

Patent Right	Date	April 20, 2022	Court	Intellectual Property High Court, Second Division
	Case number	2021 (Ne) 10091		
<p>- A case in which the court approved the application of Article 102, paragraph (2) of the Patent Act to a request for payment of compensation for damages based on the patent right held by the First-instance Plaintiff for an invention titled "Bone fracture fixation system with subchondral articular surface support," based on the fact that the First-instance Plaintiff's group company sells an embodiment of the Patent Right.</p>				

Case type: Appeal case of seeking injunction against patent infringement

Result: Partial modification of the prior instance judgment, part of the claims of the First-instance Plaintiff upheld

Reference: Article 102, paragraph (2) of the Patent Act

Related rights, etc.: Patent No. 4994835

Judgment of the prior instance: Tokyo District Court, 2019 (Wa) 14314, rendered on September 30, 2021

Summary of the Judgment

1. In this judgment, the First-instance Plaintiff, who is a patentee of a patent for an invention titled "Bone fracture fixation system with subchondral articular surface support" (hereinafter referred to as the "Patent"), alleged that products manufactured and sold by the First-instance Defendant (hereinafter referred to as "First-instance Defendant's Products 1 through 4") belong to the technical scope of the patented invention in question (hereinafter referred to as the "Patented Invention") and the production, transfer, etc. of the Appellee's product by the First-instance Defendant infringed the patent right in question (hereinafter referred to as the "Patent Right"). (For First-instance Defendant's Product 4, the First-instance Plaintiff alleged that it fell under an indirect infringement.) Based on these allegations, the First-instance Plaintiff requested against the First-instance Defendant an injunction against the production, transfer, etc. of the First-instance Defendant's Products, disposal thereof, and payment of compensation for damages pursuant to Article 100, paragraphs (1) and (2) of the Patent Act based on a tort. In the judgment in prior instance, [i] the court determined that the indirect infringement by First-instance Defendant's Product 4 was not found since it does not fall under "an article that is used exclusively for production of the product," but upheld the request for injunction and disposal of First-instance Defendant's Products 1 through 3; and [ii] the court determined, concerning the claim

for payment of compensation for damages, that since the First-instance Plaintiff had not worked the Patent, it lacked the premise for applying Article 102, paragraph (2) of the Patent Act, and partially upheld the First-instance Plaintiff's claims pursuant to Article 102, paragraph (3) of the same Act. Then, both parties filed an appeal. The First-instance Plaintiff did not file an appeal for the part related to First-instance Defendant's Product 4.

2. In this judgment, the court determined that the findings of the judgment in prior instance were reasonable concerning the sufficiency and the effectiveness of the patent and then, concerning damages, the court determined as follows and approved the application of Article 102, paragraph (2) of the Patent Act.

Although the First-instance Plaintiff's Products are sold by Zimmer Biomet G.K., not by the First-instance Plaintiff, who is the patentee, the First-instance Plaintiff manages and exercises the Patent Right under the management and instructions of Zimmer Inc., which indirectly holds 100% of the shares of the First-instance Plaintiff. Since a group company of the Zimmer Biomet Group manufactures the First-instance Plaintiff's Products by using the Patent Right under the management and instructions of Zimmer Inc. and another company under the same group sells the First-instance Plaintiff's Products by using the Patent Right under the management and instruction of Zimmer Inc., it is found that the Zimmer Biomet Group as a whole performed the business using the Patent Right under the management and instructions of Zimmer Inc. for the period from July 2016 until March 2019, during which the infringement of the Patent Right becomes a problem. Thus, if the sale of the First-instance Defendant's Products, which constitutes an infringement of the Patent Right, had not been performed, the Zimmer Biomet Group could have gained profits from the sale of First-instance Defendant's Products 1 through 3.

Regarding the management and exercise of the Patent Right for the group, the First-instance Plaintiff is considered to be in the position where it can exercise the right independently in Zimmer Biomet Group. It can be said that the First-instance Plaintiff exercises the Patent Right from that position for the purpose of pursuing profits for the group. Also, in consideration of the fact that, as mentioned above, there is no actor that exercises the rights related to the Patent Right in the group other than the First-instance Plaintiff, it should be said that Article 102, paragraph (2) of the Patent Act may be applied to this case.

Judgment rendered on April 20, 2022

2021(Ne)10091, Case of appeal for injunction against patent infringement

(Court of prior instance: Tokyo District Court, 2019(Wa)14314)

Date of conclusion of oral argument: February 21, 2022

Judgment

Appellant and Appellee (Plaintiff in the first instance): Biomet C.V. (hereinafter referred to as the "First-instance Plaintiff")

(omitted)

Appellee and Appellant (Defendant in the first instance): MEIRA Corporation (hereinafter referred to as the "First-instance Defendant")

(omitted)

Main text

1. Based on the appeal by the First-instance Plaintiff, paragraph 3 and paragraph 4 in the main text of the judgment in prior instance shall be changed as shown below.

(1) The First-instance Defendant shall pay to the First-instance Plaintiff 4,544,478 yen and the amount accrued thereon at the rate of 5% per annum for the period from June 8, 2019 until the completion of the payment.

(2) The remaining claims of the First-instance Plaintiff shall be dismissed.

2. The appeal by the First-instance Defendant shall be dismissed.

3. Court costs in the first and second instances shall be divided into twenty-fifths and the First-instance Plaintiff shall bear one-twenty-fifth of the costs and the First-instance Defendant shall bear the remaining costs.

4. This judgment may be enforced provisionally only for paragraph 1 (1).

5. The additional time frame for final appeal and for petition for acceptance of final appeal against this judgment shall be thirty days for the First-instance Plaintiff.

