Date	December 22, 2011	Court	Intellectual Property High Court, Fourth Division
Case number	2010 (Ne) 10091		

○ A case in which the plaintiff in the first instance, who is the patentee of the invention titled "Method of immobilizing heavy metals in fly ash and agent for immobilizing heavy metals" (Invention), sought against the defendant in the first instance, who had sold products infringing the Invention, damages of 3,248,759,242 yen in total, which is obtained by summing the amount of damage calculated pursuant to Article 102, paragraphs (1) and (3), respectively, as well as delay damages accrued thereon, in addition to claims for injunction against the production, etc. of such products and for disposal of infringing products; the court upheld said claims for injunction and for disposal, and also upheld a claim for 1,800,892,796 yen with delay damages accrued thereon in relation to the aforementioned claim for damages, holding as follows: As paragraph (1) of said Article stipulates a method of calculating the amount of passive damages incurred by the patentee in both its main clause and proviso, for the purpose of restoring the state where there was no tort of infringement of the patent right, by monetarily evaluating actual damages incurred by the patentee and compensating the disbenefits of the patentee, the amount of damage calculated pursuant to said paragraph should be regarded as a result of evaluating all of the passive damages incurred by the patentee; on the other hand, paragraph (3) of said Article stipulates that the patentee, etc. may claim money in the amount equivalent to the amount of money which the patentee, etc. would have been entitled to receive for the working of the patented invention by the infringer (the amount equivalent to a royalty) as the amount of damage incurred by the patentee, etc., and represents a provision for convenience in proving damages incurred by the patentee due to tort of infringement of the patent right; however, as long as it is understood that paragraph (1) of said Article intends to restore the state where there was no tort by evaluating all of the passive damages incurred by the patentee and thereby compensating the disbenefits of the patentee as mentioned above, if the patentee claims passive damages calculated pursuant to paragraph (1) of said Article, there is no room to think of damages claimable pursuant to paragraph (3) of said Article in parallel with said claim, and the patentee is unable to claim the amount calculated pursuant to said paragraph

References:

Article 102, paragraphs (1) and (3) of the Patent Act

1. The plaintiff in the first instance is the patentee of the invention titled "Method of

immobilizing heavy metals in fly ash and agent for immobilizing heavy metals" (Invention). In the prior instance, the plaintiff sought against the defendant in the first instance who had sold products infringing the Invention (Defendant's Products) an injunction against the production, use, assignment, import/export, or offering for assignment of the Defendant's Products and the disposal thereof. The plaintiff also claimed against the defendant for the payment of 2,729,256,208 yen in total (including the amount equivalent to attorney's fees) as damages in tort of infringement of the patent right (for the period from January 24, 2003, to September 30, 2009) with delay damages accrued thereon. The plaintiff in the first instance claimed the payment of the amount obtained by summing the amount of damage calculated pursuant to Article 102, paragraphs (1) and (3), respectively, in relation to part of the aforementioned damages.
2. Regarding the aforementioned claims of the plaintiff in the first instance, the court of the prior instance ordered the defendant in the first instance to suspend the production, etc. of the Defendant's Products and dispose of them, as well as to pay 1,191,852,910 yen as damages with delay damages accrued thereon. However, the court dismissed the claims of the plaintiff in the first instance for other damages and delay damages accrued thereon. The court of the prior instance cited the judgment of the Intellectual Property High Court of September 25, 2006, on 2005 (Ne) 10047 [Case to seek injunction against infringement of a patent right, etc.], and held as follows: While Article 102, paragraph (1) of the Patent Act indicates a method of calculating the amount of damage on the premise of a hypothesis that articles that compose the act of infringement have not been assigned, paragraph (3) of said Article is a provision based on the premise that the patented invention has been worked; therefore, these provisions stipulate methods of calculating the amount of damage based on different premises, and the amount equivalent to a royalty, which corresponds to the amount that the patentee is unable to claim pursuant to the proviso to paragraph (1) of said Article, cannot be claimed under paragraph (3) of said Article (judgment of the Tokyo District Court of November 18, 2010; 2007 (Wa) 507 [Case to seek injunction against infringement of a patent right, etc.]).

Consequently, the plaintiff in the first instance appealed against the aforementioned determination of the court of the prior instance and expanded its claims to 3,248,759,242 yen in total (including the amount equivalent to attorney's fees) as damages in tort of infringement of the patent right (for the period from January 24, 2003, to March 31, 2011) with delay damages accrued thereon. In the second instance, the plaintiff in the first instance also claimed the payment of the amount obtained by summing the amount of damage calculated pursuant to Article 102, paragraphs (1) and

(3) of the Patent Act, respectively, in relation to part of the aforementioned damages.

On the other hand, the defendant in the first instance also filed an appeal, disputing over the fulfillment of the constituent features of the Invention by the Defendant's Products, the validity of the patent, and the amount of damage.

3. The Intellectual Property High Court determined that the Defendant's Products fulfill the constituent features of the Invention and that the patent is not recognized as one that should be invalidated by a trial for patent invalidation, and upheld claims for injunction against the production, etc. of the Defendant's Products and disposal thereof. Regarding the amount of damage in tort, the Intellectual Property High Court held as follows: As Article 102, paragraph (1) of the Patent Act stipulates a method of calculating the amount of passive damages incurred by the patentee in both its main clause and proviso, for the purpose of restoring the state where there was no tort of infringement of the patent right, by monetarily evaluating actual damages incurred by the patentee and compensating the disbenefits of the patentee, the amount of damage calculated pursuant to said paragraph should be regarded as a result of evaluating all of the passive damages incurred by the patentee; on the other hand, paragraph (3) of said Article stipulates that the patentee, etc. may claim money in the amount equivalent to the amount of money which the patentee, etc. would have been entitled to receive for the working of the patented invention by the infringer (the amount equivalent to a royalty) as the amount of damage incurred by the patentee, etc., and represents a provision for convenience in proving damages incurred by the patentee due to tort of infringement of the patent right; however, as long as it is understood that paragraph (1) of said Article intends to restore the state where there was no tort by evaluating all of the passive damages incurred by the patentee and thereby compensating the disbenefits of the patentee as mentioned above, if the patentee claims passive damages calculated pursuant to paragraph (1) of said Article, there is no room to think of damages claimable pursuant to paragraph (3) of said Article in parallel with said claim, and the patentee is unable to claim the amount calculated pursuant to said paragraph. Based on this holding, the Intellectual Property High Court upheld the claim for 1,800,892,796 yen (including the amount equivalent to attorney's fees) with delay damages accrued thereon in relation to the aforementioned claim for damages.

4. On the same day as the date of this judgment (December 22, 2011), the same panel rendered judgments dismissing the claims of the plaintiff (who is the defendant in the first instance of this case) in two lawsuits to seek rescission of a JPO decision to the effect that the patent is not to be invalidated (in both cases, the plaintiff is the defendant in the first instance of this case and the defendant is the plaintiff in the first

instance of this case) (Intellectual Property High Court; 2010 (Gyo-Ke) 10097 and 2010 (Gyo-Ke) 311 [Cases to seek rescission of a JPO decision]). In addition, on August 25, 2011, the same panel rendered a judgment dismissing the plaintiff's claims in a lawsuit to seek rescission of a JPO decision to the effect that the patent is not to be invalidated (the plaintiff in said lawsuit to seek rescission of a JPO decision is not the defendant in the first instance of this case, but the defendant is the plaintiff in the first instance of this case) (Intellectual Property High Court; 2010 (Gyo-Ke) 10348 [Case to seek rescission of a JPO decision]).