulty in adopting chip urethane, etc. to relieve direct contact of the user's legs with the sidewall of the leg rest in a chair-type massager, and it is easy to adopt chip urethane, etc. in place of bags as a means to hold the user's legs from both sides in the massager of Invention 5. The appellant emphasizes that it has obtained a patent right for the structure of a massager in which one of the sidewalls of the leg rest portion is interchanged with urethane, which is a buffer. However, the determination of whether or not an invention could have been easily conceived of by a person ordinarily skilled in the art and that regarding the ease of interchangeability of equivalents with respect to the requirements of patentability of an invention are different with completely different content.

(Allegation of the appellant)

As described above, there is a huge difference between airbags and urethane, including their workings, and thus they cannot easily be interchanged with each other. The appellant has, by referring to Invention 1 as prior art, obtained a patent right for the structure of a massager in which one of the sidewalls of the leg rest portion is

interchanged with urethane, which is a buffer, as an invention having novelty and inventive steps (Exhibits Otsu No. 97 through No. 103 and No. 117). Based on this, it is also obvious that the interchange cannot be easily implemented.

(4) Whether or not the Appellant's Products could have been easily arrived at by a person ordinarily skilled in the art (Fourth requirement)

(Allegation of the appellee)

Since Invention 5 could not have been easily conceived of by a person ordinarily skilled in the art based on publicly known arts at the time of filing an application thereof, it should also be denied that Appellant's Products 3 and 4 in which only one of the sidewalls of the leg rest portion is interchanged with urethane, which is a buffer, could have been easily arrived at by a person ordinarily skilled in the art.

(Allegation of the appellant)

If interchangeability and ease of interchangeability are found, Appellant's Products 3 and 4 could have been easily arrived at by a person ordinarily skilled in the art based on the publicly-known art at that time.

(5) Intentional exclusion (Fifth requirement)

(Allegation of the appellee)

The appellant alleges that the applicant of Patent 5 filed an application by intentionally excluding the structure of holding both of the user's legs as a whole from both sides. However, a publicly known art to massage the user's legs (calves) by holding and kneading them by arranging bags on the concave leg rest portions never existed at the time when the application was filed with respect to Patent 5. Therefore, constituent feature A3 of Invention 5 is a novel and characteristic structure and could not have been easily conceived of by a person ordinarily skilled in the art. Moreover, there is no fact showing that the appellee intentionally excluded the abovementioned structures of Appellant's Products 3 and 4 in the procedure for filing the application for Patent 5.

(Allegation of the appellant)

At the time when the application was filed for Invention 5, it was a publicly-known art [i] to provide an intermediate wall in the leg rest portion, [ii] to perform massage by bags, and [iii] to adopt chip urethane, etc. as a member to cushion contact between the user's body parts and machines or equipment in devices not limited to massage chairs. The appellee filed an application for Patent 5 on the basis of such publicly known arts. As such, the appellee could have incorporated into its product's structure the structure of holding the user's legs as a whole from both sides by bags. Nevertheless, the appellee, instead of selecting the structure wherein one of the sidewalls is not

comprised of bags, selected solely the structure wherein bags are arranged on both sides. Therefore, the structure wherein only one side of the leg portion is comprised of bags can, regardless of the type of material thereof, be recognized as being intentionally excluded from Invention 5.

3. Amount of damage

3-1 Claim based on Article 102, paragraph (1) of the Patent Act

(1) Unit sales of the Appellant's Products

(Allegation of the appellee)

The sales volume of the Appellant's Products during the period from October 20, 2000, when Patent 5 was registered, until March 2002 is 74,824 units in total.

(Allegation of the appellant)

The sales volume of the Appellant's Products during the period from October 20, 2000, when Patent 5 was registered, until March 2002 is 68,979 units in total, the breakdown of which is 1,876 units for Appellant's Product 1 (330 units for FHC-306 and 1,546 units for FHC-316), 21,771 units for Appellant's Product 2 (18,177 units for FMC-100 and 3,594 units for FMC-200), 3,384 units of Appellant's Products 3 (FHC-317) and 41,948 units for Appellant's Product 4 (24,178 units for FMC-100N, 2,816 units for FMC-200N, and 14,954 units for FMC-300) (Exhibit Otsu No. 74).

(2) Amount of profit per unit of the Appellant's Products

(Allegation of the appellee)

As found in the judgment in prior instance, the amount of profit per unit of the Appellant's Products is 16, 650 yen.

(Allegation of the appellant)

The appellee's allegation shall be denied. At the very least, the direct labor cost and production equipment cost should deductible as expenses when calculating the amount of profit from the basic figures used for such calculation.

(3) The appellee's capability to work the articles

(Allegation of the appellee)

The appellee sold 105,129 units of the appellee's product in FY1997 (Exhibit Ko No. 36) and if there was a demand equivalent to the sales volume of the Appellant's Products in FY2000 and FY2001, the appellee had sufficient capability to respond to such demand.

(Allegation of the appellant)

It is a fact admitted by the appellee itself that the appellee's products were sold to Toshiba Corporation ("Toshiba"), i.e., the appellee's parent company, in whole, and Toshiba sold them to Fujiiryoki, which performed sales activity. Therefore, the

appellee itself does not have the capability to work Invention 5.

(4) Articles which would have been sold by the right holder if there had been no act of infringement

(Allegation of the appellee)

The appellant's allegation that Invention 5 is not worked in the appellee's products shall be denied.

(Allegation of the appellant)

The seat airbags used in the appellee's products start to inflate in a state where the leg airbags have not started to inflate or simultaneously with the leg airbags; the seat airbags never start to inflate after the leg airbags have inflated (Exhibit Otsu No. 76). Therefore, the appellee's products do not perform the structure of "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs" as prescribed in constituent feature B and thus Patent Right 5 is not worked in such products. Since the appellee has not worked Invention 5, Article 102, paragraph (1) of the Patent Act is not applicable. However, the judgment in prior instance has failed to make any determination in this regard.

(5) Circumstances that fall under the proviso to Article 102, paragraph (1) of the Patent Act

(Allegation of the appellee)

A. Home massage chairs that massage the user's back, shoulder and neck, etc. by mechanical kneading balls came to market in the late 1980s via Matsushita Denko and despite their price exceeding 200,000 yen, they sold very well. Thus, home massage chairs were receiving attention as promising goods.

The appellee sought market entry by a product having a function which was never found in past massage chairs, i.e. to massage the user's calves. Since massage chairs were goods belonging to a field which was completely new for the appellee, it entrusted the entire sales of massage chairs to Fujiiryoki. Yet, the appellee's products in which massage of the leg, seat and back portions is all performed by airbags (Exhibit Ko No. 37) were highly regarded by consumers and in 1997, they recorded extremely high sales figures for such products, i.e. more than 100,000 units a year.

B. Meanwhile, the appellant used to manufacture and sell mechanical massage chairs and launched Appellant's Product 1 in January 1999. This product was designed to massage the user's back by a mechanical kneading ball and the seat and leg portions (calves) by airbags. The product named "i. 1" which the appellant subsequently launched in April 2000 (Appellant's Product 2) sold very well and immediately gained the top market share. While the appellant's sales volume was about 7,000,000,000 yen

a year until FY1998, after the abovementioned two products were launched, it showed a rapid increase and reached more than 16,000,000,000 yen in FY2002 and FY2003 (this figure shows the sales volume of the entire company and the abovementioned massage chairs account for not less than 90% of the appellant's goods).

Due to the launch of Appellant's Products 1 and 2 that infringe Patent Right 5, the sales of the appellee's products saw a sharp decline. Although the appellant's products could be considered to have sold well because of the fact that the feature of using airbags to massage the calves and using kneading balls to massage the back was appreciated by consumers, the appellee did not manufacture products using kneading balls in the back portion in consideration of a patent of other companies. As a result, the appellant who developed goods in disregard of the appellee's patent gained an advantageous position in the market.

C. Matsushita Denko, alarmed by the appellant's expansion of market share, started to sell, on a full-scale, products that massage the calves by airbags in addition to the traditional products that massage the back by kneading balls from August 1999 (Exhibits Otsu No. 61 through No. 63). At the same time, Fujiiryoki which had been engaged in the sales of the appellee's products, started to independently manufacture and sell its own products that massage the back by kneading balls and the calves by airbags from around 2000 (Exhibit Otsu No. 67). Due to these movements, the sales of the appellee's products further declined significantly and in 2002, the appellee's business of massage chairs was no longer viable.

Among the products of third parties listed by the appellant, "KIHINSEKI (MFD-2)" sold by FRANCEBED (Exhibit Otsu No. 64) and "i-seat" sold by TSUKAMOTO AIM CO. LTD. (Exhibits Otsu No. 65), have a leg rest for massaging the legs, but this leg massage is performed not by airbags but by an electrical vibrator. Moreover, the massage chair named "Kazoku no Isu (family chair)" sold by SANYO Electric Co. Ltd. (Exhibit Otsu No. 66) performs massage by an automatic mechanism named "Waido Yotsu Dama (wide four balls)" instead of using airbags. Furthermore, the foot massager (Exhibit Otsu No. 68) and legless chair type device named "Rakuisuza" (Exhibit Otsu No. 62) sold by OMRON Corporation are different from the appellee's products and appellant's products in terms of the price range and performance and thus, cannot be a replacement of the appellant's products for consumers.

D. As described above, at the time when Patent 5 was established, it is a fact that competitors appeared and the causal relationships between the appellant's act of infringement and the decline in the sales of the appellee's products were no longer

simple. Just as the appellant's sales volume significantly increased during the period from FY2000 to FY2002, Matsushita Denko and Fujiiryoki experienced a dramatic increase in the sales of their products. The appellee is not alleging that the amount of damage should be calculated by deeming that the sharp decline in the sales of the appellee's products after 2000 is, in whole, due to the appellant's act of selling infringing products and has no objection to applying the proviso to Article 102, paragraph (1) of the Patent Act with respect to the existence of competing products.

Nevertheless, it is true that the appellee's products, which had a good sales record in the past, were hard hit by the market entry of the appellant's products which are comprised of a leg massage function using airbags. The judgment in prior instance found that the appellant's products sold 96,054 units in total during the period of about two years and four months starting from December 10, 1999 until March 31, 2002. If the sales volume of the appellee's products were the same as those prior to the appellant's market entry, the sales volume of the appellee's products during said period of two years and four months would have been not less than 200,000 units. However, in reality, the sales volume of the appellee's products during said period of two years and four months as mentioned above was about 50,000 units. In other words, the decrease in the sales volume of the appellee's products was about 150,000 units, which is a far greater number than the sales volume of the appellant's products. Thus, it is not unreasonable to deem that if there was no act of infringement by the appellant, the appellee could have sold 74,824 units more than the actual sales volume during the period of two years and four months mentioned above. In a case like this where damage due to lost profits has occurred in an easily discernable manner, a reasonable amount of damage should be calculated according to the actual situations of the case. Even if the proviso to Article 102, paragraph (1) of the Patent Act is applied by taking into consideration the existence of competing products, the proportion which the appellee would be deemed to have been unable to sell would be, at a maximum, two thirds of the quantity assigned by the appellant and for such proportion, 5% of the selling price should be applied as an amount equivalent to a license fee.

E. The appellant emphasizes the factors such as its marketing efforts and unique designs, etc. However, as mentioned above, if the appellant's sales volume for the period of two years and four months is 96,054 units, such figure is far too low considering the appellee's past sales record and thus, the appellant's marketing efforts, etc. is not as significant a consideration as the circumstances under the proviso to Article 102, paragraph (1) of the Patent Act.

(Allegation of the appellant)

A. The judgment in prior instance found and determined with respect to the proviso to Article 102, paragraph (1) of the Patent Act that "taking into consideration in a comprehensive manner the appellee's business scale and past sales record, etc., the circumstances that fall under the proviso to Article 102, paragraph (1) of the Patent Act cannot be found to exist in this case."

However, the fact that the appellant's products have unique characteristics which cannot be found in other companies' products and the unique marketing efforts made by the appellant itself are circumstances that can exist irrelevant to or concurrently with the appellee's business scale and past sales record. The gist of legislation of the proviso to Article 102, paragraph (1) of the Patent Act is that the "circumstances [...] under which the patentee or exclusive licensee would have been unable to sell" includes the "infringer's marketing efforts and the existence of substituting goods in the market" (Legislative Affairs Office for the Revision of the Industrial Property System of the General Coordination Division of the Policy Planning and Coordination Department of the JPO, ed. "Heisei 10 Nen Kaisei Kougyou Shoyuiken Ho No Kaisetsu (Explanation of Industrial Property Laws revised in 1998)" (Japan Institute for Promoting Invention and Innovation, 1996), p. 19).

B. In this case, the following circumstances are found: [i] popular competitive and substitutable products of the same kind as the appellee's products exist in the market, [ii] the appellant is a long-term company as a manufacturer of chair-type massagers and its marketing efforts have contributed to its sales, and [iii] the selling point of the appellant's products clearly lies in factors other than Invention 5. These circumstances should be taken in to consideration as the "circumstances [...] under which the patentee or exclusive licensee would have been unable to sell" as prescribed in the proviso to Article 102, paragraph (1) of the Patent Act.