Facts and reasons

Hereinafter, the abbreviation of terms and meaning of the abbreviations are subject to the judgment in prior instance excluding those defined in this judgment, and the term "Plaintiff" in the judgment in prior instance is deemed to be replaced with "First-instance Plaintiff," the term "Defendant" is deemed to be replaced with "First-instance Defendant," the phrases "Defendant's Products 1 through 4" and "Defendant's Products"

are deemed to be replaced with "First-instance Defendant's Products 1 through 4" and "First-instance Defendant's Products" respectively. In addition, all of the uses of the term "Attachment" in the cited part in the judgment in prior instance are altered to "Attachment attached to the judgment in prior instance".

No. 1 Object of the appeal

1. The appeal by the First-instance Plaintiff

(1) Paragraph 3 and paragraph 4 of the main text of the judgment in prior instance (excluding the part related to the products listed in 4. of the Attachment attached to the judgment in prior instance: List of First-instance Defendant's Products) shall be altered as follows.

The First-instance Defendant shall pay to the First-instance Plaintiff 4,654,478 yen and the amount accrued thereon at the rate of 5% per annum for the period from June 8, 2019 until the completion of the payment.

(2) The First-instance Defendant shall bear the court costs for both the first instance and second instance.

(3) Declaration of provisional execution

2. The appeal by the First-instance Defendant

(1) The part of the judgment in prior instance which is against the First-instance Defendant shall be rescinded.

(2) Concerning the part related to the rescission in the preceding paragraph, all of the claims of the First-instance Plaintiff shall be dismissed.

(3) The First-instance Plaintiff shall bear the court costs for both the first instance and second instance.

No. 2 Outline of the case

1. In this case, the First-instance Plaintiff, who has the patent right in question (the "Patent Right") for an invention titled "Bone fracture fixation system with subchondral articular surface support," alleged that the First-instance Defendant's Products manufactured and sold by the First-instance Defendant belong to the technical scope of the invention related to the Patent Right (the "Invention"), and based on this allegation, the First-instance Plaintiff claimed against the First-instance Defendant an injunction against the manufacturing and sale of the First-instance Defendant's Products and disposal thereof pursuant to Article 100, paragraphs (1) and (2) of the Patent Act and demanded that the First-instance Defendant pay 4,654,478 yen as compensation for damages for a tort and delay damages accrued thereon at the rate of 5% per annum as provided for by the Civil Code (before amendment by Act No. 44 of 2017; the same applies hereinafter) for the period from June 8, 2019, which is the day after the tort (the

day following the day on which the complaint was served), until the completion of the payment.

In the judgment in prior instance, the court determined as follows: First-instance Defendant's Products 1 through 3, out of the First-instance Defendant's Products, are included in the technical scope of the Invention, and there are no grounds for invalidation of the Invention, and therefore, the manufacturing and sale of the First-instance Defendant's Products infringe the Patent Right; however, First-instance Defendant's Product 4 does not fall under "any article indispensable for the solution of the problem by the invention" and therefore, an indirect infringement is not established; the First-instance Plaintiff is a corporation managing part of the intellectual property rights that belong to the Zimmer Biomet Group, for which the ultimate parent company is Zimmer Biomet Holdings, Inc., and the First-instance Plaintiff does not engage in sale, etc. of products competing with First-instance Defendant's Products 1 through 3 and, therefore, Article 102, paragraph (2) of the Patent Act does not apply. Consequently, the court determined the amount of damages to be 701,010 yen pursuant to Article 102, paragraph (3) of the Patent Act, and legal fees to be 200,000 yen, and partially upheld the claim of the First-instance Plaintiff. In response, dissatisfied with the determination of the amount of damages, the First-instance Plaintiff filed an appeal, and the First-instance Defendant alleged that the sale, etc. of First-instance Defendant's Products 1 through 3 also does not fall under infringement of the Patent Right and filed an appeal. Incidentally, the First-instance Plaintiff did not file an objection against the part of the judgment in prior instance that dismissed the claims related to First-instance Defendant's Product 4 and did not file an appeal.

2. Basic facts (there are no disputes between the parties except for the facts for which evidence, etc. is presented; those for which the indication of branch numbers is omitted include the branch numbers (the same applies hereinafter)), issues, and allegations of the parties are altered as follows and the allegations of the parties in this instance are added as stated in 3. below. Remaining matters are as stated in 1. through 3. of "No. 2 Outline of the case" in the "Facts and reasons" section in the judgment in prior instance, and therefore they are cited as they are.

(1) The term "Zimmmer" as used in line 3, page 3 of the judgment in prior instance is altered to "Zimmer"; after the phrase, "The Plaintiff" in line 10 on the same page, the term "has" is inserted; the phrase "decided to uphold the Plaintiff's claim for a trial for correction concerning Claims 1 through 17 of the Patent" in lines 19 through 20 on the same page is altered to "decided to approve the correction of Claim 1 as stated in (4) A. below concerning the claims of the Patent and approve the correction of Claims 2

through 17 that directly or indirectly cite Claim 1 in the same way"; and the phrase "the invention in the Claims" in lines 21 through 22 on the same page is altered to "the invention in the Claims after the correction".

(2) The phrase "the Defendant's Products listed in 1 and 2 of Attachment 1: List of the Defendant's Products" in lines 7 through 8, page 10 of the judgment in prior instance is altered to "First-instance Defendant's Products 1 and 2".

(3) The phrase "as stated in 1 and 3 of Attachment 2: Instructions on the Defendant's Products" in lines 13 through 14, page 10 of the judgment in prior instance is altered to "as stated in 1 and 3 of Attachment 2 attached to the judgment in prior instance: Instructions on the Defendant's Products"; and the phrase "as stated in 2 and 3 of Attachment 2: Instructions on the Defendant's Products" in lines 21 and 26 on the same page is altered to "as stated in 2 and 3 of Attachment 2 attached to the judgment in prior instance: Instructions on Defendant's Products".

