A Japanese View on Questions raised in Phillips

23 July 2005 at CASRIP

UEDA Takuya

Intellectual Property High Court of JAPAN

Intellectual Property High Court of JAPAN

- established in April 2005
- successor to IP Division of Tokyo High Court
  (established in 1953)

Intellectual Property High Court of JAPAN

- Exclusive Jurisdiction concerning Patent litigation
  1) Appeal to District Courts' Judgment
     - Infringement
     - Remuneration for Employee's Invention, etc.
  2) Reversal of Patent Office's Decision
     - Refusal of Patent Application
     - Revocation of Patent
- 18 Judges, 11 Technical Research Officials, 17 in Secretariat
- Budget

Contents

1. Claim Interpretation in Japan
1.1 Patent Infringement (in general)

- Original Patent Law (1922) was imported from Austria
- Patent Law (1959) did not change the basic principles
  → strong tradition of German jurisprudence

- in the last few decades
  → move towards similarity to US jurisprudence

Supreme Court Judgments on Infringement

1) “Ball-spline” (1998)

explicit application of doctrine of equivalence

2) “Kilby” (Fujitsu *v.* Texas Instruments) (2000)

courts’ power to review the validity of patents directly

influence on claim interpretation? → YES!

1) → no need for unduly broad interpretation

2) → no need for unduly narrow interpretation

→free from distorted claim interpretation

Contents

Section 70 of Patent Law

70. (1) The technical scope of a patented invention shall be determined on the basis of the statements of the patent claim(s) in the specification attached to the request.

(2) In the case of the preceding subsection, the meaning of a term or terms of the patent claim(s) shall be interpreted in the light of the specification excluding the patent claim(s) and the drawings.

Paraphrasing Section 70 (1)

a) "The claims in a patent are the measure of the exclusive rights conferred by the patent."

~ Chisum

b) "The claims of a patent define the invention to which the patentee is entitled the right to exclude."

~ Phillips *en banc* judgment

c) "Patent interpretation consists of claim interpretation."

~ Dr. Franzosi

Paraphrasing Section 70 (2)

"In order to interpret the meaning of terms of the patent claims, the court shall take account of the specification and the drawings."

- specification is the primary resource
- importance of public notice function of specification

How to apply Section 70 (2) ?

"In a patent infringement case, the court must interpret the statements of the patent claims in order to determine the scope of the exclusive rights conferred by that patent. For that purpose, the court may, and shall, take into account not only the meaning of the terms of the claims itself but also the followings:

- contents of the specification and drawings;
- state of the prior art available at the time of the filing;
- understandings of those skilled-in-the-arts; and
- prosecution history.

This is the fundamental principle, which has been reiterated in numerous court precedents."

~ Honorable J. Toshiaki Makino

How to apply Section 70 (2) ? *(cont'd)*

Similarity to US and European standards

- the same factors to be considered

Differences exist, but slight ones

- fundamental concern is common world-wide

1) fair protection of the invention – an adequate boundary

2) legal certainty – a visible borderline

~ Dr. Maierbeck

Contents

1. Claim Interpretation in Japan
1.3. Significance of Phillips' Arguments in Japan

Phillips case

- heated controversy in the US
  continuing since *Markman* and *Cybor*
- little attention from Japanese Practitioners
- deep-rooted to the features particular to the US procedure, which we do not have.

1.3. Significance of Phillips' Arguments in Japan *(cont'd)*

Categorizing CAFC's 7 Questions into 2 Groups

1) methodologies of claim interpretation

- Which of extrinsic (e.g., dictionaries, expert testimony) or intrinsic (e.g., specifications) evidence should be the primary resource?
- What role should be played by other kinds of resources (e.g. prosecution history, prior arts, etc.) ?

2) Federal Circuit's involvement in the claim interpretation

- Should CAFC defer to district court's interpretation of claim? Or can CAFC review it *de novo*?