(A) The appellee alleges that its unit sales saw a sharp decline around FY1998 to FY2000. However, the greatest causes for the decline in the market share of the appellee's products are that Fujiiryoki, on whom the appellee was dependent on the sales of the appellee's products, started to step up efforts to sell its own products and that the appellee's products became obsolete.

More specifically, because the appellee did not have its own sales network and was completely dependent on Fujiiryoki for the sales of the appellee's products, it was inevitable for the sales of the appellee's products to be affected by the expansion of sales of the Fujiiryoki's own products. Fujiiryoki sold five models as its own products while selling the appellee's products and further launched the product named "Air Solution" (Exhibits Otsu No. 67-2 and No. 67-3) in April 2000, which is the time when

the appellee alleges its sales volume saw a drastic decrease, and "CYBER-Relax" in August 2001 (Exhibit Otsu No. 67-5). These products are chair-type massagers that perform massage using airbags and have structures almost identical to that of the appellee's products in that airbags are arranged on both of the sidewalls of the leg receiving portions, respectively.

Moreover, Matsushita Denko, which boasts the top share market in the field of chair-type massagers, also launched their products named "Momi & Air" and "Momimomi Riaru Puro" around the same time. These products are chair-type massagers that perform massage using airbags and have structures almost identical to that of the appellee's products such that airbags are arranged on both of the sidewalls of the leg receiving portions, respectively.

Even if the abovementioned products of Fujiiryoki and Matsushita Denko infringed Patent Right 5, they would not be prevented from being taken into consideration in applying the proviso to Article 102, paragraph (1) of the Patent Act and if they actually infringed the patent right in question, it is rather obvious that they are competitive products. Infringing products for which the patentee has no intention to exercise its rights are no different from substituting products that are not infringing products in terms of the fact that the patentee is unable to take advantage of a market opportunity. Therefore, there are no reasons to exclude such products from those to be taken into consideration in applying the proviso to Article 102, paragraph (1) of the Patent Act.

(B) On the other hand, the increase in the sales of the appellant's products owes much to their unique designs and superb function and the appellant's marketing efforts and brand image.

Generally speaking, the key factors determining sales of massage products are their functions, designs and prices, and the product itself consists by collectively using a plurality of industrial property rights in the first place. The sales of the appellant's products increased because their designs were positively received amidst a situation where a number of competitive products and substituting products were marketed and further, their designs have been registered (Exhibits Otsu No. 70-50 and No. 91).

Moreover, the selling point of the appellant's products is their function to automatically search the point for medical treatment (pressure point) by a sensor. This function to automatically adjust the working range of the kneading ball was highly appreciated and covered in newspapers and magazines and was also accepted by consumers (Exhibits Otsu No. 58, No. 59 and No. 61). This kind of sensor function cannot be found in the appellee's products.

Furthermore, the appellant is a pure manufacturer of massage machines and has the

longest history. Its brand image together with the effective advertisement of the abovementioned characteristics of the goods to consumers (Exhibit Otsu No. 60) greatly contributed to the sales.

(6) Degree of contribution

(Allegation of the appellee)

A. Invention 5 contributes to the products' value not only by the working effect of constituent feature B but also by the calf massage effect and overall structure of the chair-type air massager. Thus, even if Patents 1 and 3 are invalidated, the value of Patent 5 should be evaluated without being limited to constituent feature B.

Inventions 1 and 3 are related to the basic structure of air massagers. In relation to Inventions 1 and 3, Invention 5 can be said to be a partially improved invention characterized by the timing of inflation of the leg bags and seat bags. Yet, since Description 5 discloses a content equivalent to Inventions 1 and 3 that have the basic structure of chair-type air massagers, the status of Patent 5 would naturally change in association with the invalidation of Patents 1 through 4.

With respect to publicly-known arts, Invention 5 has three characteristics. First, constituent feature A3 is a novel structure in which leg bags that hold the user's legs from both sides are arranged in the leg rest portion and such leg rest portion is provided at the front side of the seat portion. This structure realizes an effective massage action for the calves. Secondly, Invention 5 is a chair-type massager comprised of a seat portion, chair body, leg rest portion, compressed air supply means, distribution means, input means and control means and has a specific structure which can be commercialized in line with actual products. Normally, the contribution rate for calculating the amount of damage due to patent infringement becomes an issue in the case where the patent invention covers parts of a device. However, Invention 5 discloses a specific structure covering the entire chair-type massager and thus, does not fall under such case. Thirdly, with the novel structure prescribed in constituent feature B, a stretch effect can be obtained.

These structures of Invention 5 are factors that serve as an especially important motivation for consumers in purchasing the appellee's products and have greatly contributed to the improvement of sales of the products.

B. Even if the value of Invention 5 is evaluated by relying on constituent feature B, the degree of contribution of constituent feature B is huge.

In the appellee's products, as it has been explained in their brochure (for example, Exhibit Ko. No. 37-1), the following two switches are equipped to perform an operational mode: [i] a course selection switch (whole body course, upper body course

and lower body course); and [ii] a multi-point selection switch by which the user can select multiple airbags from among those provided in seven points, neck and shoulder, back, spine, waist, buttocks, thighs and legs. When the user pushes the "legs simultaneous switch" after selecting the course or point including "thighs" by either of the abovementioned switches, the product performs the operation that falls under constituent feature B of Invention 5.

The appellant alleges that no stretch effect is produced in the "leg rest portion used state" (horizontal state). When the leg rest portion is in a stored (vertical) state, the user's knees would be flexed and the user would indeed be able to feel a stronger stretch effect. Yet, even if the leg rest portion is in a horizontal state, the user's legs are fixed due to the inflation of leg bags and the legs (knees) would be prevented from moving upward when the seat bags inflate, and therefore, the stretch effect of Invention 5 would be produced.

C. In the appellee's products, the button of "legs simultaneous" for massaging the legs and the button for selecting the course including thigh massage or the point "thighs" are pushed simultaneously with a probability of about 56% according to the computation made by the appellee. Moreover, in view of the fact that the leg massage performed using constituent feature A3 serves as an important purchasing motivation for consumers, even if taking into consideration the fact that the appellee's products can be used without pushing the "legs simultaneous switch," the contribution rate of Invention 5 to the appellee's products is at least 50%.

As a matter of fact, the amount, 8,325 yen, which is obtained by multiplying the amount of profit per unit of the appellee's products (16,650 yen) by a contribution rate of 50% as decided in the judgment in prior instance is not so high in comparison to the possible amount of license fees.

(Allegation of the appellant)

A. The judgment in prior instance, after admitting that Inventions 1 through 5 were infringed, only made a deduction of 5% as the degree of contribution. However, since the damage related to Invention 5 alone is at issue in this instance, a significant deduction should be made from the amount of damage awarded in the judgment in prior instance.

B. The appellant alleges that, in deciding the degree of contribution of Invention 5 to the product value, not only the working effect of constituent feature B but also the calf massage effect and the overall structure of the chair-type massager should be taken into consideration. Yet, none of constituent features A1 through A7 of Invention 5 is novel and the contribution of the invention should be taken into consideration by

limiting the determination on the point that a new usage was found.

C. The stretch effect of Invention 5 is not mentioned in the brochure of the appellee's products at all. The brochures of the products named "Roiyaru Chea," "Jiyu Seki" and "Ea Rirakkusu" that are among the appellee's products (Exhibits Ko No. 37) have not mentioned the structure of "seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs." There is indeed a statement on the "legs simultaneous switch" which has the leg airbags inflate simultaneously with the airbags for the neck, shoulder, back, spine, waist, buttocks and thighs. Nevertheless, the simultaneous inflation of the thigh bag and leg bags does not serve as a motivation for purchasing goods.

Moreover, the abovementioned brochures of the appellee's products have described that the state where the leg rest portion is projected in horizontal alignment with the seat portion (the state showed in Figure 2 contained in the patent gazette of Patent 5) is the "used state" and the state where the leg rest portion is vertically lowered (Figure 1 in the abovementioned patent gazette) is the "stored state." According to this description, in the actual use of the goods, the appellee's products are expected to be used in a state where the leg rest portion is projected. Nevertheless, in such a state, a stretch effect is not produced.

In the appellee's products, only when a specific operational mode is selected from among a variety of operational modes installed will the order of start of inflation of the leg airbags and seat airbags happen to coincide for a limited time during the operating time of such operational mode. To be more specific, using as Royal Chair MC-133 (Exhibits Ko No. 9 and No. 37-1) as an example, the product operates in the structure where leg bags and thigh bags inflate simultaneously only when the following steps are taken: [i] the "leg rest portion stored state" is selected from among the two options, "leg rest portion stored state" and "leg rest portion used state;" [ii] among the two options, "course selection" (which only has the bags for the respective parts inflate in order) and "multi-point selection," the latter is selected for the massaging operation; [iii] the "legs simultaneous" button is pressed from among such "multi-point selection" and [iv] the "thigh" button is pressed from among the buttons for "shoulder and neck," "back," "spine," "waist," "buttocks," and "thighs" that are among the multiple-point selection switch. The probability of such operational mode being selected is 2.1% according to the computation made by the appellant.

D. As described above, Patent 5 has not contributed to the sales at all. Compensation for damages should not be allowed (see judgment of the Supreme Court of March 11, 1997, Minshu, Vol. 51, No. 3, at 1055 (Kozozushi case)) and even if it is allowed, a

substantial deduction should be made.

3-2 Claims based on Article 102, paragraph (3) of the Patent Act (preliminary claim)

(Allegation of the appellee)

Since the amount of damage for patent infringement shall never fall below the amount equivalent to the license fee under Article 102, paragraph (3) of the Patent Act, if the amount obtained by multiplying 16,650 yen (which is the amount of profit per unit of the appellee's products) by the contribution rate, falls below the amount equivalent to license fee per one infringing product (110,000 yen which is the price of the appellant's products \times 5% = 5,500 yen), the appellee shall claim the amount equivalent to the license fee under said paragraph as the damage.

Moreover, even if the proviso to Article 102, paragraph (1) of the Patent Act is applied by taking into consideration the existence of competing products, with respect to the portions which the appellee would not have been able to sell, 5% of the sales price as the amount equivalent to the license fee under Article 102, paragraph (3) of the Patent Act should be acknowledged as damages.

(Allegation of the appellant)

The appellee's allegation shall be denied.

No. 4 Court decision

1. Regarding the Appellant's Products' fulfillment of constituent features

(1) Fulfillment of constituent features A1 and B

A. Meaning of the term "pushing up"

The appellant alleges that a suppress strength that raises the user's buttocks and thighs and enables the muscles in those portions to stretch is insufficient to realize the effect meant by the term "elevating" as prescribed in constituent features A1 and B and instead it must be a strength which can sufficiently extend and stretch the muscles to the extent where the user can feel tension or strain in the muscles, and thus, the Appellant's Products do not fulfill these constituent features.

(A) In considering such allegations, the court found the existence of the following statements in the scope of claims of Invention 5 and Description 5 (Exhibit Ko No. 23).

(a) "a seat portion in which seat bags that inflate and deflate in association with the supply and discharge of compressed air and that elevate the user when they have inflated are arranged at predetermined positions" "seat bags inflate in a manner elevating the user in a state in which the leg bags have inflated and are holding the user's legs in an operational mode that performs supply and discharge of compressed air

to the leg bags in synchronization with the supply and discharge operation of compressed air to the seat bags" (scope of claims)

(b) "[0002] [Prior art] In the past, chair-type massagers which perform massage by arranging multiple bags that have air tightness and are capable of inflating and deflating in the parts of the seat and backrest portions of the chair that support the user's body and of pressing the body by supplying compressed air to these bags in a predetermined order were widely known. However, this kind of conventional chair-type massagers performed massage by first having the user sit on the seat portion and place his/her back on the backrest portion and then by pressing the user's body part which is to receive a [free] medical treatment by making use of the inflation and deflation of the bags associated with the supply and discharge of air, i.e. compressed air, to and from the bags. Moreover, since the user's body is not fixed to the chair, etc. during the massage, the user's body moves in accordance with the inflation and deflation of the bags.

[0003] [Problem to be solved by the invention] As mentioned above, in conventional massagers, the user's body is free during the massage and thus, the user's body would move up and down in accordance with the inflation and deflation of the seat bags associated with the supply and discharge of compressed air. Therefore, it was impossible to stretch and massage the muscles of the user's legs, including the thighs, and buttocks. Accordingly, there was a problem that such massagers were not satisfactory in terms of performing a more effective massage.

[0005] [Working] Since this invention has been structured in the abovementioned manner, when the user selects the operational mode in which the supply and discharge of air is made to the leg bags that are arranged in the leg rest portion at predetermined positions in synchronization with the supply and discharge operation of compressed air to and from the seat bags that are arranged in the seat portion at predetermined positions, compressed air is supplied to the leg bags in synchronization with the supply of compressed air to the seat bags. Therefore, when the user's body is lifted upward as a result of the inflation of the seat bags, the legs are held from both sides by the inflated leg bags and thus, the muscles of the thighs and buttocks are extended and thereby stretched and massaged."

