

Patent Right	Date	March 6, 2024	Court	Intellectual Property High Court, Second Division
	Case number	2023 (Ne) 10037		
- A case in which the court determined that in the case where a patentee has manufactured and sold not a finished product wherein the patent is worked but a component of such product, damage incurred by the patentee cannot be found under Article 102, paragraph (2) of the Patent Act.				

Case type: Injunction, etc.

Result: Modification of the prior instance judgment

Reference: Article 102, paragraphs (1), (2), and (3) of the Patent Act

Related rights, etc.: Patent No. 4509578

Judgment in prior instance: 2018 (Wa) 28931, the judgment of the Tokyo District Court of February 15, 2023

### Summary of the Judgment

1. In this case, regarding a patent (number of claims: 14) for an invention titled "Laser machining method and laser machining apparatus," the Plaintiff, who is the patentee of the patent, alleged that the subject products manufactured, sold, and otherwise handled by the Defendant fall within the technical scope of the inventions pertaining to Claims 8 and 11 (the "Inventions") and that the manufacturing, sale, etc. of the subject products constitutes infringement of the patent right in question (hereinafter referred to as the "Patent Right"). Based on these allegations, the Plaintiff claimed compensation for damage, as well as sought an injunction against the transfer, etc. of the subject products and disposal thereof.

2. In the judgment in prior instance, the court found infringement of the Patent Right in relation to the manufacturing, sale, etc. of some of the subject products (the Defendant's Old Products). However, the court determined that Article 102, paragraph (2) of the Patent Act is not applicable as the Plaintiff is a person who manufactures and sells only part (SD engine) of a product wherein the patent is worked (SD equipment). The court thus calculated the value of damage under paragraphs (1) and (3) of the same Article and then partially upheld the Plaintiff's claims based on the amount calculated pursuant to paragraph (3) of the same Article. Then, both of the parties filed an appeal against the judgment in prior instance.

3. In this judgment, regarding fulfillment of the constituent features, the court upheld the conclusion of the court of prior instance (the Defendant's Old Products fulfill the

constituent features) and then determined as follows, thereby ruling that damage cannot be found pursuant to Article 102, paragraph (2) of the Patent Act, and partially upheld the Plaintiff's claims based on the amount calculated under paragraph (1) of the same Article (the amount was increased from that in the judgment in prior instance).

(1) In this case, the Plaintiff's SD engine is a component that is essential for SD equipment to realize laser machining function using stealth dicing technology including the Inventions and bears an important function, and it can be said that the Plaintiff could have gained profit corresponding to the exported and sold Defendant's Old Products by selling its own SD engine to the Defendant or other SD equipment manufacturers if the Defendant had not committed the act of manufacturing, exporting, and selling the Defendant's Old Products (infringing products). However, the Plaintiff has sold SD engines but has not manufactured and sold SD equipment that falls under the same type of product as the infringing products. Moreover, there is also no evidence sufficient to find that the Plaintiff is capable of manufacturing SD equipment by itself and had had a specific plan to manufacture and sell SD equipment. The Plaintiff's lost profit is absolutely that caused by the loss of sales of SD engines and is not that caused by the loss of sales of SD equipment. SD equipment and SD engines differ in consumers and market and are not competing in the same market. Therefore, there is no reasonable circumstance based on which the Defendant's entire profit from the sales of SD equipment is presumed to be profit from the sales of SD engines lost by the Plaintiff (damage to the Plaintiff).

(2) The Plaintiff also alleges that, out of the marginal profit of the Defendant's Old Products, the marginal profit for the portion corresponding to the SD engine should be presumed to be the value of damage incurred by the Plaintiff. However, an SD engine is a component constituting part of SD equipment, and the value for the SD engine is merely one of many items that constitute manufacturing costs. In this case, there is no circumstance sufficient to specify the portion of the marginal profit of SD equipment that is derived from each component. There is thus no choice but to say that it is difficult to specify the portion derived from the "SD engine" alone, and the marginal profit for the "part corresponding to the SD engine" cannot be unambiguously specified.

(3) For the reasons described above, it can be said that the application of the provisions of Article 102, paragraph (2) of the Patent Act is allowed in this case on the grounds that there is a circumstance suggesting that the Plaintiff could have gained profit if there were no patent infringement by the infringer. However, the marginal profit for the portion corresponding to the SD engine cannot be specified. Therefore, the value of damage incurred by the Plaintiff in this case cannot be found pursuant to the provisions

on presumption of the same paragraph.

(4) In consideration of infringement based on the subject patent (965 Patent) of a lawsuit on a separate case pertaining to the same parties and the same products, the Defendant alleges that it is reasonable to divide the value of damage in half between this case and that lawsuit. However, whether the manufacturing, sale, etc. of the subject products constitutes infringement of 965 Patent is not covered in this lawsuit, and it is not reasonable to calculate the value of damage on the premise of establishment of infringement of 965 Patent in this case even if damage incurred by the Plaintiff in this case partially overlaps with damage incurred by the Plaintiff due to infringement of 965 Patent. Therefore, the aforementioned allegation of the Defendant is not acceptable, irrespective of the calculation method of the damage.

(5) In this case, it is presumptively recognized that the Plaintiff would have been able to sell the Plaintiff's engine it manufactures and gain profit from the sales if infringement by the Defendant had not taken place. Thus, it can be said that the Plaintiff had sold the Plaintiff's engine, which is a product whose sales quantity is affected by the infringement. Therefore, Article 102, paragraph (1) of the Patent Act is applicable.

Taking into account the nature of the function of the Inventions and circumstances, such as existence of alternative technology, together, it is reasonable to find that the quantity corresponding to the "circumstance that renders the patentee unable to sell" as referred to in item (i) of the same paragraph accounts for 70%.

The value of damage calculated pursuant to the same paragraph exceeds the value of damage calculated pursuant to paragraph (3) of the same Article.

Judgment rendered on March 6, 2024

2023 (Ne) 10037, Appeal case of seeking injunction against patent infringement

(Court of prior instance: Tokyo District Court, 2018 (Wa) 28931)

Date of conclusion of oral argument: December 12, 2023

### Judgment

Indication of the parties: As stated in the List of Parties attached to this judgment

### Main text

1. The judgment in prior instance shall be modified as follows based on the appeal to the court of second instance filed by the Plaintiff.

(1) The Defendant shall pay to the Plaintiff 136,840,000 yen and an amount accrued thereon at the rate of 5% per annum for the period from November 1, 2018, until the completion of the payment.

(2) All the other claims of the Plaintiff shall be dismissed with prejudice on the merits.

2. The claim added by the Plaintiff in this instance shall be dismissed with prejudice on the merits.

3. This appeal filed by the Defendant shall be dismissed with prejudice on the merits.

4. The court costs in first and second instances are divided into 10 parts, of which, 9 shall be borne by the Plaintiff and the rest shall be borne by the Defendant.

5. Only Paragraph 1 (1) of this judgment may be provisionally executed.

### Facts and reasons

The abbreviations of terms and the meanings of the abbreviations are according to the judgment in prior instance, except those assigned in this judgment, and the specific content thereof is as stated in the List of Abbreviations of Terms attached to this judgment. In addition, the phrase "attached to this judgment" used in the parts cited from the judgment in prior instance (including those after amendment) means "attached to the judgment in prior instance" unless otherwise specified.

### No. 1 Object of the claim

1. Object of the claim of the Plaintiff

(1) The judgment in prior instance shall be modified as follows.

(2) The Defendant shall be prohibited from manufacturing, using, transferring, renting out or exporting, or offering to transfer or rent out the products stated in the List of Subject Products attached to the judgment in prior instance (the subject products).

(3) The Defendant shall dispose of the products stated in the List of Subject Products attached to the judgment in prior instance (the subject products).

(4) The Defendant shall pay to the Plaintiff 1,200,000,000 yen and an amount accrued

thereon at the rate of 5% per annum for the period from November 1, 2018, until the completion of the payment.

(5) The Defendant shall bear the court costs for both first and second instances.

(6) Declaration of provisional execution

## 2. Object of the claim of the Defendant

(1) The part of the judgment in prior instance for which the Defendant lost the case shall be revoked.

(2) The Plaintiff's claims pertaining to the aforementioned part shall be dismissed with prejudice on the merits.

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

## No. 2 Outline of the case

### 1. Summary of the case

In this case, the Plaintiff, who is the patentee of the Patent Right pertaining to the Patent (Patent No. 4509578) for an invention titled "Laser machining method and laser machining apparatus," alleges that the subject products fall within the technical scope of the inventions pertaining to the Patent and that the Defendant's act of manufacturing, exporting, and otherwise handling the subject products constitutes infringement of the Patent Right and seeks an injunction against manufacturing, etc. of the subject products and disposal thereof under Article 100, paragraphs (1) and (2) of the Patent Act. In addition, as a partial claim of a claim for compensation for damage or claim for return of unjust enrichment, the Plaintiff demands that the Defendant pay 2,400,000,000 yen and, for 2,100,000,000 yen and 300,000,000 yen out of said amount, delay damages or interest accrued thereon at the rate of 5% per annum as prescribed in the Civil Code prior to amendment by Act No. 44 of 2017 (hereinafter referred to as the "Civil Code prior to Amendment") in the case where prior laws continue to govern pursuant to the provisions of Article 17, paragraph (3) or Article 15, paragraph (1) of the Supplementary Provisions of the same Act, for the period from the day following the day on which the tort was committed, November 1, 2018, until the completion of the payment for the 2,100,000,000 yen and from the day following the day on which the tort was committed, February 1, 2020, until the completion of the payment for the 300,000,000 yen, respectively.

