| Date | March 24, 2010 | Court | Intellectual Property High Court, Fourth Division |
|---|---|---|---|
| Case number | 2008 (Ne) 10085 | | |
| A case, with respect to a claim for compensation for damage, in which the court determined the amount of damage, by applying Article 105-3 of the Patent Act in addition to Article 102, paragraph (3) of said Act, on the grounds that although it was determined that damage had arisen on the part of the patentee even where the method infringing its patent right was worked without compensation, it was extremely difficult to prove the facts necessary to determine the amount of damage due to the nature of such facts | | | |

References:
Article 709 of the Civil Code, Article 102, paragraph (3) and Article 105-3 of the Patent Act

1. In this case, X (the appellant), alleging that Y (the appellee) has infringed X's patent right (for the invention entitled "access management and monitor system for Internet server") by providing services, seeks an injunction against Y's operation of the services in question, and removal of the server and database used for operating the services, and also seeks against Y for compensation of damage under Article 709 of the Civil Code.
2. The judgment in first instance dismissed X's claims, ruling that since X's patent should be invalidated by a trial for patent invalidation, X was not entitled to exercise the allegedly infringed patent right, pursuant to the provisions of Article 104-3 of the Patent Act.
3. In the present judgment, however, the court found X's patent to be valid, and upheld X's claims for injunction against the operation of the services and for removal of the articles used therefor (with regard to the database, deletion thereof). The court determined the amount of damage sustained by X to be 14 million yen, and upheld its claim for compensation for damage up to that amount, holding as follows.
(1) Y cannot be found to have received any money in relation to the operation of the services.
(2) With regard to the registration of users' keywords within the services, Y only accepted registrations free of charge as a preliminary step for launching the services on a fee-paid basis. However, it is generally unthinkable that a patentee would grant a license, without compensation, for working his/her patented invention in a manner that would infringe his/her patent right. X and Y are not found to have a relationship where X would grant a license, without compensation, for allowing Y to work X's patented invention. Consequently, it is unavoidable to determine that damage arose on the part

of X due to Y's operation of the services.

(3) In view of the actual situation of Y's operation of the services, it is extremely difficult for X to prove the facts necessary to determine the amount of damage sustained thereby due to the nature of such facts. Therefore, it is appropriate to determine the amount of damage by applying Article 105-3 of the Patent Act in addition to Article 102, paragraph (3) of said Act.

Judgment on March 24, 2010, the original received on the same day, Court Clerk
2008 (Ne) 10085, Appeal Case of Seeking an Injunction against Infringement of a Patent Right, etc. (Judgment in prior instance: 2007 (Wa) 2352 of the Tokyo District Court)
Date of conclusion of oral argument: March 3, 2010

Judgment

Indication of the parties involved: As shown in the attached list of the parties involved

Main Text

1. The judgment in prior instance shall be modified as follows.
(1) The appellee shall not provide the service specified in the attached Details of the Service.
(2) The appellee shall remove the "NLIA Server" in the "Japan NLIA System" of the service described in (1) above and delete the "Registration Information Database."
(3) The appellee shall pay the appellant 14 million yen and the delay damages accrued thereon at a rate of 5% per annum for the period from February 15, 2007 until the date of full payment.
(4) The appellant's other claims shall be dismissed.
2. The costs of this lawsuit incurred in the first instance and the second instance shall be divided into five parts, one of which shall be borne by the appellant, with the rest borne by the appellee.
3. This judgment may provisionally be enforced only as far as paragraph 1, items (1) and (3) above are concerned.

Facts and Reasons

No. 1 Purpose of this appeal

1. The judgment in prior instance shall be revoked.
(1) The appellee shall not provide the "JAddress Service."
(2) The appellee shall remove the "NLIA Server" and "Registration Information Database" in the "Japan NLIA System."
(3) The appellee shall pay the appellant 91.7 million yen and the delay damages accrued thereon at a rate of 5% per annum for the period from February 15, 2007 until the date of full payment.
2. The appellee shall bear the costs of this lawsuit incurred in the first instance as well

as in the second instance.

No. 2 Background

1. In this court case, the appellant alleged that the appellee's act of providing the service specified in the attached Details of the Service ("appellee's service") constitutes infringement of the appellant's patent right No. 3762882 ("Patent Right"; the invention related to Claim 1 included in the scope of claims and the patent for said invention shall be referred to as "Invention" and "Patent," respectively). Based on this allegation, the appellant sought [i] an injunction against the appellee's service under Article 100, paragraph (1) of the Patent Act, [ii] the removal of the "NLIA Server" and "Registration Information Database" used for said service under paragraph (2) of said Article, and [iii] the payment of damages and the delay damages accrued thereon under Article 709 of the Civil Code.

2. In the judgment in prior instance, the court held that the appellant may not exercise the Patent Right under Article 104-3 of the Patent Act and dismissed the appellant's claims on the grounds that any person ordinarily skilled in the art could have made the invention protected by Patent based on the invention described in the following cited reference ("cited invention") and the well-known technology and that it may be found that the Patent should be invalidated by a trial for patent invalidation. Dissatisfied with this judgment, the appellant filed an appeal.

Cited reference: A paper entitled "A Yellow-Pages Service for a Local-Area Network" (Exhibit Otsu No. 24-1, a translation is presented in Exhibit Otsu No. 24-2) authored by Larry L. Peterson in "Part 8. RESOURCE SHARING IN DISTRIBUTED SYSTEMS" of "COMPUTER COMMUNICATION REVIEW Volume 17, Number 5 Special Issue," which is a collection of papers published by the ACM (Association for Computing Machinery) in 1988

3. The facts based on which the appellant's claims presented in this lawsuit should be examined are as follows.

(1) Parties involved

The appellant is a stock company that engages, in the course of trade, in the development and sale of systems that use the Internet and in the offering of information provision services by using the Internet.

The appellant works the Invention and provides a service that enables uses of the Internet, etc. to access a specific website by inputting "Internet Number" such as a telephone number in the address bar, etc., of a web browser.

The appellee is a stock company engaged, in the course of trade, in various business

activities such as the creation and sale of databases for computer systems, information processing services and information provision services, Internet advertising business and advertising agency business, and outsourced business concerning the planning, designing, and operation of information systems that use the Internet, and telecommunication networks.

The appellee is a Japanese company affiliated with a South Korean company, Netpia.com, Inc.

(2) Patent Right

A. The appellant holds the following Patent Right.

Patent No.: 3762882

Name of the invention: Access management and monitoring system for Internet servers

Original application date: June 3, 1996 (Patent Application No. H9-503084)

Priority-claim-date under the Paris Convention: June 7, 1995 (U.S.)

Divisional application date: July 9, 2001

Registration date: January 20, 2006

Claim 1 included in the Scope of Claims: As shown in paragraph 2 of the attached Scope of Claims

B. The constituent features of the Invention are as stated in [A] to [G] below ("Constituent Feature A" to "Constituent Feature G," respectively)

[A] A method of providing access from a client to an information page on the server system via a computer network consisting of the Internet; comprising

[B] a stage in which a descriptor is provided by the aforementioned client;

[C] a stage in which the directory server maps said descriptor to a URL by using a translation database residing in said directory server;

[D] a stage in which said directory server returns to said client said URL within the REDIRECT command;

[E]a stage in which said client is made to request information by using said URL; and

[F] a stage in which the page identified by said URL is displayed on the client's side;

[G] all of these stages are included in the method to access an information page.

C. After filing an application for the Patent, the following events occurred.

(A) First notice of reasons for refusal

A JPO examiner sent a notice of reasons for refusal dated April 15, 2005 on the grounds that [i] it is unclear which actor is related to which means of hardware, respectively, with regard to the application concerning then-effective Claims 1 to 10 of the Patent Right, and [ii] the meaning of Claim 3 stating "a transaction database resides regularly in the server system that returns to the client the URL within the REDIRECT

command and has the client request information by using the URL" is unclear.

(B) First amendment

On June 20, 2005, regarding the point [i] mentioned in (A) above, the appellant made an amendment by deleting Claims 1, 3, and 10 and combining Claim 2 with Claims 3 and 10, and making the post-amendment Claim 1 as stated in paragraph 1 of the attached Scope of Claims.

In the written opinion dated the same day, the appellant stated the reasons for the aforementioned amendment as follows.

"In response to the point that, with regard to the inventions related to pre-amendment Claims 1 to 10, it is unclear which actor is related to which means of hardware, respectively, we made such amendment to create the post-amendment Claim 1 as mentioned above and clarified the relationship of the actor in each action to each means of hardware. In other words, the client is an actor in the stage of providing a descriptor. The directory server is an actor in the stage of mapping the descriptor to the URL by using the translation database residing in the directory server. The directory server is an actor in the stage of returning the client the URL within the REDIRECT command and having the client request information by using the URL. The client is an actor in the stage of indicating the page identified by the URL." "The invention claimed in this application makes it possible to use, instead of such a long, complicated URL, other information corresponding to this URL that can be simply and easily input by any person, such as a telephone number, company name, or the product name, in order to access the website associated with the intended URL."