(c) "[0026] When the user has selected the simultaneous performance of the leg simultaneous mode and the operational mode that includes the supply and discharge operation of compressed air to the thigh bag 4 and buttock bag 5, the distribution switch 21 and solenoid-operated on-off valve 22 would be controlled by control device 30 so as to synchronize the timing of supply and discharge of compressed air to the thigh bag 4 and buttock bag 5 and the timing of supply and discharge of compressed air to the leg

bags 15a through 16b in the abovementioned operational modes. Specifically, the control device 30 controls the distribution switch 21 and solenoid-operated on-off valve 22 so as to synchronize and simultaneously start the supply and discharge of compressed air to the thigh bag 4 and buttock bag 5 and the supply and discharge of compressed air to the leg bags 15a through 16b. [...]

[0027] As described above, as a result of the simultaneous performance of the supply of compressed air to the thigh bag 4 and buttock bag 5 and the supply of compressed air to leg bags 15a through 16b, the thigh bag 4 and buttock bag 5 inflate and elevate the user's body by pressing the thighs or buttocks. At the same time, the leg bags 15a through 16b inflate simultaneously and the user's legs situated between the leg bags 15a through 16b are held and restrained in the manner of being wrapped around from both sides by the leg bags 15a through 16b that have inflated. Accordingly, the muscles of the legs or thighs, etc. are extended in association with the thighs or buttocks being pushed upward, which means they are stretched and thereby muscle wasting is effectively resolved. [...]

[0029] [...] Moreover, when the user selects the simultaneous performance of the leg simultaneous mode and an operational mode that includes the supply and discharge of air to the thigh bag 4 and buttock bag 5, the distribution switch 21 and solenoid-operated on-off valve 22 would be controlled by the control device 30 so as to synchronize the timing of supply and discharge of compressed air to the thigh bag 4 and buttock bag 5 and the timing of supply and discharge of compressed air to the leg bags 15a through 16b in the abovementioned operational modes and thereby the supply of compressed air to the thigh bag 4 and buttock bag 5 and the supply and discharge of compressed air to the leg bags 15a through 16b are performed simultaneously. Furthermore, since the thighs or buttocks would be pushed upward in a state where the legs situated between leg bags 15a through 16b are held and restrained as a result of the inflation of leg bags 15a through 16b, the legs, thighs and the muscles of the thighs, etc. would be extended, i.e. stretched and massaged, and thus the muscle fatigue would be resolved in an effective manner."

(B) According to the abovementioned statements, Invention 5 can be found to produce the working effect, that when the user is seated on the seat portion of the chair-type massager, to extend the muscles of the user's thighs and buttocks by having the seat bags elevate the user in a state where the supply of compressed air to the leg bags and the supply of compressed air to the seat bags are synchronized and the user's legs are held by the leg bags. In light of these structures and working effect of Invention 5, the term "elevating" as used in Invention 5 means a suppress strength that can be

applied by supplying air to the bags in the seat portion of a chair-type massager: it only means to apply from underneath force which can extend the muscles of the user's legs and buttocks in combination with the fixing of the legs.

Therefore, the appellant's following allegation cannot be accepted: in order to fulfill the constituent feature of "elevating," a suppress strength that produces a "stretch" effect in its original literal meaning that include the case of gymnastic exercises must be applied.

B. Consideration regarding the Appellant's Products

The Appellant's Products are found to fulfill constituent features A1 and B as described below.

(A) In Appellant's Product 1, airbags 'g' and 'h' are also arranged in the seat portion (explanation (viii) of the structure of the defendant's product provided in the attached document of judgment in prior instance), and these airbags are arranged in a manner covering the user's thighs in the half plane of the leg rest side of the seat portion and inflate and deflate by the air supply and discharge device. According to this structure, it is found that, when the seat airbags have inflated, the user's body would be lifted and a suppress strength that can extend the muscles works. Thus, Appellant's Product 1 fulfills constituent feature A1.

Moreover, in Appellant's Product 1, the user can input the operational mode by selecting from among the three options, i.e. "lower body course," "leg mode," or "sitting mode," by using a control panel or remote control for the lower body provided in Appellant's Product 1. The timing of supply of compressed air to the airbags when "course II" of "lower body course" is selected is as shown in the timing chart (explanation (x) of the structure of defendant's product 1 provided in the attached document of the judgment in prior instance), and after the leg airbags ('a' through 'h') in the leg rest have inflated, seat airbags 'g' and 'h' inflate while the first-mentioned inflation is maintained. Therefore, in Appellant's Product 1, seat airbags inflate in a state where the user's legs are held and thus it fulfills constituent feature B.

(B) In Appellant's Product 2, four airbags 'm,' 'n,' 'o,' and 'p' are arranged in the seat portion. Among these, airbag 'o' is arranged in a manner covering the user's thighs in the half face of the leg rest side of the seat portion, i.e. above the urethane board 10 that structures the seat portion (explanation (viii) of the structure stated in the written explanation of the defendant's product 2 provided in the attached document of the judgment in prior instance) and inflates and deflates by an airbag supply and discharge device (explanation (ii) of the structure provided in the abovementioned attached document). Based on the abovementioned facts, seat airbag 'o' can be found to produce

a suppress strength that can extend the muscles by lifting up the user's body from a downward position to an upward position against the thighs, and thus Appellant's Product 2 fulfills constituent feature A1.

Moreover, in Appellant's Product 2, the user can select the automatic course (medical course and comfortable course) or free selection course, and when selecting the free selection course, the user can select and input the operational mode for "legs," "seat" or "legs and seat." Among these modes, when the operational mode for "legs and seat" is selected, the timing of supply of compressed air to the airbags is as shown in the timing chart (explanation (x) of the structure stated in the written explanation of the defendant's product 2 provided in the attached document of the judgment in prior instance). After the leg airbags ('a' through 'h') in the leg rest have inflated, seat airbag 'o' also inflates while the first-mentioned inflation is maintained. Accordingly, in Appellant's Product 2, seat airbags inflate in a state where the user's legs are held, and thus it fulfills constituent feature B.

(C) In Appellant's Products 3, airbags 'i' and 'j' are arranged in the seat portion (explanation (viii) of the structure of the defendant's product 3 provided in the attached document of the judgment in prior instance) and these airbags are arranged in a manner covering the user's thighs in the half plane of the leg rest side of the seat portion and inflate and deflate through the operation of an air supply and discharge device (explanation (ii) of the structure provided in the abovementioned attached document). Based on these facts, it can be found that, when seat airbag 'o' has inflated, the user's body would be lifted up and a suppress strength that can extend the muscles works, and thus Appellant's Product 3 fulfills constituent feature A1.

Moreover, in Appellant's Products 3, the user can input the operational mode by selecting either the "leg and seat mode" or "leg mode," and the timing of supply of compressed air to the air bags when "leg and seat mode II" is selected is as shown in the timing chart (explanation (x) of the structure stated in the written explanation of the defendant's product 3 provided in the attached document of the judgment in prior instance). After leg airbags ('a' through 'f') in the leg rest have inflated, seat airbags 'i' and 'j' also inflate while the first-mentioned inflation is maintained. Accordingly, in Appellant's Product 3, seat airbags inflate in a state where the user's legs are held and thus it fulfills constituent feature B.

(D) In Appellant's Product 4, four airbags 'm,' 'n,' 'o,' and 'p' are arranged in the seat portion. Among these, airbag 'o' is provided in a manner covering the user's thighs in the half plane of the leg rest side of the seat portion, i.e. above urethane board 10 that forms the seat portion (explanation (viii) of the structure stated in the written explanation of

the defendant's product 4 provided in the attached document of the judgment in prior instance) and inflates and deflates by an airbag supply and discharge device (explanation (ii) of the structure provided in the abovementioned attached document). Based on the abovementioned facts, it can be found that the user's body would be lifted up when the seat airbags have inflated. Thus, Appellant's Product 4 fulfills constituent feature A1.

Moreover, in Appellant's Product 4, the user can select an automatic course (medical course and comfortable course) or free selection course and when selecting the free selection course, the user can select and input the operational mode for "legs," "seat" or "legs and seat." Among these modes, when the operational mode for "legs and seat" is selected, the timing of supply of compressed air to the airbags is as shown in the timing chart (explanation (x) of the structure stated in the written explanation of the defendant's product 4 provided in the attached document of the judgment in prior instance). After leg airbags ('a' through 'f') in the leg rest have inflated, seat airbag 'o' also inflates while the first-mentioned inflation is maintained. Accordingly, in Appellant's Product 4, seat airbags inflate in a state where the user's legs are held, and thus it fulfills constituent feature B.

(E) Relying on the written opinion as shown in Exhibit Otsu No. 133, the appellant alleges as follows: In the Appellant's Products, a valve controlling the supply and discharge of air to and from the airbags in the seat portion and a valve controlling the supply and discharge of air to and from the airbags in the leg rest are provided in a common air chamber, and when the airbags in the seat portion start to inflate after the airbags in the leg rest have started to inflate, the air in the airbags in the leg rest backflows to the airbags in the seat portion when the airbags in the seat portion start to inflate, and thus none of the Appellant's Products fulfills constituent feature B.

However, there is no evidence such as accurate written materials sufficient enough to affirm the appellant's allegation. Moreover, even if the pressure of the airbags in the leg rest temporarily decreases, after that, the airbags would be kept inflated and the pressure in the airbags in the leg rest and the airbags in the seat portion would increase. Thus, the point indicated by the appellant does not affect the conclusion that the Appellant's Products fulfill constituent feature B.

C. As found above, Appellant's Products 1 through 4 fulfill constituent features A1 and B. As mentioned above, since there is no dispute between the parties that Appellant's Products 1 and 2 fulfill Invention 5's constituent features other than constituent features A1 and B, the Appellant's Products 1 and 2 fall within the technical scope of Invention 5. Since there are disputes between the parties regarding the

fulfillment of constituent feature A3 with respect to Appellant's Products 3 and 4, the court shall next examine this issue.

(2) Regarding the fulfillment of constituent feature A3

The appellant alleges that the constituent feature of the "leg rest portion [...] in which leg bags [...] that hold the user's legs from both sides are arranged at predetermined positions" requires the leg bags to be arranged on both sides of the right and left leg portions and thus, Appellant's Products 3 and 4 which are only provided with chip urethane, etc. on one side of the leg portions do not fulfill such constituent feature.

A. The wording used in the scope of claims of Invention 5 is "a leg rest portion [...] in which leg bags [...] that hold the user's legs from both sides are arranged at predetermined positions" as mentioned above. It merely states as "the user's legs" and thus it remains unclear as to whether such term means right and left legs respectively or right and left legs as a set. Such matter remains unclear even if other parts of the scope of claims are referred to.

B. In this regard, in addition to the statements in (1)A. above, the following statements are made in Description 5.

(A) "a leg rest portion [...] in which leg bags that inflate and deflate in association with the supply and discharge of compressed air and that hold the user's legs from both sides when they have inflated" (scope of claims)

(B) "[0011] On both sides of leg rest portion 12, sidewalls 12a and 12b are provided and in the intermediate portion of these sidewalls 12a and 12b, intermediate wall 12c is provided. Moreover, between sidewall 12a and intermediate wall 12c and between sidewall 12b and intermediate wall 12c, substantially u-shaped grooves 12d and 12e are formed respectively by these sidewalls 12a and 12b and intermediate wall 12c and these grooves 12d and 12e support the user's calves.

[0012] In the mutually opposed sidewalls facing sidewall 12a and intermediate wall 12c and the mutually opposed sidewalls facing sidewall 12b and intermediate wall 12c, leg bags 15a, 15b, 16a and 16b that are made of the same material as the bags mentioned above are provided to massage the calves of the legs placed on grooves 12d and 12e. These leg bags 15a, 15b, 16a and 16b are formed in a flat shape and in a size capable of wrapping around from both sides the user's calves of the legs when they have inflated with the supply of compressed air.

[0013] Bags 4 through 9 are stored in the inner pouch whose arrangement position is determined in advance and which has not been drawn, and this inner pouch is arranged in seat portion 2 and backrest portion 3 of chair body 1 and is covered by cloth cover 10.

This inner pouch and bags 4 through 9 are not visible externally. Moreover, leg bags 15a through 16b are also stored in the inner pouch which is not drawn and this inner pouch is arranged in both sidewalls 12a and 12b and intermediate wall 12c and is covered by cloth cover 10a.

[0014] Furthermore, although it is not drawn in both Figures 1 and 2, in bags 4 through 16b, supply and discharge openings are provided to supply and discharge compressed air, and supply and discharge tubes are connected to these supply and discharge openings"

[Figure 1] and [Figure 2] show that sidewalls 12a and 12b are provided to support the user's calves on both sides of leg rest portion 12, and in the intermediate portion between these two sidewalls 12a and 12b, intermediate wall 12c is provided, and further, leg bags 15a, 15b, 16a, and 16b are provided in the mutually opposed sidewalls facing sidewall 12a and intermediate wall 12c and in the mutually opposed sidewalls facing sidewall 12b and intermediate wall 12c.