In the judgment in prior instance, the court ruled that the Defendant's act of manufacturing, selling, and otherwise handling Subject Products 1(2)B constitutes infringement of the Patent Right. Based on this ruling, the court upheld the Plaintiff's claims to the extent of demanding that the Defendant pay 131,161,399 yen and delay damages accrued thereon at the rate of 5% per annum for the period from November 1, 2018, until the completion of the payment and dismissed with prejudice on the merits all





December 15, 2022, regarding Lawsuit on Separate Case 2, the Tokyo District Court rendered a judgment partially upholding the Plaintiff's claims (Exhibit Ko 123). After that, the Plaintiff and the Defendant respectively filed an appeal to the court of second instance, and the case is pending at the Intellectual Property High Court (Intellectual Property High Court, 2023 (Ne) 10052).

(Regarding this section, the pieces of evidence cited above and the entire import of oral arguments, in addition to facts obvious to this court)".

(9) The text "On July 6, 2023, the Intellectual Property High Court rendered a judgment dismissing with prejudice on the merits the Defendant's claims, and the same judgment subsequently became final and binding (fact obvious to this court)." is added after the phrase "(Intellectual Property High Court, 2022 (Gyo-Ke) 10099)" in lines 3 and 4 on page 16.

(10) The phrase "(including the doctrine of equivalents" is added after the phrase "falls within the technical scope of the Inventions" in line 10 on page 16. A new line is started at the end of line 19 on the same page and the following text is added: "(x) Whether a defense of performance is established".

(11) The phrase "entire shape fluctuation" in line 6 on page 18 is altered to "entirety of the part with shape fluctuation".

(13) The phrase "B. in (Plaintiff's allegations) in (2) above" in lines 25 and 26 on page 21 is altered to "C. in (Plaintiff's allegations) in (2) above". The phrase "C. in (Plaintiff's allegations) in (2) above" in line 25 on page 22 is altered to "D. in (Plaintiff's allegations) in (2) above".

(13) The phrase "The Defendant disputes the Plaintiff's allegation that Subject Products 2 falls within the technical scope of the Inventions." is added at the end of line 4 on page 23, and the phrase "at the workpiece" in line 15 on the same page is altered to "on the workpiece".

(14) The phrase "B. in (Defendant's allegations) in (2) above" in lines 19 and 20 on page 24 is altered to "C. in (Defendant's allegations) in (2) above", and the phrase "In the same way as the case of Subject Products 1(2)B (see D. in (Defendant's allegations) in (2) above)," is added at the beginning of line 16 on page 25.

(15) The phrase "modified region of the Inventions is made by multiphoton absorption" in line 22 on page 26 is altered to "modified region of the Inventions is formed by multiphoton absorption".

(16) The phrase "the Defendant granted to the Plaintiff" in lines 21 and 22 on page 28 is altered to "the Plaintiff granted to the Defendant".

(17) The text "Regarding Subject Products 2, there is also the fact that the panel of Subject



Products 2 was displayed at an exhibition held on December 14, 2017 and that an offer for transfer was made. Therefore, the claim for an injunction should naturally be upheld." is added at the end of line 11 on page 30. The phrase "suspended the manufacturing, etc. of Subject Products 1(1) and 1(2). Therefore, the Defendant is unlikely to manufacture and otherwise handle the subject products in the future." in lines 16 and 17 on the same page is altered to "suspended the manufacturing, etc. of Subject Products 1(1) and 1(2). The Defendant suspended manufacturing, selling, etc. of all the subject products in December 2021 (Exhibits Otsu 263 to 269), and more than one and a half years have passed since then. Therefore, the Defendant is not likely to manufacture and sell the subject products."

(18) Each of the phrase "●● units" in lines 18 and 21 on page 31 is altered to "●● units", respectively, and the text from line 22 on the same page to line 5 on page 32 is altered to the following:

"The amount of marginal profit of ●● units, excluding one unit sold last out of the subject products, is ●●●●●●●●●● yen, and the rate of contribution of the SD engine thereto is very high and is not less than 75% of that of the entire SD equipment. Therefore, out of the marginal profit of the subject products, the marginal profit of the part corresponding to the SD engine is ●●●●●●●●●● yen, and the same amount is presumed to be the value of damage incurred by the Plaintiff pursuant to the provisions of Article 102, paragraph (2) of the Patent Act. When considering the value of damage presumed pursuant to the provisions of the same paragraph to be the amount of the marginal profit of the part corresponding to the SD engine in this way, the fact that what the Plaintiff sells is not SD equipment itself but is an SD engine has already been taken into account in calculating the profit presumed to be damage. Therefore, the aforementioned fact does not become a ground for reversing the presumption of damage. Incidentally, even when presuming the entire amount of profit from the manufacturing and sale of SD equipment as the value of damage incurred by the Plaintiff pursuant to the provisions of paragraph (2) of the same Article and considering the fact that the Plaintiff sells only an SD engine is considered to become a ground for reversal of presumption, the rate of reversal should be considered to be 25%. Therefore, the calculation result is the same, and the Plaintiff selectively alleges both of them.

In addition, 194,469,269 yen should be found to be damage as the amount equivalent to attorney's fees relating to the Defendant's infringement.

Then, the value of damage incurred by the Plaintiff is ●●●●●●●●●● yen, and the value of damage pertaining to sale of ●● units of the subject products, which was added in second instance, is to be added thereto. Out of this amount, the Plaintiff claims

payment of 1,200,000,000 yen and delay damages accrued thereon at the rate of 5% per annum as prescribed in the Civil Code prior to Amendment for the period from November 1, 2018, until the completion of the payment."

(19) The text from line 6 on page 32 to line 9 on page 33 is altered to the following:

"(B) Value of damage incurred by the Plaintiff due to the manufacturing and sale of Subject Products 1(2)B out of the value of damage mentioned in (A) above

a. Amount of sales

From March 2016 until August 2018, the Defendant manufactured and sold ●● units of Subject Products 1(2)B in total as stated in the "List of Sales of Subject Products: 1.(2)B." attached to the judgment in prior instance, and the amount of sales thereof (excluding RM modules) was ●●●●●●●●●●●● yen including the product No. 1 stated in the same list (hereinafter referred to as "Product No. 1") and ●●●●●●●●●●●● yen not including it.

b. Amount of marginal profit

The only expense that should be deducted from the aforementioned amount of sales is direct cost, and the amount of marginal profit is ●●●●●●●●●●●● yen in total as stated in "Plaintiff's Allegations (Marginal Profit of Subject Products 1(2)B) attached to this judgment.

c. Value of damage

There is no ground for reversal of presumption in the case of presuming the amount obtained by multiplying the aforementioned amount of marginal profit by the rate corresponding to the SD engine, specifically, 75%, to be the value of damage incurred by the Plaintiff pursuant to the provisions of Article 102, paragraph (2) of the Patent Act. In the case of presuming the whole of the same amount of marginal profit to be the value of damage incurred by the Plaintiff pursuant to the provisions of the same paragraph, a ground for reversal of presumption is considered to exist, and the same rate, 75%, is multiplied. Therefore, at any rate, the value of damage is ●●●●●●●●●●●● yen (= ●●●●●●●●●●●● yen x 0.75).

d. Attorney's fees

The attorney's fees are the total of expenses stated in No. ● to No. ●●, No. ●●, and No. ●● in "Attorney's fees" column of Attachment 5 "List of Attorney's Fees" of the Plaintiff's written statement of reasons for appeal to the court of second instance (2) (the calculated amount is 99,780,072 yen).

e. Amount claimed

Therefore, the amount claimed by the Plaintiff pertaining to the manufacturing and sale of Subject Products 1(2)B under Article 102, paragraph (2) of the Patent Act is

●●●●●●●●●●●●●● yen (= ●●●●●●●●●●●●●● yen + 99,780,072 yen), which is obtained by adding the attorney's fees mentioned in d. above to the value of damage mentioned in c. above."

(20) The text from line 5 on page 34 to line 10 on the same page is altered to the following:

"(A) Damage from the manufacturing and sale of ●● units of the subject products

The value of damage incurred by the Plaintiff due to the sale of ●● units of the subject products by the Defendant is ●●●●●●●●●●●●●● yen, and the amount equivalent to the attorney's fees, 194,469,269 yen, is added thereto. Consequently, the sum of the value of damage is ●●●●●●●●●●●●●● yen, and damage for the ●●th unit is added thereto."

(21) The text from line 4 on page 36 to line 6 on page 37 is altered to the following:

"(A) Damage from the manufacturing and sale of ●● units of the subject products

The amount of sales of ●● units of the subject products is ●●●●●●●●●●●●●● yen, and the amount equivalent to the royalty of the Patent is not less than 5% to the amount of sales. The amount equivalent to attorney's fees, 194,469,269 yen, is added thereto, and damage for ●●th unit is further added.

In light of the following facts, the royalty rate in this case is never less than 5%: in the case of reaching agreement on the premise that there was patent infringement, the royalty rate is not necessarily considered to be set at the same level as that in a license agreement; the rate of profit from the Plaintiff's engine is not less than ●●% of the amount of sales of SD equipment; the Inventions are arts essential to the working of stealth dicing technology, and in particular, production of memories (GAL (Grinding After Laser) process) cannot be done without working of the Inventions; the Defendant has intentionally infringed the Patent Right, and the form of infringement by the Defendant is extremely vicious as the Defendant sticks to continuation of its own dicing business and lacks a stance of respecting intellectual property rights, and it is an act that leads to loss of social credibility.

