
Date of the judgement

2009.01.27

Case Number

2008(Kyo)36

Reporter

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Title

Decision concerning whether or not it is allowable to file a petition for a protective order under Article 105-4, paragraph (1) of the Patent Act in a provisional disposition case to seek an injunction against the infringement of a patent right or exclusive license

Case name

Case of appeal with permission against the ruling to dismiss with prejudice on the merits the appeal against the order to dismiss without prejudice the petition for a protective order

Result

Decision of the Third Petty Bench, quashed and decided by the Supreme Court

Court of the Second Instance

Intellectual Property High Court, Decision of July 7, 2008

Summary of the judgement

A provisional disposition case to seek an injunction against the infringement of a patent right or exclusive license falls within the category of “litigation concerning the infringement of a patent

right or exclusive license” prescribed in the main clause of the principal part of Article 105-4, paragraph (1) of the Patent Act, and it is allowable to file a petition for a protective order under said paragraph in such provisional disposition case.

References

Article 100, paragraph (1) and Article 105-4, paragraph (1) of the Patent Act, Article 23, paragraph (2) of the Civil Preservation Act

Article 100, paragraph (1) of the Patent Act

(1)A patentee or exclusive licensee may demand a person who infringes or is likely to infringe the patent right or exclusive license to stop or prevent such infringement.

Article 105-4, paragraph (1) of the Patent Act

(1)In litigation concerning the infringement of a patent right or exclusive license, where there is prima-facie evidence of the fact that trade secrets (refers to trade secrets as provided in Article 2(6) of the Unfair Competition Prevention Act (Act No. 47 of 1993), the same shall apply hereinafter) possessed by a party satisfy all of the following paragraphs, the court may, upon a motion of the party, order by a ruling that the parties, etc., attorneys or assistants shall neither use the trade secrets for any purpose other than those for the proceedings of the litigation nor disclose the trade secrets to any person other than those who receive the order regarding the trade secrets under this provision; provided, however, that this shall not apply where the parties, etc., attorneys or assistants have, prior to the filing of the motion, already obtained or been in the possession of the trade secrets by a method other than by reading of the briefs under item (i) or through the examination or disclosure of evidence under the said item:

(i)where the trade secrets possessed by the party were or are contained in the briefs already submitted or to be submitted or such trade secrets were or are contained in the evidence already examined or to be examined (including documents disclosed under Article 105(3) and under Article 105-7(4)); and

(ii)where it is necessary to restrict the use or the disclosure of the trade secrets under the preceding paragraph to prevent any possible interference with the party's business activities based on the trade secrets, that might arise if the trade secrets are used for any purpose other than those for the proceedings of the litigation or if the said trade secrets are disclosed.

Article 23, paragraph (2) of the Civil Preservation Act
(Necessity, etc. of Order of Provisional Disposition)

(2) An order of provisional disposition to determine a provisional status may be issued when it is necessary in order to avoid any substantial detriment or imminent danger that would occur to the obligee with regard to the relationship of rights in dispute.

Main text of the judgement

The decision in prior instance is quashed, and the decision in first instance is revoked.
This case is remanded to the Tokyo District Court.

Reasons

Reasons for Appeal argued by the appeal counsels, ONO Seiji, et al.

1. The point at issue in this case is whether or not it is allowable to file a petition for a protective order under Article 105-4, paragraph (1) of the Patent Act in a case pertaining to a petition for an order of provisional disposition to seek an injunction against the infringement of a patent right, etc.

2. According to the case records, the outline of the case is as follows.

(1) A filed a petition for an order of provisional disposition to seek an injunction, etc. against the import and sale of LCD television sets and LCD monitors and other acts conducted by the appellant, alleging that such acts infringe A's patent right (the case pertaining to this petition shall hereinafter be referred to as the "Provisional Disposition Case"). In the Provisional Disposition Case, a hearing was held on the date on which the appellant, who is the obligor, was able to attend.

(2) The appellant filed a petition for a protective order under Article 105-4, paragraph (1) of the Patent Act against the appellees, who were A's agents or assistants in court, in order to protect the appellant's trade secrets, alleging that these trade secrets were stated in the brief and other documents that the appellant planned to submit in the Provisional Disposition Case (this petition for a protective order shall hereinafter be referred to as the "Petition").

3. The court of prior instance dismissed the Petition without prejudice, holding that since "litigation concerning the infringement of a patent right or exclusive license" prescribed in the main clause of the principal part of Article 105-4, paragraph (1) of the Patent Act does not include a provisional disposition case to seek an injunction against the infringement of a patent right, it is unallowable to file a petition for a protective order in the Provisional Disposition Case.

4. However, we cannot affirm the determination of the court of prior instance mentioned above, on the following grounds.

In litigation concerning the infringement of a patent right or exclusive license, if any trade secrets are included in the brief or documentary evidence that are planned to be submitted to the court, it could happen that the party who holds these trade secrets, for fear that the trade secrets will be used by the other party for purposes other than the purpose of conducting the suit or be disclosed to a third party, which would cause hindrance to the party's business activities involving the trade secrets, refrains from showing those trade secrets at court and ends in failing to make sufficient allegations and proof. It can be construed that in order to avoid such situation, the Patent Act provides for the protective order system (Article 105-4 to Article 105-6, Article 200-2, and Article 201 of said Act) and prohibits, by a protective order with criminal punishment, such trade secrets from being used for purposes other than the purpose of conducting the suit or disclosed to a party other than the one who has received the protective order.

A provisional disposition case to seek an injunction against the infringement of a patent right or exclusive license addresses a specific issue, i.e. whether or not an order of provisional disposition is necessary, which is not disputed in a case on the merits. However, since other issues are addressed both in the provisional disposition case and the case on the merits, there is no difference between these cases in that the party who holds the trade secrets is likely to face the above-mentioned situation, and the protective order system cannot be deemed to accept this. Even if we construe that a petition for a protective order may be filed in such provisional disposition case, this construction cannot be judged to be contrary to the features of a provisional disposition case, such as that the case should be handled promptly.

Under the Patent Act, the term "litigation" is not only used to refer to a case on the merits but it also includes a civil preservation case in some provisions (Article 54, paragraph (2) and Article 168, paragraph (2) of said Act). In light of the purpose of the protective order system described above, it is appropriate to construe that a provisional disposition case to seek an injunction against the infringement of a patent right or exclusive license falls within the category of "litigation concerning the infringement of a patent right or exclusive license" prescribed in the main clause of the principal part of Article 105-4, paragraph (1) of the Patent Act, and it is allowable to file a petition for a protective order in such provisional disposition case.

5. The determination of the court of prior instance that goes against this reasoning contains a violation of laws and regulations which apparently affects the judgment. The appeal counsels' arguments are well-grounded, and the decision in prior instance should inevitably be quashed. We have decided to revoke the decision in first instance and remand the case to the court of first

instance for further examination.

Therefore, the decision has been rendered in the form of the main text by the unanimous consent of the Justices.

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Presiding judge

Justice FUJITA Tokiyasu

Justice HORIGOME Yukio

Justice NASU Kohei

Justice TAHARA Mutsuo

Justice KONDO Takaharu

(This translation is provisional and subject to revision.)