C. As mentioned above, Description 5 has no statements on the feature that bags are provided only on one side of the leg portions and hold both of the user's legs integrally as a set nor does it contain any statements on specific structures to achieve such feature. Moreover, the working examples and drawings have only stated or graphically illustrated a structure wherein leg bags are arranged on both sides of the right and left leg portions at predetermined positions. In addition to these statements in the description and drawings, with respect to Invention 5 for which the scope of claims does not contain a detailed structure of the leg rest portion such as an intermediate wall, in order to achieve the object of Invention 5 to unfailingly hold the user's legs by airbags, it is more appropriate to adopt a structure wherein bags hold the user's right and left legs from both sides. Furthermore, it is indeed unstable to support both the user's legs integrally by bags that have inflated with air. Taking these factors into consideration, it is reasonable to construe that the term "the user's legs" means "right and left legs respectively."

D. There is no dispute between the parties with respect to the following facts: [i] airbags are provided in both sidewalls of the leg rest portion in Appellant's Products 1 and 2, [ii] chip urethane and urethane foam are provided in one of the sidewalls of the leg rest portion in Appellant's Product 3, and [iii] chip urethane and low repulsion urethane are provided in one of the sidewalls provided in the leg rest portion in Appellant's Product 4. Therefore, Appellant's Products 3 and 4 do not fulfill constituent feature A3 of Invention 5.

2. Regarding existence or absence of infringement under the doctrine of equivalents

Therefore, even if Appellant's Products 3 and 4 do not fulfill constituent feature A3, their structures may be equivalent to those of Invention 5 and thus may fall within the technical scope of Invention 5. The court will make further examination on this point.

(1) Regarding fulfillment of requirements for infringement under the doctrine of equivalents

A. Essential part (First requirement)

The appellant alleges that the essential part of Invention 5 lies in the point that airbags are arranged on the mutually opposed side surfaces of the leg rest portion respectively at predetermined positions.

As held above, Invention 5 was based on the following fact: "in conventional massagers, the user's body is free during the massage and thus, the body would move up and down in accordance with the inflation and deflation of the seat bags performed in association with the supply and discharge of compressed air. Therefore, it was impossible to stretch and massage the muscles of the user's legs and buttocks, including the thighs. Accordingly, there was a problem that such massagers were not satisfactory in terms of performing a more effective massage." (Paragraph [0003]) In order to solve this technical problem, Invention 5 was structured so as to stretch and massage the user's thighs and buttocks by synchronizing the supply of compressed air to the seat bags and to the leg bags, and elevating the user's body by inflating the seat bags while holding the user's legs from both sides by the leg bags that have inflated.

In light of the abovementioned problem, structure and working effect of Invention 5, the essential part of Invention 5 should be found in that it made it possible to stretch and massage the user's legs and buttocks by inflating the seat bags while the legs are held from both sides by the leg bags by devising the timing of inflation of the seat bags and leg bags. Even if the structure to hold the user's legs from both sides by inflating airbags can be found to be characteristic as a necessary constituent element for such essential part, the structure to arrange airbags on both sides of the sidewalls of the leg rest portion at predetermined positions or to arrange airbags only on one side and to arrange a buffer such as chip urethane on the other side at a predetermined positions should not be considered as an essential part that characterizes the invention.

B. Interchangeability (Second requirement)

The appellant alleges that there is no interchangeability between the chip urethane, etc. used in Appellant's Products 3 and 4 and the airbags used in Invention 5.

However, even where the airbags provided in the sidewalls of the leg rest portion are interchanged with the chip urethane, etc. used as a buffer in one of the sidewalls of the leg rest portion, when the user's legs are thrust into the chip urethane, etc. provided

in the opposite surface of airbags by the suppress strength of the airbags provided in one of the sidewalls, such chip urethane, etc. also applies a suppress strength against the legs and thus the legs are to be held and pressed between the airbags and chip urethane, etc. in a manner of being tenderly wrapped around from both sides. Thus, even if the airbags provided in the sidewalls of the leg rest portion are interchanged with chip urethane, etc. on one side, no special difference would arise in the object or working effect. Accordingly, even if the airbags provided in the sidewalls of the leg rest portion are interchanged with chip urethane, etc. on one side in Appellant's Products 3 and 4, they achieve the object of the chair-type air massager of Invention 5 and produce the same working effect thereof.

In this regard, the appellant alleges that the chip urethane, etc. used in Appellant's Products 3 and 4 is much thinner than airbags which have inflated and only functions to passively receive the pressing and releasing operation of the airbags opposed thereto and to reduce the pressing force that the user's legs receive from bags, and thus there is a huge difference between such chip urethane and the airbags used in Invention 5 in terms of the workings of the device.

However, even if chip urethane, etc. does not actively press human body like airbags, if the user's legs are thrust into the airbags provided in one of the sidewalls of the leg rest portion and the chip urethane, etc. provided in the opposed sidewalls, a suppress strength is applied to the legs from chip urethane, etc. and a working effect to hold the legs from both sides is produced as held above. Therefore, the issue of whether or not chip urethane, etc. has the function to actively press the user's legs does not affect the decision on interchangeability.

C. Ease of interchangeability (Third requirement)

The appellant alleges that, based on the fact that it obtained a patent right for the structure of a massager in which airbags are interchanged with urethane as a buffer in one of the sidewalls of the leg rest portion, it is not easy to interchange airbags with chip urethane, etc. in one of the sidewalls of the leg rest portion of Invention 5.

However, the appellant initially manufactured and sold Appellant's Products 1 and 2 in which airbags are provided in both sidewalls of the leg rest portion and later manufactured and sold Appellant's Products 3 and 4 in which the airbags provided in the sidewalls are interchanged with chip urethane, etc. which is a buffer on one side. Since, it is publicly known that chip urethane, etc. has flexibility, a person ordinarily skilled in the art could have easily arrived at the fact that, even if the airbags provided in the sidewalls of the leg rest portion are interchanged with chip urethane, etc. on one side, the same working effect would be produced as in the case where airbags are

provided in both sides, at the time when Appellant's Products 3 and 4 were manufactured and sold.

Although the appellant emphasizes the fact that it has obtained a patent right for a structure of a massager where airbags are interchanged with urethane as a buffer in one of the sidewalls of the leg rest portion, there is a huge difference between the decision to be made by the JPO on whether or not a person ordinarily skilled in the art could have easily conceived of the invention itself and that on whether or not such person could have easily arrived at the idea to interchange part of the structure of the relevant invention, in terms of the content of the decision and base time therefor. The fact that the appellant obtained a patent right for a structure of a massager where airbags are interchanged with urethane as a buffer in one of the sidewalls of the leg rest portion does not serve as a reason to deny that it was easy to interchange airbags with urethane as a buffer in one of the sidewalls of the leg rest portion.

D. Whether or not the Appellant's Products could have been easily arrived at (Fourth requirement)

The appellant alleges that if interchangeability and ease of interchangeability are found, a person ordinarily skilled in the art could have easily arrived at Appellant's Products 3 and 4 based on the publicly-known art at the time when a patent application was filed for Invention 5. However, as held below, Invention 5 could not have been easily conceived of by a person ordinarily skilled in the art based on the publicly known art at the time when a patent application was filed for Invention 5 and thus, Appellant's Products 3 and 4, which are nothing but products in which airbags are interchanged with chip urethane, etc. in one of the sidewalls of the leg rest portion could not have been easily arrived at by a person ordinarily skilled in the art.

E. Intentional exclusion (Fifth requirement)

The appellant alleges that, although it was a publicly-known art to provide an intermediate wall in the leg receiving portion of a massager or to adopt chip urethane, etc. as a material to relieve the contact between the massager and user's body parts at the time when an application was filed with respect to Patent 5, the appellee only selected the structure of arranging bags on both sides of the leg portion, and thus it can be recognized that the appellee intentionally excluded the structure wherein airbags are provided on only one side of the leg portion from Invention 5.

However, in order to find that a structure related to a subject product that is alleged to infringe a patent has been intentionally excluded from the scope of claims in the procedures for patent application, it should be construed that the patentee has taken an action which can be externally recognized to mean that the patentee clearly recognized

the structure related to such product and excluded such structure from the scope of claims, i.e. the patentee itself acknowledged that the structure related to the subject product would not be included in the scope of claims or excluded such structure from the scope of claims through an amendment or correction in the application procedure. Thus, it cannot be said that the appellee intentionally excluded the structure related to the subject product from the scope of claims simply by the fact that although the patentee could have easily conceived of the structure related to the subject product in light of the publicly known art at the time of filing of a patent application, the patentee did not include such structure in the scope of claims.

As such, even if, as alleged by the appellant, it was a publicly known art at the time when an application was filed with respect to Patent 5 to provide an intermediate wall in the leg receiving portion of the massager or to adopt chip urethane, etc. as a material to relieve the contact between the massager and the user's body parts and that the appellee could have included in the scope of claims a structure to arrange airbags in one of the sidewalls of the leg rest portion and chip urethane, etc. on the other sidewall, these facts cannot immediately lead to the conclusion that such structure was intentionally excluded from the scope of claims of Invention 5.

In this case, there is no sufficient evidence to find that the appellee who is the patentee of Patent 5 took an action which can be recognized to mean that the appellee clearly recognized that the object and effect of Invention 5 can be achieved even if a structure to arrange airbags in one of the sidewalls of the leg rest portion and chip urethane, etc. on the other sidewall was adopted, and intentionally excluded such structure.

Therefore, the appellant's allegation cannot be accepted.

(2) Conclusion regarding infringement under the doctrine of equivalents

Based on the abovementioned findings, even if the airbags provided in the sidewalls of the leg rest portion are interchanged with chip urethane, etc. on one side in Appellant's Products 3 and 4, the structure of such products can be found to fall within the technical scope of Invention 5 as being equivalent to that of Invention 5.

3. Regarding the validity of Patent 5

Since the JPO decision invalidating Patents 1 through 4 out of Patents 1 through 5 have become final and binding as held above, the patent rights deriving from these patents shall be deemed to have never existed in the first place, and thus the appellee's claims based on Patents 1 through 4 shall be groundless.

With respect to Patent 5, the appellant filed a request for a trial for patent invalidation while the principal action was pending in this court (Invalidation Trial No.

2004-80055) and further instituted an action seeking rescission of the JPO decision that dismissed the request (Intellectual Property High Court Case No. 2005 (Gyo-Ke) 10339). Moreover, the appellant made the same allegation in the principal action as those used for the grounds for rescission of the JPO decision in the action seeking rescission of the JPO decision, as the grounds for invalidation of Patent 5, based on the determinations made in the JPO decision. The outline of the abovementioned JPO decision, the allegations of the appellant and appellee in this court and the court decision are the same as those stated in "3 Summary of the JPO decision (Exhibit Ko No. 1-1)" under section "No. 2 Outline of the case," "No. 3 Points of the plaintiff's allegation," "No. 4 Points of the defendant's allegation" and "No. 5 Court decision" in the judgment rendered in the abovementioned action seeking rescission of the JPO decision. Therefore, the relevant portion shall be cited and attached as an attachment (in addition, the terms "plaintiff," "defendant" and "Invention" as used in the cited portion of said judgment shall be changed to "appellant," "appellee" and "Invention 5," respectively, in line with the principal action and the evidence numbers shall be changed to the evidence numbers used in the principal action).

Moreover, the grounds for invalidation of Patent 5 as alleged by the appellant in the prior instance are the same as those stated in "D. Regarding Invention 5" under subsection "(4) Existence or absence of obvious reasons for invalidation of the Patents" in "2. Issues and allegations of the parties" under section "No. 2 Outline of the case" in the judgment in prior instance and the determination in this regard is the same as those stated in "(5) Existence or absence of obvious reasons for invalidation of Invention 5" of "5. Regarding the comparison between Invention 5 and the Appellant's Products" under section "No. 3 Determination on the issues" in the judgment in prior instance. Therefore, the corresponding parts of the judgment in prior instance may be cited.

4. Regarding the amount of damage

As mentioned above, all of the Appellant's Products can be found to infringe Patent Right 5, and therefore, the court shall examine the amount of damage below.

4-1 Regarding the claims based on Article 102, paragraph (1) of the Patent Act (principal claim)

(1) Regarding the unit sales of the Appellant's Products

According to Exhibit Otsu No. 74, the sales of the Appellant's Products for the period from October 20, 2000, i.e. the time when Patent 5 was registered, until March 2002, can be found to be 68,979 units in total. The breakdown of such total is 1,876 units for Appellant's Product 1 (330 units for FHC-306 and 1,546 units for FHC-316), 21,771 units for Appellant's Product 2 (18,177 units for FMC-100 and 3,594 units for

FMC-200), 3,384 units for Appellant's Product 3 (FHC-317) and 41,948 units for Appellant's Product 4 (24,178 units for FMC-100N, 2,816 units for FMC-200N and 14,954 units for FMC-300).