(4) The phrase "the Corrected Invention" in line 2, page 11 of the judgment in prior instance is altered to "the Invention".

(5) The phrase "the Priority Date" in line 14, page 11 of the judgment in prior instance is altered to the "priority date of the Patent".

(6) Line 7, page 12 of the judgment in prior instance is deleted. (Issue (2) is skipped.)

(7) The phrase "the amount of damages pursuant to Article 102, paragraph (2) of the Patent Act" in line 18, page 12 of the judgment in prior instance is altered to "appropriateness of application of Article 102, paragraph (2) of the Patent Act and the amount of damages based on said paragraph".

(8) Before the term "[0006]" in line 2, page 13 of the judgment in prior instance, the term "“paragraph" is inserted; the phrase "satisfy" in line 10 on the same page is altered to "satisfy... and First-instance Defendant's Products 1 and 2, including First-instance Defendant's Product 3, also satisfy Constituent Features 1B, 1C, 1D, and 1H of Invention 1."; and the phrase "本体部に (2 0 1) に (to the main body (201))" in line 15 on the same page is altered to "本体部 (2 0 1) に (to the main body (201))."

(9) The phrase "as an embodiment in [0016] of the Description" in line 19, page 14 of the judgment in prior instance is altered to "in paragraph [0016] of the Description, as an embodiment"; the phrase "as an embodiment in [0007] of the Description" in line 20 on the same page is altered to "in paragraph [0007] of the Description, as an embodiment"; and the phrase "[0007] of the Description" in line 21 on the same page is altered to "the same paragraph".

(10) Before the term "[0007]" in line 2, page 15 of the judgment in prior instance (based on the line number indicated in the left margin of said page of the judgment in prior

instance; hereinafter in cases where there are tables and drawings on the corresponding page of the judgment in prior instance and the line number of the judgment in prior instance is indicated, based on the line number indicated in the left margin on said page) and line 11 on the same page, the term "paragraph" is inserted respectively.

(11) The phrase "belongs to the technical scope" in line 14, page 16 of the judgment in prior instance is altered to "belongs to the technical scope ... and First-instance Defendant's Products 1 and 2, including First-instance Defendant's Product 3, also belong to the technical scope of Invention 1"; the phrase "湾曲上 (curved)" in line 20 on the same page is altered to "湾曲状 (curved)"; and the phrase "as shown in the following figure" in the same line is deleted.

(12) Before the term "[0007]" in line 22, page 17 of the judgment in prior instance and in line 24 on the same page, the term "paragraph" is inserted respectively.

(13) The phrase "Sufficiency of Invention 2 and thereafter" in line 1, page 19 of the judgment in prior instance is altered to "Sufficiency of Inventions 2 through 5, 10 through 12, and 14 through 17" and the phrase "被告製品 3 は、 (Defendant's Product 3)" in line 3 on the same page is altered to "被告製品 3 が (Defendant's Product 3)".

(14) The part from the beginning of line 18, page 19 to the end of line 12, page 20 of the judgment in prior instance is deleted.

(15) The term "(5)" in line 13, page 20 of the judgment in prior instance is altered to "(4)"; the phrase "a written amendment submitted as of March 15, 2012" in lines 15 through 16 on the same page is altered to "a written amendment submitted as of March 15, 2012 (Exhibit Otsu 1)"; and the phrase "the statement of Constituent Feature 1K before correction" in line 19 on the same page is altered to "hereinafter referred to as the 'statement of Constituent Feature 1K before correction'". Before the term "[0007]" in line 1, page 21, and before the term "[0016]" in the same line, the term "paragraph" is inserted respectively.

(16) The term "(6)" in line 5, page 21 of the judgment in prior instance is altered to "(5)".

(17) The term "(7)" in line 5, page 22 of the judgment in prior instance is altered to "(6)".

(18) The term "(8)" in line 16, page 23 of the judgment in prior instance is altered to "(7)"; and before the term "[0016]" in line 10, page 24, the term "paragraph" is inserted.

(19) The term "(9)" in line 14, page 24 of the judgment in prior instance is altered to "(8)"; and the phrase "乙 5 第 1 発明と乙 5 第 2 発明 (Exhibit Otsu 5 First Invention and Exhibit Otsu 5 Second Invention)" in the same line is altered to "乙 5 第 1 発明及び乙 5 第 2 発明 (Exhibit Otsu 5 First Invention and Exhibit Otsu 5 Second

Invention)".

(20) The term "the Invention" in line 16, page 29 of the judgment in prior instance is altered to "Invention 1".

(21) After the phrase "乙 5 公報 (Exhibit Otsu 5 Publication)" in line 20, page 30 of the judgment in prior instance, the term "が (no change to English)" is entered.

(22) The term "(10)" in line 20, page 31 of the judgment in prior instance is altered to "(9)"; and the phrase "乙 5 第 1 発明と乙 5 第 2 発明 (Exhibit Otsu 5 First Invention and Exhibit Otsu 5 Second Invention)" in the same line is altered to "乙 5 第 1 発明及び乙 5 第 2 発明 (Exhibit Otsu 5 First Invention and Exhibit Otsu 5 Second Invention)".

(23) The phrase "as mentioned above" in line 13, page 32 of the judgment in prior instance is altered to "as mentioned in (8) [Allegation of the First-instance Plaintiff] D. above"; the term "(11)" in line 19 on the same page is altered to "(10)"; and the phrase "Grounds for invalidation of Invention 2 and thereafter" in the same line is altered to "Whether a patent related to Inventions 2 through 5, 10 through 12, and 14 through 17 should be invalidated by a trial for patent invalidation".

