

Date	November 12, 2015	Court	Intellectual Property High Court, Fourth Division
Case number	2015 (Ne) 10048, 10088		
<p>– A case in which the court ruled that a claim for an injunction against the act of checking, performing maintenance on, replacing a part of, or repairing the defendant's device, which infringes the plaintiff's patent right, is unacceptable as it is an excessive claim that exceeds the scope that is necessary for making effective the exercise of the right to seek an injunction against the replacement of a member, which is an indirectly infringing product.</p> <p>– A case in which the court ruled that the "amount the patentee or exclusive licensee would have been entitled to receive for the working of the patented invention" as set forth in Article 102, paragraph (3) of the Patent Act should be calculated in principle based on the amount of sales of the infringing product and by multiplying said amount of sales by a royalty rate that is considered to be reasonable in consideration of the value of the patented invention itself as well as contributions made by the patented invention to sales and profits in the case that it is used for the product.</p>			

Reference: Article 100, paragraph (2), Article 101, item (i), and Article 102, paragraph (3) of the Patent Act

Number of related rights, etc.: Patent No. 3966527

Summary of the Judgment

1. Background

(1) The plaintiff holds a patent right (the "Patent Right") for an invention titled "device for preventing corotation of raw laver in a device for separating and removing foreign materials from raw laver." The plaintiff alleged that the act of manufacturing, selling, exporting, or offering for sale the defendant's device as well as its parts, specifically, the fixing ring in question (the "Fixing Ring") and the plate-shaped member in question (the "Plate-Shaped Member") (the defendant's device and these parts are collectively referred to as the "Defendant's Products") constitutes infringement of the Patent Right and that the acts of performing maintenance in question (the "Maintenance Acts") also constitute infringement of the Patent Right. Based on this allegation, the plaintiff filed this action against the defendant to seek [i] an injunction against the manufacturing, sale, export or offer for sale of the Defendant's Products and the Maintenance Acts under Article 100, paragraph (1) of the Patent Act, [ii] disposal of the Defendant's Products under paragraph (2) of said Article, and [iii] payment of 230,000,000 yen (partial claim) based on the right to claim damages arising from a tortious act of infringing a patent right or the right to claim return of unjust enrichment through gratuitous working.

(2) In the judgement in prior instance, the court ruled as follows: [i] The defendant's device falls under the technical scope of the inventions in question (the "Inventions"); [ii] The Fixing Ring and the Plate-Shaped Member fall under indirectly infringing products as set forth in Article 101, item (i) of the Patent Act; [iii] The patent pertaining to the Inventions is not recognized as one that should be invalidated by a trial for patent invalidation; [iv] The defendant is not recognized as holding the right of prior use in relation to the patent in question; [v] In Maintenance Act 1, the act of attaching the Plate-Shaped Member falls under the act of "producing" a product pertaining to the Inventions (Article 2, paragraph (3), item (i) of the Patent Act), but the act of attaching the Fixing Ring in Maintenance Act 1, as well as Maintenance Act 2 do not fall under the act of "producing" a product pertaining to the Inventions; [vi] The amount the plaintiff would have been entitled to receive for the working of the Patent Right is 63,728,115 yen in total, and the attorney's fee is 4,000,000 yen. Based on these rulings, the court upheld the plaintiff's claims to the extent to admit [i] an injunction against the manufacturing, sale, export or offer for sale of the defendant's device, an injunction against the manufacturing, sale or offer for sale of the Fixing Ring and the Plate-Shaped Member, and an injunction against the act of attaching the Plate-Shaped Member to the defendant's device, [ii] disposal of the Defendant's Products, and [iii] payment of 67,728,115 yen with delay damages accrued thereon. However, the court dismissed all of the remaining part of the plaintiff's claims.

(3) Therefore, the plaintiff filed an appeal against the part in the judgment in prior instance where it lost the case, except for the part dismissing the claim for an injunction against the export of the Fixing Ring and the Plate-Shaped Member. On the other hand, the defendant filed an appeal against the part in the judgment in prior instance where it lost the case. Furthermore, the defendant filed, against the plaintiff, a petition for a judicial decision under Article 260, paragraph (2) of the Code of Civil Procedure in relation to the payment based on the declaration of provisional execution in the judgment in prior instance.

