

The “Double Track” system in Japan

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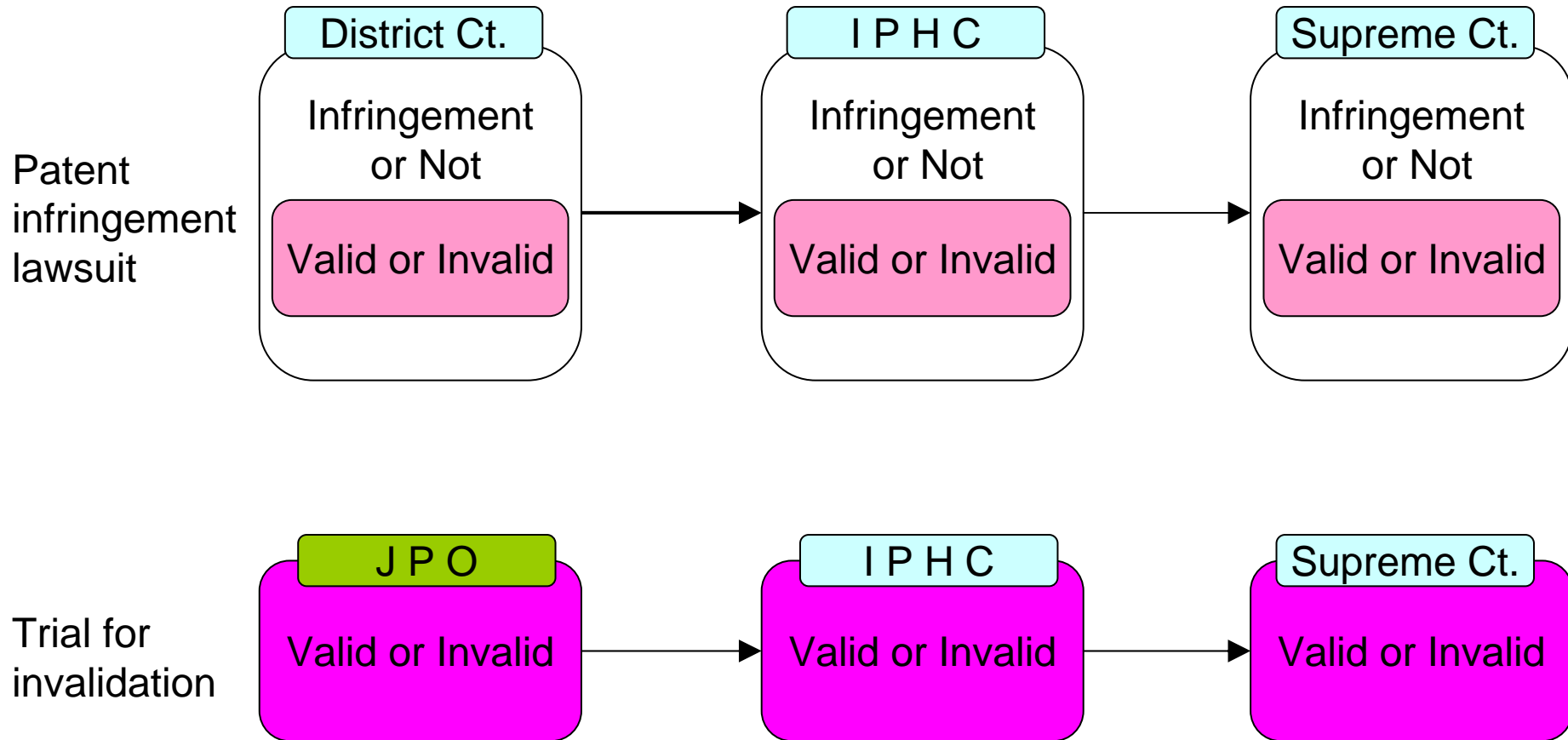
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1. Current System

What is the “Double Track” System in Japan?

