Patent Right	Date	September 28, 2023	Court	Tokyo District Court, 40th Civil Division
	Case number	2018 (Wa) 13126		
- A case in which, a claim relating to the amount of reasonable consideration according to an employee invention was extinguished by the payment of a reward for working the invention.				

Summary of the Judgment

The present case is one in which the Plaintiff, who was an employee of the Defendant at the time of invention relating each of patents (1) to (8) in Patent Inventory Description 1 and patents (1) to (10) of Patent Inventory Description 2 of Judgment Attachment 1 of the Defendant (hereinafter, referred to as "Patent 1-1" to "Patent 1-8" and "Patent 2-1" to "Patent 2-10," and collectively referred to as "each of the Inventions"), had the Defendant succeed to the right to obtain a patent as one of the co-inventors for the employee invention, demands against the Defendant, based on Article 35, paragraphs (3) and (4) of the Patent Act (before the revision by the Act No. 79 of 2004), for payment of 500 million yen, and delay damages from December 15, 2017 that is the day after the claim was made to the Defendant until payment has been made, at the rate of 5% per year as prescribed by the Civil Code (before the revision by the Act No. 44 of 2017).

In the judgment of the present case, the Court judged that of the Defendant's products, the DVD disc of the Defendant's product specified by the DVD video standard, satisfies all of the Inventions 1-5-1, 1-5-11, 1-7-1, 1-7-10, 2-3-1, 2-3-15, 2-3-30, 2-3-40, and 2-3-42.

Then, the judgment of the present case indicates the judgment criteria relating to calculation of monopoly benefits as follows.

Article 35, paragraph (1) of the Patent Act stipulates that an employer, etc. has a non-exclusive license on the patent right relating to employee inventions. The amount of profit to be gained by the employer, etc. from the employee invention stipulated in Article 35, paragraph (4) of the same Act does not refer to all of the profits from the working of the patent invention by the employer, etc., since the employer, etc. can work the patent rights themselves without succession of the patent right mentioned above, and should be limited to benefits gained by being able to exercise prohibition rights against third parties who have not obtained a license (hereinafter, referred to as "monopoly benefits"). Then, it is reasonable to understand that the monopoly benefits respectively refer to the amount equivalent to the license fee if the patentees do not work the patent invention themselves but license it to another company, and to the amount equivalent to the license fee corresponding

to the sales exceeding the sales based on the non-exclusive license (calculated by multiplying the sales of a worked product of the patent invention by a percentage of excess sales and a hypothetical royalty rate) if the patentees work the patent invention by themselves without licensing it to another company.

However, although in the judgment of the present case, the Court calculated the monopoly benefits based on the judgment criteria, considering the fact that the Defendant has paid the Plaintiff a total of 10.7 million yen as a reward for working the Inventions by December 12, 2016, it is judged that a claim relating to the amount of reasonable consideration was extinguished.

As described above, the judgment of the present case dismissed all of the Plaintiff's claims.