(24) The phrase "well-known art (Exhibit Otsu 5 Second Invention and Exhibits Otsu 6 through 8)" in lines 24 through 25, page 32, in line 7, page 33, in line 17 on the same page, in line 4, page 34, in line 23 on the same page, in line 5, page 35, in lines 14 through 15 on the same page, in lines 1 through 2, page 36, in line 15 on the same page, in line 15, page 37, and in lines 14 through 15, page 38 of the judgment in prior instance is altered to "well-known art (Exhibit Otsu 5 Second Invention, Exhibit Otsu 6 Publication, Exhibit Otsu 7 Publication, and Exhibit Otsu 8 Publication)" respectively; and the phrase "Exhibit Otsu 9-1" in line 12, page 35 is altered to "Exhibit Otsu 9-1 (International Publication No. 01/56452; Issued date: August 9, 2001)".

(25) The phrase "Exhibit Otsu 10" in line 12, page 37, line 14 on the same page, and line 15 on the same page of the judgment in prior instance is altered to "Exhibit Otsu 10-1" respectively.

(26) The phrase "and Exhibit Otsu 10-1" in lines 13 through 14, page 38 of the judgment in prior instance and the phrase "and Exhibit Otsu 10-1" in line 14 on the same page are deleted respectively.

(27) The term "(12)" in line 11, page 42 of the judgment in prior instance is altered to "(11)"; the phrase "the amount of damages based on Article 102, paragraph (2) of the Patent Act" in line 13 on the same page is altered to "the appropriateness of application of Article 102, paragraph (2) of the Patent Act and the amount of damages based on said paragraph"; after the phrase "Article 102" in line 14 on the same page, the phrase

"paragraph (2)" is entered; the term "Zinmmer" in line 15 on the same page is altered to "Zimmer"; the phrase "for which the parent company is ... and which is a group company of the Plaintiff in Japan" in lines 15 through 16 on the same page is altered to "for which the parent company is ... and which is a corporation of a group company, to which the First-instance Plaintiff belongs, located in Japan"; and the phrase "which is a group company of the Plaintiff in Japan" in line 10, page 44 is altered to "which is a corporation of a group company, to which the First-instance Plaintiff belongs, located in Japan".

(28) The term "(13)" in line 14, page 45 of the judgment in prior instance is altered to "(12)"; and the phrase "Defendant's Products 1 through 4" in lines 16 and 17 on the same page is altered to "First-instance Defendant's Products 1 through 3" respectively.

(omitted)

No. 3 Judgment of this court

1. This court also determined that there are grounds for the First-instance Plaintiff's claims against the First-instance Defendant for injunction against the manufacturing and sale of First-instance Defendant's Products 1 through 3 and disposal thereof. The grounds therefor are altered as follows and the determination of this court concerning the supplemental allegations of the parties is added to 2. below. Remaining matters are as stated in 1. through 4., 6. through 12., and 14. of "No. 3. Judgment of this court" in the "Facts and reasons" section in the judgment in prior instance, and therefore they are cited as they are. Incidentally, the determination concerning the First-instance Plaintiff's claim for payment of compensation for damages against the First-instance Defendant is made in 3. below.

(1) At the beginning of line 4, page 52 of the judgment in prior instance, the phrase "Claims related to the Invention and" is inserted.

(2) The phrase "Constituent Feature 1D" in line 6, page 53 of the judgment in prior instance is altered to "Constituent Features 1C and 1D"; before the phrase "paragraph [0007])" in line 17 on the same page, the phrase "[Claim 1]," is inserted; the phrase "or articular surface " in line 21 on the same page is deleted; and the phrase "subchondral surface" in line 23 on the same page is altered to "subchondral bone".

(3) The phrase "記載して (stated)" in line 10, page 54 of the judgment in prior instance is altered to "記載されて (stated)"; and the phrase "を實施態様として記載している (is stated as an embodiment)" in lines 12 through 13 on the same page is altered to "が實施態様として記載されている (is stated as an embodiment)".

(4) The phrase "or articular surface" in line 22, page 56 of the judgment in prior instance and in line 26 on the same page is deleted respectively; and the phrase "subchondral surface" in line 24 on the same page is altered to "subchondral bone".

(5) The phrase "and, as its embodiment," in lines 6 through 7, page 58 of the judgment in prior instance is altered to "; however, in cases of understanding the term 'side' as referring to a specified part as alleged by the First-instance Defendant, the terms 'medial side surface' and 'dorsal side surface' respectively refer to the specified parts of subchondral bone, and therefore, it means that the subchondral bone has parts that are called 'medial side surface,' 'dorsal side surface,' and 'palmar side surface.' Then, in the aforementioned paragraph, as its embodiment,"; and before the phrase "the first set of pegs" in line 18 on the same page, the phrase "there are cases where" is inserted.

(6) The phrase "Sufficiency of Invention 2 and thereafter" in line 9, page 60 of the judgment in prior instance is altered to "Sufficiency of Inventions 2 through 5, 10 through 12, and 14 through 17"; and the phrase "Defendant's Product 4" in line 26 on the same page is altered to "Defendant's Product 3".

(7) The phrase "as mentioned above, Defendant's Product 3 satisfies the constituent features of Invention 1" in lines 23 through 24, page 61 of the judgment in prior instance is altered to "as mentioned in (6) above, Defendant's Products 1 and 2 belong to the technical scope of Invention 11".