Two Processes for Challenging Validity



Two Processes for Challenging Validity

- Trial for invalidation at the JPO
(Article 123 (2) of the Patent Act)
- The Defense of patent invalidity in a patent infringement lawsuit
(Article 104 - 3 (1) of the Patent Act)

Article 123 (2) of the Patent Act

“(2) Any person may file a request for a trial for patent invalidation; provided, however, that where a request for a trial for patent invalidation is filed on the ground that the patent falls under item (ii) of the preceding paragraph (limited to cases where the patent is obtained in violation of Article 38) or item (vi) of the preceding paragraph, only an interested person may file a request for a trial for patent invalidation.”

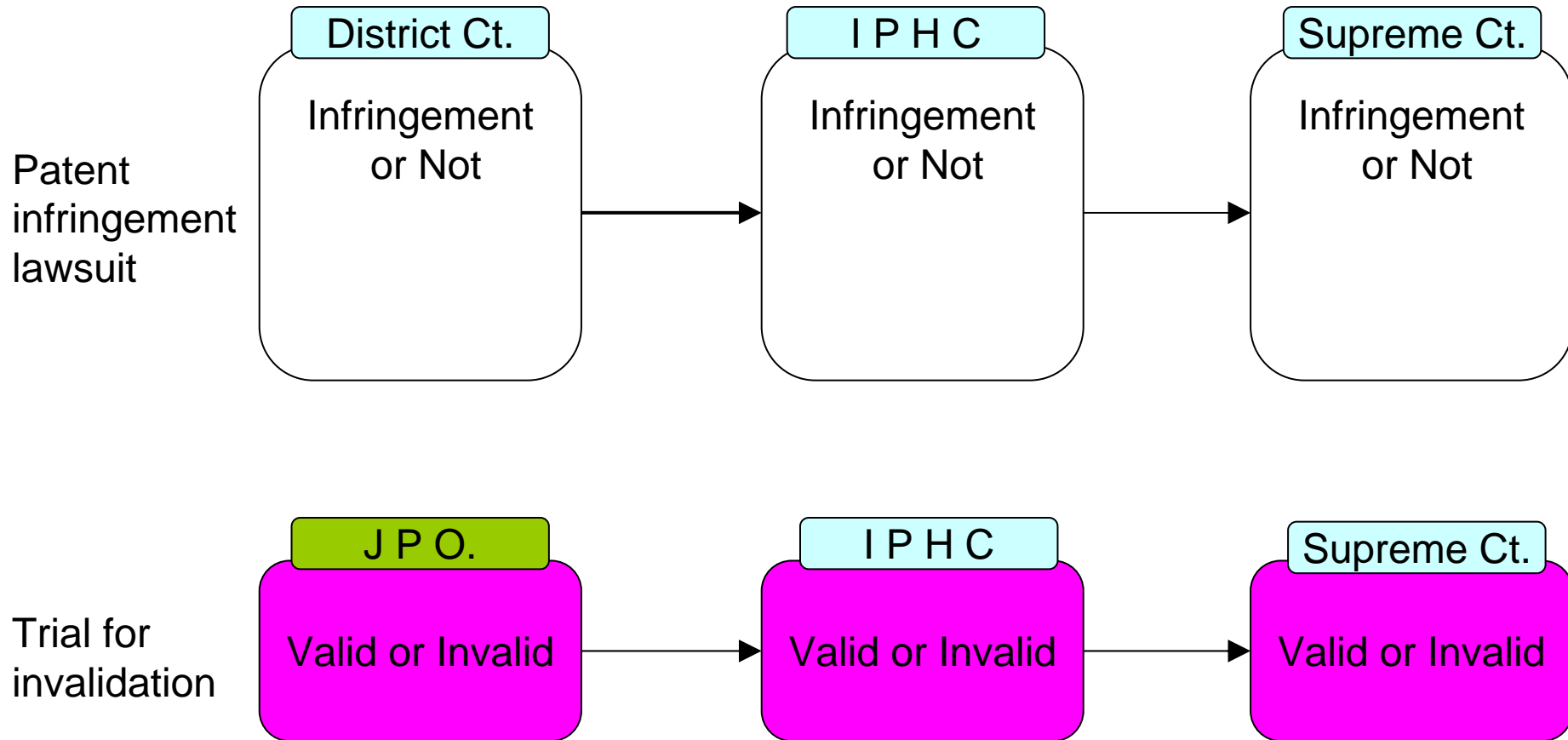
Article 104 - 3 (1) of the Patent Act

“(1) Where, in litigation concerning the infringement of a patent right, the said patent is recognized as one that should be invalidated by a invalidation trial, the rights of the patentee may not be exercised against the adverse party.”