(2) Regarding the amount of profits per unit of the Appellee's Products

The appellee alleges that the amount of profit per unit of the Appellee's Products should be 16,650 yen as decided in the judgment in prior instance. This court also decides the amount of profits per unit of the Appellee's Products to be 16,650 yen and the reasons thereof are the same as those stated in "C. Amount of profits per unit of the plaintiff's products" of "(1) Regarding the amount of damage (Article 102, paragraph (1) of the Act)" of "7. Issue 5 (Amount of damage and the amount of compensation)" under section "No. 3 Determination on the issues" in the judgment in prior instance. Therefore, the corresponding parts of the judgment in prior instance may be cited.

(3) Regarding the appellee's capability to work the articles

According to Exhibit Ko No. 36, the appellee had sales at least equal to 100,000 units of the Appellee's Products in FY1997 and thus can be found to have sufficient capability to respond to the demand equivalent to the sales volume of the Appellant's Products in FY2000 and FY2001.

(4) Regarding the articles which would have been sold by the right holder if there had been no act of infringement

The appellant, relying on Exhibit Otsu No. 76 and other documents, alleges that Article 102, paragraph (1) of the Patent Act is not applicable since Invention 5 is not worked in the Appellee's Products. However, according to Exhibit Otsu No. 76, with respect to the three models of the Appellee's Products, the same results are obtained, i.e. the combination of "thigh" airbag and "leg" airbag and the combination of "buttock" airbag and "leg" airbag inflate simultaneously. In such case, seat bags can be presumed to inflate in a state where the user's legs are held, and thus Invention 5 is worked in the Appellee's Products. Accordingly, it is obvious that the Appellee's Products fall under the "articles which would have been sold by the patentee or exclusive licensee if there had been no such act of infringement" as provided in Article 102, paragraph (1) of the Patent Act.

(5) Regarding the circumstances that fall under the proviso to Article 102, paragraph (1) of the Patent Act

A. The proviso to Article 102, paragraph (1) of the Patent Act prescribes that "if any circumstances exist under which the patentee or the exclusive licensee would have been unable to sell the assigned quantity in whole or in part, the amount calculated as the number of articles not able to be sold due to such circumstances shall be deducted."

Article 102, paragraph (1) of the Patent Act is a provision which prescribes the method to calculate the amount of damage in seeking compensation for damages due to lost profits based on Article 709 of the Civil Code. Thus, such provision should be construed as a provision to presume that the amount obtained by multiplying the quantity of products assigned by the infringer by the amount of profits per unit of the products which would have been sold by the patentee or exclusive licensee if there had been no such act of infringement would be the amount of damage to the extent of the patentee or exclusive licensee's capability to work the articles. The proviso to said paragraph prescribes that, when the infringer has shown proof of circumstances that reverse the presumption under the main clause of said paragraph, a deduction from the amount of damage can be made to such extent. What may be taken into consideration as such "circumstances [...] under which the patentee or exclusive licensee would have been unable to sell the assigned quantity" includes not only the circumstances specific to the articles which would have been sold by the patentee, etc. but also the circumstances such as the existence of competing products or substituting products of the relevant product in the market, the infringer's own marketing efforts, brand and sales capacity, other characteristics of the infringing product which would motivate consumers to purchase it (such as design and function), and the price of infringing product.

B. According to the evidence listed below, the following facts can be found with respect to the circumstances that serve as a basis for the calculation of the amount of damage (including the facts for which there are no disputes between the parties).

(A) Situation of the chair-type massager market

In the market of chair-type massagers, about 420,000 units were sold around 1998 and 1999 with a sales amount of approximately 50,000,000,000 yen. However, with low priced models hitting the street in 2000, the sales unit increased to approximately 450,000 units and in FY2001, approximately 460,000 units were sold with a sales amount exceeding about 53,000,000,000 yen in the market. Each company's market share based on units in that fiscal year was as follows: Matsushita Denko had about a 26% share; the appellant about a 17% share; and Fujiiryoki about a 13% share (including the Appellee's Products). With respect to the market share in value terms, Matsushita Denko had about a 34% share, the appellant had about a 22% share and Fujiiryoki had about a 17% share (including the Appellee's Products). At that time, the market of chair-type massagers was in a situation where the massagers were broadly divided into the following two models: both of which coexisted: [i] high functional and high priced models targeting the wealthy population and aged segments; and [ii]

low-priced and compact models targeting young people (Exhibits Otsu No. 35, No. 58 through No. 62 and No. 86).

(B) Transition in the sales and sales amount of the Appellee's Products

In May 1995, the appellee started to sell chair-type massagers that perform massage by airbags in the leg, seat and back portions, etc., and since then it has been selling chair-type massagers that principally perform massage by airbags (Exhibits Ko No. 9 and No. 10 and No. 37-1 through No. 37-10). Since a chair-type massager was a new market field for the appellee, it did not have its own sales channel and thus it entrusted the entire sales to Fujiiryoki and was selling its products through Fujiiryoki. In 1997, the sales units of the Appellee's Products exceeded 100,000 units. However, it gradually decreased to about 90,000 units in 1998, about 70,000 units in 1999, and about 30,000 units in 2000 when Patent 5 was registered, and eventually it sank to about 10,000 units in 2001 (Exhibit Ko No. 36).

(C) Details of the Appellee's Products and the statements in the brochure thereof

Among the Appellee's Products, for example, with respect to "Royal Chair (MC-133)," its brochure introduces that it massages the user's whole body including the back, neck, shoulder, spine, buttocks, thighs and legs by using seven kinds of airbags and expressly states the following features: [i] with respect to the legs, the calves shall be strongly supported in a manner of being wrapped around from both sides; and [ii] with respect to the buttocks, a soft surface stimulation shall be performed in a manner elevating the buttocks and hip joints. However, the brochure contains no statements on the stretch effect obtained by holding the user's legs and elevating the seat portion.

Moreover, with respect to "Jiyu Seki (AM-226)," its brochure (Exhibits Ko No. 37-4 and No. 37-5) emphasizes the features such as "soft stimulation by air" and "a variety of massages that can be selected according to your level of fatigue" and emphasizes the product benefit that the user can feel as if his/her calves are strongly wrapped around with respect to the legs and "a bodily sensation of being strongly elevated" with respect to the buttocks. However, it contains no statements on the stretch effect obtained by holding the user's legs and elevating the seat portion.

Among the other Appellee's Products, in the brochure of a product which is deemed to have been launched after August 2001 (Exhibits Otsu No. 37-9 and No. 37-10), there is an introduction of using kneading balls and airbags in combination and mounting of an auto sensor for the shoulder position. However, there are no statements on the stretch effect obtained by holding the user's legs and elevating the seat portion.

(D) Transition in the sales and sales amount of the Appellant's Products

In January 1999, the appellant launched Appellant's Product 1 (Hybrid Family

Chair) and in April 2000, it further put on sale Appellant's Product 2 (i. 1). Moreover, the appellant changed the design of Appellant's Product 1 and made Appellant's Product 3 in November 2000, and then changed the design of Appellant's Product 2 and made Appellant's Product 4 in May 2001. During this period, the appellant's annual sales amount (which came almost entirely from the sales of chair-type massagers), which was about 7,000,000,000 yen in 1998, gradually increased, i.e. about 8,400,000,000 yen in 1999, about 12,000,000,000 yen in 2000, and about 13,900,000,000 yen in 2001, and eventually reached about 16,000,000,000 yen in 2002 (Exhibits Ko No. 47, No. 48, No. 55-1 and No. 55-2).

(E) Details of the Appellant's Products and the statements in their brochures

Appellant's Product 1 has a backrest portion, seat portion and a leg rest and performs massage by kneading balls on the backrest portion and by airbags on the seat and leg rest portions. Its brochure (Exhibit Ko No.11) advertises the combination of a massage using four kneading balls of the upper half body and an air massage of the lower body as the product's attractive feature. Moreover, it contains the following statement with respect to the massage of the lower body: "Your thighs and buttocks can feel a bodily sensation of stretch sense by the pressure stimulation applied from airbags, which is similar to being pushed by a fist. Your calves will be kneaded by a 3D action, i.e. from both sides and the back, and your blood circulation will be promoted."

Appellant's Product 2 is comprised of the same structure and massage method as those of Appellant's Product 1. However, it is characterized by being equipped with a function to automatically search the finger pressure points by an optical sensor. Its brochure (Exhibit Ko No. 12) emphasizes that an optimum massage according to the user's body shape has been realized by an automatic search of finger pressure points by an optical sensor, which is an approach that has never been made in the relevant business field. Moreover, it contains a statement that airbags are arranged in line with the shape of the buttocks with respect to the seat portion and that air massage is performed by six airbags with respect to the legs as the product's sales point.

Appellant's Product 3 is comprised of the same structure and massage method as those of Appellant's Product 1. Its brochure ("Hybrid Family Chair (FHC-317(C))/(H)"; Exhibit Otsu No. 11) explains that it has the function to perform an effective massage of each part of the body by using different means, i.e. four kneading balls, air, and vibration, and further states that massage shall be performed according to the relevant parts with respect to the legs and buttocks and that the calves shall be kneaded in a manner of being wrapped around from three directions and that a massage with a new sensation has been realized by the newly mounted vibration device.

Appellant's Product 4 is comprised of the same structure and massage method as those of Appellant's Product 1. As in the case of Appellant's Product 2, Appellant's Product 4 is equipped with a function to automatically search the finger pressure points by an optical sensor. Its brochure ("FAMILY MEDICAL CHAIR i. 1"; Exhibit Otsu No. 12) expressly states that finger pressure points shall be automatically searched by an optical sensor and states that two airbags are provided in line with the shape of the buttocks with respect to the seat portion and that firm massage shall be performed in a manner of wrapping around the legs with airbags and low repulsion urethane.

(F) Introductory articles, etc. of the Appellant's Products

Among Appellant's Products 1 through 4, Appellant's Product 2 became so popular that it came to boast the top market share and sold very well (Exhibit Ko No. 51). The product was positively reviewed as follows: "Massage is performed by an infrared sensor for the first time in the business field" (Dempa Shimbun of March 22, 2000; Exhibit Otsu No. 58), "The product took the initiative in sensor function" (Nikkei Ryutsu Shimbun (at that time) of November 17, 2001; Exhibit Otsu No. 62) and "The product became popular due to the function which automatically adjusts the scope of movement of the kneading balls by measuring the user's shoulder height by a sensor. Such function was accepted as new" (Nikkei Trendy May 2002 edition; Exhibit Otsu No. 61). As such, the system to automatically search finger pressure points is recognized as the basic function of the Appellant's Products (Exhibit Otsu No. 86). The system to automatically search finger pressure points by an optical sensor is also emphasized in other introductory articles and advertisement of Appellant's Product 2 (Exhibit Otsu No. 58 through No. 61).

Furthermore, Appellant's Product 4 (FMC-300, etc.), which is made by changing the design of Appellant's Product 2, was appraised as follows: "In FMC-300, an artificial leather with a touch of class and a heater were adopted to improve comfort. The two goods (FMC-100 and FMC-300 (note of the judgment)) became the company's best selling series, selling a maximum of 7,000 units in a month."

(G) Situation of competing products

Matsushita Denko launched "Momi & Air" in August 1999, and "Momimomi Riaru Puro" in August 2001. The brochure of "Momi & Air" (Exhibit Otsu No. 63-3) contains a statement that the airbags provided on the top and bottom of the leg rest portion knead in the order from the ankles to the calves in a squeezing manner while the brochure of "Momimomi Riaru Puro" (Exhibit Otsu No. 63-1 and No. 63-2) states that the user's legs and buttocks will be massaged by air and that a sensor function is mounted.

Fujiiryoki launched the "Air Solution" in April 2000, and "CYBER-Relax" in August 2001. The brochure of Fujiiryoki's "Air Solution" (Exhibit Otsu No. 67-2 and N. 67-3) expressly states the combination of leg massage using airbags and back and waist massage using kneading balls, while the brochure of "CYBER-Relax" (Exhibit Otsu No. 67-5) states that massage shall be performed according to the user's body shape by perceiving the user's body shape in a three-dimensional manner by using the "3D point navigation sensor" mounted.

The article in Nikkei Ryutsu Shimbun of November 17, 2001 (Exhibit Otsu No. 62) as mentioned above lists "Momimomi Riaru Puro," "CYBER-Relax" and Appellant's Product 4 as the hot selling products of massage chairs at that time occupying the top three positions and contains the statements such as "Attached with a sensor. Dominating the market," "The new function of being attached with a sensor that measures the characteristics of the body is favored," and "Successive launching of sensor attached goods by companies."

C. Based on the facts found above, the court will examine whether or not any circumstances existed under which the appellee, who is the patentee, would have been unable to sell the assigned quantity of the Appellant's Products in whole or in part.

(A) As held above, since the JPO decisions invalidating Patents 1 through 4 out of Patents 1 through 5 have become final and binding, the infringement of Patent 5 is the sole issue in this case. Since Patent 1 produces the working effect to perform massage by the inflation and deflation of airbags and Patent 3 makes the suppress strength to the user's legs variable by rotating the leg rest portion, Patent 5 should be considered as an invention in which these patented inventions have been partially improved; Patent 5 intends to stretch or massage the muscles of the user's thighs and buttocks by elevating the seat portion in a state where the user's legs are fixed by devising the timing of supply of air to the seat bags and leg bags.