2. This judgment

In this judgment, the court held as outlined below in relation to determinations concerning [v] and [vi] in the judgment in prior instance as mentioned in 1.(2) above. Thereby, the court changed the judgment in prior instance to uphold the plaintiff's claims to the extent to admit [i] an injunction against the manufacturing, sale, export or offer for sale of the defendant's device, an injunction against the manufacturing, sale or offer for sale of the Fixing Ring and the Plate-Shaped Member, and an injunction against Maintenance Act 1 (however, limited to the acts as the replacement of a part),

[ii] disposition of the Defendant's Products, and [iii] payment of 70,728,115 yen with delay damages accrued thereon but to dismiss all of the remaining part of the plaintiff's claims.

(1) Regarding a claim for an injunction against Maintenance Act 1

It is reasonable to interpret that even an act of processing or replacing a member of a product is considered to constitute an act of infringement as the "producing" of a patented product (Article 2, paragraph (3), item (i) of the Patent Act) if it is recognized as an act that causes the new creation of a patented product in comprehensive consideration of the actual trading conditions, etc. as well as the attributes of the relevant product, the content of the patented invention, and the forms of processing and replacement of a member.

... The Plate-Shaped Member forms a "projecting portion on the surface side" and a "projecting portion on the side surface side," which correspond to the "means for preventing corotation" (Constituent Feature A3) of the Inventions, by being fitted and fixed in a concave portion that is formed on the Fixing Ring. However, the Fitting Ring and the Plate-Shaped Member become worn away with the use of the defendant's device (rotation of the rotating disk). Therefore, the defendant's device, which has lost the aforementioned projecting portions due to such wear and has lost its corotation and clogging prevention effects, lacks the "means for preventing corotation" of the Inventions and no longer falls under a "device for preventing corotation."

In that case, regarding the defendant's device that has lost its "projecting portion on the surface side" and/or the "projecting portion on the side surface side," the act of newly providing a "projecting portion on the surface side" and a "projecting portion on the side surface side" by replacing both or either one of the Fixing Ring and the Plate-Shaped Member should be considered to be the act of newly creating a "device for preventing corotation" that is equipped with the "means for preventing corotation" of the Inventions. Therefore, this act falls under the "producing" set forth in Article 2, paragraph (3), item (i) of the Patent Act.

... The plaintiff may seek an injunction against the act of replacing the Fixing Ring or the Plate-Shaped Member of the defendant's device with a new one.

... On the other hand, even if a claim for an injunction against the act of attaching these members in a form other than the replacement of a part is included in the claim for an injunction against Maintenance Act 1, there are no grounds for upholding the claim for an injunction against said act because said act neither falls under the act of working nor falls under measures necessary for the prevention of infringement.

On these bases, the plaintiff may demand, under Article 100, paragraph (1) of the

Patent Act, that the defendant suspend the act of attaching the Fixing Ring or the Plate-Shaped Member (however, limited to the acts as the replacement of a part) to any of the defendant's device

(2) Regarding Maintenance Act 2

Article 100, paragraph (2) of the Patent Act prescribes the disposal of products constituting an act of infringement and the removal of facilities used for an act of infringement as the examples of measures necessary for the prevention of infringement, which the patentee can demand in exercising the right to seek an injunction. Taking this fact into account, the "measures necessary for the prevention of infringement" mentioned in said paragraph are required to be those that make the exercise of the right to seek an injunction effective in light of the content of the patented invention, the form of an act of infringement that is actually committed or is likely to be committed in the future, the specific content of the right to seek an injunction exercised by the patentee, etc. and are also required to be within the scope necessary for putting the right to seek an injunction into practice

Maintenance Act 2 is ... the act of checking, performing maintenance on, replacing a part of, or repairing the defendant's device (however, excluding Maintenance Act 1).

The Inventions are not inventions of a rotating plate system-based device for separating and removing foreign materials from raw laver using clearance, but are inventions intended to solve a problem with prior art, that is, "corotation," by having said inventions (prior art) equipped with a "device for preventing corotation" that has a "means for preventing corotation." Therefore, maintenance and exertion of the foreign material separating and removing functions of a circular gap that is formed by the Fixing Ring and the rotating disk by checking, performing maintenance on, replacing a part of, or repairing the defendant's device (however, excluding the replacement of the Fixing Ring or the Plate-Shaped Member) is the effect achieved by prior art, and it cannot be considered to be an effect that is produced through working of the Inventions.