(B) Damage from the manufacturing and sale of Subject Products 1(2)B out of the amount mentioned in (A) above

The amount of sales stated in the "List of Sales of Subject Products: 1.(2)B." attached to the judgment in prior instance (●●●●●●●●●●●●●● yen including Product No. 1 and ●●●●●●●●●●●●●● yen not including it) should be multiplied by the royalty rate of 5%."

(22) The text from line 20 on page 37 to line 6 on page 38 is altered to the following:

"(A) Damage from the manufacturing and sale of ●● units of the subject products

The lost profit of the Plaintiff is ●●●●●●●●●●●●●● yen, which is the sum of the value of damage calculated pursuant to Article 102, paragraph (1) of the Patent Act,

●●●●●●●●●●●● yen, (B.(A) above) and the amount equivalent to the royalty, 140,000,000 yen (3,000,000 yen per unit x ●● units). When the amount equivalent to attorney's fees, 194,469,269 yen, is added thereto, the total value of damage becomes ●●●●●●●●●●●● yen, and damage for the ●●th unit is further added.

(B) Damage from the manufacturing and sale of Subject Products 1(2)B out of the amount mentioned in (A) above

The value of damage is the amount calculated by adding the amount equivalent to the royalty of 3,000,000 yen per unit to the amount calculated pursuant to Article 102, paragraph (1) of the Patent Act."

(23) The text from line 10 on page 38 to line 12 on the same page is altered to the following: "The amount of unjust enrichment is the same as the amount calculated pursuant to Article 102, paragraph (3) of the Patent Act (C.(A) and (B) above). Since the Defendant is a beneficiary in bad faith referred to in Article 704 of the Civil Code, the Plaintiff demands that the Defendant pay interest prescribed in the Civil Code prior to Amendment in relation to the unjust enrichment."

(24) The text from line 22 on page 39 to line 12 on page 40 is altered to the following:

"The marginal profit of Subject Products 1(2)B stated in the 'List of Sales of Subject Products: 1.(2)B.' attached to the judgment in prior instance, excluding Product No. 1, is ●●●●●●●●●●●● yen. Therefore, of which, the amount equivalent to the marginal profit of the Defendant's Engine B is ●●●●●●●●●●●●.

$$●●●●●●●●●● \times ●●\% \doteq ●●●●●●●●●●$$

(B) Ground for reversal of presumption

In consideration of the following circumstances, it should be said that presumption referred to in Article 102, paragraph (2) of the Patent Act is reversed in relation to 89% of the amount equivalent to the marginal profit of the Defendant's Engine B by using the same amount as the basis of the calculation.

First of all, Subject Products 1(2)B are SD equipment while the Plaintiff only manufactures and sells the Plaintiff's engine, which is an SD engine. Their markets are not the same."

(25) The text from line 5 on page 41 to line 8 on the same page is altered to the following:

"(C) Summary ●●●●●●●●●● yen

On the premise of the above, the amount presumed to be the value of damage incurred by the Plaintiff pursuant to Article 102, paragraph (2) of the Patent Act is the amount mentioned in the title.

$$●●●●●●●●●● \times 11\% = ●●●●●●●●●●"$$

(26) The phrase "cannot be an alternative to" in line 21 on page 41 is altered to "cannot be

considered to be an alternative to". The phrase "the sale, etc. of the subject products" in lines 22 and 23 on the same page is altered to "infringement by the sale, etc. of the subject products".

(27) A new line is started at the end of line 11 on page 46, and the following is added.

"(10) Issue [x] (whether a defense of performance is established)

(Defendant's allegation)

The Defendant alternatively claims a defense of performance since it paid to the Plaintiff the whole of the claimed amount upheld in the judgment in prior instance on February 17, 2023. Incidentally, the Defendant has not admitted existence of the same obligation, and if absence of the obligation is confirmed, the Defendant would make a claim for return of unjust enrichment.

(Plaintiff's allegation)

The Plaintiff admits that the Defendant paid to the Plaintiff's bank account the whole of the amount upheld in the judgment in prior instance.

However, the aforementioned payment falls under "what the defendant delivered based on a declaration of provisional execution" (Article 260, paragraph (2) of the Code of Civil Procedure), and it does not fall under voluntary performance, which is known from the fact that the Defendant disputes existence of the obligation. Therefore, in second instance, the court should determine the propriety of the claim without regard to that fact, and the Defendant's allegation of a defense of performance itself is unreasonable."

### No. 3 Judgment of this court

1. Whether the Defendant's act constitutes infringement of the Patent Right (from issues [i] to [v])

This court also determines as follows: out of the subject products, the Defendant's Old Products fall within the technical scope of the Inventions, and there is no ground for invalidation of the patent pertaining to the Inventions; in addition, it is found that the Plaintiff has granted a license for the manufacturing and sale of Product No. 1, but it is not found that the License has been granted; therefore, the Defendant's act of manufacturing, selling, and otherwise handling the Defendant's Old Products (excluding Product No. 1) constitutes infringement of the Patent Right; on the other hand, there is no proof of existence of Subject Products 2, and the Defendant's New Products are not found to fall within the technical scope of the Inventions. The reasons for this determination are as stated in 1. to 6. in "No. 3 Judgment of this court" (hereinafter referred to as "No. 3 in the judgment in prior instance") in the "Facts and reasons" section of the judgment in prior instance (from line 13 on page 46 to line 15 on page 106 of the judgment in prior

instance), except for the corrections to the judgment in prior instance as follows and the addition of the parties' additional and supplementary allegations in this instance in 2. below. Therefore, the relevant parts of the judgment in prior instance are cited. Incidentally, the words, "C1," "Cn," "Q1," "X1," and "X2," are altered to "C<sub>1</sub>," "C<sub>n</sub>," "Q<sub>1</sub>," "X<sub>1</sub>," and "X<sub>2</sub>," respectively.

(Corrections to the judgment in prior instance)

(1) The text from line 5 on page 64 to line 21 on the same page is altered to the following: "Conventional laser machining technology includes technology wherein a condensing lens for machining a workpiece and a measuring means to measure the height of a principal surface are provided side by side at a prescribed distance and machining is performed while measuring. However, this technology involves the following problem: in the case of machining by having laser beams and a workpiece move along the principal surface of the workpiece with irradiation of a laser beam started at a position outside a workpiece, the measuring means starts measuring from outside of the workpiece and continues measuring toward inside of the workpiece; if the condensing lens is driven based on the measured value of the height of the principal surface obtained by the measurement, the focusing point of the laser beam sometimes deviates at the end of the workpiece (paragraphs [0002] and [0004]). That is, the problem is as follows: when measurement of a workpiece is started from its outside, the condensing lens rises upon detection of the workpiece; however, even during this time, the laser beam and the workpiece are continuously moving along the principal surface of the workpiece; therefore, there is a time lag before the condensing lens rises to a prescribed position and the focusing point of the laser beam matches the scheduled cutting line; in addition, the focusing point of the laser beam also deviates due to a large swing of a signal to match the condensing lens at the prescribed position; consequently, until the focusing point of the laser beam becomes stable in line with the scheduled cutting line, the part other than the scheduled cutting line is machined (paragraphs [0008] to [0014]). Moreover, regarding technology for machining a workpiece having asperities on its principal surface, there is technology wherein the flatness of the workpiece to be machined as a whole is first measured by a flatness measuring means and the workpiece is machined based on the measured flatness. However, this technology has a problem of requiring time and causing a decrease in machining efficacy (paragraphs [0003] and [0005]). Regarding these problems, the Inventions are intended to provide a laser machining apparatus that can efficiently perform laser machining while reducing the deviation of the focusing point of laser beam at the end of a workpiece to the minimum extent possible, with a focus on processing at the end of a workpiece (paragraphs [0006] and [0014])."

- (2) The phrase "1.(5)C." in line 12 on page 67 is altered to "1.(4)C."
- (3) The phrase "within the range where the workpiece is not just below the lens" in lines 23 and 24 on page 69 is altered to "within the range where the workpiece is not just below the lens without irradiating laser beam". The phrase "paragraphs [0033] and [0059]" in line 25 on the same page is altered to "paragraphs [0033], [0053], and [0059], [Fig. 3], [Fig. 4], and [Fig. 6]".
- (4) The phrase "the time when AF tracking ended" in line 26 on page 70 is altered to "the position when AF tracking ended".
- (5) The phrase "in the silicon wafer" in line 26 on page 71 and line 1 on page 72 is altered to "since the lens comes to be present in a position that differs from the prescribed position corresponding to the scheduled machining line at the end of the silicon wafer".
- (6) The phrase "the lens is substantially fixed" in line 22 on page 80 is altered to "the vertical position of the lens is fixed". The phrase "(1)C. above" in line 2 on page 81 is altered to "(1)B. above". The phrase "it cannot be said that the objective lens is held so as to substantially fix the objective lens at a specific position" in lines 6 and 7 on the same page is altered to "it cannot be said that the objective lens is held so as to fix the vertical position of the objective lens". The phrase "the objective lens is fixed at a specific position" in lines 22 and 23 on the same page is altered to "the vertical position of the objective lens is fixed". The phrase "control to substantially fix the objective lens at a specific position" in line 1 on page 82 is altered to "control to fix the vertical position of the objective lens".
- (7) The text from line 26 on page 82 to line 2 on page 85 is altered to the following:  
 "(4) Formation of a modified region at one end of the scheduled cutting line (Constituent Features 1G, 1H, and 2A)

As stated in (2) in 2. 'Determinations concerning the parties' additional and supplementary allegations (issues [i] to [v])' below in this judgment, Subject Products 1(1) and 1(2)A are not found to form a modified region at 'one end of the scheduled cutting line.' Therefore, they do not fulfill Constituent Features 1G, 1H, and 2A."