The appellee, while admitting that Invention 5 is an invention which has partially improved Inventions 1 and 3, alleges that since Patents 1 and 3 have been invalidated, the present status of Invention 5 has changed and its characteristics can be found in the following points, in addition to the function to devise the timing of inflation of the leg bags and seat bags: [i] an effective massage operation of [the] calves by leg bags provided in both sides of the leg rest portion; and [ii] the overall structure of the seat portion, chair body, leg rest portion, compressed air supply means, distribution means, input means and control means.

However, the characteristic mentioned in [i] above is that of Invention 1, and there is no statement on such massage effect in the description of Invention 5. Moreover, the

JPO decision dismissing Patent 1 has become final and binding and thus, such structure is available to everybody. Therefore, such point mentioned in [i] above cannot be deemed to be the characteristic of Invention 5. Moreover, with respect to the characteristic mentioned in [ii] above, Invention 5 is indeed an invention related to a chair-type massager comprised of a seat portion, backrest portion and leg rest portion, but such basic structure of a massage chair is well-known and thus, the essential characteristics of Invention 5 cannot be found in such point.

As described above, the essential characteristic of Invention 5 can be found to be that by synchronizing the supply of air to seat bags and leg bags, the seat bags inflate and elevate the user's body in a state where the user's legs are held from both sides by the leg bags that have inflated. The determination on whether or not there existed any circumstances that fall under the proviso to Article 102, paragraph (1) of the Patent Act should be made in line with such substance of Invention 5.

(B) Invention 5 produces its working effect only when the seat airbags and leg airbags are made to inflate in combination. As held above (1.(1)B.), in the Appellant's Products, the abovementioned working effect of Invention 5 is produced only when a certain operational mode for the lower body is selected. For example, in Appellant's Product 1, the effect of Invention 5 appears when the "lower body course II" is selected from among "lower body course I through III," "leg mode I through III" and "seat mode I through III" by using a control panel or remote control for the lower body or remote control (see written explanations (ix) and (x) of the defendant's product provided in the attached document of the judgment in prior instance). Such an operational mode is different from a basic pounding and kneading of the shoulder, back, waist and legs and cannot be found to have been used frequently by the user.

Moreover, consumers' motivation to purchase chair-type massagers varies and personal difference would be found in the body parts which each consumer hopes to be massaged. However, consumers would generally focus on the health effects of chair-type massagers upon purchasing them and would require a feeling similar to that when they are pushed, kneaded or pounded by human hands (comfortable kneading). The working effect of Invention 5 is a stretch or massage effect obtained by extending the muscles from the legs to the buttocks. There is no option but to find that this effect is incidental as a working effect of a chair-type massager that mainly performs massage similar to finger pressure. Moreover, it is obvious that the muscles would be extended in a much smaller degree by the inflation of seat bags in comparison to the case where stretching exercise is performed on the floor, for example.

As described above, in light of the facts that the working effect of Invention 5 is

incidental as a working of a chair-type massager and its effect is limited and that such working effect only appears when a subset of modes is selected from among a variety of operational modes, there is no choice but to find that very few consumers would be motivated by the working effect of Invention 5 in purchasing the Appellant's Products, if any.

(C) The stretch or massage effect of Invention 5 is not stated in the brochures of the Appellant's Products and Appellee's Products.

Among the brochures of the Appellee's Products, the brochures of Appellant's Products 1 and 3 emphasize that the user's upper body shall be massaged by kneading balls and a roller and the lower body by airbags. Moreover, the brochures of Appellant's Products 2 and 4 emphasize that they are equipped with a function to automatically search the finger pressure points by an optical sensor. Though there exists a statement only in the brochure of Appellant's Product 1 that "Your thighs and buttocks would be able to feel a stretching sensation by the pressure stimulation produced by air bags, which is similar to being pushed by a fist," no other statements on the stretch or massage effect of Invention 5 can be found in the brochures of other Appellant's Products.

Moreover, in the brochures of the Appellee's Products, while there is an introductory statement that the massagers would massage the user's calves in a manner of wrapping around them from both sides and massage the buttocks by elevating them, no reference is made to the fact that a stretch effect shall be produced by synchronizing the inflation of leg airbags and buttock airbags.

As described above, the stretch or massage effect of Invention 5 is not set forth as a characteristic to be advertised to consumers in either of the brochures of the Appellant's Products and Appellee's Products. Taking into consideration this fact as well, Invention 5 cannot be considered to have served as an important motivation for the consumers to purchase the Appellant's Products or Appellee's Products.

(D) As found above, with respect to the situation of the chair-type massager market, the market share based on units in FY2001 can roughly be found to have been as follows: Matsushita Denko had a 26% share, the Appellant a 17% share and Fujiiryoki (including the Appellee's Products) a 13% share. When the conditions of the unit sales in the chair-type massager market and the sales units of the Appellee's Products are compared, the substantial market share of the Appellee's Products was 6 to 7% based on unit sales in 2000 when Patent 5 was established and registered and its ratio can be presumed to have further decreased in 2001.

The abovementioned products of Matsushita Denko and Fujiiryoki are both

generally sold for not less than 200,000 yen (Exhibit Otsu No. 62) and are chair-type massagers characterized by their multiple functions and high prices. Moreover, they perform massage of the upper body by kneading balls and massage of the lower body by airbags in combination and are equipped with a variety of combination of functions including those for the legs and thus, can be deemed to compete with the Appellee's Products. As found above, "Momimomi Riaru Puro" sold by Matsushita Denko and "CYBER-Relax" sold by Fujiiryoki enjoyed high popularity among the consumers as hot selling products. In light of their structure and functions, their popularity can be found to have been higher than that of the Appellee's Products, which mainly performed massage by airbags, as far as substitutability is concerned.

As described above, at the time when Patent 5 was established and registered, in the market to which the Appellee's Products belong, the market share of the Appellee's Products characterized by the performance of massage by airbags was sagging and there existed other popular competing products.

(E) According to the facts found above, during the time from 1998 to 2000, it can be found that favored products were those that combined the upper body massage using kneading balls and the lower body massage using airbags and that consumers valued the function to use different massaging methods according to the parts to be massaged.

However, after Appellant's Product 2, which comprised of an automatic search function of finger pressure points using an optical sensor for the first time in the relevant business field, was launched in April 2000 and enjoyed popularity among consumers, it can be presumed that consumers came to value the function to perform massage according to the difference in the user's body shape by a sensor function attached to the massager, as it is evident from the statements in the brochures of "CYBER-Relax" (launched in August 2001) and "Momimomi Riaru Puro" (launched in the same month) launched after Appellant's Product 2 and the abovementioned newspaper articles (Exhibit Otsu No. 62).

According to the market trends of such high priced and high functional chair-type massagers, at the time when Patent 5 was established and registered, i.e. October 2000, it can be found that the function to perform massage according to the difference in the user's body shape was valued on the premise that kneading balls and airbags would be used in combination.

As such, it can be found that, in purchasing Appellant's Products 1 and 3, consumers valued the function to use different massaging means, i.e. kneading balls or airbags, according to the parts to be massaged and furthermore they mainly valued, in purchasing Appellant's Products 2 and 4, the automatic search function of finger

pressure points which enables massage tailored to the user's body shape.

Based on the abovementioned findings, all of the Appellant's Products were comprised of characteristic structures that are different from those of Invention 5 and these characteristic functions and structures of the Appellant's Products should be deemed to have served as an important motivation for consumers to purchase them.

(F) The appellee alleges that the sharp decrease in the amount of sales of the Appellee's Products was caused by the appellant's act of infringing the Patent.

However, as held above, the appellant's sales volume can be considered to have increased thanks to the appellant's efforts of launching products that meet the consumers' needs such as incorporating the functions to massage the upper body by kneading balls and the lower body by airbags in Appellant's Product 1 and further equipping Appellant's Product 2 with a function to automatically search the pressure points by a sensor.

On the other hand, there is no choice but to find that the sales amount of the Appellee's Products decreased mainly for the followings reasons: [i] the appellee continued to mainly sell chair-type massagers using airbags amidst a situation where the combination use of airbags and kneading balls had become the mainstream in the market (Exhibits Ko No. 37-1 through No. 37-10) and could not sell models mounted with new functions that attract the consumers' attention especially after 2000; and [ii] Fujiiryoki, to which the appellee had entrusted the sales of its products due to the absence of its own sales network, successively launched its own products that compete with the Appellee's Products and the sales of such products increased.

As such, the main cause for the decrease in the sales amount of the Appellee's Products cannot be found in the infringement of Patent Right 5 but instead the appellee's limited market competitiveness and ability to sell products should be taken into consideration as the "circumstances [...] under which the patentee or exclusive licensee would have been unable to sell the products" as prescribed in the proviso to Article 102, paragraph (1) of the Patent Act.

(G) As found above, the essential characteristic of Invention 5 can be found in the stretch or massage effect produced by devising the timing of inflation of seat bags and leg bags. In this case, the following circumstances are found: [i] the function of Invention 5 is performed only when a subset of the operational modes of the Appellant's Products is selected; [ii] the working effect of Invention 5 is incidental as a working of a chair-type massager and is limited; [iii] the working of Invention 5 was hardly introduced in the brochures of the Appellant's Products and the Appellee's Products; [iv] at the time when Patent 5 was established and registered, the appellee's market share

was no more than a small percent of the total and there existed other popular competitors in the chair-type massager market; [v] the Appellant's Products were comprised of characteristic functions that are different from those of Invention 5 such as the function to perform massage by kneading balls and by airbags in combination and the function to automatically search the pressure points by an optical sensor, and consumers may be deemed to have selected to purchase the Appellant's Products by valuing these functions; and [vi] the Appellee's Products performed massage by the method using airbags, which did not necessarily have a strong market competitiveness, and thus the sales capacity of the Appellee's Products was limited.

Taking these circumstances in a comprehensive manner, it is appropriate to find that the quantity obtained by deducting the quantity of products which the appellee would not have been able to sell from the quantity of the Appellant's Products assigned is 1% of such assigned quantity for all of the Appellant's Products.

(6) Amount of damage

A. Appellant's Products 1 and 2 (October 20, 2000 to March 5, 2001)

Assigned quantity: 17,598 units

Quantity which could have been sold by the appellee (1%): 176 units

Amount of profit per unit: 16,650 yen

Amount: 2,930,400 yen

B. Appellant's Products 1 through 4 (March 6, 2001 to March 31, 2002)

Assigned quantity: 51,381 units

Quantity which could have been sold by the appellee (1%): 514 units

Amount of profit per unit: 16,650 yen

Amount: 8,558,100 yen

C. Total: 11,488,500 yen

4-2 Allegations based on Article 102, paragraph (3) of the Patent Act

(1) The appellee preliminarily alleged the amount equivalent to the license fee based on Article 102, paragraph (3) of the Patent Act (5% per product) as damage. However, as mentioned above, Invention 5 performs its working only when a subset of operational modes of a chair-type massager is selected and the effect itself is only incidental. Moreover, even if the Appellant's Products do not have the function of Invention 5, massage of the legs and buttocks per se can be performed and thus, there should be little impact on the sales of the Appellant's Products. Taking these circumstances into consideration in addition to the circumstances held above in a comprehensive manner, the amount equivalent to the license fee cannot be found to exceed the abovementioned amount of damage awarded by the court based on Article 102, paragraph (1) of the

Patent Act.

(2) The appellee alleges that even if the proviso to Article 102, paragraph (1) of the Patent Act is applied by taking into consideration the existence of competing products, 5% of the sales amount should be approved as an amount equivalent to the license fee based on Article 102, paragraph (3) of the Patent Act, with respect to the portion which the appellee was found unable to sell (99%).

However, while Article 102, paragraph (1) of the Patent Act is a provision in which lost profits are calculated on the premise that there was no working of the invention that falls under the infringement of a patent, Article 102, paragraph (3) of the Patent Act is a provision which deems the amount equivalent to the license fee which is to be received for the working of the relevant patented invention as damage; the two provisions use different methods to calculate the amount of damage based on different premises. Moreover, if it is construed that an amount equivalent to the license fee can be claimed for the portion which the patentee would not have been able to sell, this would allow the patentee to receive compensation for damage beyond the scope of lost profits, which the patentee can normally claim as damage against the act of infringement. It is hard to find reasonable grounds to allow compensation for damage beyond the patentee's lost profits.

Therefore, the appellee's allegation cannot be accepted.

4-3 Regarding other allegations

Although the appellee has made preliminary allegations based on Article 102, paragraph (2) of the Patent Act, there is not sufficient evidence to find that the amount claimed thereunder exceeds the amount of damage awarded based on paragraph (1) of said Article. With respect to the claim for injunctions, it is found that the injunction of Appellant's Products 3 and 4 is still necessary.

