
Articles

Outline of the Intellectual Property High Court of Japan

Katsumi Shinohara*

1. History of the Intellectual Property High Court

The half-century long history of the intellectual property division (IP Division) of the Tokyo High Court opens a new page with the start of the Intellectual Property High Court as a kind of “special branch” within the Tokyo High Court as of April 1, 2005. Tracing its long history, after the post-war amendment to the Patent Law of 1921 (setting forth the system for appeal trials and appeal to the Grand Court) in July 1948, by which the Tokyo High Court was given exclusive jurisdiction over suits against appeal/trial decisions made by JPO, the 5th Special Division was established in November 1950 for handling appeals from JPO and district court decisions on intellectual property cases. Judicial research officials were also assigned pursuant to Article 57 of the Court Organization Law.

Subsequently, various additional divisions were given responsibility to handle IP cases — the 5th Special Division was replaced with the 6th Civil Division in March 1958, then the 13th Civil Division

in December 1959, the 18th Civil Division in January 1985, and the 3rd Civil Division in April 2002 were added. During that period, the official name of the IP Division remained the “Civil Division”, although the group had been often called the patent division, industrial property division or intellectual property division. These specialized divisions became independent from the regular Civil Division as of April 1 of 2004 due to institutional reform and were renamed as the “Intellectual Property Divisions (IP Division)”. Accordingly, in the order of the office spaces located on 17th floor of Tokyo Court Complex in Kasumigaseki, the names of those specialized Civil Division were changed as follows: the 3rd Civil Division to the 1st IP Division, the 13th Civil Division to the 2nd IP Division, the 6th Civil Division to the 3rd IP Division and the 18th Civil Division to the 4th IP Division, respectively. Furthermore, the 6th Special Division (Grand Panel of IP cases) was created for dealing with proceedings heard by a panel of five judges. On April 1, 2005, all these divi-

* Chief Judge of the Intellectual Property High Court

sions were transformed into the 1st to 4th Divisions and into the Special Division of the Intellectual Property High Court (hereinafter the "IP High Court"). This article will discuss and examine certain problems and provide some visions for the future concerning the IP High Court. Please note that the opinions discussed in this article represent my personal views only.

2. Background of the Establishment of the IP High Court

1) Pro-patent National Policy

In June 2001, the Justice System Reform Council published various recommendations and expressed its view that "Strengthening of Comprehensive Response to Cases Related to Intellectual Property Rights" is one of the most important subjects of the civil justice reform. The Justice System Reform Council pointed out that "Many countries are designating the issues of enriching and speeding-up of IP-related proceedings as a part of the international strategies concerning intellectual property and taking various measures to promote those strategies, and the Japanese government should also, taking these trends into consideration, designate these issues as one of the most important subjects to which the government should fully commit itself", and recommended that, with the goal of reducing the trial period of IP cases in half, the specialized divisions of the Tokyo and Osaka District Courts should substantially function as "patent courts", and further recommended necessary measures by examining the issues of reinforcing the system for resolving IP cases with more expertise at the Tokyo and Osaka High

Courts. With the economic recession continuing since the collapse of the so-called bubble economy, the general view has been that Japan should take nationwide measures to create, protect, and use intellectual property so as to revitalize the economy. The Strategic Council on Intellectual Property was established within the Cabinet and in July 2002, the Strategic Council adopted the "Intellectual Property Policy Outline", which proposed, under the concept of "an intellectual property-based nation", to review subjects such as the creation of an entity substantially functioning as a "patent court" as well as reform of the appeal system, limiting jurisdiction, enhanced expert participation, enhancement of evidence collection procedures, and so on. Subsequently, the Basic Law on Intellectual Property came into force in March 2003, providing the basic policy concerning intellectual property matters and articulating the responsibility of the government for "formulating and implementing measures for the creation, protection and exploitation of intellectual property" (Article 5), and the Intellectual Property Policy Headquarters was established in the Cabinet. The Headquarters adopted the Strategic Program for the Creation, Protection and Exploitation of Intellectual Property in July 2003, in which it recommended the establishment of the IP High Court to reinforce the dispute resolution function, as the "protection" part of the intellectual creation cycle (creation, protection and exploitation) and for strengthening intellectual property protection, which is critically important from the view point of maintaining the superiority of Japanese economy in the international context, and for emphasizing to the pub-

lic and overseas that intellectual property is a top national priority.

2) The Path to Special Legislation

After discussions within the Working Group on Intellectual Property Lawsuits held by the Office for Promotion of Justice System Reform and the Task Force on Strengthening of the Foundation for Right Protection established under the Intellectual Property Policy Headquarters, as well as within industry circles and the general public, it was proposed to make the IP High Court the 9th independent High Court. However, this proposal was not adopted, due to various problems in creating such an independent High Court, such as the possibility of increasing peripheral disputes concerning the competency of jurisdiction, the inconvenience of proceeding with related cases in separate courts, the inconvenience for people living in regional areas in respect of the infringement of copyrights and business interests by acts of unfair competition, many of which cases are closely related to the local community, the feeling that the creation of a specialized court is inconsistent with the conventional approach taken by the Japanese judicial system for strengthening the system based on regular courts and does not fit such conventional approach, and so on.

