

(A.Katase, S.Sekine IPHC 2017.6.28)

Decision paper (interim translation)

2017 (Mo)XX Case of petition for an order to produce a document (The action on the merits : 2017(Wa)XXXX Case of seeking injunction etc. against patent infringement)

Decision

Petitioner:	Pony Technology Ltd.
Counsel attorney:	Shigetoshi Hirano
Respondent:	Donkey Com Ltd.
Counsel attorney:	Shinichi Murata

Main text

1. Respondent shall produce documents stated in the attached List of Documents.
2. All other petitions shall be dismissed.

Reasons

No.1 Gist and reasons of the petitions

Gist and reasons of the petitions are as stated in "Offer of Evidence" (copy). Gist and reasons of the rebuttal are as stated in "Counterargument against Offer of Evidence" (copy).

No2 Outline of the case

In the action on the merits relevant to this case, the petitioner alleges that the DDX-2250 devices (hereinafter referred to as the "Products"), which the Respondent has manufactured and distributed, and which Yellow Telecommunications Ltd. (hereinafter referred to as "Yellow") has installed to its mobile phone network and operated, are used exclusively for the use of the process of the petitioner's patented invention (hereinafter referred to as the "Patented Invention") , therefore, constitutes an infringement referred to in the Article 101, section (4) of the Patent Act.

In this case, the petitioner filed a petition for an order to produce

documents based upon the Article 105, section (1) of the Patent Act, with regard to the documents possessed by the Respondent, which are a manual for manufacturing and setting of the Products (hereinafter referred to as the "Donkey Manual") , a copy of the manual for Yellow to install, operate and maintain the Products (hereinafter referred to as the "Yellow Manual") , and the source code of the control program after setting for the Products (hereinafter referred to as the "Source Code", and these Donkey Manual, Yellow Manual and the Source Code shall be hereinafter referred to as the "Documents"), alleging these documents are necessary in order to prove the infringement acts.

The Respondent argues that the trade secret of the Respondent is described in the Documents, so the Respondent has "reasonable grounds" to refuse the submission of the Documents as provided in the provisory clause of Article 105, section (1) of the Patent Act, and also argues that according to the observation conducted by the Respondent, it is clear that Yellow has not worked the Patented Invention, so the Documents are not necessary to be examined as evidence. Therefore, the Respondent requests a dismissal order.

### No.3 Court Opinion

1 The court finds the reasons to grant this request to the extent of pages xx to yy of the Yellow Manual (hereinafter referred to as the "Yellow Manual Portion") and finds no reason to grant all other requests. The reasons for this decision are as follows.

#### 2 Facts

According to the evidence already presented to the court and the result of the in-camera process, the court has found the following facts.

(1) Contents of the Patented Invention, sales contract and others.

A. Patented Invention is the invention of process which enables stable communications to relieve air interface congestion by means of using the function to transmit signals from a base station to a mobile phone in order to indicate a suitable channel to be selected by a mobile phone when air interface is congested (this function shall be hereinafter referred to as the "Function"; and the signals as the "Signals").

B. DDX-2250 device is equivalent to the abovementioned base station. An assignee of DDX-2250 device can choose upon its installation

whether to set a mode to use the Function or not depending on air interface traffic situations in each country. If Yellow sets a mode to use the Function at installation of the Products, the Products fall under “product to be used exclusively for the use of the said process” as provided in Article 101, item (4) of the Patent Act. The court found that at least the DDX-2250 devices installed in the country B are set to a mode to use the Function.

C. The information described in the Documents are kept as secret by the Respondent, therefore, the information in the Documents falls under “Trade Secret” according to Article 2, section (6) of the Unfair Competition Prevention Act.

D. The Respondent concluded a sales contract with Yellow to assign the Products on X/X/2016, delivered the Products and handed over the Yellow Manual to Yellow on the same day. Yellow agreed with the Respondent to manage the Yellow Manual and the Source Code confidentially and not to disclose its contents to others.