Furthermore, regarding the point [ii] of (A) above, the appellant stated its opinion as follows in said written opinion. "We clarified the content of pre-amendment Claim 3 and combined it with Claim 1. This means that the directory server returns the client the URL within the REDIRECT command and has the client request information by using the URL." The appellant also submitted a written amendment of proceedings dated the same day in order to amend the statement of the post-amendment Claim 1 to "the stage in which said directory server returns to said client said URL within the REDIRECT command and has said client request information by using said URL."

(C) Second notice of reasons for refusal

Regarding the application concerning Claims 1 to 7 after the first amendment described in (B) above with regard to the Patent Right, a JPO examiner sent a notice of reasons for refusal dated September 28, 2005 on the grounds of the lack of an inventive step.

(D) Second amendment

On December 5, 2005, the appellant amended Claim 1 to as shown in paragraph 2 of the attached Scope of Claims.

In the written opinion dated the same day, the appellant explained the reason for the amendment by saying that "we tried to clarify the statements by dividing one stage into two stages, namely, the stage of returning the URL and the stage of requesting information by using said URL."

Furthermore, in said written opinion, the appellant described the features of the Invention by stating as follows. "The invention claimed in this application is a piece of technology related to the method of accessing an information page on a server system from a client via a computer network consisting of the Internet. This technology enables the user to access a commercial service website on the Internet by using a telephone number, company name, product name, etc. In other words, in the field of Internet technology, to which the invention claimed in this application is applied, it is necessary to input a long, complex URL to access a website. The invention claimed in the application allows a user to use, instead of such a long, complicated URL, other information corresponding to this URL that can be simply and easily input by any person, such as a telephone number, company name, or product name, in order to access the website associated with the intended URL."

(E) Decision to grant a patent

On January 5, 2006, a JPO examiner made a decision to grant a patent for an application with the aforementioned amendment.

D. A request for a trial for patent invalidation of the Patent and the development thereafter are as follows.

(A) Request for a trial for patent invalidation

By filing a request for a trial date October 31, 2007 (Exhibit Otsu No. 31), the appellee requested a trial for invalidation of the Patent (Claims 1 to 7) (Invalidation Trial No. 2007-800243)

(B) Request for correction

By filing a request for correction dated January 23, 2008 (Exhibit Ko No. 42), the appellant requested corrections such as the correction described in paragraph 3 of the attached Scope of Claims ("Correction"; the corrected invention shall be referred to as "Corrected Invention").

(C) JPO decision for patent invalidation

On June 26, 2008, a JPO examiner approved the correction, but made a decision for patent invalidation on the grounds of the lack of an inventive step in the inventions described in the post-correction Claims 1 to 7 (Exhibit Otsu No. 32).

(D) Judgment to rescind the JPO decision

The appellant filed a lawsuit with the Intellectual Property High Court in order to seek rescission of the aforementioned JPO decision for patent invalidation. On November 5, 2009, said court handed down a judgment to the effect that said JPO decision shall be rescinded. Dissatisfied with this judgment, the appellee, who was the defendant of said case, filed a final appeal and a petition for acceptance of final appeal on November 19, 2009.

(3) Act of the appellee

A. Commencement of the appellee's service

Around February 2006, the appellee launched the appellee's service (the method adopted in said service shall be referred to as the "appellee's method"), commenced a trial registration service "Test Operation" for website operators, and commenced, on September 5, 2006, its priority registration service "Sunrise Operation," which resulted in a total of 136,826 registrations.

B. Appellee's method

There are two types of appellee's method, i.e., the server-type method and the plug-in-type method. The constituent features are presented in 1 and 2 of the attached Structure Overview.

However, while the appellant alleged that C'-II of the server-type method is as stated in the attached Structure Overview, the appellee alleged that "in the case of an unofficial URL, the stage (4') in which an IP address of the 'NLIA Server' is returned to a client and the stage (5) in which the client PC queries the 'NLIA Server' at the obtained IP address for the Japanese Internet are addresses originally input by the user." This point will be examined in the section concerning the reasons.

C. Partial fulfillment of the constituent features (the entire import of the oral argument)

The appellee's method fulfills at least Constituent Features A, D, and G from amongst all of the constituent features of the Invention.

4. The issues at dispute in this lawsuit are stated in (1) and (8) below.

(1) Issue 1: Fulfillment of Constituent Feature B

(2) Issue 2: Fulfillment of Constituent Feature C

(3) Issue 3: Fulfillment of Constituent Feature E

(4) Issue 4: Fulfillment of Constituent Feature F

(5) Issue 5: Existence or non-existence of the reasons for invalidation of the Patent

A. Issue 5-1: Violation of the disclosure obligation (Article 36, paragraph (4), and Article 36, paragraph (6), items (i) and (ii) of the Patent Act)

B. Issue 5-2: Lack of novelty

C. Issue 5-3: Lack of an inventive step
(6) Issue 6: Possibility of resolving the reasons for invalidation by making the Correction
A. Issue 6-1: Requirements for correction and fulfillment thereof
B. Issue 6-2: Lack of an inventive step, etc.
(7) Issue 7: Role of the appellee as an actor of the infringement
(8) Issue 8: Occurrence and amount of damage

No. 3 Allegations made by the parties involved
[Allegations presented in the prior instance]

The allegations presented in the prior instance may be cited because they are the same as those presented in "3. Allegations of the parties concerning the issues" of the judgment in prior instance (line 23 of page 9 to line 21 of page 43 of the judgment in prior instance; However, Issue 8, which was withdrawn in this instance, should be excluded) except for the following differences. The abbreviations used in the judgment in prior instance should be replaced with the abbreviations used in this judgment. "Issue 5: Existence or non-existence of the reasons for invalidation of the Patent Right" (line 14 of page 9 of the judgment in prior instance) should be replaced with "Issue 5: Existence or non-existence of the reasons for invalidation of the Patent." Lastly, "Issue 6: Existence or non-existence of the possibility of resolving the reasons for invalidation by making the Correction" (line 18 of page 9 to line 17 of page 39 of the judgment in prior instance) should be replaced with "Issue 6: Possibility of resolving the reasons for invalidation by making the Correction."

[Allegations presented in this instance]
1. Issue 6-2 (Lack of an inventive step, etc.)
[Allegation of the appellant]
(1) Inventive step

In the judgment in prior instance, the court denied the existence of an inventive step of the Invention based on the primarily cited reference of Exhibit Otsu No. 24 and found that the same may be applied to the Corrected Invention, and concluded that the Patent should be invalidated by a trial for patent invalidation. However, this conclusion is incorrect.

A. Validity of Exhibit Otsu No. 24 as a primarily cited reference.

The Corrected Invention was created by combining a certain descriptor provided by a client with a certain single URL in order to allow the client to access the information

page identified by the URL, whereas the cited invention was an invention, as indicated by the title derived from "Yellow Pages," designed to conduct a search on an intranet upon a client's request in order to retrieve the server addresses that satisfy the conditions about "service name and attributes" and to simply allow the client to choose an address at his/her discretion from the returned search results.

In other words, the essential feature of Corrected Invention is to associate one descriptor or multiple descriptors with a certain URL and to allow a client to automatically access the intended information site by using "REDIRECT command," whereas the cited invention is a search service to search for unspecified servers that satisfy certain conditions, namely the service name and attribute conditions. Therefore, the two inventions differ from each other in terms of technical idea.

Thus, there is an error in the judgment in prior instance in that the court determined whether an inventive step was involved or not based on a primarily cited reference, Exhibit Otsu No. 24.

B. Error in the determination of a cited invention

In the judgment in prior instance, the court extracted, from the statement presented in Exhibit Otsu No. 24, the case where "only one server address is retrieved and selected" and recognized an invention that "maps a service name to a server address" as the cited invention. However, the invention described in Exhibit Otsu No. 24 was made on the premise that the address(es) of one or more unspecified server(s) that fulfill(s) the conditions about "service name and attributes" will be returned. Therefore, this does not provide us with sufficient grounds to recognize such an invention limited as described above.

C. Error in the determination on the differences between the Corrected Invention and the cited invention

(A) "Address" and "URL"

In the judgment in prior instance, the court found that the "URL" of the Corrected Invention may be easily conceived of based on the "address" of the cited invention. However, the cited invention is merely an invention related to an intranet. Therefore, it may not be said to be easy to choose the "URL" on the Internet, as a scheme related to the World Wide Web in particular, based on the "address" of the cited invention, which does not expect direct connection from a server to the Internet. Since Exhibit Otsu No. 24 was publicized in 1988, prior to the disclosure of the World Wide Web in 1991, Exhibit Otsu No. 24 does not use the term "address" on the presumption that it may be interpreted as "URL" for the World Wide Web.

(B) Design of a database

In the judgment in prior instance, the court found that structurally changing the "database" of the cited invention to a database that combines "service name and attributes" with a specific, single "address" is merely a matter of design. However, the difference between returning server addresses as a result of a search conducted by inputting the conditions requested by a user regarding an unspecified server, as is the case with the cited invention, and returning a specific, single URL as a result of pursuing a specific target from the beginning, as is the case with the Corrected Invention, should be regarded as the difference in terms of technical idea.