- (8) The text from "the statement regarding 'multiphoton absorption' in the Description" in line 16 on page 85 to "formed by irradiating a laser beam with the focusing point at the inside of the workpiece" in line 19 on the same page is altered to the following:  
 "From the statements in the Description, a person ordinarily skilled in the art can understand that the problem to be solved by the Inventions is solved by adopting a structure wherein a modified region is formed by irradiating a laser beam with the focusing point at the inside of the workpiece, irrespective of whether the modified region is formed by multiphoton absorption." The text from "Here, a deviation of the focusing

point of a laser beam at end 10 of the workpiece" in line 14 on page 86 to "even if laser machining is not performed from the actual end of the workpiece" in line 17 on the same page is altered to "Incidentally, irrespective of whether laser machining is performed from the actual end of a workpiece". The phrase "part where a modified region is formed at a certain machining height, that is, at a scheduled depth of machining, with the lens held at a certain position" from line 18 on page 87 to line 19 on the same page is altered to "part where a modified region is formed when machining is performed with the objective lens held at a certain position in a vertical direction (default position)". The phrase "3.(A)A. above" in line 20 on the same page is altered to "3.(4)A. above".

(9) The phrase "(1)B. above" in line 21 on page 88 is altered to "(1)A. above". The phrase "part where a modified region is formed at a certain machining height, that is, at a scheduled depth of machining, with the lens held at a certain position" from line 7 on page 89 to line 9 on the same page and from line 15 on the same page to line 17 on the same page is altered to "part where a modified region is formed when machining is performed with the objective lens held at a certain position in a vertical direction", respectively. The phrase "3.(3)A. above" in line 10 on the same page is altered to "3.(4)A. above".

(10) The phrase "the Plaintiff" in line 12 on page 90 is altered to "Otsu (note in the judgment: Plaintiff)". The phrase "Otsu (note in the judgment: Plaintiff)" in line 20 on the same page is altered to "Otsu". The phrase "as of the conclusion of the Preliminary Business Alliance Agreement" in line 26 on the same page is altered to "as of the conclusion of the Agreement". The phrase "within ●%" in line 9 on page 91 is altered to "within ●% of the final sales price". The phrase "manufacturing and sale" in line 3 on page 92 is altered to "manufacturing and sale)". The phrase "standard period" in line 8 on the same page is altered to "standard machine".

(11) The phrase "D and E, etc." in line 25 on page 94 is altered to "E, etc.". The phrase "Exhibits Ko 29 and 30 and Exhibits Otsu 17 and 18" in line 6 on page 95 is altered to "Exhibit Ko 29 and Exhibit Otsu 17". The phrase "the Defendant" in line 25 on page 96 is altered to "Certain Person F of the Defendant". The phrase "Exhibit Ko 31 and Exhibit Otsu 19" in line 1 on page 97 is altered to "Exhibit Ko 31". The phrase "visited the Plaintiff" in line 2 on the same page is altered to "received a visit by E and G of the Plaintiff (Exhibit Otsu 20)". The phrase "the Plaintiff" in line 3 on the same page is altered to "G of the Plaintiff". The phrase "Exhibit Ko 32" in line 20 on the same page is altered to "Exhibit Ko 32 and Exhibits Otsu 116 and 276". The phrase "that effect" in line 8 on page 98 is altered to "the effect that the prototype was shipped to Samsung (Onyang Plant) and is scheduled to be brought in and evaluated in the future". The phrase "question" in line 12 on page 99 is altered to "suspicion". The phrase "Certain Person H" in line 2 on



page 100 is altered to "H". The phrase "the Plaintiff" in line 5 on the same page is altered to "G of the Plaintiff".

(12) The phrase "Exhibit Ko 8" in line 2 on page 102 is altered to "Exhibit Ko 8 and Exhibit Otsu 75". The phrase "I" in line 23 on the same page is altered to "in the examination of the representative conducted in second instance of Lawsuit on Separate Case 1, I". The phrase "J. in the same" in line 8 on page 103 is altered to "(1)J. above". The text from "by the Plaintiff" in line 13 on the same page to the end of line 14 on the same page is altered to "there is no statement concerning the conditions and period of the license granted by the Plaintiff".

(13) The phrase "E" in line 6 on page 105 is altered to "in the examination of a witness conducted in second instance of Lawsuit on Separate Case 1, E".

2. Determinations concerning the parties' additional and supplementary allegations in this instance (relating to issues [ii], [iii], and [v])

(1) Identification of the Defendant's Products (issues [ii] and [iii])

The Defendant alleges that it is necessary to examine the Defendant's Products while dividing them into five types since their specifications differ according to users' needs. However, the "specifications" as alleged by the Defendant only refer to the settings of the Defendant's Products delivered. It is found to be possible to change whether to use a light intensity standard or a coordinate standard and whether to set an edge off zone by means of GUI (Exhibit Ko 128 and the entire import of oral argument). Therefore, even taking into account that the operation consists of nine steps, it cannot be said that the Defendant's Products should be examined separately with respect to each setting or recipe of the Defendant's Products delivered. It is reasonable to consider whether the Defendant's Products fulfill the constituent features while dividing them into those with fixed AF which are products with Defendant's Engine B mounted (the Defendant's Old Products; Subject Products 1(2)B) and those with low-tracking AF (the Defendant's New Products; Subject Products 1(1) and 1(2)A), and the aforementioned allegation of the Defendant is not acceptable.

(2) Formation of a modified region at one end of the scheduled cutting line in the Defendant's New Products (Constituent Features 1G, 1H, and 2A) (relating to issue [iii])

A. In the Inventions, a modified region is formed at one end of the scheduled cutting line with the lens held at the default position (Constituent Features 1H and 2A). As stated in No. 3, 4.(3) of the judgment in prior instance (from line 10 on page 79 to line 25 on page 82 of the judgment in prior instance) cited after corrections, it is not found that the "lens is held" "at the default position" when AF low tracking is controlled.

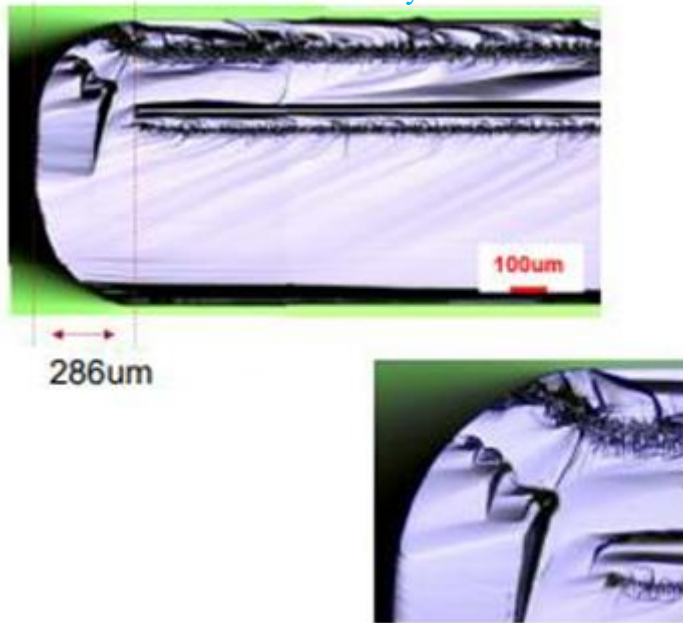
B. In the Defendant's New Products, when machining a silicon wafer with bevel by using

a light intensity standard for detecting the workpiece while setting the edge off zone at 0 mm, detection of an edge is determined at the point where detected light intensity exceeds a threshold set by a user, which is not the end of the silicon wafer but the position where the silicon wafer comes to have certain thickness. Therefore, the end of the silicon wafer and the position where the edge is detected are not the same position. Consequently, the position of the lens is fixed in a vertical position in the zone ranging from the end of the silicon wafer, which is a workpiece, to the position where the edge is detected, and the Defendant's New Products "hold the lens" "at the default position."