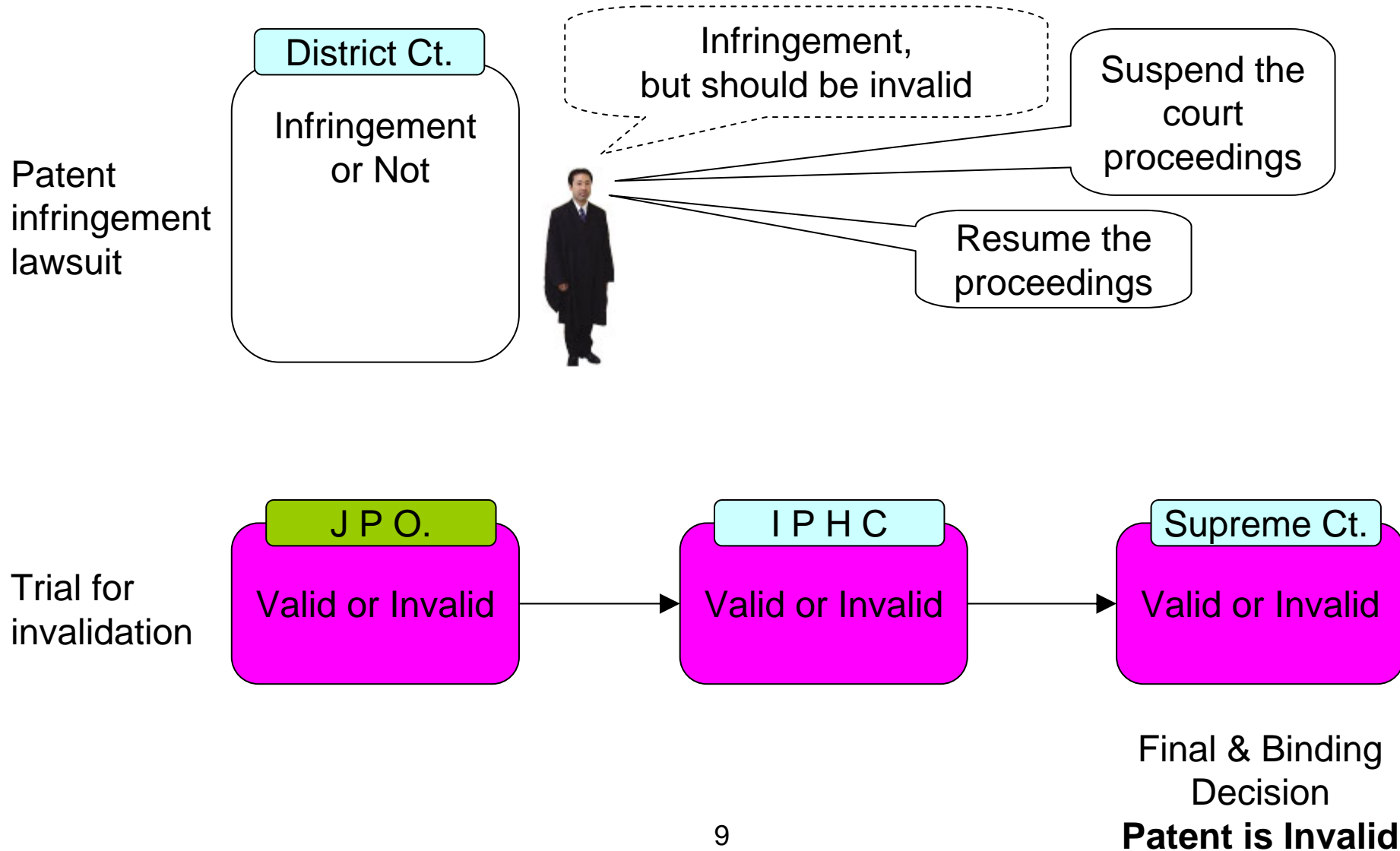
2. Background

From “Single Track” to “Double Track”