(C) "The aforementioned URL within the REDIRECT command"

In the judgment in prior instance, the court cited the statement in Exhibit Otsu No. 26 and Figure 1 regarding its determination on Differences 2 and 3 and found that the idea of using the "aforementioned URL within the REDIRECT command" of the Corrected Invention could be easily conceived of.

However, in the case of the "Redirection" structure of the cited invention, any remote client cannot directly access the "local server" that provides the yellow-pages service. Furthermore, in the case of the cited invention made on the premise of the TCP protocol as stated in Exhibit Otsu No. 24, it is impossible for a client to reconnect to the server host based on the packet information sent from the flagship host to the client. Thus, it is impossible to apply to the cited invention the well-known art related to the redirect function described in Exhibit Otsu No. 26.

On the other hand, it may also not be said that the structure "the aforementioned URL within the REDIRECT command" could be easily conceived of based on the "Location Header" described in Exhibit Otsu No. 26.

Furthermore, while the judgment in prior instance recognized Exhibit Otsu No. 26 as a cited reference, the appellee did not claim Exhibit Otsu No. 26 as a cited reference.

(D) Provision by one server

In the judgment in prior instance, with regard to the Differences 2 and 3, the court determined that, in consideration of the advancement of computer versatility and capabilities, physically using only one server as the flagship host and the yellow-pages server is merely a matter of design. However, in the field of computer networking, since "server" is a "system that provides a certain service upon request from a client," there is an error in the aforementioned determination because the question of whether there is only one server or are multiple servers is determined in consideration of the functions provided to the client.

(E) Summary

As described above, there is an error in the determination of the judgment in prior

instance with regard to the difference between the Corrected Invention and the cited invention. The Corrected Invention could not be easily conceived of by any persons ordinarily skilled in the art based on the cited invention.

(2) Fulfillment of the constituent features

The constituent features of the Corrected Invention are as described in No.2, 3., (2), D., (B). The structure of the appellee's method is as described in the attached Structure Overview 1 and 2. Since each of said structures of the appellee's method fulfills each of the constituent features of the Corrected Invention, said method may be considered to fall within the technical scope of the Corrected Invention.

[Appellee's allegation]

(1) Inventive step

As described below, the appellant's allegation is unreasonable. Therefore, there is no error in the determination on the inventive step involved in the Corrected Invention presented in the judgment in prior instance.

A. Reasonableness of Exhibit Otsu No. 24 as a primarily cited reference

According to the statements contained in Exhibit Otsu No. 24, it is clear that the technology related to the invention presented therein is not limited to the use within a local-area network and that said technology may be used to transfer or redirect to the intended server outside the network. Therefore, the appellant's allegation that the Corrected Invention differs from the cited invention in terms of technical idea is unreasonable.

B. Error in the determination on the cited invention

While the judgment in prior instance recognized a cited invention based on Exhibit Otsu No. 24, the appellant refuted said recognition. However, it is clear that Exhibit Otsu No. 24 discloses the structure for retrieving and selecting a single server address. Since it is clearly stated that "a service name is mapped to a server addresses," all of the appellant's allegations are unreasonable.

C. Error in the determination on the differences between the Corrected Invention and the cited invention

(A) "Address" and "URL"

As Exhibit Otsu No. 28, which was a publicly known publication as of the time of the filing of an application for the Patent, states to the effect that "URL is a method to indicate Internet resources in a systematic manner and is used to handle a WWW browser and indicate Internet resources in the form of an HTML document," it was a well-known art to any person ordinarily skilled in the art that HTTP-based WWW existed as an Internet service as of the time of the filing of an application for the Patent

and that a URL is used to access a server on the WWW. Therefore, regardless of whether the term "address" was used in Exhibit Otsu No. 24 with the awareness of the existence of a URL, it was obvious to any person ordinarily skilled in the art that an "address" mentioned in the cited invention should be indicated in the form of URL, which had already become famous as an indication of a server address, and thus, the appellant's allegation is unreasonable.

(A) Design of a database

Even if a "descriptor" corresponds to a single intended URL, the fact remains that it is something that is provided by a client. The question of what URL is returned in response to what type of "descriptor" presented by a client solely depends on how the database has been created and what types of descriptors and URLs have been registered. Therefore, there is no error in the judgment in prior instance where the court found that it is just a matter of design to structurally change the "database" of the cited invention to a database where the "service name and attributes" are associated with a certain, single "addresses."

(C) "The aforementioned URL within the REDIRECT command"

The appellant alleged that the cited invention is not a piece of technology that directly connects a client to a local server. The cited invention is technology that directly connects a client to a transferred server, in other words, computer communication technology that naturally includes the application layer as a whole. Since it is not necessary at all to understand "REDIRECT" mentioned therein as technology limited to TCP, the appellant's claim is unreasonable.

Furthermore, "REDIRECT command" in the Invention may be recognized as "an order sent from a server to a client and then, automatically sent from the client to a server other than the aforementioned server." Exhibit Otsu No. 26 states that, in order to display an intended document, the location header including its URL should be returned. This indicates that the intended document will (automatically) be displayed without any other procedure. This is the same as the outcome of "REDIRECT command." This means that there is no error in the determination of the judgment in prior instance to the effect that the structure of "the aforementioned URL within the REDIRECT command" could be easily conceived of. Therefore, the appellant's allegation is unreasonable.

Additionally, since Exhibit Otsu 26 is evidence provided by the appellee in order to explain a well-known art related to the REDIRECT command, it is totally reasonable for the judgment in prior instance to recognize it as a well-known art based on this evidence.

(D) Provision by one server

As alleged by the appellant, it may not be denied that a "server" means a "system to provide a certain service in response to a client's request." However, when simply mentioning "server," it could mean either server software or a server computer. The judgment in prior instance merely pointed out the obvious fact that making one server act as hardware to provide both yellow-pages server functions and flagship host functions is just a matter of designing. Since there is no error regarding this point, the appellant's allegation is unreasonable.

(E) Summary

As described above, all of the appellant's claims are unreasonable. Therefore, there is no error in the judgment in prior instance to the effect that any person ordinarily skilled in the art could have easily conceived of the Corrected Invention based on the cited invention.

(2) Fulfillment of the constituent features

The appellee's method does not fall within the technical scope of the Corrected Invention.

2. Issue 8 (Occurrence and amount of damage)

[Appellant's allegations]

The damage suffered by the appellant shall be calculated based on Article 102, paragraph (3) of the Patent Act as follows.

(1) The appellee worked the Invention not only in the past but also continues working it even now. Even if the appellee has not actually obtained any proceeds from the filing and acceptance of an application for registration and/or the accomplishment of registration for any reason such as the fact that the appellee's service (JAddress) has not been commercialized yet, the damage may be considered to have occurred nonetheless.

(2) Out of the 136,826 registrations of the appellee, 136,823 registrations (three registrations made free of charge have been excluded) are provisional registrations. Even in consideration of the fact that no proceeds have actually been obtained, the "amount that corresponds to the amount that the patentee or exclusive licensee should be entitled to receive for the working of the patented invention," as prescribed in Article 102, paragraph (3) of the Patent Act, should be calculated as 86,202,270 yen by multiplying the registration fee of 31,500 yen per registration by the regular royalty rate of 4% in the case of the three free registrations multiplied by the number of registrations, plus the amount calculated by multiplying the registration fee by 2%, which is a half of the regular royalty rate, in the case of the 136,823 provisional registrations, multiplied by the number of registrations (31,500×2%×136,823+31,500×4%×3).

[Appellee's allegations]

(1) The appellee has not reached the stage of commercial implementation of the appellee's service because this dispute has occurred. As a result, the appellee has not obtained any profits nor has the appellant suffered any damage.

(2) While admitting that the number of registrations of the appellee its 136,826, we dispute any other allegations made by the appellant.

No.4 Court Decision

1. Fulfillment of the constituent features (Issues 1 to 4)

(1) Constituent Feature B

A. Constituent Feature B is specified as "the stage where a descriptor is provided by the aforementioned client."

According to the scope of claims, in the case of the Invention, a "descriptor" is mapped to a URL by a translation database. The URL is returned to the client. By using the returned URL, the client requests information. It is clear that the "descriptor" referred to in Constituent Feature B does not include any URL.

However, the detailed explanation of the invention presented in the description attached to the patent application in question ("Description") contains the following statements: "[0041] the Invention has a structure that provides a user with the convenience of being able to use a conventional telephone number or any other identifier in order to access any service provided by a service provider," "[0042] Another embodiment of the Invention shows that, with the existence of a conventional browser, a user may use a document form that Directory Server 602 provides to ask Client 601 to input a telephone number or any other identifier in the place of 'dial' command." and "[0044] another embodiment of the Invention shows that a user may use any identifier other than a number. For example, a user sometimes inputs a company name or a product name that is spelled in an inaccurate manner. In this case, 'soundtex' or any other sound mapping may be used to accept any word that sounds similar to the map that corresponds to the same intended URL. Furthermore, it is possible to use multiple identifiers such as the product name or the telephone number combined with an extension number." These statements may not be interpreted as limiting a "descriptor" provided by a client to certain types of descriptor.

Therefore, the "descriptor" in Constituent Feature B may be interpreted as not including any URL itself and as not being subject to any particular limitations.