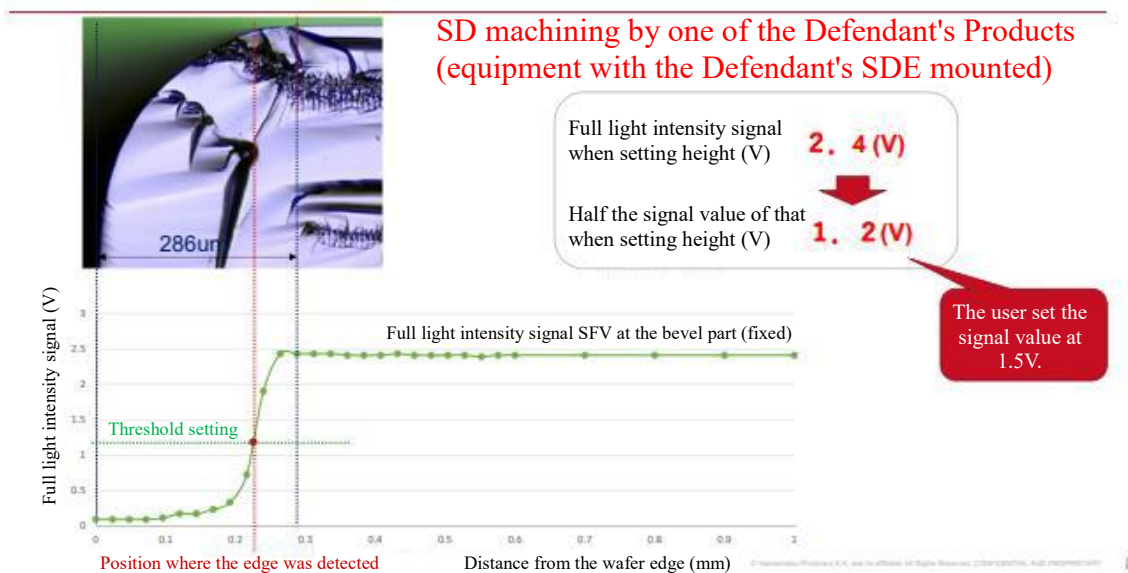
C. However, as mentioned below, it is not found that a modified region is formed in the aforementioned zone where the position of the lens is held.

(A) According to the Plaintiff's experimental results (Exhibit Ko 136), the Plaintiff conducted four kinds of experiments, but only one of them is related to the Defendant's Products, and the relevant products are the Defendant's Old Products with NS900 mounted. In other experiments, an SD engine manufactured by the Plaintiff is used. Therefore, the experiments cannot be considered to support the idea that the Defendant's New Products fulfill the constituent features. The result of the experiment using the Defendant's Old Products is as indicated in the following figures. For those machined at a shallow position, a black track exists to the left side of the position where the edge was detected, but whether this is a modified region is not necessarily clear. In addition, for one machined at a deep position, no track of machining is seen to the left side of the position where the edge was detected, and no modified region was formed.

(iii) TR-type 12 in 775  $\mu\text{m}$  bare wafer  
 Wafer machined by NS900



SD machining by one of the Defendant's Products (equipment with the Defendant's SDE mounted)

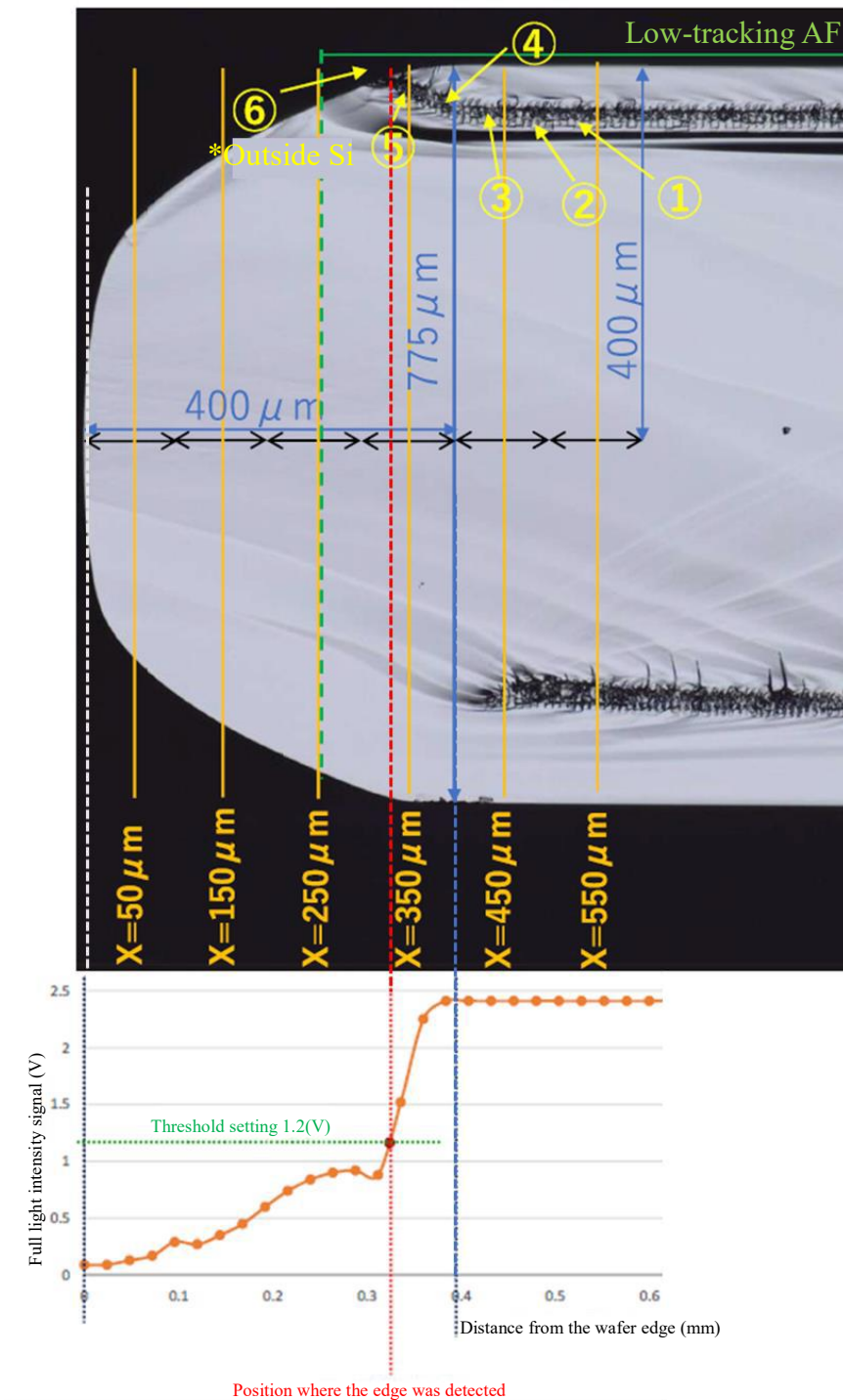


(B) The result of the Defendant's experiment (Exhibit Otsu 282) is as follows. A wafer was machined at the depth of 60  $\mu\text{m}$  and 680  $\mu\text{m}$  by using the light intensity standard and setting the edge off zone at 0 mm. No modified region was formed at the end of the workpiece when the wafer was machined at the depth of 680  $\mu\text{m}$ .



According to the result of the Defendant's simulation, all the tracks of the machining in the figure above are positioned to the right side of the position where the edge was detected (the position 250  $\mu\text{m}$  away from the actual wafer edge) (Exhibit Otsu 282).

In addition, when overlaying the aforementioned result of the Defendant's experiment and the result of the Plaintiff's experiment, the result is as follows. According to it, in the case of machining a wafer at the depth of 60  $\mu\text{m}$ , a black track is seen to the left side of the position where the edge was detected. However, that track appears to be slightly different in property from the track of the machining to the right side of the position where the edge was detected (modified region). In this regard, the Defendant alleges that the track of the machining to the left side of the position where the edge was detected is an ablation. The term "ablation" refers to a phenomenon in which a component on the surface of a solid is explosively emitted with generation of plasma when a laser beam is irradiated to the surface of the solid (Exhibit Otsu 206). It is not inconsistent to think that the black track that appears to the left side of the position where the edge was detected in the aforementioned case of machining at the depth of 60  $\mu\text{m}$  was left by ablation.



Therefore, there is no other choice but to say that there is no evidence sufficient to find that "a modified region is formed" with the "lens held" "at the default position" in the Defendant's New Products.

Consequently, the Defendant's New Products are not found to fulfill Constituent

Features 1G, 1H, and 2A.

(3) Whether the doctrine of equivalents is established (relating to issue [iii])

The Plaintiff alleges that the doctrine of equivalents is established regarding the fact that the Defendant's New Products adopt AF low tracking in place of AF fixing.

In the Inventions, a modified region is formed while eliminating the influence of shape fluctuation at the end of a workpiece as far as possible by releasing the state of the lens being held after forming a modified region at one end of the scheduled cutting line with the lens held at the default position (the state of AF being fixed) (see No. 3, 1.(2) of the judgment in prior instance cited after corrections). Holding the lens at the default position when forming a modified region at one end of the scheduled cutting line constitutes the essential part of the Inventions. However, AF low tracking in the Defendant's New Products performs control to adjust the distance between the lens and the principal surface by using a control signal, which is a variable value calculated based on three parameters, [i] the value of the assumed position (the assumed present position of piezo), [ii] the value of the actual height of the principal surface of the silicon wafer, and [iii] the value of the actual position of the piezo actuator. The lens is not held at the default position. Therefore, difference between the structure of the Inventions and the structure of the Defendant's New Products as alleged by the Plaintiff is the essential part of the Inventions. Therefore, the first requirement of equivalence (see 1994 (O) 1083, the judgment of the Third Petty Bench of the Supreme Court of February 24, 1998) is not satisfied.