Before The Supreme Court Decision (~2000)



Before The Supreme Court Decision (~2000)



Suspension of Court Proceedings

Article 168 (2) of the Patent Act

“(2) Where an action is instituted or a motion for order of provisional seizure or order of provisional disposition is filed, the court may, if it considers it necessary, suspend the court proceedings until the trial decision becomes final and binding.”

Supreme Court Decision (April 11, 2000)

“When it is clear that the patent in issue has reasons to be invalidated, requesting an injunctive relief and payment of damages based on the patent right should be deemed as **an abuse of patent right** and prohibited unless there are special circumstances.”

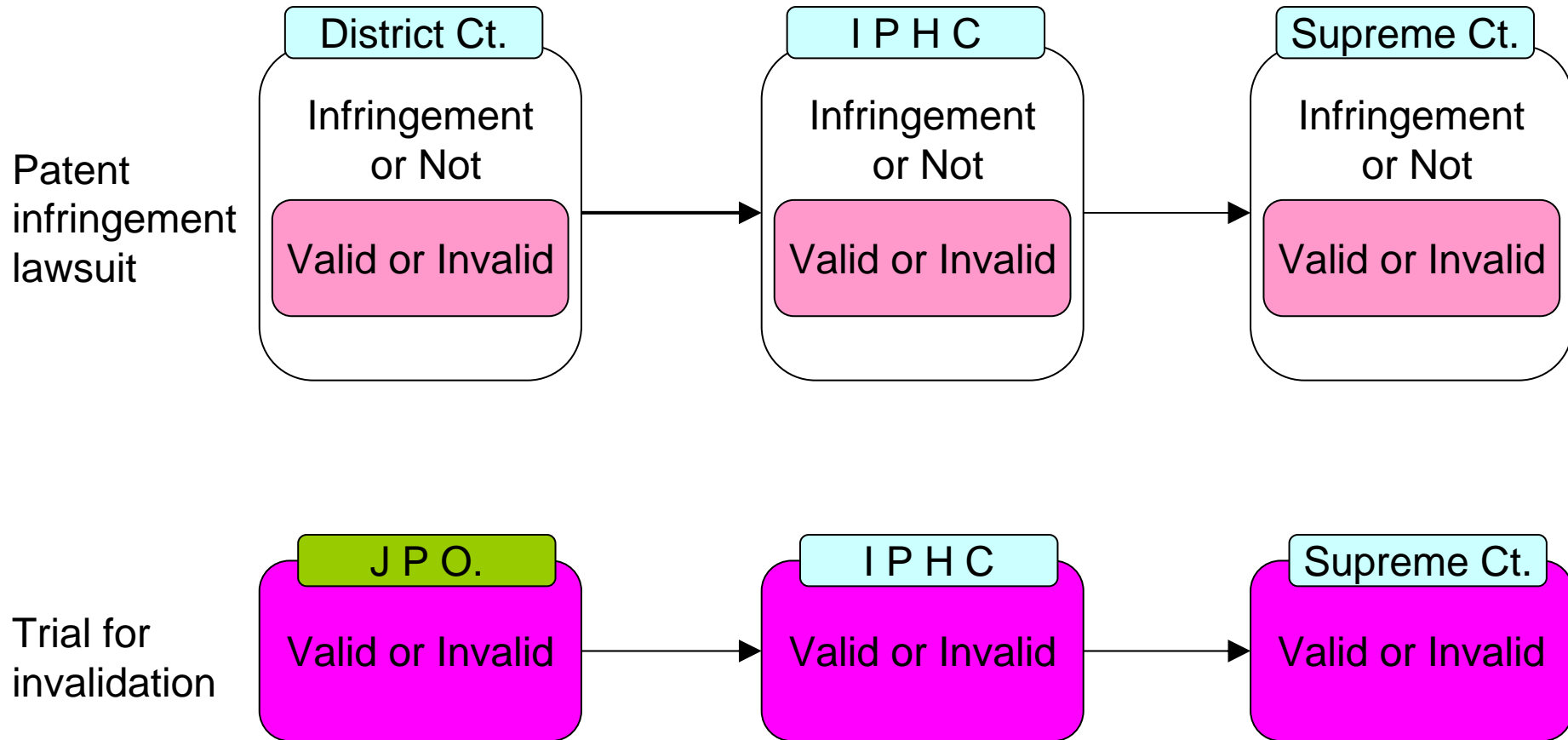
Patent Act of 2004

Established the Patent Invalidation Defense

Article 104 - 3 (1) of the Patent Act

“(1) Where, in litigation concerning the infringement of a patent right, the said patent is recognized as one that should be invalidated by a invalidation trial , the rights of the patentee may not be exercised against the adverse party.”

From “Single Track” to “Double Track”