B. On the other hand, the appellee's server-type method comprises Structure B' "the stage (2) or (2') where a user who has input a discretionary Japanese Internet address (JAddress) in the address bar of a web browser of a client PC (1) provides the Japanese

Internet address (2) (official URL) or (2') (unofficial URL) to the DNS Server ("NLIA Name Server") to which Program (i) has been added in advance." In the case of the appellee's plug-in type method, said B"-I "Stages where, when a user inputs a discretionary Japanese Internet address in the address bar of a web browser of a client PC (1), Program (ii), which has been added to the client in advance, determines whether said Japanese Internet address (2) (official URL) or (2')(unofficial URL) may be regarded as an official URL (3)."

This means that both types of the appellee's method include the stage where a user inputs a discretionary Japanese Internet address at the client PC. While a Japanese Internet address (2) is expected to be either an official URL or an unofficial URL, it must be said that the appellee's method should be regarded to contain the stage where a "descriptor" is provided by a client as well, as long as the appellee's method provides an unofficial URL in some cases.

C. The appellee alleged that the method of providing a descriptor in the Invention does not include any method of inputting a descriptor in the address bar of a web browser of a client PC, like the appellee's method. However, as stated in A. above, Constituent Feature B should not be interpreted as limiting the "method of providing" a descriptor. Therefore, the appellee's allegation is unacceptable.

D. Thus, the appellee's method fulfills Constituent Feature B of the Invention.

(2) Constituent Feature C

A. Constituent Feature C is specified as "the stage where a directory server maps said descriptor to a URL by using the translation database in said directory server." As explained in (1) above, "said descriptor" may be interpreted as not including any URL.

B. On the other hand, regarding some of the structures of the appellee's method, in the case where a Japanese Internet address input by a client is not an official URL, an examination of this situation based on the appellee's allegation shows that the server-type method comprises Structure C'-I "Additional Program (i) determines, within the NLIA Name Sever, as to whether the Japanese Internet address sent from a client PC is an official URL or not (3)," Structure C'–II "Stage (4) where, if it is not an official URL, the IP address of the 'NLIA Server' is returned to the client (4') and Stage (5) where the client PC sends the 'NLIA Server' of the acquired IP address an inquiry concerning the Japanese Internet address input by the original user," and Structure C'–III "Stage (6) where the 'NLIA Server' that received a Japanese Internet address retrieves from the Registration Information Database a URL that corresponds to the Japanese Internet address" and also shows that the plug-in type method comprises Structure B"–II "if the Japanese Internet address input by a user (omitted) is not an

official URL (2'), Stage (4') where the Japanese Internet address is changed to a URL form for the NLIA Server, then the changed URL (2") is sent to the DNS Server by using a browser function, and then the IP address of the NLIA Server is returned to the client PC by using a function of the DNS Server," Structure B"–III "Stage (5) where the client PC sends the NLIA Server of the acquired IP address an inquiry concerning the Japanese Internet address input by the original user," and Structure C" "Stage (6) where the NLIA Server that received the inquiry retrieves from the Registration Information Database a URL that corresponds to the Japanese Internet address."

C. This means that both types of the appellee's method comprise the stage where the URL that corresponds to a Japanese Internet address, which is an unofficial URL, is retrieved from the Registration Information Database. Therefore, the appellee's method fulfills Constituent Feature C of the Invention.

Regarding this point, the appellee alleged that the structure of the appellee's method requires the stage where official URLs are distinguished from unofficial URLs and that, since only the descriptor distinguished as an unofficial URL will be sent to the "NLIA" server, the "NLIA Name Server," which is involved in the aforementioned stage of distinction in the case of the server-type method, is different from the "NLIA Server." However, as mentioned in (1) above, in the case of the Invention, a "descriptor" does not include any official URL. Even if a function related to the processing of an official URL is added to any access method that satisfies all of the constituent features of the Invention, or if any process via a client PC is added in the middle of the procedure, this access method would not be excluded from the technical scope of the Invention. Therefore, the appellee's allegation is unreasonable.

Thus, the configuration of the appellee's method that is necessary in relation to the Invention is limited to the one presented in the attached Structure Overview. The appellee's server-type method may be at least recognized as the one comprising Structure C'–II described in said list.

Furthermore, the appellee alleged that the appellee's method requires a user to input a descriptor in the address bar, and therefore, it does not fulfill the requirement "said descriptor" mentioned in Constituent Feature C. As mentioned in (1) above, this allegation is unacceptable.

D. Therefore, the structure of the appellee's method is as stated in the attached Structure Overview. The appellee's method fulfills Constituent Feature C of the Invention.

(3) Constituent Features E and F

A. Constituent Feature E of the Invention specifies that "the stage where said client

has to request information by using said URL." Constituent Feature F of the Invention specifies that "the stage where the page identified by said URL is displayed on the side of said client."

B. On the other hand, the appellee's server-type method comprises Structure E' "Stages where the client PC uses the acquired URL and passes through the DNS Server (8) and obtains the corresponding IP address (9), and requests information on the intended information page (10)" and Structure F' "Stage (11) where the client PC displays the intended information page." The appellee's plug-in-type method comprises Structure E" "Stages where the client PC uses the acquired URL and passes through the DNS Server (8) and obtains the corresponding IP address (9), and requests information on the intended information page (10)" and Stage F" "Stage (11) where the client PC displays the intended information page."

C. While the appellee's method is described as "uses the acquired URL and passes through the DNS Server (8) and obtains the corresponding IP address (9)," it clearly means that a client uses the URL returned from the directory server as a premise for requesting information. In the case of the appellee's method, since this IP address is used to "request information on the intended information page," the appellee's method may be considered to fulfill Constituent Feature E of the Invention.

Furthermore, according to the statements of the scope of claims, it is clear that the "page identified by the URL" of Constituent Feature F of the Invention means the page that is identified by the URL and sought by a client. The "intended information page" mentioned in Structures F' and F" of the appellee's method is exactly the "page identified by the URL." Therefore, the appellee's method that comprises the stage where such page is displayed on the "client PC," in other words, "on the client's side" fulfills Constituent Feature F of the Invention.

D. Regarding the fulfillment of Constituent Feature E, the appellee alleged that the Invention is an invention of a process and that, based on the statements included in the appellant's written opinion submitted in the course of the patent application procedure, it should be interpreted that the stage mentioned in Constituent Feature E needs to be carried out as a stage that is chronologically different from the "stage where said directory server returns to said client said URL within the REDIRECT command," and that the appellee's method does not comprise a stage that corresponds to Constituent Feature E as a stage different from the stage that corresponds to Constituent Feature D, as is the case with the Invention, because, as long as the expected URL is returned to the address bar from the "NLIA Server" by using a standard protocol that uses the address bar of the client's browser, the appellee's method would allow the client's browser to

obtain the page identified by said URL (via the DNS Server) and to display it on the client PC.

However, the detailed explanation of the invention presented in the Description contains the following statement regarding the outline of the Invention, "[0012] the authentication server then sends a client by REDIRECT, a new request consisting of an original URL to which this SID was added. The modified request consisting of the new URL is automatically sent by the client browser to the content server," and also the following statements regarding the manner of working the invention, "[0045] in the case of Message 2, Directory Server 602 sends REDIRECT to Client 601. Said REDIRECT states the intended URL that corresponds to the number calculated by Database 604. Subsequently, Client Browser 601 automatically sends Message 3 and obtains the content of said URL. Server 602 conducts translation for the ultimate URL and sends Client 601 REDIRECT rather than a page. For this reason, the document of Message 4 can be obtained without any act by the user beyond the first dialing input." and "[0047] one of the benefits of the 'Dial' command and the implementation thereof is an improved method of Internet access that is interchangeable with a conventional telephone number or any other identifier. Merchants do not have to modify their printing materials or TV advertisements in order to provide a special Internet form of contact information. Users do not have to be aware of the URL." According to these statements, when the Invention sends REDIRECT, the intended URL is stated within the transmitted data. As the stages involved in the access method, the stages described in Constituent Feature D and Constituent Feature E theoretically occur in series.

On the other hand, in the case of the appellee's method, Structures D' and E' of the server-type method, as well as Structures D" and E" of the plug-in type method, have both established the stage where a URL is sent by use of the REDIRECT command and the stage where information is requested based on the URL. Since it is theoretically obvious that these stages occur in series, the appellee's method should be considered to comprise these stages that occur in series.

Even if the appellee alleges that the appellee's method does not comprise an independent structure that establishes solely the stage described in Constituent Feature E, it is generally possible in the field of digital telecommunications to send multiple data simultaneously and to construct these multiple data in the form of an order. According to the aforementioned statements in the Description, it is reasonable to interpret that the Invention includes an invention that automatically allows a client to request information based on the URL returned to the client together with the REDIRECT command (and automatically displays on the client's side the page

identified by the URL related to said request). As described above, it should be interpreted that, also in the case of such invention, the stages of Constituent Features D and E occur in sequence. Therefore, the appellee's method may be considered to fulfill Constituent Features D and E of the Invention.