Moreover, art pertaining to AF low tracking is intended to avoid the deviation of focus when a fixed lens is released (paragraphs [0008] and [0010] of Exhibit Otsu 60, and paragraphs [0008] and [0010] of Exhibit Otsu 61). It is art covered by a different patent right that involves a different technical idea from the Inventions while being premised on the Inventions. AF low tracking and AF fixing differ in terms of the problem to be solved, and the problem to be solved by AF low tracking arises from the fixing of the lens by AF fixing. Therefore, it cannot be found that a person ordinarily skilled in the art could have easily conceived of replacing AF fixing with AF low tracking when manufacturing the Defendant's New Products. Therefore, the Defendant's New Products also do not fulfill the third requirement of equivalence.

Consequently, without the need to consider other points, the doctrine of equivalents is not established regarding the Defendant's New Products.

(4) Defendant's alternative claim relating to whether a license has been granted for the manufacturing, etc. of the Defendant's Old Products (relating to issue [v])

As stated in No. 3, 6.(2) of the judgment in prior instance cited after corrections (from

line 10 on page 102 to line 15 on page 106 of the judgment in prior instance), it is found that the Plaintiff has granted to the Defendant a license for the manufacturing and sale of Product No. 1. However, there is no evidence sufficient to find that the Plaintiff has granted, in addition to that license, a license for the Defendant's Old Products manufactured, sold, and otherwise handled by the Defendant by the termination of the Business Alliance Agreement. Moreover, there is also no evidence sufficient to find that the Plaintiff has granted a license for all the manufacturing, sale, etc. of the Defendant's Old Products for Samsung. Therefore, the Defendant's alternative claim is not acceptable.

Incidentally, regarding the Defendant's allegation that it has obtained a license for the manufacturing, etc. of the subject products, the Plaintiff alleges that it is an allegation bringing a finished dispute up again and is in violation of the principle of good faith. However, it cannot go so far as to say that the allegation is in violation of the principle of good faith, taking into account the fact that the judgment on Lawsuit on Separate Case 1 became final and binding on June 7, 2023 and that the aforementioned Defendant's allegation was made before then.

### 3. Claims for an injunction and disposal (relating to issues [vi] and [vii])

(1) The determination of this court is as stated in No. 3, 7. of the judgment in prior instance (from line 16 on page 106 to line 4 on page 107). Therefore, the relevant text is cited. However, the text from "is not upheld" in line 3 on page 107 to line 4 on the same page is altered to "is not upheld. Moreover, there is no evidence sufficient to find that the Defendant possesses the Defendant's Old Products for the purpose of selling and otherwise handling them. Therefore, there is also no ground for the Plaintiff's claim for disposal of the Defendant's Old Products.".

(2) Regarding Subject Products 2, their existence is not found, and their structures are not clear. Therefore, Subject Products 2 cannot be found to infringe the Patent Right. Consequently, the Plaintiff's claims for an injunction and disposal relating to Subject Products 2 are groundless.

### 4. Occurrence of damage to the Plaintiff and the value of damage (issues [viii] to [x])

#### (1) Facts found

The facts found are as stated in No. 3, 8.(1) of the judgment in prior instance (from line 7 on page 107 to line 15 on page 111 of the judgment in prior instance), except for the corrections to the judgment in prior instance as follows. Therefore, the relevant parts of the judgment in prior instance are cited.

(Corrections to the judgment in prior instance)

A. The text from line 13 on page 107 to line 15 on the same page is deleted. A clerical mistake "アラインメント" in line 25 on the same page is altered to "アライメント

(alignment)". The phrase "Z-axis stage, and software design" in lines 4 and 5 on page 108 is altered to "Z-axis stage, etc.". The phrase "Exhibits Otsu 95 to 97, 128, and 129" is altered to "Exhibits Otsu 95 to 97, 127 to 129, and 139".

B. The text from line 24 on page 109 to line 26 on the same page is altered to the following:

"During the period from March 2018 to June 2022, the Defendant sold ●● units of the Defendant's New Products (Subject Products 1(1) and 1(2)A) in total to Samsung, TI, and Smart, all of which are foreign corporations, and sold ● units of Subject Products 1(1) to a Japanese corporation, TDK Corporation."

C. The phrase "constitutes infringement of the Plaintiff's patent portfolio" in lines 5 and 6 on page 111 is altered to "constitutes infringement of the Plaintiff's 15 patent rights (including the Patent Right (Claim 8))". The phrase "Exhibit Ko 9, " is added before ", and Exhibits Otsu 74" in line 6 on the same page.

## (2) Application of Article 102, paragraph (2) of the Patent Act

A. When a patentee claims compensation for damage based on a tort as referred to in Article 709 of the Civil Code on the grounds of patent infringement, the patentee is required to prove the intention or negligence of the infringer, occurrence of damage to the patentee, causal relationship between the infringement and the damage, and the value of damage. Article 102, paragraph (2) of the Patent Act provides that if a patentee files a claim for compensation for damage that the patentee personally incurs due to infringement against a person that intentionally or due to negligence, infringes the patent right, and the infringer has profited from the infringement, the amount of that profit is presumed to be the value of damage incurred by the patentee.

B. The purport of these provisions is as follows: in light of the fact that proof, etc. of the value of damage by a patentee involves difficulty, and this can cause inconvenience of failure to make appropriate compensation for damage, the provisions provide that where the infringer has profited from an infringement, the amount of profit from the infringement is to be presumed to be the value of damage incurred by the patentee, thereby intending to reduce the difficulty of the proof. Accordingly, it should be considered that the application of Article 102, paragraph (2) of the Patent Act is allowed in the case where there is any circumstance suggesting that a patentee could have gained profit if there were no patent infringement, on the grounds that the patentee incurred damage due to a patent infringement by the infringer (see the judgment of the Special Division of the Intellectual Property High Court of February 1, 2013 (Intellectual Property High Court, 2012 (Ne) 10015), the judgment of the Special Division of the Intellectual Property High Court of June 7, 2019 (Intellectual Property High Court, 2018 (Ne) 10063), and the judgment of



the Special Division of 2022).

C. When this determination is applied to this case on the premise of the facts found stated in (1) above, in this case, the Plaintiff's SD engine is a component that is essential for SD equipment to realize laser machining function using stealth dicing technology including the Inventions and bears an important function, and it can be said that the Plaintiff could have gained profit corresponding to the exported and sold Defendant's Old Products by selling its own SD engine to the Defendant or other SD equipment manufacturers if the Defendant had not committed the act of manufacturing, exporting, and selling the Defendant's Old Products (infringing products). However, the Plaintiff has sold SD engines but has not manufactured and sold SD equipment that falls under the same type of product as the infringing products. Moreover, there is also no evidence sufficient to find that the Plaintiff is capable of manufacturing SD equipment by itself and had had a specific plan to manufacture and sell SD equipment. The Plaintiff's lost profit is absolutely that caused by the loss of sales of SD engines and is not that caused by the loss of sales of SD equipment. SD equipment and SD engines differ in consumers and market and are not competing in the same market. Therefore, there is no reasonable circumstance based on which the Defendant's entire profit from the sales of SD equipment is presumed to be profit from the sales of SD engines lost by the Plaintiff (damage to the Plaintiff).

D. In this regard, the Plaintiff also alleges that, out of the marginal profit of the Defendant's Old Products, the marginal profit for the part corresponding to the SD engine should be presumed to be the value of damage incurred by the Plaintiff. However, an SD engine is a component constituting part of SD equipment, and the value for the SD engine is merely one of many items that constitute manufacturing costs. In this case, there is no circumstance sufficient to specify the portion of the marginal profit of SD equipment that is derived from each component. There is thus no choice but to say that it is difficult to specify the portion derived from the "SD engine" alone, and the marginal profit for the "part corresponding to the SD engine" cannot be unambiguously specified. Even in the case of calculating such marginal profit, there is no established calculation method, and various conclusions can be drawn depending on the factors considered and the logical manipulation performed. Therefore, it should be said that the "part corresponding to the SD engine" of the marginal profit calculated in such way cannot be used as a reasonable basis for presuming the value of damage incurred by the Plaintiff in this case and converting the burden of argument and proof of a ground for reversal of presumption. Consequently, the aforementioned allegation of the Plaintiff is not acceptable.

E. For the reasons described above, it can be said that the application of the provisions of Article 102, paragraph (2) of the Patent Act is allowed in this case on the grounds that

there is a circumstance suggesting that the Plaintiff could have gained profit if there were no patent infringement by the infringer. However, the marginal profit for the part corresponding to the SD engine cannot be specified. Therefore, the value of damage incurred by the Plaintiff in this case cannot be found pursuant to the provisions on presumption of the same paragraph. In all the aforementioned judgments of the Special Division of the Intellectual Property High Court, the Intellectual Property High Court made determinations on the cases with a circumstance where the patentee, etc. had sold and otherwise handled a product targeting the same market and consumers as the product wherein the patent is worked or the infringing product. Therefore, those judgments do not conflict with the understanding of this case as stated above. The Plaintiff also cites the judgment of the Intellectual Property High Court of August 8, 2022 (Intellectual Property High Court, 2019 (Ne) 10007). However, the same judgment was rendered on a case in which the patentee sells the finished product while the infringer sells a component that indirectly infringes the patent and is not a case like this case in which specification of the portion corresponding to a relevant component in the marginal profit of a finished product becomes an issue. Therefore, said judgment is not sufficient to affect the conclusion regarding the application of the same paragraph as stated above.

Consequently, it is reasonable to find the value of damage incurred by the Plaintiff in this case by a method other than the application of the provisions on presumption of Article 102, paragraph (2) of the Patent Act.