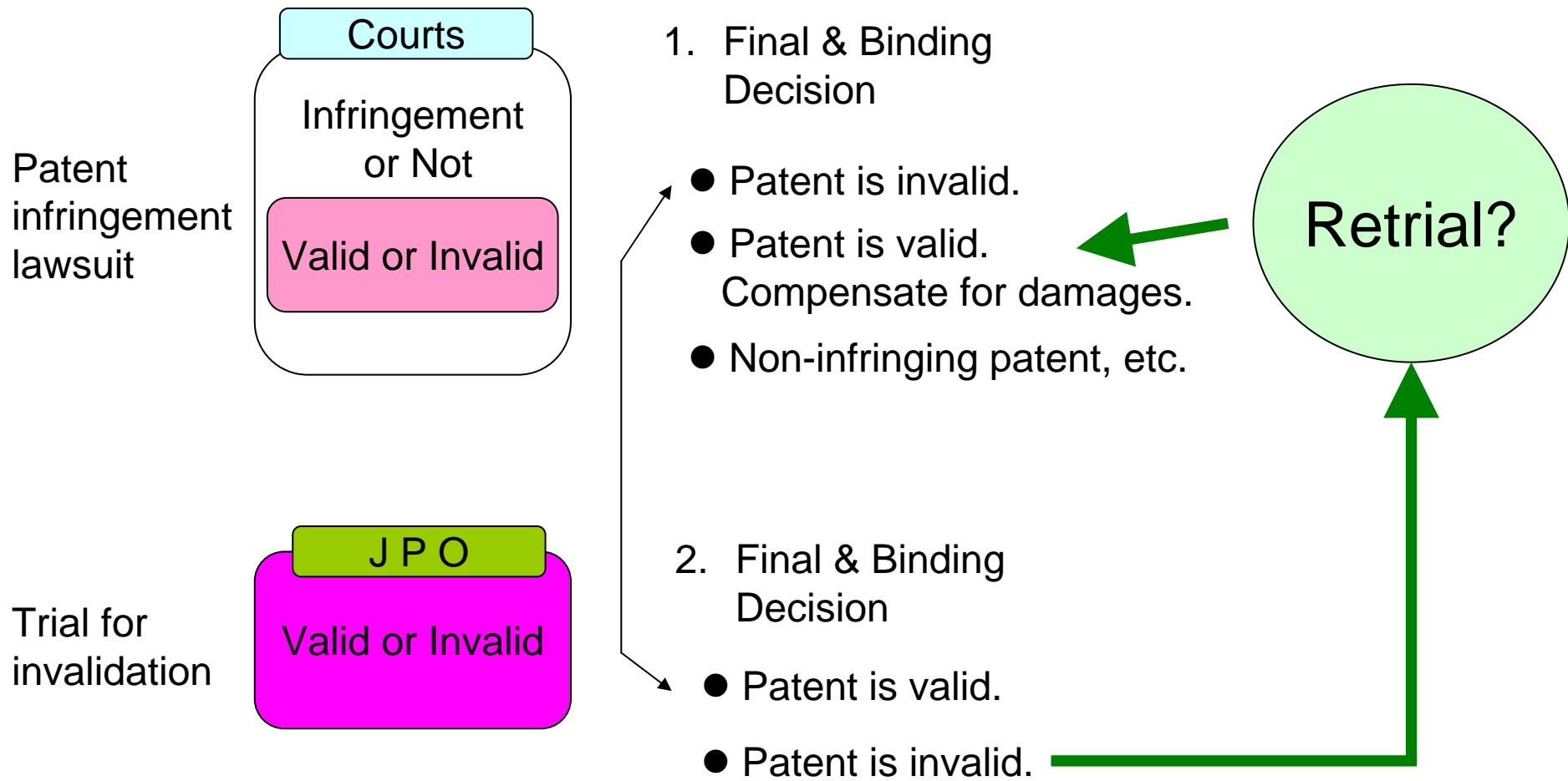


3. Problem Outline

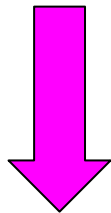
Double Track system creates other problems

Problems created by the Double Track system

- Possibility of contradictory judgments
- Possibility of retrial (delay final dispute settlement)

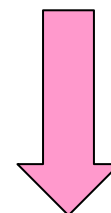


**The decision to invalidate
the patent is made by JPO**