In the course of the application procedure for the Patent, the appellant stated as follows, in the written opinion on the amendment by the written amendment of proceedings dated December 5, 2005, in which the appellant described Constituent Feature D and Constituent Feature E separately as two different stages: "the clarity of the statement has been improved by dividing one stage into two stages, namely, the stage of returning the URL and the stage of requesting information based on the URL." However, this statement should be interpreted as clarifying the invention-defining matters by describing the stages involved in the Invention separately. According to the aforementioned explanation, it may not be interpreted that the aforementioned amendment limits the Invention to an invention that comprises the stage that corresponds to Constituent Feature D and the stage that corresponds to Constituent Feature E, which exist independently as chronologically different stages.

Therefore, the appellee's allegation is unacceptable.

Furthermore, while the appellee made the same allegation with regard to Constituent Feature F, the allegation should be found unacceptable as mentioned above.

(4) Summary

As explained above, the appellee's method fulfills Constituent Features B, C, E, and F of the Invention. As mentioned in No.2, 3., (3), C., the appellee's method fulfills Constituent Features A, D, and G. Therefore, it must be said that the appellee's method falls within the technical scope of the Invention.

In the case of the Corrected Invention, the "descriptor" mentioned in Constituent Feature B of the Invention is corrected as "the descriptor that corresponds to the single, intended URL," and "the stage where information is requested" mentioned in Constituent Feature E as "the stage where information is automatically requested." The former of these corrections intends to limit a "descriptor" to "the descriptor that corresponds to the single, intended URL" on the premise that the "descriptor" does not include any URL. In view of the facts that the appellee's method comprises the "stage where the URL that corresponds to the Japanese Internet address is retrieved from the Registration Information Database" and that no farther selection of URL would be conducted in any subsequent stages, it may be said that the Japanese Internet address is associated with a single URL by the Registration Information Database. Furthermore, while the latter clearly indicates that the request for information is made

"automatically," since the appellee's method also allows a request for information on the intended information page to be made without any special operation of the client PC by the user, it may be said that the request is made automatically. Therefore, the appellee's method may be considered to fall within the technical scope of the Corrected Invention even if the Correction is finalized in the future.

2. Existence or non-existence of the reasons for invalidation of the Patent (Issue 5)

(1) Violation of the disclosure obligation (Article 36, paragraph (4) and Article 36, paragraph (6), items (i) and (ii) of the Patent Act)

The appellee alleged that, since the Invention should be regarded as unclear and not fulfilling the enablement requirement and the support requirement, the Patent should be invalidated by a trial for patent invalidation. First, this section will discuss this point.

A. "Access"

The appellee alleged that Constituent Feature A of the Invention, "the method of providing access" is different from Constituent Feature G "access method" in terms of the actor and that, since specific meanings of terms "access," "provide access," and "access (something)" are not clear, the invention is unclear.

However, according to the statement of Constituent Feature A, it is clear that "access" is made by a "client via a computer network consisting of the Internet" to the "information page of the server system." It is also clear that the Invention is an invention of the method of providing such "access." It is easily understandable that the provided "access method" is specified as comprising the stages specified in Constituent Features B to F and that they define specific stages of information processing starting from the "directory server." The same may be said about the fact that the actor of providing access is presumed to be the manager of the server that corresponds to the "directory server" of the Invention.

Therefore, it is obvious that any person ordinarily skilled in the art can clearly understand specific meanings of the terms "access," "provide access," and "access (something)." Therefore, the appellee's allegation is unacceptable.

B. Method of providing a "descriptor"

The appellee alleged that Constituent Features B of the Invention does not specify the method of providing a descriptor by a client and that, in the case of the appellant's method, which allows a client to input a descriptor in the address bar, unless there is a stage to distinguish whether it may be regarded as an official URL, a descriptor would not be sent to the "directory server" and that, in the case of the Invention, such stage of distinction is not considered as an invention-defining matter, and therefore that the invention is unclear.

However, the Invention is an invention to provide an access method comprising the specified stages. As mentioned in 1.(1) above, it would not matter how a client provides a descriptor. Therefore, regarding this point, it may not be said that the invention is unclear. Furthermore, when an access method is provided, even if a specified method of providing a descriptor is adopted, which will require a certain stage of information processing as a result, this would not make the invention-defining matter of the Invention unclear. Whether the aforementioned stage of information processing should be added or not is a matter of design that may be determined from time to time by any person ordinarily skilled in the art when working the Invention. Therefore, the above-mentioned point would not provide grounds for finding that the Invention is unclear or inoperative.

Therefore, the appellee's allegation is unacceptable.

C. "Directory server"

The appellee alleged that the term "directory server" used in Constituent Feature C of the Invention is unclear and that the method in which the "Directory server" receives the descriptor provided by a client is not defined.

However, regarding the constituent features of the Invention, "directory server" is defined as a server that comprises a "translation database to map a descriptor to a URL" and that has the function of "returning the URL within the REDIRECT command to the client." It is clear to the extent that no more limitations may be imposed. It should be interpreted that there are no limitations on the method of receiving a descriptor, either. This does not mean that the appellee cannot work the Invention unless these points are defined.

Therefore, the appellee's allegation is unacceptable.

D. Summary

As described above, the appellee's allegation that the Invention is unclear is unacceptable. Therefore, it is also impossible to accept the appellee's allegation with regard to the violation of the enablement requirement and the support requirement since it is made based on the aforementioned allegation.

(2) Lack of novelty and an inventive step

The appellee alleged that the Invention is identical with the invention presented in the cited reference or could be easily made by any person ordinarily skilled in the art based on said invention and that the Invention should be invalidated by a trial for patent invalidation. This point is discussed below.

A. Statements in the cited reference

The cited reference contains the following statements (the information in the

parentheses indicates the place of the corresponding translation in Exhibit Otsu No. 24-2).

(A) "ABSTRACT We introduce a yellow-pages service that maps service names into server addresses. The service is novel in that it associates a set of attributes with each server. Clients specify the attributes the server should possess when requesting a service and the yellow-pages service determines what servers satisfy the request. In addition to describing the implementation of the yellow-pages service within a local-area network, we show how the service can be integrated with the available internet communication protocols to enable clients from throughout the internet to access local servers." (lines 6 to 13 of page 1)

(B) "Our design differs from conventional name servers (omitted) in two ways. First, associated with each server is a set of *attributes* that describe the characteristics and properties of the server. A client that wishes to engage a service queries the yellow-pages service for the address of the server, specifying the name of the service and any attributes the server should possess. The yellow-pages service returns the address of one or more servers that satisfy the client's requirements.

Second, clients from throughout the internet contact servers available within the autonomous system through an intermediate agent that uses the yellow-pages service to select an appropriate server. Specifically, a *flagship* host in the local system advertises a set of services offered by the system with an internet naming service. Clients connect to the flagship host as though the server is available on that host. A *forwarding mechanism* running on the flagship host then "patches" the client through to an actual server that provides the service. The forwarding mechanism queries the yellow-pages to determine the address of the lightest loaded server that implements the service. Indirection through the forwarding mechanism and the selection of a suitable server are hidden from the remote client." (line 23 of page 1 to line 5 of page 2)

(C) "2. ARCHITECTURE

A set of servers implement the yellow-pages service. Each server maintains a database of information about the available services and servers. Clients within the system invoke operations on one or more servers using the Sun Remote Procedure Call mechanism (omitted).

2.1 Attributes

An attribute is a syntactic object that denotes a property or characteristic of a server.

Attributes associated with a given server are recorded in the yellow-pages database. Clients submit a set of attributes when querying the yellow-pages for a server that provides a particular service.

Attributes are classified along two dimensions. Along one dimension, attributes are distinguished based on whether they are *static* or *dynamic*. Static attributes correspond to those properties of a server that are fixed: e.g., the speed of a printer or the architecture of a processor. Although static attributes may change, for example due to upgrades, such changes are infrequent and easily tracked by updates to the yellow-pages database. In contrast, dynamic attributes change continuously; e.g., a processor's load or the number of jobs in a print queue. The important characteristic of a dynamic attribute is that it changes with much greater frequency than the yellow-pages service is asked to make a decision based on the attribute. For practical reasons, therefore, a server's dynamic attributes should be computed only on demand.

Along the other dimension, attributes are distinguished according to whether they are *absolute* or *relative*. Absolute attributes correspond to those properties of a server that can be determined independent of any other servers; e.g., its architecture or its load. Relative attributes, in contrast, are computed over a collection of servers; e.g., the processor with the minimal load or the printer with the maximum output rate.

A client queries a yellow-pages server to learn the address of one or more servers that provide a given service. In addition to giving the name of the service, the client requests that the server chosen to provide the service satisfy a set of attributes. (line 14 of page 2 to line 13 of page 3)

(D) "2.2 Database

Associated with each yellow-pages server is a database of information about the services available in the system. The database contains bindings of each service to a set of servers that provide the service.

*service* ——> {$server_1$, $server_2$, …. $server_n$,}

A server, in turn, is defined by:

*server* ≡ <*address, registered_attr*>

where address is a character string that is meaningful to the client – for example, the address of a print server is simply given by the name of a printing device – and *registered_attr* is a set of static, absolute attributes associated with the server. (lines 21 to 30 of page 3)

(E) "4. FORWARDING MECHANISM

This section describes how the yellow-pages service is integrated with the Internet transport protocols, thereby allowing clients from throughout the internet to access servers within an autonomous system. Because the test bed is a local-area network in the DARPA Internet, the servers that are accessible to remote clients are necessarily limited to those servers listening at a well-known port on one or more of the system's

hosts (omitted).