(8) The phrase "as mentioned above, Defendant's Product 3 satisfies the constituent features of Invention 1" in lines 2 through 3, page 62 of the judgment in prior instance and in lines 7 through 8 on the same page is altered to "as mentioned in (6) above, Defendant's Products 1 and 2 belong to the technical scope of Invention 11" respectively; and the phrase "as mentioned above, Defendant's Product 3 satisfies the constituent features of Invention 1" in lines 17 through 18 on the same page is altered to "as mentioned in (10) above, Defendant's Product 2 belongs to the technical scope of Invention 16".

(9) The phrase "the structure of Constituent Feature 1K before correction," in line 18, page 64 of the judgment in prior instance is altered to "the structure before correction of Constituent Feature 1K"; and the phrase "と記載し、段落【 0 0 0 1 6 】は、(states, '...' and paragraph [0016])" in line 23 on the same page is altered to "との記載があり、段落【 0 0 1 6 】には、(states, '...' and paragraph [0016])".

(10) The phrase "と記載している。(states)" in line 3, page 65 of the judgment in prior instance is altered to "との記載がある。(states)"; the phrase "と記載している (states)" in line 8 on the same page is altered to "としている (states)"; the part from "the structure that 'an axis of the hole of the first set" in lines 8 through 9 on the same

page to "(structure before correction of Constituent Feature 1K)" in lines 10 through 11 on the same page is altered to "the structure before correction of Constituent Feature 1K"; and the phrase "No. 3, 3. (1) D. above" in line 20 on the same page is altered to "3. (1) D. above".

(11) The phrase "subchondral surface" in lines 18 through 19, page 66 of the judgment in prior instance is altered to "subchondral bone"; the phrase "段落【0007】は、(paragraph [0007])" in line 21 on the same page is altered to "段落【0007】には、(paragraph [0007])"; and the phrase "と記載し、(states)" in line 24 on the same page is altered to "との記載があり、(states)".

(12) The phrase "と記載し、(states)" in line 7, page 67 of the judgment in prior instance is altered to "との記載があり、(states)"; and the part from the beginning of line 24 on the same page to the end of line 4, page 68 is altered as follows:

"However, as mentioned in 1. (2) above, in the Invention, a plate, which can hold projections in two lines extending in the tangent direction of the subchondral bone and intersecting each other in the distal radius, supports a subchondral bone at two different points, and thereby, the Invention attempts to align and stabilize multiple bone fractures in the fracture site as desired and to make it possible to provide an appropriate cure and also attempts to provide support for the articular surface and subchondral bone. In order to solve the problem in question (the "Problem"), it is necessary to support the subchondral bone at two different points. Even if both the part supported by the axis of the first hole and the part supported by the axis of the second hole lean to the dorsal side or palmar side as alleged by the First-instance Defendant, if it satisfies the constituent features of the Invention, it can solve the problem of the Invention. Based on the statements of the Description, a person skilled in the art could have recognized that this problem could be solved, as mentioned above. Therefore, the aforementioned allegation of the Defendant is groundless."

(13) The phrase "No. 3, 3. (1) D. above" in line 13, page 68 of the judgment in prior instance is altered to "3. (1) D. above".

(14) The phrase "AOT plate" in line 15, page 69 of the judgment in prior instance is altered to "AOT-plate".

(15) The phrase "to the humerus" in line 19, page 72 of the judgment in prior instance is altered to "on the humerus".

(16) The phrase "of the head" in line 1, page 76 of the judgment in prior instance is altered to "of the head 94"; and the phrase "line 8, page 17" in line 23 on the same page is altered to "line 15, page 17".

(17) The phrase "lines 18 through 19, page 19" in line 10, page 77 of the judgment in

prior instance is altered to "lines 19 through 20, page 19".

(18) The phrase "Ti-6Al-4V" in line 23, page 78 of the judgment in prior instance is altered to "Ti-6Al-4V".

(19) The phrase "Ti-6Al-4V" in line 8, page 81 of the judgment in prior instance is altered to "Ti-6Al-4V"; and after the phrase "of the head 1494", the phrase "(note by the court: Misdescription of the head 144)" is inserted.

(20) The phrase "[iv] above" in line 16, page 82 of the judgment in prior instance is altered to "[iv] above, [FIG. 16]"; the phrase "palmar plate 140" in line 25 on the same page is altered to "bone plate 140, which is a palmar plate"; and after the phrase "of the head 1494" in line 26 on the same page, the phrase "(note by the court: Misdescription of the head 144)" is inserted.

(21) The term "記載した (states)" in line 7, page 83 of the judgment in prior instance is altered to "した (states)"; the term "記載している (states)" in lines 10 through 11 on the same page is altered to "している (states)"; and the phrase "palmar plate 140" in line 11 on the same page is altered to "bone plate 140".

(22) The term "記載した (states)" in line 13, page 84 of the judgment in prior instance is altered to "した (states)".

(23) The phrase "(1) C. (B) g. above" in line 18, page 85 of the judgment in prior instance is altered to "(1) C. (B) h. above"

(24) The phrase "the head is comprised to individually hold projections at the pre-determined angle," in lines 22 through 23, page 86 of the judgment in prior instance is altered to "the head defines the hole of the first set and the hole of the second set that are comprised to individually hold projections at the pre-determined angle and are arranged in a misaligned manner in the vertical direction".

(25) The phrase "第1の組の132 (the first set 132)" in line 8, page 88 of the judgment in prior instance is altered to "第1の組132 (the first set 132)".

(26) After the phrase "No. 2, 3. (9) B." in lines 3 through 4, page 90 of the judgment in prior instance, the phrase "; After the correction by this judgment, No. 2, 3. (8), B." is inserted; and the phrase "subchondral surface" in line 18 on the same page is altered to "subchondral bone".