### (3) Consideration of Lawsuit on Separate Case 2 (965 Patent)

In consideration of infringement based on the subject patent of Lawsuit on Separate Case 2, that is, 965 Patent, the Defendant alleges that it is reasonable to divide the value of damage in half between this case and Lawsuit on Separate Case 2. However, whether the manufacturing, sale, etc. of the subject products constitutes infringement of 965 Patent is not covered in this lawsuit, and it is not reasonable to calculate the value of damage on the premise of establishment of infringement of 965 Patent in this case even if damage incurred by the Plaintiff in this case partially overlaps with damage incurred by the Plaintiff due to infringement of 965 Patent. Therefore, the aforementioned allegation of the Defendant is not acceptable, irrespective of the calculation method of the damage.

(4) Calculation of the value of damage under Article 102, paragraph (1) of the Patent Act (the Patent Act amended by Act No. 3 of 2019; This case is a case prior to the enforcement date of the amendment Act (April 1, 2020), but hereinafter, the provisions of the amended Patent Act are applied as there is no transitional provision.)

A. Article 102, paragraph (1) of the Patent Act is a provision prescribing the method of calculating the value of damage when claiming compensation for damage relating to lost

profits due to a decrease in sales quantity under Article 709 of the Civil Code. The same paragraph provides as follows: the amount calculated by multiplying the quantity of articles that the infringer transferred (quantity of transferred articles) by the amount of profit per unit for the articles that the patentee would have been able to sell if the infringement had not taken place is presumed to be the value of damage to the extent of the patentee's ability to work the patented invention; however, if the infringer proves a circumstance that renders the patentee unable to sell a quantity of articles equivalent to all or part of the quantity of articles transferred, the amount corresponding to the quantity corresponding to the circumstance is deducted. Thereby, the same paragraph ensures conversion of the burden of proof of a reduced quantity of articles sold that has a reasonable causal relationship with the infringement, with the aim of realizing the more flexible finding of a reduced quantity of articles sold (see the judgment of the Special Division of the Intellectual Property High Court of February 28, 2020 (Intellectual Property High Court, 2019 (Ne) 10003)).

In light of the text and the aforementioned purport of Article 102, paragraph (1) of the Patent Act, the "articles that the patentee would have been able to sell if the infringement had not taken place" (item (i) of the same paragraph) are nothing more than the patentee's products whose sales quantity is affected by the infringement. In the case where a patentee sells a product wherein the patent is worked or an article (component) exclusively used for the production of a product wherein the patent is worked and there is a relationship wherein the patentee would have been able to sell its own product if the infringement had not taken place, it can be said that the patentee has sold a product whose sales quantity is affected by the infringement. Therefore, the application of the same paragraph is approved.

As stated in (2) above, in this case, it is presumptively recognized that the Plaintiff would have been able to sell the Plaintiff's engine it manufactures and gain profit from the sales if infringement by the Defendant had not taken place. Thus, it can be said that the Plaintiff had sold the Plaintiff's engine, which is a product whose sales quantity is affected by the infringement. Therefore, the same paragraph is applicable.

#### B. Marginal profit

The Plaintiff alleges that the marginal profit of the Plaintiff's engine is ●●●●●●●● yen. However, as the facts found stated above, the aforementioned amount of marginal profit cannot be adopted as it is since the Plaintiff had sold the Plaintiff's engine to the Defendant at ●●●●● yen.

According to the written statement of the Plaintiff's employee (Exhibit Ko 73), the cost of the Plaintiff's engine (a set of 800DS), which is a competing product of the SD engine of the Defendant's Old Products (Subject Products 1(2)B), is ●●●●● yen

(rounded down to the nearest 10,000 yen). On the premise of this, the marginal profit per unit of the Plaintiff's engine is ●●●●● yen (= ●●●●● yen - ●●●●● yen), and the marginal profit of ●● units is 412,800,000 yen.

Incidentally, the portion pertaining to LD modules is not taken into consideration as an LD module cannot be found to be an article that the Plaintiff would have been able to sell if the infringement had not taken place.

#### C. Reversal of presumption

The Inventions are not related to the stealth dicing function itself but are related to processing of the end in the laser machining of a workpiece by using the same function. The ability to attract customers of the Inventions themselves is not found to be high, taking into account the facts that regarding art pertaining to the Inventions, there are alternative technologies using AF low tracking and a method of not performing laser machining at the end of a workpiece (edge off) and that the Defendant is actually selling the Defendant's New Products using AF low tracking with edge off function. SD equipment of the Defendant or Disco with the Plaintiff's engine mounted does not have exactly the same performance and function as the Defendant's Old Products. The Defendant has sold the Defendant's Products by changing the specifications of SD equipment and developing and providing modules according to the manufacturing processes and the shapes of workpieces of individual users. Taking into account these circumstances that appeared in this case together, it is reasonable to find that the quantity corresponding to the "circumstance that renders the patentee unable to sell" as referred to in Article 102, paragraph (1), item (i) of the Patent Act accounts for 70%.

#### D. Value of damage

According to the above, the value of damage calculated pursuant to Article 102, paragraph (1) of the Patent Act is 123,840,000 yen (= 412,800,000 yen x (1 - 0.7)) and exceeds the value of damage calculated pursuant to paragraph (3) of the same Article ((5)B. below).

Incidentally, the Plaintiff alleges that in calculating the value of damage under paragraph (1) of the same Article, the amount equivalent to the royalty of 3,000,000 yen per unit should be added to the amount calculated by multiplying the amount of marginal profit per unit of the Plaintiff's engine by the number of units of the infringing products sold. The provisions of item (ii) of the same paragraph allow to add the value of damage in the amount equivalent to royalty under certain conditions in the case where there is any quantity exceeding the quantity covered by the patentee's ability to work the patented invention or specified quantity as referred to in item (i) of the same paragraph. However, the quantity corresponding to the "circumstance that renders the patentee unable to sell"

found in C. above is not found to be that for which the patentee could have granted a license in terms of its nature. Therefore, the amount equivalent to the royalty cannot be added through the application of the provisions of item (ii) of the same paragraph. Consequently, the Plaintiff's allegation is not acceptable.

(5) Calculation of the value of damage under Article 102, paragraph (3) of the Patent Act A. The calculation is as stated in No. 3, 8.(4)A. to E. of the judgment in prior instance (from line 8 on page 116 to line 20 on page 120 of the judgment in prior instance), except for the corrections to the judgment in prior instance as follows. Therefore, the relevant parts of the judgment in prior instance are cited.

(Corrections to the judgment in prior instance)

(A) A clerical mistake "定められたものいえる" in line 3 on page 117 is altered to "定められたものといえる (can be considered to have been set)". A clerical mistake "主張がある、" in line 2 on page 118 is altered to "主張があり、(includes the allegation, and)". The text from "is basically found to be incidental to the sale of the Plaintiff's engine" in line 8 on the same page to the end of line 12 on the same page is altered to "is basically found to be incidental to the sale of the Plaintiff's engine, and the Plate itself cannot be found to have a separate value beyond being an indication of embedment of the Plaintiff's engine".

(B) The phrase "((1)E. above)" in line 13 on page 119 is altered to "(incidentally, this agreement was concluded prior to the filing of the application for the Patent, and the Patent Right is not included in ●● patent rights; the fact found stated above)".

(C) The phrase "Taking these facts into account" in line 13 on page 120 is altered to "Taking into account the consideration for the working of the Inventions on which the Plaintiff would agree on the premise that the Patent Right was infringed, in addition to these facts".

B. According to A. above, the value of damage calculated under Article 102, paragraph (3) of the Patent Act is ●●●●●●●●●● yen (= ●●●●●●●●●● yen x 0.05) and is less than the value of damage calculated under paragraph (1) of the same Article ((4)D. above).

(6) Damage under Article 709 of the Civil Code and consideration of the Plaintiff's negligence

As stated in (1) to (5) above, it is found that the Plaintiff incurred damage due to a tort of infringement of the Patent Right wherein the Defendant manufactured, exported, and sold the Defendant's Old Products (Subject Products 1(2)B) without obtaining a license from the Plaintiff. However, even in consideration of various circumstances alleged by the Plaintiff, it cannot be found that the value of damage incurred by the Plaintiff exceeds the

amount presumed in (4) above.

Moreover, in light of the development of facts stated in No. 3, 6.(1) of the judgment in prior instance cited after corrections (from line 3 on page 90 to line 9 on page 102 of the judgment in prior instance), if the Defendant had recognized that, at the meeting held on October 8, it obtained from the Plaintiff not only a license for one unit for Samsung (Product No. 1) but also a license for the Inventions in relation to units that it would manufacture, sell, and otherwise handle thereafter, such recognition must be considered to be due to the Defendant's negligence, and the Plaintiff's attitude at the same meeting and thereafter cannot be found to become a reason for requiring comparative negligence.

(7) Value of damage

As stated above, the value of damage incurred by the Plaintiff due to the Defendant's manufacturing, export, and sale of the Defendant's Old Products (Subject Products 1(2)B) is 123,840,000 yen.

Taking into account various circumstances, such as the nature and content of this case, the amount upheld in this case, and the progress of the proceedings in prior instance and this instance, it is reasonable to find that the amount equivalent to attorney's fees that have reasonable causal relationship with the Defendant's tort of infringement of the Patent Right is 13,000,000 yen.

Therefore, the value of damage incurred by the Plaintiff is 136,840,000 yen in total.