A single host in the local system is designated as the *flagship* host; for example, the host named arizona.edu is the flagship host for the University of Arizona. The system advertises the flagship as offering a set of services to Internet clients by registering a set of resource records - potentially one for each service - with the domain naming system (omitted). For example, an MX resource record indicates that the mail service for the system is available at the flagship host (omitted). A client consults the domain name server to learn the address of a host at the system that offers a particular service and the address of the flagship host is returned. The client then contacts the server by sending one or more packets addressed to the well-known port on the flagship host. The flagship host, in turn, forwards the packets to a server within the system. Thus, the forwarding mechanism is analogous to the strategy of accessing a server at well-known port: The flagship serves as the "well-known host" for the system.

Consider how the forwarding mechanism is implemented within TCP in more detail. The TCP module running on the flagship host is modified to include the forwarding mechanism. Associated with the forwarding mechanism is a table that binds well-known ports to the addressees of servers. The table contains bindings of the form

*well-known-port* ——> $\{addr_1, addr_2, ...addr_m\}$

where each server address is given by a port, host address pair. When a packet arrives at the TCP module addressed for some port, the forwarding mechanism is consulted to see if forwarding is to take place for that port; i.e., if there is an entry in the table. If the packet is from a new client, the forward server randomly selects one of the available servers and forwards the packet on to it. That is, the forwarding mechanism sets the packet's destination address to the server's address and resends the packet.

The pair

$<port_{client}, host_{c'ient}>$ ——> $<port_{server}, host_{server}>$

is then recorded in the protocol control block normally associated with the connection. Subsequent packets sent on the same connection are forwarded to the same server.

The TCP module running on the server host is aware that forwarding is taking place and sends all reply messages directly to the client. TCP on the server host sets the packet's source address to that of the flagship host, thereby making it appear to the client as though it is still communicating with the flagship host. The client, therefore, is never aware that the forwarding is taking place.

A load manager executing on the flagship host is responsible for binding each well-known port to a set of servers in the forwarding mechanism's table The load manager's objective is to distribute remote work over the local serve's so as to balance

their load In the case of generally available services, such as the mail service, the manager becomes a client of the yellow-pages service by periodically querying for all processor servers with a load under a certain threshold. The manager then updates the forwarding mechanism's table accordingly. Note that because the forwarding mechanism is embedded in TCP remote clients are not able to request servers that satisfy a particular set of attributes; only the load manager is a client of the yellow-pages service. (line 8 of page 8 to line 9 of page 10)

(F) “Integration

The yellow-pages service is integrated with the internet transport protocols by the forwarding mechanism and the load manager. Although there is no fundamental reason why a remote client could not directly contact one of a system’s yellow-pages servers, it is important to note that the forwarding mechanism allows the service requested by the client to be bound to a server at the latest possible moment - during connection establishment - at an insignificant cost. Intuitively, this is significant in an internet where the “distance” between the remote client and the system is an order of magnitude greater than the “diameter” of the system. That is, the approach seems appropriate for an environment in which it takes longer to establish a connection to a server than it does to change the set of servers that offer the service.

The approach is also appealing because it hides information about the servers behind the autonomous system abstraction. In other words, the host in the system that provides a service is invisible to the client requesting the service in the same way that the process on a host that implements a server is invisible to the client invoking the server. Such information hiding lessens the burden on the internet naming mechanism and therefore scales well as more services and servers are made available throughout the internet. (lines 5 to 21 of page 12)

(G) “Forwarding versus Redirection

The forwarding mechanism acts as an intermediary between the client and server. This has the advantage of not requiring any changes to the transport protocol because the client is shielded from indirection. In contrast, the protocol could be modified such that the flagship host informs the client that it should redirect its packets to the server host. While this might be reasonable in the case of a connection oriented protocol (e.g., TCP), it more cost effective to simply forward the packet on to the server host in the case of a connectionless protocol (e.g., UDP). This view is consistent with the forwarding facility provided by VMTP [1].” (lines 22 to 30 of page 12)

B. Matters disclosed in the cited reference

According to the statements contained in the cited reference mentioned in A. above,

the following matters may be considered to be disclosed in the cited reference.

(A) Subject matter of the cited reference

The cited reference is a paper published in the United States in 1988. The paper explains the implementation of the yellow-pages service within a local-area network and describes how the "yellow-pages service" may be integrated with available internet communication protocols in order to allow clients from throughout the internet to access local servers.

(B) Yellow-pages service

The "yellow-pages service" explained in the cited reference is implemented by a set of servers, each of which maintains the information database concerning generally available services and servers.

In the case of the "yellow-pages service," the information concerning servers is recorded in the database as attributes (static/dynamic, absolute/relative) associated with servers. When a client within a local area network queries the yellow-pages for a server that provides a particular service, if the client submits a set of attributes, the yellow-pages server associated with the aforementioned database will return to the client server addresses that satisfy the set of attributes designated by the client.

(C) Forwarding mechanism

A forwarding mechanism has been adopted in order to allow clients from throughout the internet to access all of the servers including the yellow-pages server within a local-area network and to provide the yellow-pages service as mentioned in (B) above.

The sole host in the local-area network is designated as "flagship host." A set of services provided by the flagship host, in other words, a set of services that can be offered by the servers included in the local-area network, is registered in the domain name system and advertised to internet clients.

If a client queries the domain naming system for the address of the (host) server that provides a particular service, the address of the flagship host will be returned. The client will send the flagship host one or more packets for a service that requests the provision of the mail service or any other service.

The flagship host randomly selects one of the available servers that can provide the service sought by the client and forwards the packet(s) on to it. The load manager running on the flagship host periodically queries the yellow-pages server for the amount of loads in order to balance the loads among local servers and updates the forwarding mechanism table from time to time.

Since the server that receives the forwarded packet(s) directly responds to the client after setting the originating address of the packets(s) as the address of the flagship host,

the client would never be aware that the forwarding is taking place.

Hoverer, since the aforementioned forwarding mechanism is integrated with the TCP, a client cannot request a server that satisfies a particular set of attributes, as is the case where the client uses the yellow-pages service within a local-area network.

(D) Redirection

According to the forwarding mechanism, it is not necessary to change transport protocols, while the protocol itself could be modified in such a way that the flagship host informs the client that it should redirect the packet(s) to the server host.

C. Cited invention

According to the matters mentioned in B. above that are disclosed in the cited reference, the cited reference is considered to contain the following statements concerning the structures of the cited invention.

a. a method that allows clients from throughout the internet to access local servers,

b. that allows a client to designate the service name and the attributes that the server should have, and queries the yellow-pages service for the server address,

c. wherein the yellow-pages server contains the information database concerning the available services and servers and maps to the server address the discretionary attributes that the aforementioned services and servers should have,

d. wherein the yellow-pages service returns one or more server addresses that satisfy the client's requirements, while the flagship host returns the address of the server host to the client and informs the client that it should redirect the packet(s) to the server host,

e. all of which constitute a method for a client to access local servers.

D. Difference between the Invention and the cited invention

A comparison between the constituent features of the Invention and the structure of the cited invention mentioned in C. above has revealed that the two inventions are different from each other at least on the following points ("Difference").

The Invention comprises the stage where the "directory server" returns to the aforementioned client the aforementioned URL within the Redirect command, whereas the cited invention is designed to have the "flagship host" return the server host's address to a client and informs the client that it should redirect the packet(s) to the server host.

Therefore, it is impossible to accept the appellee's claim to the effect that the Invention is identical to the cited invention and lacks novelty.

E. Examination of the Difference

(A) "REDIRECT" of the cited invention

According to the matters disclosed in a cited reference as recognized in B. above,

the "REDIRECT" of the cited invention may be described as follows.

The cited reference discloses the "yellow-pages service" and the technology of the method to allow the flagship host to forward the packet(s) sent from a client and provide access to a server within a local-area network in order to allow clients "from throughout the internet" to use the yellow-pages service and other services provided by a server within a local area network.

Since it is stated that clients "from throughout the internet" are not able to request the flagship host to find a server that satisfies a particular set of attributes, as is the case in using the yellow-pages service within a local-area network, it is clear that the flagship host of the cited invention may not be considered to be identical to the yellow-pages server.

On the other hand, the flagship host has the function of periodically querying the yellow-pages server as to the state of loads and updating the table in order to select a server with a load under a certain threshold from among multiple servers within a local-area network that provide the services requested by clients "from throughout the internet" and to establish access from clients.

On the premise of the access method by use of the aforementioned forwarding mechanism, the cited reference states that the protocol may be modified so that "the flagship host informs the client that it should redirect the packet(s) to the server host." This means that, by modifying the protocol, the flagship host, which receives requests for access to a yellow-pages server (mail server) (however, as mentioned above, it is impossible to request a server that satisfies a particular set of attributes) from clients "from throughout the internet" who are sending packets to make said requests, can, instead of forwarding the packets to a particular yellow-pages server (mail server), designate the address of a yellow-pages server that does not have a heavy load and order the clients to directly access it.