(27) The phrase "10. (1) A. and B. above" in line 10, page 91 of the judgment in prior instance is altered to "(1) A. and B. above"; and the phrase "subchondral surface" in line 21 on the same page is altered to "subchondral bone".

(28) The phrase "well-known art (Exhibit Otsu 5 Second Invention, Exhibits Otsu 6 through 8)" in line 10, page 93 of the judgment in prior instance is altered to "well-known art (Exhibit Otsu 5 Second Invention, Exhibit Otsu 6 Publication, Exhibit Otsu

7 Publication, and Exhibit Otsu 8 Publication)".

(29) The phrase "(Grounds for invalidation of Inventions 2 through 5, 10 through 12, and 14 through 17)" in line 15, page 94 of the judgment in prior instance is altered to "(Whether patents related to Inventions 2 through 5, 10 through 12, and 14 through 17 should be invalidated by the trial for patent invalidation)".

2. Determination concerning the supplemental allegations of the parties in this instance

(1) Issue (1) B. (Sufficiency of Constituent Feature 1K of Invention 1)

A. The First-instance Defendant alleged that "subchondral bone on the dorsolateral side" and "subchondral bone on the palmar lateral surface side" of Constituent Feature 1K refer to the specific parts of subchondral bone respectively and the judgment in prior instance, which determined that they refer to relative parts, was in error.

B. Examining this point below, based on the statements in the claims and the Description related to Invention 1, "dorsal side" and "palmar side (palm side)" are understood to be used as terms indicating directions. On the other hand, the Description has no statement on the standard for dividing the subchondral bone into a "dorsal side" and "palmar side (palm side)" and there is also no evidence to find that there is common general technical knowledge to divide the subchondral bone and to call specific parts the "dorsal side" or "palmar side (palm side)." Then, as was held by the judgment in prior instance, it is reasonable to understand that the "dorsolateral surface side" and "palmar lateral surface side" in Constituent Feature 1K of Invention 1 refer to relative positions of the subchondral bone.

C. The First-instance Defendant's allegations related to this point in this instance cannot be adopted. The grounds are as stated below.

(A) The First-instance Defendant alleged that the Kojien Dictionary, 7th edition listed "one direction or surface of an object" as "[i]" of the meanings of the term "side" and this meaning is appropriate for the "dorsolateral surface side" and "palmar lateral surface side" of Constituent Feature 1K. However, even if the meaning of the "side" of Constituent Feature 1K is "one direction or surface of an object," it is consistent with the understanding that "dorsolateral surface side" and "palmar lateral surface side" indicate a relationship of relative position.

(B) Paragraph [0016] of the Description has a phrase "medial side surface and/or dorsal side surface of subchondral bone." In this case, it is possible to understand that it does not divide a subchondral bone into three specific parts, but that "medial side surface" refers to "closer to the center" than other sides and "dorsal side surface" refers to "closer to the dorsal side" than other sides. Then, it is understood that the phrase "medial side surface and/or dorsal side surface of subchondral bone" means the part supported by

the first peg is "closer to the center" and "closer to the dorsal side" than the part supported by the second peg. The understanding that the phrase "dorsal side," "palmar side" and "dorsolateral surface side," and "palmar lateral surface side" indicate a relationship of relative position is also natural in cases of applying it to the statement in paragraph [0007] that the first set of pegs supports the dorsal side surface and the second set of pegs supports the palmar side surface.

In addition, the First-instance Defendant alleged that all of the embodiments [i], [ii], and [iv] indicated in the judgment in prior instance are intentionally excluded by the amendment. However, based on the written amendments (Exhibits Otsu 1, 21, 23, and 24), it cannot be found that the embodiments [i], [ii], and [iv] are intentionally excluded. In the written amendment dated March 15, 2012 (Exhibit Otsu 1), the structure before correction of Constituent Feature 1K (the structure where " the plate is connected to a distal radius, the axis of the hole of the first set extends in the direction of a tangent line of subchondral bone on the dorsolateral surface side and the axis of the hole of the second set extends in the direction of subchondral bone on the palmar lateral surface side) is added for Invention 1. Although said structure does not contain the phrase "medial side surface," based on the fact that "dorsolateral surface side" and "palmar lateral surface side" of the structure indicate a relationship of the relative position of two parts, it is natural to adopt the expressions "dorsal side" and "palmar side" based on paragraph [0007], and it cannot be found that the form to support the position closer to the center is excluded based on the fact that the aforementioned expressions are used.

(C) The technical meaning of the Invention is as follows: a plate, which can hold projections in two lines extending in the tangent direction of the subchondral bone and intersecting each other in the distal radius, supports a subchondral bone at two different points and, thereby, the Invention attempts to align and stabilize multiple bone fractures in the fracture site as desired and to make it possible to provide an appropriate cure and also attempts to provide support for the articular surface and subchondral bone. In addition, it is obvious that even if both of the two supporting positions are on the palmar side or dorsal side rather than the center of the recess of the subchondral bone, the aforementioned technical meaning of the Invention can be fulfilled, based on the following facts: in paragraph [0016] of the Description, the form where the first set of pegs supports the medial side surface of the subchondral bone and the second set of pegs supports the palmar side is stated; and said form corresponds to cases where both of the two supporting parts of the subchondral bone are on the palmar side of the subchondral bone, as alleged by the First-instance Defendant.

(D) The First-instance Defendant alleged that, if the relative position theory is adopted,

when Constituent Feature 1J is satisfied, Constituent Feature 1K is naturally satisfied, and therefore the specific position theory should be adopted. However, if it is meaningless to consider that Constituent Feature 1J and Constituent Feature 1K are independent constituent features, it is nothing more than that there is an error in the separate descriptions of the constituent features. Therefore, the aforementioned allegation of the First-instance Defendant does not affect the interpretation of the meaning of terms. However, even if Constituent Feature 1K is satisfied, in this case, the axis of the hole of the first set does not always protrude on the distal side of the hole of the second set. Therefore, Constituent Feature 1K and Constituent Feature 1J have meanings respectively.