No. 5 Conclusion

As found above, the appellee's claims are well-grounded to the extent of claiming injunction of manufacture and sale, etc. of Appellant's Products 3 and 4 and payment of 11,488,500 yen, with the money accrued on part of this amount, 2,930,400 yen, at the rate of 5% per annum for the period from March 6, 2001 until the completion of payment and the money accrued on part of the first-mentioned amount, 8,558,100 yen, at the rate of 5% per annum for the period from May 9, 2002 until the completion of payment as compensation for damages and other claims are dismissed for being groundless, and the judgment shall be rendered in the form of the main text.

Intellectual Property High Court Fourth Division

Presiding judge: TSUKAHARA Tomokatsu

Judge: TAKANO Teruhisa

Judge: SATO Tatsufumi

1. "3. Summary of the JPO decision (Exhibit Ko No. 1-1)" under the section titled "No. 2 Outline of the case"

"(1) Allegations of the demandant (appellant)

A. Cited document

(i) Exhibit Ko No. 2 in the trial (Publication of Examined Patent Application No. S44-13638, Exhibit Otsu No. 80 in the principal action)

(ii) Exhibit Ko No. 3 in the trial (Design Gazette No. 296760, Exhibit Otsu No. 4 in the principal action)

(iii) Exhibit Ko No. 5 in the trial (brochure of "National Ea Massa Ashi Raaku," Exhibit Otsu No. 151 in the principal action)

B. Reasons for invalidation

Invention 5 could have been easily made by a person ordinarily skilled in the art based on the invention stated in [a] Exhibit Otsu No. 80, [b] Exhibits Otsu No. 80 and No. 4, [c] Exhibits Otsu No. 80 and No. 151, and [d] Exhibits Otsu No. 80, No. 4 and No. 151, and well-known arts. Therefore, it cannot be patented under the provision of Article 29, paragraph (2) of the Patent Act (hereinafter referred to as "reasons for invalidation [a]," etc., according to the codes mentioned above).

(2) Invention stated in the cited publications

The JPO found the inventions stated in the cited publications as follows.

(i) Invention stated in Exhibit Otsu No. 80 (hereinafter referred to as "Exhibit Otsu No. 80 Invention")

"An acupressure device which has a plurality of bellows-shaped telescopic cylinder 27 mounted with an acupressure head portion 29 on the top edge and in which compressed air will be fed, which is an acupressure device comprised of a seat portion 3 in which the bellows-shaped telescopic cylinders 27 are arranged at predetermined positions; comfort chair 1 which has a leg rest portion that is arranged at the front side of the seat portion 3 and in which [said] bellows-shaped telescopic cylinders 27 are arranged in the inner wall surface of the armrest portion 4 at predetermined positions and has a backrest portion 2 which is provided at the rear end of the seat portion 3 at a predetermined inclination angle; an air compressor 7 that feeds in compressed air; distribution and a supply rotary valve 19 which successively distributes and feeds in the compressed air produced from this air compressor 7 to the bellows-shaped telescopic cylinders 27 via a connection hose 26; and a means to regulate the pressure and frequency of extension in bellows-shaped telescopic cylinder 27."

(ii) Invention stated in Exhibit Otsu No. 4 (hereinafter referred to as "Exhibit Otsu No. 4 Invention")

"An acupressure chair comprised of a chair body having a seat portion and a backrest portion provided in the rear end of this seat portion at a predetermined inclination angle, a concave shaped leg rest portion which is provided at the front side of the seat portion and surrounds the user's right and left legs from both sides and back sides thereof and acupressure elements."

(iii) Invention stated in Exhibit Otsu No. 151 (hereinafter referred to as "Exhibit Otsu No. 151 Invention")

"An air massager comprised of a plurality of removable airbags wherein the airbags mounted on the thigh portion compress the user's thighs with the supply of compressed air after the airbags mounted on the calf portion have compressed the user's calves with the supply of compressed air."

(3) Determination

A. Regarding the reason for invalidation [d]

"When Invention 5 and Exhibit Otsu No. 80 Invention are compared, Exhibit Otsu No. 80 Invention at least does not have the mode and structure of Invention 5 that "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs in an operational mode that performs supply and discharge of compressed air to and from the leg bags in synchronization with the supply and discharge operation of compressed air to and from the seat bags." Moreover, there is no statement suggesting the abovementioned mode and structure in Exhibit Otsu No. 80. Moreover, the abovementioned mode and structure are also not disclosed in Exhibits Otsu No. 4 and No. 151.

Furthermore, by such mode and structure, Invention 5 produces the effect stated in the description that "the muscles of the user's thighs and buttocks shall be extended and thereby stretched and simultaneously massaged."

It is true that Exhibit Otsu No. 80 Invention comprises "a plurality of bellows-shaped telescopic cylinders 27 mounted with an acupressure head portion 29 on the top edge and in which compressed air will be fed," "a seat portion 3 in which the bellows-shaped telescopic cylinders 27 are provided" and "a leg rest portion [...] in which the bellows-shaped telescopic cylinders 27 are provided in the inner wall surface of the armrest portion 4 at predetermined positions." Meanwhile, both types of massage devices, i.e. a type using a bellows-shaped telescopic cylinder mounted with an acupressure head portion and a type using bags, are well-known. Thus, it can be found that a person ordinarily skilled in the art can interchange the "bellows-shaped telescopic

cylinders" and "bags" by each other as needed and appropriate. However, in Exhibit Otsu No. 80 Invention, even if the "bellows-shaped telescopic cylinders 27" provided in the inner wall surface of the armrest portion 4 is interchanged with "bags," the bags that have interchanged the bellows-shaped telescopic cylinders would merely be arranged on the right outer portion of the right leg rest portion and left outer portion of the left leg rest portion. Moreover, as there is no intermediate wall mentioned in the working example shown in Invention 5, "a state where the user's legs are held from both sides by the inflation of bags" would not be realized.

Furthermore, Exhibit Otsu No. 80 Invention is structured to successively distribute compressed air to a plurality of bellows-shaped telescopic cylinders 27. However, even when taking into account the working example in which the trigger points of acupressure indicated by signs 'a' through 'f' that exist from the thighs to the legs as shown in Figure 8 in Exhibit Otsu No. 80 are successively pressed in the order of the signs by bellows-shaped telescopic cylinders 27, as well as a working example in which the order of pressing is changed as appropriate, it is obvious that the trigger points of acupressure would only be pressed in different timings and that the muscles of the user's thighs or buttocks would not be extended.

Therefore, Exhibit Otsu No. 80 Invention can hardly be deemed to have disclosed the abovementioned mode and structure to produce a stretch effect.

Next, Exhibit Otsu No. 4 states an acupressure chair which has a concave shaped leg rest portion that surrounds the user's right and left legs from both sides and the rear. If this acupressure chair is altered to arrange bags in the inner surface of both sides of this leg rest portion at predetermined positions, it can be construed that "a state where leg bags have inflated and are holding the user's legs" would be realized. Yet, this acupressure chair is not comprised of seat bags and thus, it is obvious that the abovementioned mode and structure have not been taken into consideration at all to produce a stretch effect.

Furthermore, Exhibit Otsu No. 151 states an air massager wherein the airbags mounted on the thigh portion compress the user's thighs with the supply of compressed air after the airbags mounted on the calf portion has compressed the user's calves with the supply of compressed air. Yet, this massager merely performs sequential pressurization from the calves to the thighs with the inflation of airbags and thus is irrelevant to the abovementioned mode and structure to produce a stretch effect.

Invention 5 was made to solve the problem to "stretch and massage the muscles of the user's legs, including the thighs and buttocks." By adopting the constituent feature of "the seat bags inflate in a manner elevating the user in a state where the leg bags have

inflated and are holding the user's legs," Invention 5 "produces the effect that, when the body is lifted upward as a result of the inflation of the seat bags, the user's legs would be held from both sides by the inflated leg bags and thus, the muscles of the user's thighs and buttocks would be extended and thereby stretched and massaged." Thus, it would be difficult for a person ordinarily skilled in the art to conceive of the structure of "a state where the leg bags have inflated and are holding the user's legs" based on Exhibits Otsu No. 80 and No. 4 that do not disclose such a problem or working effect. Beyond that, it would be much more difficult for such person to conceive of the structure wherein "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs."

Moreover, it would also be difficult for such person to conceive of the abovementioned structure even taking into consideration Exhibit Otsu No. 151 which discloses a massager merely comprised of a plurality of removable bags.

Furthermore, even if other evidence submitted by the demandant is taken into consideration, there is no sufficient evidence to construe that the abovementioned mode and structure are well-known arts.

As such, Invention 5 cannot be found to have been easily made by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80, No. 4 and No. 151 and well-known arts.

Accordingly, reason for invalidation [d] is groundless."

B. Regarding reasons for invalidation [a] through [c]

"As long as Invention 5 could not have been easily made by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80, No. 4 and No. 151 and well-known arts, it is obvious that Invention 5 could not have been easily made by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80 and well-known arts, or the inventions stated in Exhibits Otsu No. 80 and No. 4 and well-known arts, or the inventions stated in Exhibits Otsu No. 80 and No. 151 and well-known arts.

Accordingly, reasons for invalidation [a] through [c] are also groundless."

(4) Conclusion

"As found above, the patent granted for Invention 5 cannot be invalidated by the reasons alleged by the demandant and the means of evidence submitted."

2. "No. 3 Point of the plaintiff's allegation"

"The JPO decisions on the abovementioned reasons for invalidation [b] and [d] are erroneous.

1. Regarding the reason for invalidation [b]

(1) With respect the structure of "a state in which the leg bags have inflated and are holding the user's legs" as stated in Claim 1, the JPO, while finding that "a state in which the leg bags have inflated and are holding the user's legs" would be realized if the acupressure chair prescribed in Exhibit Otsu No. 4 is altered to arrange bags in the inner surface of both sides of the leg rest portion at predetermined positions, determined that it was difficult for a person ordinarily skilled in the art to conceive of such structure based on Exhibits Otsu No. 80 and No. 4.

However, since pressing of the lower thighs is one of the most general problems in the field of massage devices, a person ordinarily skilled in the art could have easily arrived at the idea to provide the same bellows-shaped telescopic cylinders as those used in the acupressure device mentioned in Exhibit Otsu No. 80 on both sidewalls of the pair of leg rest portions of the acupressure chair mentioned in Exhibit Otsu No. 4 in order to press the lower thighs. Moreover, as mentioned in the JPO decision, a person ordinarily skilled in the art can, as needed and appropriate, interchange these bellows-shaped telescopic cylinders with bags. Accordingly, if bellows-shaped telescopic cylinders are provided in both sidewalls of the pair of leg rest portions of the acupressure chair mentioned in Exhibit Otsu No. 4 and then such telescopic cylinders are interchanged with bags, pressing members arranged in the concave part will produce pressing action and thereby the user's legs would inevitably be held. Therefore, the structure of "a state where the leg bags have inflated and are holding the user's legs" could have been easily conceived of by a person ordinarily skilled in the art based on Exhibits Otsu No. 80 and No. 4.

(2) The structure wherein bags are arranged in the seat portion at predetermined positions is made for the purpose of applying pressing force to the user's thighs and buttocks and is well-known in the field of massage devices. Moreover, the user would obviously be elevated if the bags arranged in the seat portion at predetermined positions inflate and press his/her thighs and buttocks. Thus, the structure of "the seat bags inflate in a manner elevating the user" as stated in Claim 1 is well-known. Even if such structure was not well-known, a person ordinarily skilled in the art could have easily arrived at such structure based on Exhibit Otsu No. 80 Invention and well-known arts.

(3) The structure of "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs" as stated in Claim 1 could also have been easily conceived of by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80 and No.4 and well-known arts.

In the acupressure device stated in Exhibit Otsu No. 80, the bellows-shaped

telescopic cylinders are designed to inflate in the order of 'a' to 'f' (Figure 8) for the purpose of applying pressing stimulation from the bellows-shaped telescopic cylinders in different timings for each body part and there are no special factors that inhibit the change of such pressing order. The pressing order can be changed to first inflate the bellows-shaped telescopic cylinders in the leg rest portion and then those in the seat portion or to simultaneously inflate the bellows-shaped telescopic cylinders in the leg rest portion and seat portion, and a person ordinarily skilled in the art can easily conceive of the fact that an effect to easily extend the muscles (the "stretch effect" of Invention 5) can be produced in such cases. As just described, the structure of "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs" can be easily conceived of by a person ordinarily skilled in the art by focusing on the most general problem of massage devices, i.e. to press the user's lower thighs and buttocks, without aiming to solve the problem or to produce the effect to "stretch and massage simultaneously." The JPO denied the allegation that Invention 5 could have been easily conceived of by a person ordinarily skilled in the art solely on the grounds that the same problem and effect as those of Invention 5 are not stated in Exhibits Otsu No. 80 and No.4 and thus, its decision is erroneous.

(4) As described above, Invention 5 could have been easily conceived of by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80 and No. 4 and well-known arts.