Contents

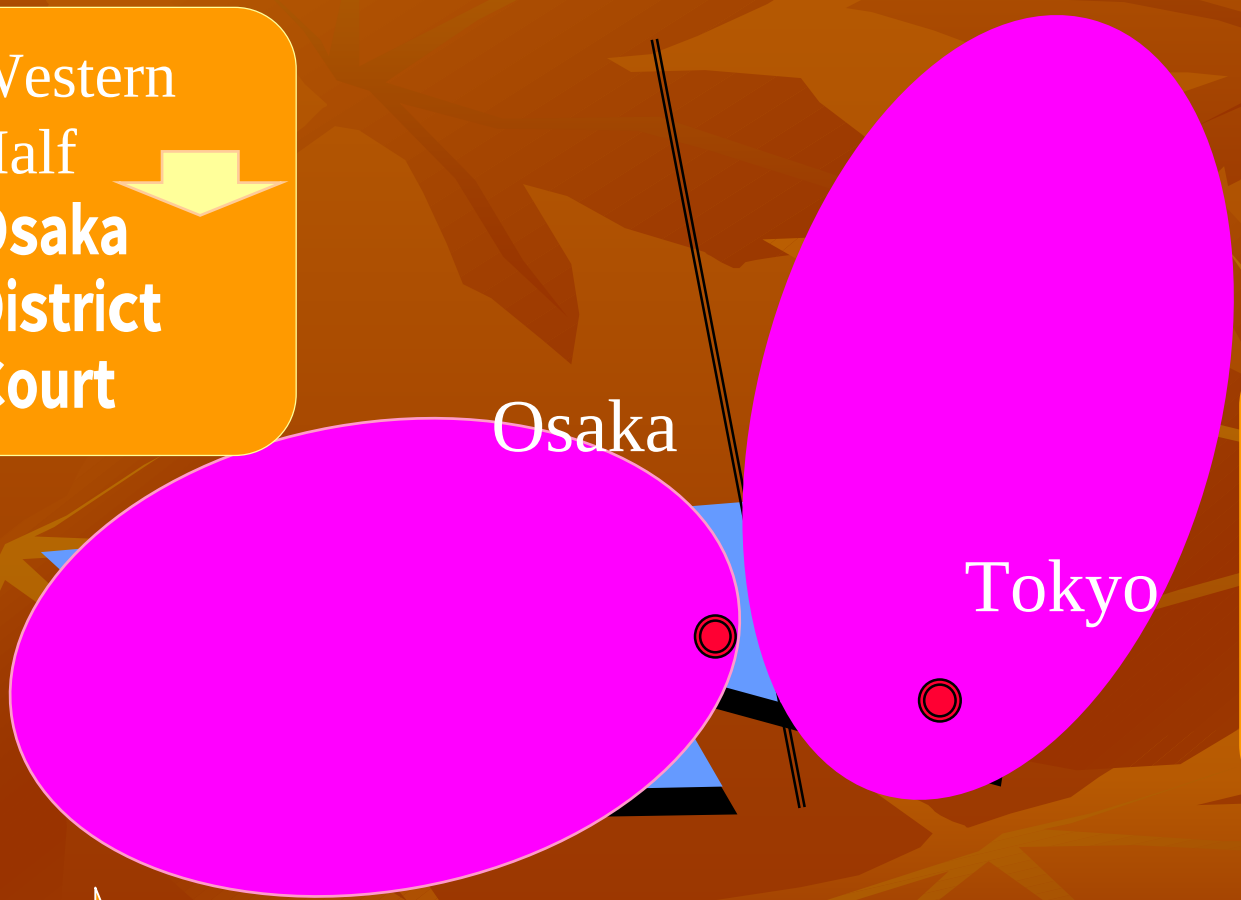
2. Features of Patent Infringement Litigation in Japan
2.1. Relevant Features of Court System
2.1.1. Expertise of District Courts Judges

- District court is the court of first instance for patent infringement cases.

- District court judges are highly specialized in the patent law.

Exclusive Jurisdiction of Tokyo and Osaka D.C.

Western Half
Osaka District Court



Eastern Half
Tokyo District Court

Patent Cases to be heard by IP specialized divisions

2. Features of Patent Infringement Litigation in Japan
2.1. Relevant Features of Court System
2.1.1. Expertise of District Courts Judges *(cont'd)*

- District Court IP Chambers
  - 4 IP chambers at Tokyo
  - 2 IP chambers at Osaka
  - each IP chamber of 4~5 judges
  - handling the case as panel of 3 judges
  - senior judges (presiding over all the cases) are well reputed for his knowledge and experience

Judge's Chamber

63 m.sq (700 ft.sq)

2. Features of Patent Infringement Litigation in Japan
2.1. Relevant Features of Court System
2.1.1. Expertise of District Courts Judges *(cont'd)*

- Technical Research Officials (TRO)

  - 11 TROs at Tokyo D.C.
  - 4 TROs at Osaka D.C.