(8) Defense of performance

It is reasonable to consider that a payment made by a defendant, while disputing existence of an obligation that the defendant was ordered to perform by a judgment with a declaration of provisional execution by filing an appeal against the judgment, as performance of the obligation ordered in the same judgment falls under "what the defendant delivered based on a declaration of provisional execution" as referred to in Article 260, paragraph (2) of the Code of Civil Procedure unless there are special circumstances where the payment can be found to be an absolutely voluntary performance (see 1969 (O) 993, the judgment of the First Petty Bench of the Supreme Court of June 15, 1972, Minshu Vol. 26, No. 5, at 1000). In this case, the Defendant made a payment as performance of an obligation ordered in the judgment in prior instance, while disputing existence of the obligation by filing an appeal against the judgment in prior instance with a declaration of provisional execution. Taking into account the fact that the Defendant stated that it would file a claim for return of unjust enrichment if absence of the obligation is confirmed, it is clear that the aforementioned performance is not an absolutely voluntary performance. Therefore, the fact of the performance should not be taken into account in relation to the propriety of the Plaintiff's claim in this case. Consequently, there is no ground for the

Defendant's defense of performance.

(9) Claim for return of unjust enrichment

The Plaintiff selectively made a claim for return of unjust enrichment, in addition to a claim for compensation for damage based on a tort. However, the amount of unjust enrichment is the amount equivalent to the royalty and is the same amount as the amount stated in (5) above, and it does not exceed the amount found by making a claim for compensation for damage based on a tort ((7) above).

(10) Summary

Therefore, the Plaintiff can demand that, as compensation for damage based on a tort of infringement of the Patent Right, the Defendant pay 136,840,000 yen and delay damages accrued thereon at the rate of 5% per annum as prescribed in the Civil Code prior to Amendment for the period from the day following the day on which the tort was committed, November 1, 2018, until the completion of the payment.

5. Conclusion

For the reasons described above, the Plaintiff's claim is well-grounded to the extent of seeking the Defendant's payment of 136,840,000 yen and money accrued thereon at the rate of 5% per annum for the period from November 1, 2018, until the completion of the payment, and all the other claims are groundless. The judgment in prior instance that differs from this determination is partially unreasonable. Therefore, the judgment in prior instance is modified based on the Plaintiff's appeal to the court of second instance, and the Plaintiff's additional claim is dismissed with prejudice on the merits as it is groundless. The Appeal filed by the Defendant is dismissed with prejudice on the merits as it is groundless, and a declaration of evasion of provisional execution based on the Defendant's petition is not issued as it is not reasonable. Thus, the judgment is rendered as indicated in the main text.

Intellectual Property High Court, Second Division

Presiding judge: SHIMIZU Hibiku

Judge: ASAI Ken

Judge: KATSUMATA Kimiko

Attachment

List of the Parties

Appellant and Appellee (Plaintiff in First Instance): Hamamatsu Photonics K.K.  
(hereinafter referred to as the "Plaintiff")

Appellee and Appellant (Defendant in First Instance): Tokyo Seimitsu Co., Ltd.  
(hereinafter referred to as the "Defendant")



## Attachment

## List of Abbreviations of Terms

Note: Terms and abbreviations of which the "Page in the judgment in prior instance" column is blank are those defined in this judgment.		
Term/abbreviation	Meaning	Page in the judgment in prior instance
Minutes of the meeting held on October 23	Minutes of the meeting held on October 23, 2014 which was prepared by the Defendant; Exhibit Ko 31	96
Meeting held on October 8	Meeting held on October 8, 2014 which D and E had with the Defendant's adviser J and the Defendant's representative director and semiconductor company's president I' by visiting the Defendant	95
Minutes of the meeting held on October 8	Minutes of the meeting held on October 8 which was prepared by I' in handwriting; Exhibit Otsu 18	95
Memorandum Record	Memorandum record on the meeting held on October 8 which was prepared by E; Exhibit Ko 30	96
108 Patent	Patent right for Patent No. 3867108 held by the Plaintiff	15
188 Patent	Patent right for Patent No. 3935188 held by the Plaintiff	15
711 Patent	Patent right for Patent No. 3990711 held by the Plaintiff	15
965 Patent	Patent right for Patent No. 4601965 held by the Plaintiff	15
E	Manager of the 6th manufacturing division of the Plaintiff	94
D	Director of the electron tube business division of the Plaintiff	91
I'	Representative director and semiconductor company's president of the Defendant	95
J	Representative director and president of the Defendant	91
K	Executive managing director and director of the electron tube business division of the Plaintiff	93
SK hynix	SK hynix Inc.	9
TI	Texas Instruments Incorporated	9
Samsung	Samsung Electronics Co., Ltd.	9
Disco	Disco Corporation	8
AF fixing	Suspending AF tracking and fixing an objective lens	12
AF tracking	Auto focus tracking	12
SD engine	Engine used for stealth dicing	8
SD equipment	Stealth dicing equipment with an SD engine mounted	8
Subject products	Products stated in the List of Subject Products attached to the judgment in prior instance	2
Lawsuit on separate cases	Lawsuit on Separate Cases 1 and 2 together	15
Plaintiff's engine	SD engine manufactured by the Plaintiff	8
Constituent features	Segmented parts of the Inventions	5
Control order value	Value below a prescribed upper limit based on the value obtained by multiplying the value of an assumed position and the measured values of the actual height of the principal surface of a silicon wafer and of actual distance from the piezo actuator by a certain coefficient (0.8) [specifically, value of an assumed position + (value of the actual height of the principal surface of the silicon wafer – actual position of the piezo actuator) x 0.8]	14
Standby position until scanning starts	Standby position until scanning outside a silicon wafer starts	14
Assumed position	Assumed position of the piezo actuator when entering the end of a silicon wafer, which is calculated based on the measurement result of the shape of the silicon wafer, etc.	13

Subject Products 1	Collectively referring to Subject Products 1(1), 1(2)A, and 1(2)B	10
Subject Products 1(1)	Products stated in 1.(1) of the List of Subject Products attached to the judgment in prior instance	9
Subject Products 1(2)A	Products stated in 1.(2)A. of the List of Subject Products attached to the judgment in prior instance	9
Subject Products 1(2)B	Products stated in 1.(2)B. of the List of Subject Products attached to the judgment in prior instance	8
Subject Products 2	Products stated in 2. of the List of Subject Products attached to the judgment in prior instance	
Defendant's New Products	Subject Products 1(1) and 1(2)A	
Defendant's Old Products	Subject Products 1(2)B	
Defendant's Products	Collectively referring to the Defendant's New Products and the Defendant's Old Products	
Product No. 1	Product stated in No. 1 of the "List of Sales of Subject Products: 1.(2)B." attached to the judgment in prior instance	
Low tracking	Moderate AF tracking	14
Low tracking region	Range where the objective lens is scanned in a low tracking state	14
Non-machined region	Certain range from the end of a silicon wafer that is not laser machined	14
Defendant's Engine A	SD engine developed by the Defendant separately from Defendant's Engine B; mounted on the Defendant's New Products	9
Defendant's Engine B	SD engine independently developed by the Defendant from around 2015; mounted on the Defendant's Old Products	8
Lawsuit on Separate Case 1	Lawsuit filed by the Plaintiff on the grounds of infringement of 188 Patent and 711 Patent (Tokyo District Court, 2018 (Wa) 28929)	15
Lawsuit on Separate Case 2	Lawsuit filed by the Plaintiff on the grounds of infringement of 108 Patent and 965 Patent (Tokyo District Court, 2018 (Wa) 28930)	15
Memorandum	Memorandum intended to modify the Business Alliance Agreement and the Basic Sales Agreement, which were prepared on September 18, 2007 by K, who is the executive managing director and the director of the electron tube business division of the Plaintiff, and L, who is the executive officer and executive managing director of the semiconductor company of the Defendant	93
Answer	Answer that G of the Plaintiff sent to Certain Person F of the Defendant by email on March 30, 2015	98
Inventions	Inventions 1 and 2	5
Business Alliance Agreement	Agreement on business alliance concluded between the Plaintiff and the Defendant on September 18, 2003; Exhibit Ko 6-2	7
License	License alleged by the Defendant as having been granted by the Plaintiff to the Defendant for the manufacturing and sale of Subject Products 1(2)B	28
Prototype	SD equipment on which the Defendant's Engine B is mounted that was provided by the Defendant to Samsung around May 2015	98
Patent Right	Patent right for Patent No. 4509578 held by the Plaintiff; Exhibit Ko 1	3
Patent	Patent for the Patent Right	4
Basic Sales Agreement	Basic sales agreement on the bulk sale of the Plaintiff's engine concluded between the Plaintiff and the Defendant on June 8, 2006; Exhibit Otsu 14	93
Invention 1	Invention pertaining to Claim 8	5
Invention 2	Invention pertaining to Claim 11	5
Plate	SDE plate on which characters, etc. "HAMAMATSU, SDE, and Stealth Dicing Engine Inside!" are written	8
Report	In-house report on the content of explanation regarding the development of engines manufactured by the Defendant that was given by the Defendant on March 25, 2015 upon the Plaintiff's visit to the Defendant, which was prepared by G of the Plaintiff; Exhibit Ko 32 and Exhibit Otsu 276	97
Description	Description and drawings attached to the written application for the Patent; Exhibit Ko 2	4

Attachment

List of Sales Status of Subject Products

Attachment

Plaintiff's Allegations (Marginal Profit of Subject Products 1(2)B)