Therefore, "Redirect" in the cited invention should be interpreted in the context of the information on the technology related to the access method disclosed in the cited reference as described in B. above. In connection with the services such as the yellow-pages service provided by a server within a local-area network, "Redirect" is conducted by the flagship host, the sole host within the network, in order to adjust the loads within the network and allow clients "from throughout the internet" to use such services.

(B) "REDIRECT command" of the Invention

The "REDIRECT command" of the Invention is returned from the directory server to a client. The command, which contains the URL that corresponds to the descriptor

provided by the client, makes the client who has received said command, request information by using said URL. Consequently, the page identified by said URL will be displayed on the client's side.

(C) Determination on the difference

According to (A) and (B) above, the "REDIRECT command" of the Invention is a command to automatically display the information page on the client's side. This task is carried out by the directory server. On the other hand, the "Redirect" of the cited invention is a method to establish access from clients "from throughout the internet" to servers within a local-area network. This task is carried out by the flagship host, which is the sole host within the local-area network for the client.

The Invention, which consistently focuses on access on the Internet, does not intend to solve technical problems by using a server that corresponds to the flagship host to provide access to a server within a local-area network and its function, "Redirect." Therefore, even if any person ordinarily skilled in the art who is not aware of the Invention sees such statement in the cited reference, he/she would not be motivated to adopt the structure of "Redirect" to make the structure pertaining to the "REDIRECTION Command" by the directory server of the Invention, as an Internet access method that does not require a flagship host. Moreover, the cited invention does not contain any statement that could function as a motive for adopting the "Redirect" function apart from the functions of the flagship host. If we disregard the technical significance of the matters disclosed in the cited reference, and assume that a comparison should be made with the REDIRECT command of the Invention based solely on the abstract meaning of the term "redirect," it would be impossible to prevent bias of hindsight that should be excluded.

The magazine "UNIX USER" (Exhibit Otsu No. 26) issued on December 1 1994 states, in the section entitled "Change to another URL --- Redirect," that "in the case where a request matches the pattern designated as Redirect, the request will be forwarded to the designated URL without any modification. This applies to the case where a server has moved, for example. A URL must start with 'http://host name'" (lines 19 to 23 of the left column of page 135). The technology introduced here as "Redirect" is a so-called forwarding technology, which is not intended to send back the location of another document to a client. Therefore, even if the above-mentioned technology may be considered to have been well-known among persons ordinarily skilled in the art, it is obvious that they would not be able to come up with the Invention's structure that constitutes the difference by applying this technology to the cited invention. In the above statement, it may even be recognized that, as of the time of filing the patent

application in question, the technology recognized as "Redirect" sometimes meant a forwarding technology that was different from the "REDIRECT command" of the Invention.

On the other hand, the aforementioned magazine states that "as an output from the CGI script, it is possible to send back the location of another document instead of outputting the content of the document itself. This may be done by sending back information (header) in the form of 'Location: intended document's URL' by using a 'Location: header.' In this way, it becomes possible to display an existing document by selecting it in a dynamic way." (lines 14 to 20 of the left column of page 130). This technology may be recognized as a redirect technology that is the same as the "REDIRECT command" of the Invention. Based on this premise, if it is possible to find the "flagship host" of the cited invention and the "yellow-pages server" as one single server, it would be theoretically possible to resolve the Difference by disregarding the exchanges between the flagship host and the yellow-pages server, presuming the existence of another server to which the functions of the flagship host and the functions of the yellow-pages server have been added, and interpreting that such a server issues a redirect order to a client.

However, as recognized in B. above, the cited reference clearly distinguishes the yellow-pages server, which provides the yellow-pages service, from the flagship host, which provides the forwarding mechanism, as different servers and explicitly states that clients from throughout the internet can use the yellow-pages server thanks to the forwarding mechanism of the flagship host. Therefore, it is impossible to presume that, apart from this relationship between the flagship host and the yellow-pages server, another server, which could be created by integrating the two, exists. If only the functional structures of the flagship host and the yellow-pages server are taken out and integrated and used to create a new structure as a single server, it must be said that this is no longer an idea held by a person ordinarily skilled in the art based on the invention described in the cited reference.

F. Therefore, it may not be said that any person ordinarily skilled in the art could have easily made the Invention based on the cited invention. Thus, the Invention may not be considered to lack an inventive step.

(3) Summary

In consideration of the facts mentioned above, it may not be found that the Patent for the Invention should be invalidated by a trial for patent invalidation.

3. Role of the appellee as an actor of infringement (Issue 7)

(1) First, we are going to examine whether the appellee may be regarded as an actor of infringement of the Patent Right. The name of the invention protected by the Patent is "access management and monitoring system for Internet servers." As mentioned in 2., (1), A. above, according to the scope of claims for the Invention, it is clear that the Invention allows a "client" to "access" the "information page on a server system" "via a computer network consisting of the Internet." Furthermore, it may be interpreted that the stages specified in Constituent Features B to F define the stages that the "access" provided by the Invention comprises. It is reasonable to interpret the actor of working the Invention as the actor of implementing the "method of providing access" described above and as the appellee who provides the appellee's method and implements the appellee's service.

(2) Regarding this point, the appellee alleged that the appellee did not infringe the Patent Right because it is PC users who use the appellee's method and that the appellee is not the actor of working the Invention. In short, this allegation may be interpreted as stating that, since "access" is an act of a client (user's PC), the actor of working the Invention is not the appellee, but a client, i.e., the user of a computer network consisting of the Internet.

However, as mentioned above, the Invention is not an invention of "access," but an invention of the "method of providing access." The patent right for the Invention would not be infringed without specific access by a client. Furthermore, a client is allowed to access the intended information page within the framework of the access method provided as an appellee's method as long as the "method of providing access" related to the Invention is provided. The act of a client as an actor would not determine whether a specific access by a client falls within the technical scope of the Invention. Therefore, it is not necessary to interpret that the act of working the Invention, namely, the invention of the "method of providing access," would not become complete without a client's specific act.

Thus, as long as the appellee's "method of providing access" falls within the technical scope of the Invention, the appellee's act of providing the appellee's method should be recognized as an act of working the Invention.

(3) According to the Exhibit Ko No. 60 and the entire import of the oral argument, as of the October 19, 2009, it may be recognized that the appellee was actually implementing the appellee's method. Therefore, the appellee may be considered to be an infringer of the Patent Right.

Therefore, it should be recognized that the appellant is entitled to demand that the appellee shall stop the provision of the appellee's service by use of the appellee's

method under Article 100, paragraph (1) of the Patent Act and to seek the removal of the "NLIA server" provided for the appellee's service and the deletion of the "Registration Information Database" under paragraph (2) of said Article. Meanwhile, the appellant seeks the removal of both the "NLIA server" and "Registration Information Database," whether the "NLIA server" should be subject to removal or not should be determined in consideration of the state of the establishment and management of said server. In the case where the common server is partially used as said server, the request for removal should be met not by the removal of the server as a whole, but by the deletion or removal of some programs so as to prevent the used part of the server from serving its functions. In the context mentioned above, the phrase "removal of the 'NLIA server'" should be considered to include such meaning as mentioned above. With regard to the "Registration Information Database," due to the nature of "database," it is difficult to make it subject to removal. Since the appellant's request may be interpreted to be seeking the cancellation of the functions of the database, it is reasonable to approve the deletion of the database as mentioned above.

4. Occurrence and the amount of damage (Issue 8)

(1) The appellant alleged that the appellee not only worked the Invention in the past but also continues working it at present, and that, even if the appellee has not actually gained proceeds from the provision of the appellee's service, the fact that the appellant had suffered damage remains the same, and that the amount of damage suffered by the appellant is equivalent to the amount that corresponds to the royalties for the working of the Invention calculated based on the number of registrations by the appellee.

(2) Article 102, paragraph (3) of the Patent Act, which the appellant alleged applicable to this case, specifies that "A patentee (omitted) may claim against an infringer compensation for damage sustained as a result of the intentional or negligent infringement of the patent right (omitted), by regarding the amount the patentee (omitted) would have been entitled to receive for the working of the patented invention as the amount of damage sustained." Said provision, which was established in view of the fact that it is not easy to prove the amount of damage caused by infringement of a patent right, states that, on the premise that a patentee had suffered certain damage caused by an act of infringement of his/her patent right, the patentee may seek such amount of damages that is equivalent to the "amount corresponding to the amount the patentee would have been entitled to receive for the working of the patented invention" as the amount of damage sustained by the patentee.

(3) As the amount corresponding to "the amount the patentee would have been entitled to receive for the working of the patented invention" specified in Article 102,

paragraph (3) of the Patent Act, the royalties calculated based on the proceeds from the sale of goods that embody the patented invention may be presumed. The Patent is for an invention of the "method of providing access." The Invention may be worked by providing the access method that fulfills the constituent features. According to Exhibits Ko No. 3-1 to No. 12 and Exhibits Ko No. 20-1 to No. 27-2, a person who works the Invention receives profits from neither provision nor use of access, but receives registration fees paid by the registrants of keywords that can be subject to searches conducted by use of the access method.