**retrospective
effect**

**The decision is made by
the court about the
defense of patent invalidity**



relative effect

>

What is the retrospective effect?

Article 125 of the Patent Act

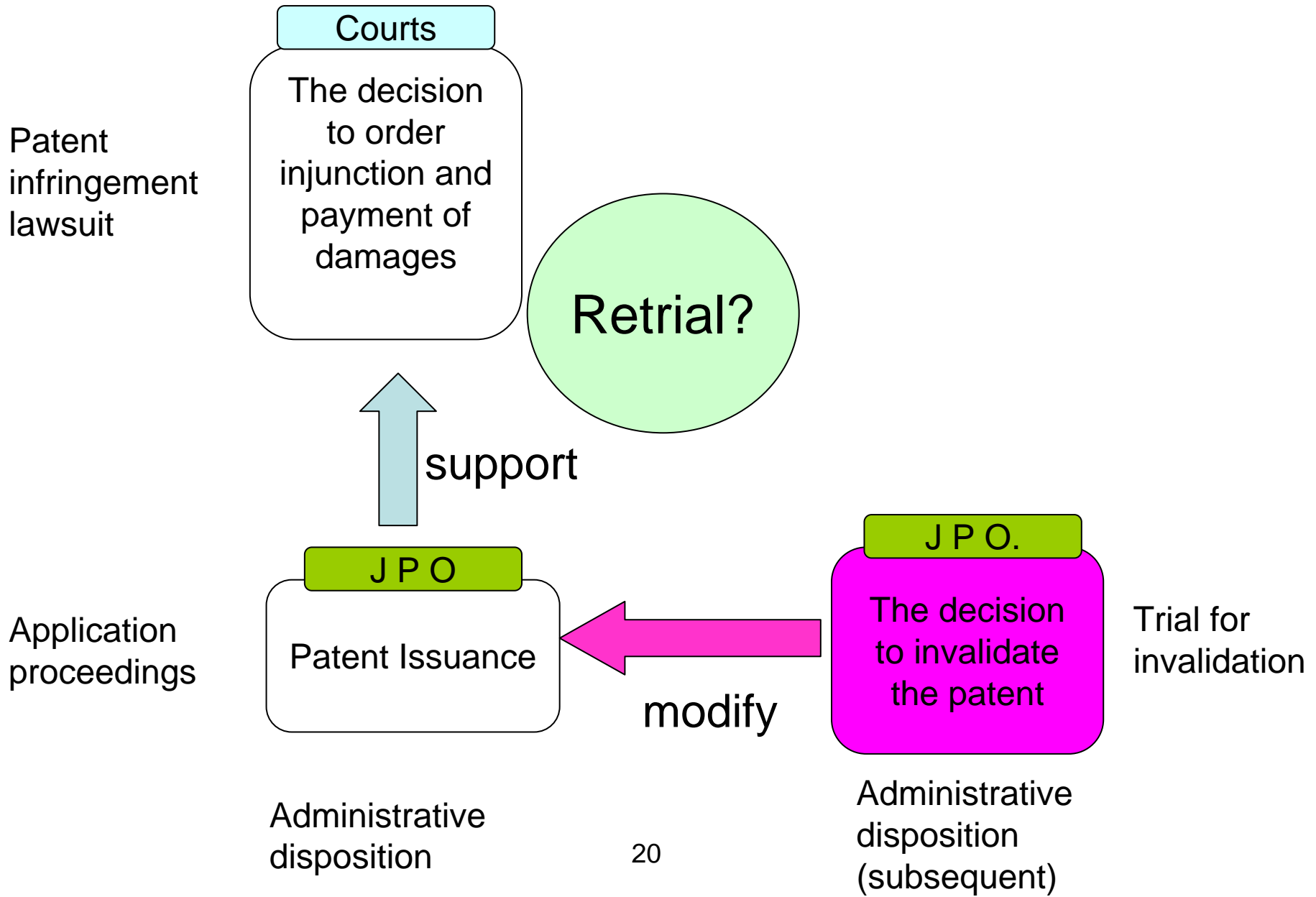
“Where a trial decision to the effect that a patent is to be invalidated has become final and binding, the patent right shall be deemed never to have existed.”