  - assist the judges in every patent cases

Technical Research officials *(cont'd)*

Who are they?

- full-time employees of the court
- selected from well experienced patent examiners of JPO or patent attorneys nominated by Patent Attorneys Association
- transferred to the courts for a term of three years.

What they have?

- background in science and technology
- large experience in patent examination or claim drafting
- deep knowledge of patent law and practice

What they do?

- scrutinize the briefs and evidence submitted by the parties
- attend the courtroom hearings
- discuss the case with the judges
- draft a comprehensive report to the judges

Contents

2. Features of Patent Infringement Litigation in Japan
2.1. Relevant Features of Court System
2.1.2. Homogeneity of D.C. Judges and H.C. Judges

1) integrated education before appointment

- all judges (district or high court) took two year's intensive course at Supreme Court's Training Institute.

2) personnel exchange

- Many of district court judges have experience at high court.
- *vice versa*

3) cooperation in continuing study

- daily discussion and regular seminars

4) commonality of technical research officials

- selected from JPO examiners

Tokyo Court Complex Building

Tokyo District Court: 13th Floor
IP High Court: 17th Floor

→ easy to meet each other

Contents

2. Features of Patent Infringement Litigation in Japan
2.2. Relevant Features of Procedural Law
2.2.1. Non-existence of Strict Evidentially Rules

US: extensive rules of evidence

- even in civil law cases, including patent infringement

JP: non-existence of comprehensive set of rules

- fact-finding by well-trained professional judges
- expectation that the judges are capable of admitting and evaluating the evidence adequately to reach the facts.

Contents

2. Features of Patent Infringement Litigation in Japan
2.2. Relevant Features of Procedural Law
2.2.2. No Dichotomy between “Question of Fact” and “Question of Law"

US: the distinction is critical

- on appeal

  question of facts → deference to district court's findings

  question of law → *de nove* review

JP: the distinction exists, but not important

- Appellate court

  power of reviewing fact-finding *de novo*.

- Supreme Court

  in theory: only question of law

  in practice: sometimes taking up fact-finding issues

3. Tentative Answers to Phillips' Questions
3.1. Little Impact on Japanese Jurisprudence

Phillips Questions

1) methodology of interpretation (priority order of evidence)

JP: No need to give guidelines for District Court

- Expertise of District Court Judges
- Homogeneity
- Non-existence of Strict Evidential Rules

→ Without detailed guidelines, District Court reaches adequate claim interpretation, which High Court can rely upon.

3. Tentative Answers to Phillips' Questions
3.1. Little Impact on Japanese Jurisprudence *(cont'd)*

Phillips Questions

2) deference to district court's claim interpretation

JP: in theory NO, in practice YES

- Expertise of District Courts Judges
- Homogeneity of Judges
- No Dichotomy between Question of Law and of Facts

→ High Court has the power to review the claim interpretation *de novo*, but exercise the power rarely.

Contents

3. Tentative Answers to Phillips' Questions
3.2. Closing Remarks

Phillips *en banc* Decision (July 12, 2005)

- majority opinion

  moderate, persuasive, well-reasoned

- dissenting opinion

  strait-forward, sarcastic

3. Tentative Answers to Phillips' Questions
3.2. Closing Remarks *(cont'd)*

Phillips *en banc* Decision (July 12, 2005)

- dissenting opinion (Judge Mayer, Newman)

> " Again today we vainly attempt to establish standards by which this court will interpret claims. But after proposing no fewer than seven questions, receiving more than 30 *amici curiae* briefs, and whipping the bar into a frenzy of expectation, we say nothing new, but merely restate what has become the practice over the last ten years ----- that we will decide cases according to whatever mode or method results in the outcome we desire…."

3. Tentative Answers to Phillips' Questions
3.2. Closing Remarks *(cont'd)*

Phillips: Order for *en banc* Hearing (July 21, 2004)

- dissenting opinion (Judge Mayer)

> " Nearly a decade of confusion has resulted from the fiction that claim construction is a matter of law, when it is obvious that it depends on underlying factual determination ....."

- It is indeed a fiction.
- But is it realistic to say that claim interpretation is a question of facts, thereby to leave the matter to jury again?

Thank you very much for your attention.