Patent Right	Date	June 30, 2020	Court	Intellectual Property High Court, Third Division
	Case number	2018 (Ne) 10062		
- A case in which, with regard to the claim for reasonable compensation for 12 employee inventions of patents, the approved amount in the judgment in prior instance was changed/decreased, and payment of the balance of approximately 29,590,000 yen obtained by deducting 22,200,000 yen which is the total of already paid renumerations pursuant to the inhouse rules was ordered,				

Case type: Claim for Employee's Invention Compensation

Result: Modification of the prior instance judgment

References: Article 35 of the Patent Act (before 2004 Revision)

Related rights, etc.: Patent No. 3709946 and 11 other cases

Judgment of the prior instance: Tokyo District Court, 2015 (Wa) 1190 (rendered on May 29, 2018)

Summary of the Judgment

1. This case is a case in which Plaintiff of the first court who was an employee of Defendant of the first court made a claim for 500,000,000 yen from Defendant of the first court as a partial claim for the balance of 29,669,763,400 yen obtained by deducting 22,200,000 yen, which is the total of already paid renumerations pursuant to the inhouse rules as the claim for reasonable compensation for the employee inventions during office.

   The judgment in prior instance approved the claim to the limit of approximately 31,810,000 yen.

   Both parties appealed against the lost part. In the appeal, Plaintiff of the first court reduced the amount of the partial claim to 300,000,000 yen.

   The judgment partially changed the judgment in prior instance and approved the claim to the limit of approximately 29,590,000 yen.

2. Major points in which the judgment was different from the judgment in prior instance are as follows:

   (1) Extinctive prescription of the right to claim for reasonable compensation corresponding to profits of monopoly by working of the invention before registration of the patent

   [Judgment in prior instance]

   A. The start point of extinctive prescription for the claim for reasonable compensation is the time of succession of the right to be granted a patent in

principle, but if a rule such as an employment regulation prescribes the timing of payment of compensation which should be paid by an employer to an employee, the payment timing is the start point of the extinctive prescription.

B. It can be considered that the inhouse rules of Defendant of the first court do not have the prescription on the payment timing of the claim for reasonable compensation according to achievements such as working of the invention after registration and the like and thus, the extinctive prescription proceeds from the succession of the right to be granted a patent in principle. In each of the present inventions, since the right to be granted a patent had been assigned to Defendant by March 31, 2000 at the latest, the extinctive prescription was completed before institution of this lawsuit.

[This judgment]

A. (Same as A in judgment in prior instance)

B. The inhouse rules of Defendant of the first court do not discriminate the working before registration or the like from the working after the registration or the like in wording related to working, and there seems to be little necessity to discriminate them in actuality and thus, the inhouse rules are understood to provide for the purpose of payment of remunerations also to the working before registration or the like. Moreover, the inhouse rules do not provide for the specific timing of payment thereof, and it is difficult to interpret that the rules prescribe that the remunerations or the like should be paid immediately after the registration, working, and the like of the patent right and the like. Therefore, one cannot help but understand that the claim for reasonable compensation arises without definite duration at the succession of the right to be granted a patent as in the aforementioned principle.

Then, the extinctive prescription period proceeds from the succession of the right to be granted a patent, but since it is interpreted that the payment is prescribed in the inhouse rules without discrimination between the claim for reasonable compensation to the working before registration of the patent and the like and that to the working after registration of the patent and the like, it should be interpreted that the payment of the remunerations is partial reimbursement to the total claim for reasonable compensation to the working or the like, whether it is before or after the registration of the patent, and falls under acknowledgment of the debts or

release of right to invoke extinctive prescription. Since Defendant of the first court had paid the remunerations until approximately March in 2016 after this lawsuit was instituted, Defendant of the first court cannot assert completion of the extinctive prescription for the claim for payment of reasonable compensation to the working before registration of the patent and the like.

However, since profits of monopoly cannot be even concepted for the working of the invention before publication of the application, the claim for reasonable compensation does not emerge. Moreover, with regard to the working of the invention before registration of the patent after the publication of the application, the profits of monopoly remain half of those realized by the working of the invention after the registration of the patent.

(2) Virtual working rate used in calculation of profits of monopoly involved in self-working

[Judgment in prior instance]

It is found to be 0.8% per target patent.

[This judgment]]

It is found to be 0.3% of the same.

(3) Profits of monopoly involved in contribution in kind of the working right of 8 patents among the target patents to affiliated companies

[Judgment in prior instance]

Since the number of patents with the working rights contributed in kind at the same time is 150 patents in total, it is considered to have a value of 8/150 part of the assessed amount of the patent rights contributed in kind.

[This judgment]

Since the technical meaning of the target patent is found to be high, it is considered to have the value of half of the assessed amount of the patent rights contributed in kind.

(4) Profits of monopoly involved in licensing to third party

[Judgment in prior instance]

There is insufficient evidence to find it.

[This judgment]

It is found to be 50,000,000 yen.

(5) Already-paid remunerations

[Judgment in prior instance]

An amount of the remunerations shall be deducted from the amount of the

reasonable compensation for each target patent. The remunerations shall be overpaid for some patents, but no adjustment shall be made such that the overpaid part is applied to unpaid part of the reasonable compensation for the other patents. [This judgment]

The amount of the remunerations paid for the target patents shall be totaled and equally divided, and deducted from the amount of the reasonable compensation of each target patent (no overpayment arises).