Retrial Proceedings

Article 338 (1) (viii) Code of Civil Procedure

“(1) Where any of the following grounds exist, an appeal may be entered by [filing an action for retrial](#) against a final judgment that has become final and binding;

(viii) The administrative disposition, based on which the judgment pertaining to the appeal was made, has been modified by a subsequent administrative disposition.”



Several cases reveal that a final and binding court judgment in a patent infringement lawsuit can be overruled via retrial, because the metes and bounds of a patent could be modified by a final and binding decision in a trial for invalidation or for correction after the said court judgment.



An obstruction to speedy and efficient dispute settlements

4. Recent Patent Act Reform

Restriction of retrial for infringement judgment

Amendment of the Patent Act in 2011

Reform Bill

March 11, 2011 Decision made, submitted to the Diet

May 3, 2011 Passed by the Diet

June 8, 2011 Promulgated

April , 2012 Enforced

Revised as:

Parties of a patent infringement lawsuit, for which the court has already issued its final and binding judgment, are prohibited from requesting a retrial, based on the following JPO trial decisions, which become final and binding after the said court judgment.

- 1) A trial decision that invalidates a patent or a registration of extension of duration.
- 2) A trial decision that approves a correction and is designated by Cabinet Order.

5. Effect on Court Proceedings

Plan for trial:

Article 147-3(1) Code of Civil Procedure

“(1) The court, when it finds it necessary in order to achieve a proper and prompt trial in light of the complexity of a case which involves a number of or complicated matters to be examined or any other circumstances concerned, shall consult with both parties and formulate a plan for trial based on the outcome of the consultation.”

Dismissal of allegations or evidence advanced outside the appropriate time:

Article 157 (1) Code of Civil Procedure

“(1) With regard to allegations or evidence that a party has advanced outside the appropriate time intentionally or by gross negligence, the court, when it finds that such allegations or evidence will delay the conclusion of the suit, may make an order of dismissal upon petition or by its own authority.”



Infringement & Valid?

Infringement or Not
Defense of patent invalidity
(based on invention A)

How much was the damage ?

Dismiss !