(2) The result of the in-camera process

A. The court adopted in-camera process for determining whether or not there are “reasonable grounds” regarding the Documents possessed by the Respondent which are determined to be necessary to be examined as evidence, as provided in the provisory clause of Article 105, section (1) of the Patent Act, and ordered the Respondent to present the Secret Documents to the court.

B. Upon consideration of the Documents, the court found it necessary to disclose these documents to the Petitioner and hear its opinion for deciding whether the abovementioned reasonable grounds exist or not. The court informed the Respondent of its determination to disclose the Documents to the attorney for the Petitioner, and confirmed the Respondent whether to file a motion for a protective order regarding the Documents, of which addressee is the attorney for the Petitioner.

C. At the discussing session in the court with regard to the abovementioned protective order, the Petitioner and the Respondent agreed that even if the Documents are submitted as evidence, parties excluding the attorney for the Petitioner would not file a request to inspect a case record etc. concerning the Documents. Assuming the agreement, the Respondent filed a motion for a protective order for the information described in the Documents, of which addressee is the attorney for the Petitioner.

D. The court issued a protective order based upon Article 105-4 of the Patent Act, ruling that the attorney for the Petitioner shall neither use nor disclose the information contained in the Documents, and disclosed the Documents to the attorney for the Petitioner in order to hear its opinion.

E. The court recognizes that the Yellow Manual Portion contains the information whether the Products are set to a mode to use the Function or not as stated in the opinions of the attorney for the Petitioner (this information shall be hereinafter referred to as the "Information"). For the Source Code, the court finds that it is technically difficult to identify the part which describes the Information in it, although it is inferred to contain the Information. For the Donkey Manual, the court recognizes it as a manual common to all DDX-2250 devices, containing just usage instructions etc. while being set to a mode to use the Function, and the Information is not directly described in it.

3 Determination of whether to issue an order to produce a document or not

To issue an order to produce a document based upon Article 105, section (1) of the Patent Act, it is needed to fulfill the requirements that there is necessity to examine a document as evidence and the possessor has no reasonable grounds to refuse the submission. The court will examine these requirements as follows.

(1) Necessity to examine a document as evidence

A. The court shall determine the necessity for an order to produce a document based upon Article 181, section (1) of the Code of Civil Procedure. With regard to thus order to produce a document to prove the infringement act in the patent litigation, there are not a few scenes where the necessity for examination is high, such as when there is no other means to acquire the object of proof as it is under the control of the opponent, or when there is no trace of the invention of process left in the objects. On the contrary, this type of litigation is often disputed between parties with competitive business relations, and the subjects to be proven are directly related with trade secrets. Therefore, a motion for an order to produce a document could be abused for the purpose of accessing information itself, or could be filed without substantial evidence just to inquire information, both of which would be a heavy burden for the opponent to respond to. To prevent these abusive or inquiring motions, a petitioner who requests an order to produce

a document is supposed to make *prima facie* showing to prove a reasonable doubt for infringement act. However, considering that an order to produce a document is a means itself for the party to gather evidence of infringement act, who is burdened to prove it, it is not necessary to make *prima facie* showing to prove infringement act itself, but is assumed to make *prima facie* showing to prove a reasonable doubt for infringement act to the extent to dispel a suspicion of abuse or inquiry purpose. The extent of *prima facie* proof will be determined case-by-case considering various circumstances such as a necessity to examine a document and a degree of the necessity, a degree of the difficulty to prove the fact, a presence of alternative evidence and other situations while proving and so on.

B. Considering the case from the view point above, according to the facts found in abovementioned 2(1)A and B, the Function enables stable communications in mobile phone network, DDX-2250 device is able to be set to a mode to use the Function at its installation, and DDX-2250 devices are set to a mode to use the Function at least in the country B currently.

These facts show there remains a doubt that the Products may be set to a mode to use the Function similarly to the country B.

The court shall consider that there is a necessity to examine the Documents as evidence to prove the infringement act (Article 181, Section(1) of the Code of Civil Procedure) because a reasonable doubt for the infringement act is proved and there is no alternative evidence for it.