(4) Both parties concerned have reached a consensus that the number of registrations related to the appellee's method is 136,826. According to Exhibits Ko No. 7-3-1 and No. 7-3-2 and Exhibit Ko No. 22-1-1, after the "Test operation," which was conducted to collect marketing data to conduct research on keywords, registrations were made in the "Sunrise Operation," which was conducted, prior to the commencement of a registration fee-based commercial service, to solicit applications for registration of business keyword addresses from the holders of trademark rights and to grant priority registration rights. All of said registrations were made without the payment of a registration fee. According to Exhibits Otsu No. 37 and No. 38 and the entire import of the oral argument, due to the occurrence of this dispute, the appellee has not commenced the "Commercial Operation," which is a commercial service scheduled to be provided thereafter. Therefore, the appellee may not be regarded to have received any monetary compensation from any registrants who have registered with the appellee's service. There is no other evidence to prove that the appellee had received monetary compensation for the provision of the appellee's service, which corresponds to the working of the Invention.

On the other hand, it may be recognized that the free registration in the aforementioned "Sunrise Operation" was conducted based on the presumption that it will be meaningful to allow free registration by the holders of trademark rights that are likely to be subject to searches for the purpose of increasing the service use rate. Such registration in addition to the fee-based keyword registration by ordinary users was necessary for the commencement of the appellee's service.

(5) Except for cases where the special relationships between a patentee and a licensee could allow the grant of free licenses for the patented invention, it is usually unthinkable that a patentee grants a free license for the working of the patented invention, which is equivalent to an act of infringement of the patent right. In this lawsuit where a request for an injunction against the implementation of the appellee's method and a request for damages were filed on the grounds that the implementation of

the appellee's method infringes the Patent Right, it is clear that no special relationships as mentioned above exist between the appellant and the appellee. Therefore, it must be said that the implementation of the appellee's method has caused damage to the appellant in the sense mentioned above.

(6) However, in light of the actual practices of implementation of the appellee's method as described in (3) and (4) above, it would be extremely difficult, due to its nature, to prove the facts necessary to substantiate the amount of damage suffered by the appellant. As described above, upon comprehensive consideration of the facts [i] that the number of registrations for the appellee's method reached about 140,000; [ii] that, while all of them were made for free, the registrations made in the "Sunrise Operation" were necessary for the commencement of the appellee's service; [iii] that, according to Exhibit Ko No. 10-2, the appellee was planning to collect an annual registration fee of 31,500 yen per keyword after commencing the "Commercial Operation" of the appellee's method; and [iv] that, according to No. 2.,3.,(3),A. above and Exhibit Ko No. 60, the appellee had fulfilled the requirements for the commencement of the service within 2006 at the latest and created an environment where users can use the appellee's service, it is reasonable to interpret that the amount of damage suffered by the appellant is no less than 14 million yen.

5. Conclusion

On these grounds, this court renders a judgment in the form of the Main Text under Article 259, paragraph (1) of the Code of Civil Procedure by modifying the judgment in prior instance so as to accept the appellant's claims to the extent to seek remedies such as an injunction against the appellee's service, removal, etc., of the "NLIA Server" and the "Registration Information Database," which are provided for said service, and damages of 14 million yen as mentioned above and the delay damages accrued thereon.

Fourth Division of the Intellectual Property High Court

Presiding judge TAKIZAWA Takaomi
Judge TAKABE Makiko
Judge MORISHITA Hiroki

(Attachment)

List of the parties involved

Appellant: Kabushiki Kaisha Internet Number

Counsel attorney: KUMAKURA Yoshio

Same as above: IIDA Kei

Same as above: OKUMURA Naoki

Patent attorney as an assistant in court: NISHIJIMA Takaki

Same as above: NAKAMURA Yoshimasa

Appellee: Kabushiki Kaisha NETPIA

Counsel attorney: KITAMURA Yukio

Same as above: KAMEI Hiroyasu

Same as above: OOI Noriko

Same as above: SUGIURA Naoko

Same as above: YUKIMARU Shingo

Same as above: SERIZAWA Shigeru

Same as above: OOKURA Takako

Same as above: MURAKAMI Yumie

Same as above: MASAOKA Shiro

Same as above: YOSHIDA Tomo

Same as above: SUGITA Yoshihiro

Same as above: KONDO Michiko

Patent attorney as an assistant in court: HIGUCHI Morinosuke

Same as above: HARA Shinichiro

(Attachment)

Details of the Service

Name of the Service: JAddress

Outline of the method adopted by the Service: The method comprising the structure described in the attached Structure Overview pertaining to the "Japan NLIA (Native Language Internet Address) System," which provides a user of a PC connected to the Internet with access to a webpage by having the user obtain a URL for the intended webpage by having the user input discretionary characters in the address bar of the web browser of the PC.

(Attachment)

Structure Overview

1. Server-type method

A' A method of obtaining the URL of an intended information page, when a client accesses an information page via a computer network consisting of the Internet; comprising

B' Stages where, by inputting a discretionary Japanese Internet address (JAddress) in the address bar of a web browser of a client PC (1), the user provides the Japanese Internet address (2) (official URL) or (2') (unofficial URL) to the DNS Server ("NLIA Name Server"), to which Program (i) has been added in advance;

C'-I Stages, within the NLIA Name Server, where Additional Program (i) determines whether the Japanese Internet address sent from the client PC is an official URL or not (3) and, if it is an official URL (4), the stage where the corresponding IP address will be returned to the client PC by a function of the DNS Server (9); and

C'-II If it is not an official URL, the stage where the Japanese Internet address input by the user is sent from the NLIA Name Server to the NLIA Server;

C' –III Stage (6) where the NLIA Server that received the Japanese Internet address retrieves from the Registration Information Database a URL that corresponds to said Japanese Internet address;

D' Stage (7) where the NLIA Server sends the URL to the client PC by using the REDIRECT command;

E' Stages where the client PC uses the acquired URL and passes through the DNS Server (8) and obtains the corresponding IP address (9), and requests information on the intended information page (10); and

F' Stage (11) where the client PC displays the intended information page;

G' all of the aforementioned stages comprise the method of obtaining the URL of an information page.

2. Plug-in type method

A" A method of obtaining the URL of the intended information page, when a client accesses an information page via a computer network consisting of the Internet; comprising

B"-I "Stages where, when a user inputs a discretionary Japanese Internet address in the address bar of a web browser of a client PC (1), Program (ii), which has been given to the client in advance, determines whether said Japanese Internet address (2) (official

URL) or (2')(unofficial URL) may be regarded as an official URL (3);

B"-II if the Japanese Internet address input by the user is an official URL (2),stages where a function of the browser sends the official URL to the DNS Server, and then the function of the DNS Server returns the corresponding IP address to the client (4) (9), and, if it is not an official URL (2'), the stage (4') where the Japanese Internet address is changed to a URL for the NLIA Server, then the changed URL (2") is sent to the DNS Server by using a function of the browser, and then the IP address of the NLIA Server is returned to the client PC by using a function of the DNS Server;

B"-III Stage (5) where the client PC sends the NLIA Server of the acquired IP address an inquiry concerning the Japanese Internet address input by the original user;

C" Stage (6) where the NLIA Server that received the inquiry retrieves from the Registration Information Database a URL that corresponds to the Japanese Internet address;

D" Stage (7) where the NLIA Server sends the URL to the client PC by using the REDIRECT command;

E" Stages where the client PC uses the acquired URL and passes through the DNS Server (8) and obtains the corresponding IP address (9), and requests information on the intended information page (10); and

F" Stage (11) where the client PC displays the intended information page;

G" all of the aforementioned stages comprise the method of obtaining the URL of an information page.

(Attachment)

Scope of Claims

1. Claim 1 after the first amendment (the amended parts are underlined.)

A method to provide access from a client to an information page on the server system via a computer network consisting of the Internet that comprises a stage in which a descriptor is provided by the aforementioned client, a stage in which the directory server maps said descriptor to a URL by using a translation database residing in said directory server, a stage in which said directory server returns to said client said URL within the REDIRECT command and has said client request information by using said URL, and a stage in which the page identified by said URL is displayed on the side of said client.

2. Claim 1 after the second amendment (the amended parts are underlined.)

A method to provide access from a client to an information page on the server system via a computer network consisting of the Internet that comprises a stage in which a descriptor is provided by the aforementioned client, a stage in which the directory server maps said descriptor to a URL by using a translation database residing in said directory server, a stage in which said directory server returns to said client said URL within the REDIRECT command, a stage in which said client has to request information by using said URL, and a stage in which the page identified by said URL is displayed on the side of said client.

3. Claim 1 after the Correction (the corrected parts are underlined.)

A method to provide access from a client to an information page on the server system via a computer network consisting of the Internet that comprises a stage in which a descriptor that corresponds to a single intended URL is provided by the aforementioned client, a stage in which the directory server maps said descriptor to the URL by using a translation database residing in said directory server, a stage in which said directory server returns to said client said URL within the REDIRECT command, a stage in which said client has to automatically request information by using said URL, and a stage in which the page identified by said URL is displayed on the side of said client.