(2) Grounds for Invalidation 1, 3, and 4 out of Issue (3) (whether the patent related to Invention 1 should be invalidated by a trial for patent invalidation)

A. Grounds for Invalidation 1 (amendment to add new matters)

As mentioned in (1) above, in paragraph [0016] of the Description, the form where the first set of pegs (protrusions) supports the medial side surface of the subchondral bone and the second set of pegs (protrusions) supports the palm side surface is stated; and said form is considered to include cases where both of the two supporting parts of the subchondral bone are in positions closer to the palm of the subchondral bone, as alleged by the First-instance Defendant. In addition, as indicated in (1) above, the statements in paragraph [0007] and paragraph [0016] of the Description use the terms "palmar side" and "dorsal side" as terms indicating relative positions respectively. The statements in the Description are identical to those in the original description upon the filing of the application.

Then, it can be determined that the embodiment alleged by the First-instance Defendant was stated in the original description upon the filing of the application. Therefore, the addition of the structure before correction of Constituent Feature 1K through the amendment does not fall under the addition of new matters. The allegation of the First-instance Defendant cannot be adopted.

B. Grounds for Invalidation 3 (violation of support requirements)

As mentioned in A. above, in paragraph [0016] of the Description, the form where the first set of pegs (protrusions) supports the medial side surface of the subchondral bone and the second set of pegs (protrusions) supports the palm side surface is stated and the terms "palmar side" and "dorsal side" in the Description indicate a relationship of relative position. Based on the above, it can be determined that the embodiment alleged by the First-instance Defendant is stated in the Description. The allegation of the First-instance Defendant cannot be adopted.

C. Grounds for Invalidation 4 (violation of enablement requirements)

In light of the technical meaning of the Invention stated in the Description (a plate, that can hold projections in two lines extending in the tangent direction of the subchondral bone and intersecting each other in the distal radius supports a subchondral bone at two different points, and, thereby, the Invention attempts to align and stabilize multiple bone fractures in the fracture site as desired and to make it possible to provide an appropriate cure and also attempts to provide support for the articular surface and subchondral bone), it is only necessary to support at two different points of the subchondral bone for embodiment of the Invention and, therefore, the point indicated by the First-instance Defendant is groundless. The allegation of the First-instance Defendant cannot be adopted.

3. Issue (5) A. (appropriateness of application of Article 102, paragraph (2) of the Patent Act and the amount of damages based on said paragraph)

(1) Facts found in this case

According to the evidence below and the entire import of oral arguments, in addition to "1. Basic facts" in "No. 2 Outline of the case" in the "Facts and reasons" section in the judgment in prior instance that is altered and then cited, the following facts are found.

A. The First-instance Plaintiff is a company that belongs to the Zimmer Biomet Group, for which the ultimate parent company is Zimmer Biomet Holdings, Inc., which is a U.S. corporation and listed company, and the First-instance Plaintiff manages part of the intellectual property rights of the group. The Zimmer Biomet Group was formed when Zimmer Biomet Holdings, Inc. (the name at that time was Zimmer Holdings, Inc.) acquired shares of LVB Acquisition Inc. in June 2015. (Exhibits Ko 17, 25, and 26)

B. Zimmer Inc., which is a U.S. corporation, for which Zimmer Biomet Holdings, Inc. holds 100% of issued shares, indirectly holds 100% of issued shares of the First-instance Plaintiff (a Netherlands corporation; its business office is located at the address indicated in the heading), Biomet Orthopedics LLC (a U.S. corporation), Biomet Trauma LLC (an U.S. corporation), and Zimmer Biomet G.K. (a Japanese corporation). (Exhibits Ko 25 and 26)

C. The business related to the manufacturing and sale of the First-instance Plaintiff's Products (DVR anatomic plate and DVR ePAK system), which are embodiments of the Patent Right, is conducted by the corporations mentioned in B. above by sharing roles. In concrete terms, the First-instance Plaintiff engages in the management and exercise of the Patent Right, Biomet Orthopedics LLC engages in the main design of the First-instance Plaintiff's Products, Biomet Trauma LLC engages in the manufacturing of the

First-instance Plaintiff's Products, and Zimmer Biomet G.K. engages in the import of the First-instance Plaintiff's Products to Japan and the sale thereof. The entirety of the business is carried out under the management and instructions of Zimmer Inc. Incidentally, Zimmer Biomet Holdings, Inc. has disclosed trauma-related business, including business related to the manufacturing and sale of the First-instance Plaintiff's Products. (Exhibits Ko 17 and 22 through 26)

(2) Appropriateness of application of Article 102, paragraph (2) of the Patent Act

A. Article 102, paragraph (2) of the Patent Act stipulates that "If a patentee ... claims compensation for damages that the patentee ... personally incurs due to infringement, against a person that, intentionally or due to negligence, infringes the patent ..., and the infringer has made a profit from the infringement, the amount of that profit is presumed to be the value of damages incurred by the patentee" Article 102, paragraph (2) of the Patent Act is a provision intending to reduce difficulties in the presentation of evidence by stipulating that when an infringer has made a profit from the infringement, the amount of the profit is estimated to be the amount of damages to the patentee in light of the following situation: under the principle of the Civil Code, in order to claim payment of compensation for damages sustained by a patentee from a patent infringement, the patentee must allege and prove the occurrence and amount of damages and the causal relationship between the occurrence and amount of damages and the patent infringement; however, the presentation of evidence, etc. is difficult and, as a result inconveniences such as the damages not being appropriately compensated, etc. may arise. If there are circumstances where the patentee would have been able to gain profits if there had been no patent infringement by the infringer, it should be understood that the application of Article 102, paragraph (2) of the Patent Act is approved.