(2) Reasonable ground to refuse the submission

A. Whether or not there is a reasonable ground to refuse submission of a document shall be determined in light of the balancing between disadvantage of a document possessor by disclosing the document (the necessity to protect trade secret) and disadvantage of a petitioner for the document not being submitted as evidence (the value as evidence). In this balancing, when the document clarifies that a respondent uses structures different from patented invention, the necessity to protect trade secret becomes relatively high, but when the document clarifies that a respondent uses structures within the technical scope of patented invention, the necessity to protect trade secret becomes relatively low, therefore, the value as evidence which may prove infringement act shall be appraised in consideration of necessity to protect trade secret. While determining the

necessity to protect trade secret, issuance of protective order (Article 105-4 and the following of the Patent Act), scope of subjects of the protective order, a conclusion of non-disclosure agreement, scope of assenters of it, and its effectiveness shall be taken into consideration in addition to content and nature of the trade secret and presumed disadvantage by disclosing the trade secret.

B. Considering the case from the view point above, the Yellow Manual Portion is highly valuable as evidence as it contains the Information according to the fact found in abovementioned 2(2)E. Therefore, the necessity to protect trade secret shall be considered relatively low.

In addition, the presumed disadvantage of the Petitioner for submitting the Yellow Manual Portion as evidence is extremely low because a protective order of which addressee is the attorney for the Petitioner has been issued, and there is no risk for such information to be disclosed to person other than the attorney for the Petitioner according to the abovementioned 2(2)D.

. Under these circumstances, the necessity to protect the trade secret contained in the Yellow Manual Portion does not exceed its value as evidence.

On the contrary, according to the fact in abovementioned 2(2)E, concerning the Source Code, it is recognized to be technically difficult to identify the part which describes the Information, although it is inferred to contain the Information. Regarding the Donkey Manual, it is recognized to contain just usage instructions etc. while being set to a mode to use the Function, and the Information is not directly described in it. Therefore, the values of the Source Code and the Donkey Manual as evidence to prove infringement act are considered to be low, and the necessity to protect the trade secret contained in these documents becomes relatively high.

Thus, the court finds no reasonable ground for the Respondent to refuse the submission of the Yellow Manual Portion, so the court shall issue an order limited for producing the Yellow Manual Portion as evidence to prove the infringement act (Article 223, Section(1) of the Code of Civil Procedure), but dismiss all other requests.

C. The Respondent argues that there is no necessity to examine the Documents as it was observed that the Product did not transmit Signals to a mobile phone from 2PM to 3PM on Y/Y/2017. However, such result only

verifies the Product did not transmit Signals for one hour at certain date and time. Even if the Signals were not transmitted in the above hour, such result does not prove the Signals are not to be transmitted in other time when air interface is congested. Therefore, the result of the observation does not affect the consideration of the court regarding the necessity to examine the Yellow Manual Portion as direct evidence of the infringement act.

The Respondent also argues for having “reasonable grounds” to refuse the submission of the Documents as provided in the provisory clause of Article 105, Section (1) of the Patent Act, because the trade secret of the Respondent is described in them. However, as abovementioned in B, the presumed disadvantage for the Respondent is recognized to be extremely low even when the Yellow Manual Portion is submitted as evidence because the court has already issued a protective order for the information contained in the Documents of which addressee is the attorney for the Petitioner, according to the fact found in abovementioned 2(2)D. The arguments of the Respondent are stated to lack its premises.

Therefore, the court shall deny the above arguments of the Respondent.

#### 4. Conclusion

The court shall grant the request of the Petitioner to the extent to order the Respondent to produce the Yellow Manual Portion of the Documents, and dismiss all other request.

Tokyo District Court, Special Division for Mock Trial

Presiding Judge: Misao Shimizu

Judge: Motoyuki Nakashima

Judge: Sumiko Sekine

Attachment

List of Documents

Pages xx to yy of a copy of the manual for Yellow  
Telecommunications Ltd. to install, operate and maintain DDX-2250 devices