Even if it is common to check, perform maintenance on, replace a part of, or repair the defendant's device prior to Maintenance Act 1 (replacement of the Fixing Ring or the Plate-Shaped Member), in light of the aforementioned content of the Inventions, it is an excessive claim, which exceeds the scope that is necessary for putting the right to seek an injunction into practice, to seek an injunction against acts that are committed for the purpose of maintaining and exerting the foreign material separating and removing functions (checking, performing maintenance on, replacing a part of, or repairing the defendant's device), as well as an injunction against the manufacturing,

sale, and replacement of the Fixing Ring or the Plate-Shaped Member, in order to make effective the exercise of the right to seek an injunction against the replacement of the Fixing Ring or the Plate-Shaped Member. Therefore, such claim should be considered impermissible.

... According to the above, there is no reason for the plaintiff's claim for an injunction against Maintenance Act 2.

(3) Regarding the existence or absence of the right to claim damages or the right to claim the return of unjust enrichment and the relevant amount

The "amount the patentee or exclusive licensee would have been entitled to receive for the working of the patented invention" as set forth in Article 102, paragraph (3) of the Patent Act is understood as the amount equivalent to a royalty which the patentee, etc. should have received from an infringer. Therefore, it is reasonable to calculate said amount in principle based on the amount of sales of the infringing product (directly-infringing-product or indirectly-infringing-product) and by multiplying said amount of sales by a royalty rate that is considered to be reasonable in consideration of the value of the patented invention itself as well as contributions made by the patented invention to sales and profits in the case of being used for the product.

In addition, regarding the claim for the return of unjust enrichment, the "amount the patentee or exclusive licensee would have been entitled to receive" as set forth in Article 102, paragraph (3) of the Patent Act is the amount equivalent to a royalty that the infringer should have originally paid to the patentee in working the patented invention Therefore, if an infringer works a patented invention without paying said royalty, the infringer can be evaluated as having gained enrichment of the same amount as the royalty through said working, while the patentee can be evaluated as having incurred a loss of the same amount due to said working. Consequently, it is reasonable to recognize that the "amount the patentee or exclusive licensee would have been entitled to receive" as set forth in Article 102, paragraph (3) of the Patent Act is equivalent to the amount of enrichment of the beneficiary in unjust enrichment (Article 703 of the Civil Code) and is also equivalent to the amount of loss incurred by the right holder. ...

The Inventions have their technical significance in the addition of a means for eliminating the occurrence of corotation and preventing the clogging of clearance to a publicly known rotating plate system-based device for separating and removing foreign materials from raw laver. The structure pertaining to the means for preventing corotation (device for preventing corotation) is only part of the defendant's device, which is a rotating plate system-based device for separating and removing foreign

materials from raw laver. Moreover, a rotating plate system-based device for separating and removing foreign materials from raw laver, which is prior art, itself originally exerts the foreign material separating and removing functions. Therefore, the amount equivalent to 3% of the amount of sales of the defendant's device is reasonable as the amount the plaintiff would have been entitled to receive for the working of the Inventions, comprehensively taking into account the aforementioned circumstances, including the technical significance of the Inventions as mentioned above and the degree of contribution made by the structure pertaining to the means for preventing corotation in the defendant's device as a whole. ...

Taking into account the fact that the Fixing Ring and the Plate-Shaped Member are members constituting the means for preventing corotation in the defendant's device, it can be found that the amount equivalent to 10% of the amount of sales of the Fixing Ring and the Plate-Shaped Member, respectively, is reasonable as the amount the plaintiff would have been entitled to receive for the working of the Inventions in relation to these members.

... It is reasonable to recognize the amount of attorney's fee that has a considerable causal relationship with the defendant's tortious act of infringing the Patent Right as 7,000,000 yen, comprehensively taking into account all the circumstances that appeared in this case, including the content of this case, the level of difficulty of the case, the fact that the claim for an injunction was upheld, the upheld amount of the claim for damages, and the developments in the lawsuit.