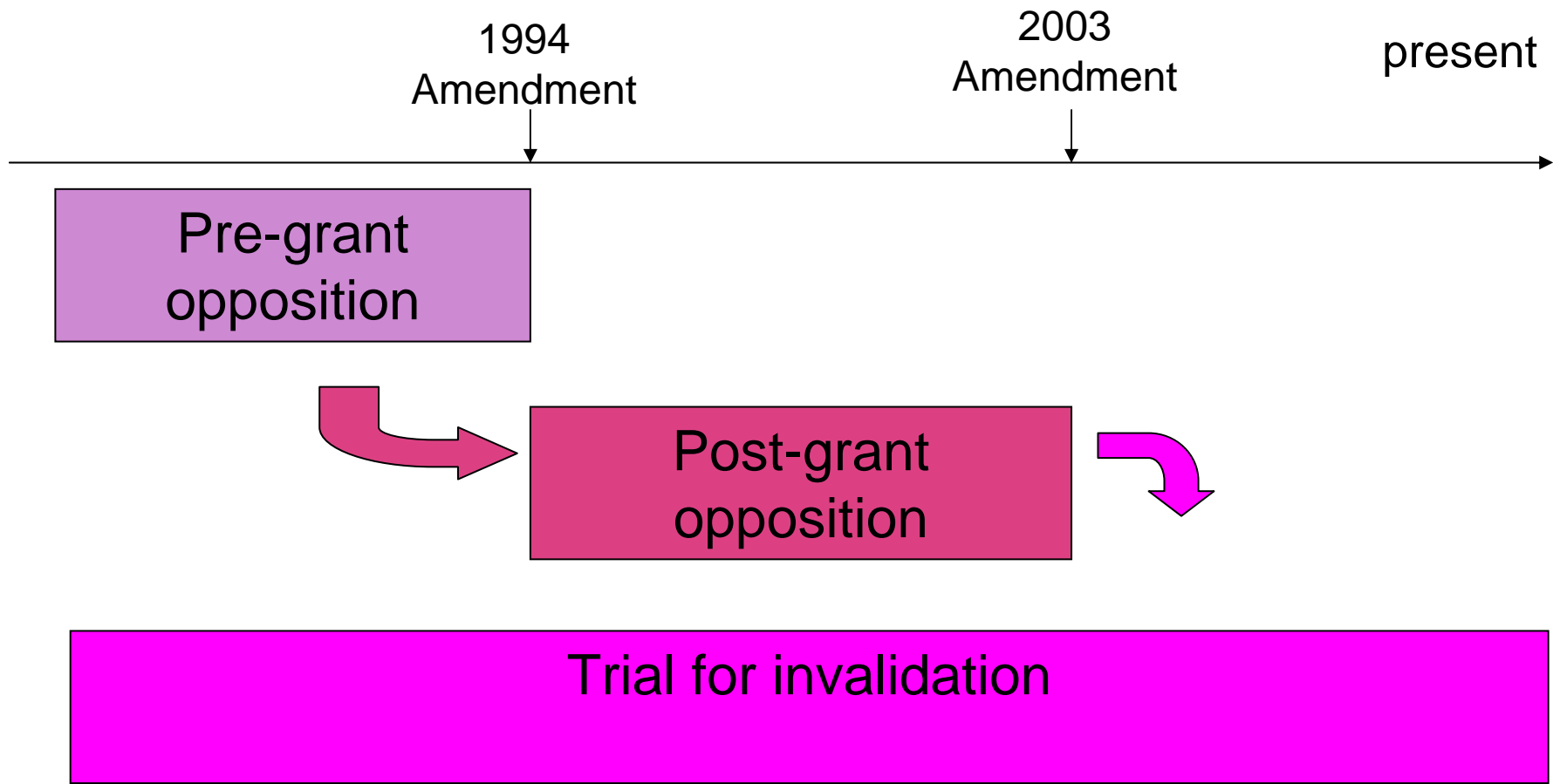
Defense (based on invention B)

Trial for validity (based on invention B)

Possibility of Retrial

6. Post-grant Opposition System

System abolished in Japan



	Pre-grant opposition	Post-grant opposition	Trial for invalidation (Before 2003 amendment)	Trial for invalidation (After 2003 amendment)
Purpose	examination	re-examination	settling disputes between interested parties	settling disputes between interested parties
Period	3 months	6 months	-	-
Demandant	any person	any person	interested parties	any person
Proceeding	documentary examination	documentary examination in principle	oral proceedings in principle	oral proceedings in principle

Thank you for your attention!