B. When applying the above to this case, the First-instance Plaintiff's Products are embodiments of the Patent Right and compete with First-instance Defendant's Products 1 through 3. Although the First-instance Plaintiff's Products are sold by Zimmer Biomet G.K., not by the First-instance Plaintiff who is the patentee, as mentioned in (1) above, the First-instance Plaintiff engages in the management and exercise of the Patent Right under the management and instructions of Zimmer Inc., which indirectly holds 100% of the shares of the First-instance Plaintiff. Since a group company of the Zimmer Biomet Group manufactures the First-instance Plaintiff's Products by using the Patent Right under the management and instructions of Zimmer Inc. and another company under the same group sells the First-instance Plaintiff's Products by using the Patent Right under the management and instruction of Zimmer Inc., it is found that the Zimmer Biomet Group as a whole performed the business using the Patent Right under the

management and instructions of Zimmer Inc. for the period from July 2016 until March 2019, during which the infringement of the Patent Right becomes a problem. Thus, if the sale of the First-instance Defendant's Products, which constitutes an infringement of the Patent Right, had not been performed, the Zimmer Biomet Group could have gained profits from the sale of First-instance Defendant's Products 1 through 3.

In Zimmer Biomet Group, the First-instance Plaintiff engages in the management and exercise of the Patent Right for the group and is in the position where the First-instance Plaintiff can exercise the right independently. It can be considered that the First-instance Plaintiff engages in the exercise of the Patent Right from the standpoint of pursuing profits for the group. Also, in consideration of the fact that, as mentioned above, there is no actor that exercises the rights related to the Patent Right in the group other than the First-instance Plaintiff, it should be said that Article 102, paragraph (2) of the Patent Act may be applied to this case.

(3) Rebuttal of presumption

Concerning the rebuttal of presumption under Article 102, paragraph (2) of the Patent Act, it is interpreted that the infringer is responsible for the allegation and presentation of evidence in the same way as in the circumstances as defined in the proviso to paragraph (1) of said Article, and the circumstances impairing the corresponding causal relationship between the profit that the infringer gained and the damages that the patentee suffered fall under the relevant circumstances. The First-instance Defendant alleged that presumption should be rebutted based on the facts that [i] the interests of the First-instance Plaintiff, who only holds and manages the Patent Right, were not harmed at all; [ii] there are competing products of a third party; and [iii] physicians who select fixing plates would have definitely selected P-Plate, which is another product of the First-instance Defendant, if the First-instance Defendant's Products had not been available.

Examining this allegation, based on the status of business performance related to the First-instance Plaintiff's Products by the Zimmer Biomet Group, as determined in (1) above, it can be determined that due to a third party's infringement of the Patent Right, the sale of the First-instance Plaintiff's Products decreased, the profits of Zimmer Biomet Group decreased, and, as a result, the interests of the First-instance Plaintiff: to which the profit from holding the Patent Right belongs, were damaged. In addition, although the First-instance Defendant indicated the presence of a third party's competing products, it is not necessarily obvious even with all the articles of evidence in this case whether the competing products are products with features of the Patent Right and whether the presence of the competing products indicated by the First-

instance Defendant would have had an impact on the sale of the First-instance Plaintiff's Products if First-instance Defendant's Products had not been available. Further, there is not enough evidence to determine that physicians would select a product of the First-instance Defendant who does not sell the First-instance Defendant's Products, supposing that the First-instance Defendant's Products had not been available.

Consequently, it cannot be found that there are circumstances to rebut the presumption under Article 102, paragraph (2) of the Patent Act in this case.

(4) Amount of damages

A. There are no disputes between the parties that the amount of sales of the Defendant's Products 1 and 2 for the period from July 2016 until March 2019 is ●●●●●●●●●● and the marginal profit rate is ●●●. Then, pursuant to Article 102, paragraph (2) of the Patent Act, the amount of damages to the First-instance Plaintiff is presumed to be ●●●●●●●●●●.

B. In consideration of the difficulty of the case, the claimed amount, the approved amount, and other circumstances, the court costs that are in the corresponding causal relationship with the tort in this case are determined to be ●●●●.

C. The total sum of A. and B. above is 4,544,478 yen.

4. Conclusion

Consequently, the claims of the First-instance Plaintiff against the First-instance Defendant has grounds to the extent to seek the payment of 4,544,478 yen and delay damages accrued thereon at the rate of 5% per annum for the period from June 8, 2019 until the completion of the payment and injunction against First-instance Defendant's Products 1 through 3 and disposal thereof, and the claims are upheld to that extent and the remaining claims should be dismissed due to being groundless. However, concerning the claim of the First-instance Plaintiff for the payment of compensation for damages, the judgment in prior instance that partially upheld the claim to the extent of 901,910 yen and delay damages accrued thereon at the rate of 5% per annum for the period from June 8, 2019 until the completion of the payment and rejected the remaining part of the claim is partially unreasonable. The appeal of the First-instance Plaintiff is partially reasonable, and therefore, paragraph 3 and paragraph 4 of the main text of the judgment in prior instance are amended. The appeal of the First-instance Defendant is groundless, and therefore, it is dismissed and the judgment is rendered as indicated in the main text.

Intellectual Property High Court, Second Division

Presiding judge: HONDA Tomonari

Judge: ASAI Ken

Judge: KATSUMATA Kumiko