2. Regarding the reason for invalidation [d]

Exhibit Otsu No. 151 Invention states a structure wherein compression is applied to the user's toes, ankles, calves and thighs in this order by a plurality of airbags. A person ordinarily skilled in the art could have easily presumed that such structure was adopted with an aim to perform the massage of the "centripetal method." A person ordinarily skilled in the art who had access to Exhibit Otsu No. 151 Invention would be able to easily conceive of the idea to change the order of inflation, i.e. to first inflate the bellows-shaped telescopic cylinders in the leg rest portion and then those in the seat portion, with respect to the acupressure device stated in Exhibit Otsu No. 80. Taking into consideration such Exhibit Otsu No. 151 Invention as well, Invention 5 could have been easily conceived of by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80, No. 4 and No. 151 and well-known arts and thus, the JPO erroneously denied the reason for invalidation [d].

3. "No. 4 Point of the defendant's allegation"

"There are no errors in the JPO decisions concerning reasons for invalidation [b] and

[d].

1. With respect to the reason for invalidation [b]

(1) While the chair-type air massager of Invention 5 massages the user's body by bags that inflate and deflate with the supply and discharge of compressed air, it is especially provided with seat bags that inflate in a manner elevating the user's thighs and buttocks and leg bags that inflate in a manner holding the user's legs (calves) from both sides. Moreover, its characteristic structure is to control the timing of inflation of these two types of bags so as to have "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs." By this structure, Invention 5 produces the extending (stretching) action of the muscles of the user's thighs in addition to the holding and kneading massage action of the legs.

(2) Exhibits Otsu No. 80, No. 4 and No. 151 only disclose a machine that massages each of the users' body parts by using the pressure effect such as acupressure and contain no statement on a structure aimed at provide stretching. Moreover, there are no expectations to produce an effect to stretch and massage the user's legs including the thighs by holding the user's legs in the leg rest portion by having the bags used for the pressing massage machine inflate by air pressure and elevating the user by seat bags in such a state. In performing pressure massage, it is unnecessary to fix the user's legs by holding them, and the thighs and buttocks would be elevated by the seat portion in a state where the legs are held only when the problem and working effect of Invention 5 are intended to be solved or produced.

(3) The acupressure device of Exhibit Otsu No. 80 Invention performs acupressure massage by arranging bellows-shaped telescopic cylinders in the positions that correspond to the trigger points of acupressure of the human body seated on a chair or lying on a bed. The acupressure device of Exhibit Otsu No. 80 Invention does not contain a structure that holds and restrains the user's legs and thus, it does not have a structure to elevate the user's thighs and buttocks in a state where the legs are held. Even if the bellows-shaped telescopic cylinders provided in the leg rest portion and seat portion in the acupressure device of Exhibit Otsu No. 80 Invention are made to inflate in synchronization, only an acupressure-like effect would be produced in the finger pressure points of each part and the legs would not be restrained nor would the thighs and buttocks be elevated in the seat portion in such a state. Furthermore, Exhibit Otsu No. 80 Invention does not expect to perform stretching of the user's thighs and buttocks.

The JPO found that a person ordinarily skilled in the art may as needed and appropriate interchange the bellows-shaped telescopic cylinders used in Exhibit Otsu No. 80 Invention with bags. However, though bellows-shaped telescopic cylinders and

bags are common in that they both provide the massage function by utilizing pressure, using bellows-shaped telescopic cylinders is not an option to solve the problem and achieve the effect of Invention 5. Thus, they are not interchangeable and even if the bellows-shaped telescopic cylinders used in Exhibit Otsu No. 80 Invention are interchanged with bags, the user's legs would not be held since an intermediate wall to hold the legs is not provided in the leg rest portion prescribed in Exhibit Otsu No. 80.

(4) While Exhibit Otsu No. 4 Invention is a design titled acupressure chair and only shows its appearance, when members to perform acupressure are to be arranged at predetermined positions, it is natural to select members similar to the bellows-shaped telescopic cylinder as used in Exhibit Otsu No. 80 Invention. Moreover, although this acupressure chair is provided with a concaved leg rest portion, even if bags are arranged in both of the sidewalls of such portion, it is natural for a person ordinarily skilled in the art to think about nothing but the range to be massaged by pressure force. As long as it is not aimed at solving the problem or producing the effect of Invention 5, a person ordinarily skilled in the art would not be able to conceive of "a state where the user's legs are held."

(5) Based on the abovementioned facts, there are no errors in the finding made by the JPO that Invention 5 could not have been easily conceived of by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80 and No. 4 and well-known arts.

2. With respect to the reason for invalidation [d]

Exhibit Otsu No. 151 Invention massages the user's calves and thighs by applying pressure thereto and produces no stretch effect since the user would be able to freely move his/her legs during the operation and no seat bags are provided. Therefore, even if Exhibit Otsu No. 151 Invention is taken into consideration in addition to the inventions stated in Exhibit Otsu No. 80 and No. 4, a person ordinarily skilled in the art could not have been easily conceived of Invention 5."

4. "No. 5 Court decision"

"Since the appellant alleges the errors in the JPO decisions regarding reasons for invalidation [b] and [d], the court will first examine the reason for invalidation [d].

1. Regarding the reason for invalidation [d]

(1) According to the scope of claims and detailed explanation of invention in question (Exhibit Ko No. 23), the chair-type air massager related to Invention 5 is found to have the problem to "stretch and massage the muscles of the user's legs, including the thighs and buttocks" (Paragraph [0003]), and to perform an operation that "when the

body is lifted upward as a result of the inflation of the seat bags, the user's legs would be held from both sides by the inflated leg bags and thus, the muscles of the thighs and buttocks would be extended and thereby stretched and massaged" (Paragraph [0005]) by adopting the structure of "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs in the operational mode which performs supply and discharge of compressed air to and from the leg bags in synchronization with the supply and discharge operation of compressed air to and from the seat bags (Claim 1).

(2) There is no dispute between the parties with respect to the findings made by the JPO on the inventions stated in Exhibits Otsu No. 80, No. 4 and No. 151. Exhibit Otsu No. 80 discloses an acupressure device which uses bellows-shaped telescopic cylinders mounted with an acupressure head as acupressure means and which is comprised of a leg rest portion with bellows-shaped telescopic cylinders provided in the inner wall surface and in which bellows-shaped telescopic cylinders are also provided in the seat portion. Exhibit Otsu No. 4 (design gazette) discloses an acupressure chair comprised of a concave shaped leg rest portion which surrounds the user's right and left legs from both sides and rear side and Exhibit Otsu No. 151 discloses an air massager wherein the user's toes, ankles, calves and thighs are compressed in this order with the supply of compressed air to airbags.

(3) The JPO decision found that Invention 5 and Exhibit Otsu No. 80 Invention differ in the following point: while the air massager of Invention 5 has the structure of "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's leg portions in the operational mode which performs supply and discharge of compressed air to and from leg bags in synchronization with the supply and discharge operation of compressed air to and from seat bags," the acupressure device shown in Exhibit Otsu No. 80 does not have such structure. There is no dispute between the parties in this regard.

(4) Therefore, the court will examine the determination made by the JPO on the abovementioned difference.

A. Invention 5 and Exhibit Otsu No. 80 Invention differ in that while bags are used as the pressing means in Invention 5, bellows-shaped telescopic cylinders are used in Exhibit Otsu No. 80 Invention. However, as pointed out in the JPO decision, massage devices using bellows-shaped telescopic cylinders and those using bags are both well-known. Therefore, a person ordinarily skilled in the art would: as needed and appropriate, be able to interchange the bellows-shaped telescopic cylinders used in the acupressure device shown in Exhibit Otsu No. 80 with bags.

B. As held above, Exhibit Otsu No. 4 discloses an acupressure device which is comprised of a concave shaped leg rest portion that surrounds the user's right and left legs from both sides and the rear. Exhibits Otsu No. 80 and No. 4 are both inventions related to the same field of acupressure devices, and thus, there are no obstructive factors for interchanging the compressing means of the acupressure device shown in Exhibit Otsu No. 80 with bags and for applying the structure of the leg rest portion stated in Exhibit Otsu No. 4 to Exhibit Otsu No. 80 Invention. When the structure of the leg rest portion stated in Exhibit Otsu No. 4 is applied to the acupressure device stated in Exhibit Otsu No. 80 Invention, a well-known massage method in which the user's calves would be pressed in a manner of wrapping around them would be performed as shown in Exhibit Otsu No. 151 Invention, and thus, a person ordinarily skilled in the art would be able to provide bags on the rear end and both sidewalls of the right and left [legs] of the leg rest portion as appropriate. When the leg rest portion is structured in such a way and compressed air is fed into the bags in such portion, it is obvious that "a state where the leg bags have inflated and are holding the user's legs" would be realized. Accordingly, the structure of "a state where the leg bags have inflated and are holding the user's legs" of Invention 5 could have been easily conceived of by person ordinarily skilled in the art based on the inventions stated in Exhibit Otsu No. 80, No. 4 and No. 151 and well-known arts.

C. Similarly, it can be found that bellows-shaped telescopic cylinders are arranged in the seat portion of the acupressure device shown in Exhibit Otsu No. 80 at predetermined positions. When theses bellows-shaped telescopic cylinders are interchanged with bags and the numbers and positions are changed as appropriate and compressed air is fed in, it is obvious that "seat bags inflate in a manner elevating the user." Therefore, the structure of "seat bags inflate in a manner elevating the user" can be easily conceived of by a person ordinarily skilled in the art.

D. However, the structure that "seat bags inflate in a manner elevating the user in a state where the leg bags have expanded and are holding the user's legs in the operational mode which performs supply and discharge of compressed air to and from the leg bags in synchronization with the supply and discharge operation of compressed air to and from the seat bags" could not have been easily conceived of by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80, No. 4 and No. 155 and well-known arts.

In this regard, the appellant, while admitting that the same problem and effect as those of Invention 5 are not stated in Exhibits Otsu No. 80, No. 4 and No. 151, alleges as follows: a person ordinarily skilled in the art can as appropriate change the order of

inflation of the bellows-shaped telescopic cylinders in the acupressure device shown in Exhibit Otsu No. 80 and thus, such person could have easily conceived of the structure of "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs" of Invention 5 by simultaneously inflating the telescopic cylinders in the leg rest portion and those in the seat portion. Therefore, the JPO decision which denied the allegation that Invention 5 could have been easily conceived of by a person ordinarily skilled in the art on the grounds of absence of the statements of such problem and effect is erroneous.

However, even if a person ordinarily skilled in the art could change the order of inflation of the bellows-shaped telescopic cylinders in the acupressure device shown in Exhibit Otsu No. 80 as appropriate, Exhibit Otsu No. 80 merely discloses the fact that finger pressure shall be applied to the nape, back, arms, thighs and legs, etc. in this order repeatedly. Thus, even if the order of inflation of the bellows-shaped telescopic cylinders of the acupressure device shown in Exhibit Otsu No. 80 is changed, it is obvious that the parts to be massaged would be compressed only in a different timing and the same stretch effect as that of Invention 5 would not be produced.

Moreover, even when accepting the appellant's opinion that a person ordinarily skilled in the art could easily conceive of the idea to have the plurality of pressing parts inflate simultaneously in the acupressure device, the term "stretch" referred to in the problem and effect of Invention 5 obviously has a different meaning from the massage performed by pressing the user's body parts by bags or bellows-shaped telescopic cylinders, in terms of workings. Moreover, in order to produce a stretch effect in addition to a massage effect, a simultaneous pressing of a plurality of pressing points is insufficient and cooperative operation of a plurality of pressing parts would be required. Thus, in order to find that a person ordinarily skilled in the art could easily adopt the structure that produces the same working effect as that of Invention 5 from among a number of possible combinations for the order of inflation of the telescopic cylinders shown in Exhibit Otsu No. 80, the same problem and effect as those of Invention 5 must be disclosed or suggested in Exhibits Otsu No. 80, No. 4 and No. 151. Nevertheless, no disclosure or suggestion on the same problem and effect as those of Invention 5 can be found in the statements in Exhibits Otsu No. 80, No. 4 or No. 151 and there is no sufficient and definite evidence to find that such problem and effect are well-known.

The appellant alleges that the term "stretch" as used in Invention 5 should be recognized to mean "a power that can easily extend the muscles." However, in Invention 5, the seat portion is elevated in a state where the user's legs are held and thus such power that extends the muscles would be different in the case where, for example,

the muscles of the legs or thighs shall be extended by the weight of the user's own legs. Moreover, even if the term could be recognized in the sense alleged by the appellant, the fact remains that no disclosure or suggestion of such fact is contained in Exhibits Otsu No. 80, No. 4 and No. 151 and thus, this issue would not affect the abovementioned conclusion regarding inventive steps.

Based on the abovementioned findings, the structure of "the seat bags inflate in a manner elevating the user in a state where the leg bags have inflated and are holding the user's legs" of Invention 5 cannot be found to have been easily conceived of by a person ordinarily skilled in the art based on the inventions stated in Exhibits Otsu No. 80, No. 4 and No. 151 and well-known arts.

2. Regarding the reason for invalidation b

As long as the appellant's allegations on the reason for invalidation [d] based on the inventions stated in Exhibits Otsu No. 80, No. 4 and No. 151 and well-known arts are groundless, it is obvious that the appellant's allegations on the reason for invalidation [b] which is based solely on the inventions stated in Exhibits Otsu No. 80 and No. 4 and well-known arts are groundless."