Finally, it was agreed to establish a highly independent court within the Tokyo High Court as a "Special Branch", for the realization of a system that is easy to use for the public, and the Law for Establishing the IP High Court (Law No. 119 of 2004, hereinafter "Establishment Law") was enacted on June 11 of 2004, promulgated on June 18 of 2004, and implemented on April 1, 2005 ("*Shiho-Seido-Kaikaku-Gaisetsu-2-Chitekizaisan-*

Kankei - Niho/Roudo - Shimpan - ho (Overview of Judicial System Reform Part II, Two of the Intellectual Property Laws and the Labor Appeal Law)" by Masaaki Kondo & Tomoyoshi Saito, p.14). Behind the history of implementing the Establishment Law, there was a major trend, as represented by the establishment of the Basic Law on Intellectual Property and the phrase of "an intellectual property-based nation", in which the government designated the measures for promoting creation, protection and exploitation of intellectual property as national strategies to revive the Japanese industry and economy and compete in the global markets, and under these circumstances, the courts which are the last resort of protection drew unprecedented attention of the general public. The provision of Article 1 of the Establishment Law, purporting that the purpose of the Law is to establish the IP High Court "specialized in IP cases for the purpose of enhancing the expertise in more enriching and speeding-up the proceedings of IP cases, in view of the fact that the judicial function for protecting intellectual property is getting more and more important with the development of exploitation of intellectual properties in Japanese economy and society", should be construed to reflect the above backgrounds.

3. Character of IP High Court

1) Positioning as "Special Branch"

As the "Special Branch" (as set forth in the provision of Article 2) established by a specific law, the IP High Court is granted a higher degree of independence than that of other branch of High Courts, has a specific chief judge (Article 3.2),

judicial conference (Article 4.2) and secretariat office (Article 5), and administers judicial administrative matters through the judicial conference of the IP High Court independently from that of the Tokyo High Court (Article 4.1). A branch of a High Court established pursuant to Article 22.1 of the Court Organization Law, is established by the Supreme Court to have such branch deal with a part of the administrative duties of such High Court within the jurisdiction of such High Court. Currently there are six High Court branches nationwide (Kanazawa Branch of the Nagoya High Court, Okayama Branch and Matsue Branch of the Hiroshima High Court, Miyazaki Branch and Naha Branch of the Fukuoka High Court, and Akita Branch of the Sendai High Court), each of which has only a limited scope of location-based jurisdiction, and such High Court branches deal only with certain judicial administrative matters authorized and contracted by the judicial conference of such High Court within the scope of such authorization and contract in principle without exercising any specific authority in respect of such judicial administrations. In contrast, the IP High Court is a court specialized in IP cases and specifically established by the legislative body by way of a special provision to the Court Organization Law, based on the above-discussed reasons for legislation. The IP High Court has a character remarkably different from other High Court branches in that the IP High Court deals with any and all IP cases including certain IP cases being subject to the exclusive jurisdiction of the Tokyo High Court (appeals of patent-related litigations, suits against appeal/trial decision made by JPO) as well as the cases concerning the infringement

of copyright or business interests by acts of unfair competition in a comprehensive manner, and that the IP High Court is granted to exercise its specific authority in respect of certain judicial administrative matters (such as allocation of the business of court, assignment of judges, substitution of judges in case of inconvenience, court scheduling and so on), closely connected to the specialized processing of the cases and deemed reasonable to be dealt with only within the IP High Court. However, it is obvious that the IP High Court is within the scope of regular courts and not deemed as a special court in the meaning set forth in Article 76.2 of the Constitution, in view of the provisions that the decisions made by the IP High Court may be appealed to the Supreme Court, that the judges working for the IP High Court are the judges of the Tokyo High Court and appointed by the Supreme Court from among those appointed by the Cabinet using the list of judges designated by the Supreme Court, and that the IP High Court is subject to the supervision of the Supreme Court in terms of the judicial administration (“*Chiteki-Zaisan-Koto-Saibansho* (Intellectual Property High Court)” by Masayuki Yoshimura, *Hogaku-Kyoshitsu* vol.287, p.2).

2) Comparison with Judicial System of Other Countries

Under the discussions made in the course of establishing the Establishment Law, comparisons were made with the judicial system of other countries (“*Chiteki - Zaisan - Sosho - Seido - no - Kokusai-Hikaku-Seido-to-Unyo-ni - tsuite* (International Comparison of Intellectual Property Litigation System - the System and Operation) by Tetsuya Oobuchi et al.,

NBL Special Edition vol.81; “*Chiteki-Zaisanken - Sosho - Seido - no-Genjo -to - Tenbo* (Current Situation and Forecast of Intellectual Property Litigations)” by Makoto Jozuka, NBL vol.765, p.28). The most frequently cited system was the Federal Circuit, which does not deal with copyright cases but deals with IP cases and various other types of cases. About 30% of the cases heard by the Federal Circuit are IP cases. Since the acceptance of appeals is subject to broad latitude of the Supreme Court, whereas the Federal Circuit must hear all properly lodged appeals, the Federal Circuit is in effect, the last court of appeal in many cases. The Federal Circuit has its own law clerks and technical assistants as its subsidiary organ. In contrast, the Federal Patent Court of Germany (established in 1961) and the Patent Court of Korea (established in 1988) deal with the cases equivalent to the suits against appeal/trial decisions made by JPO in Japan, and the German Patent Court has technical judges as their constituent members and the Korean Patent Court has technical examiners as their subsidiary organ to support the understanding of technical issues. Both Patent Courts have no jurisdiction over infringement cases, and the regular courts dealing with infringement cases utilize expert opinions as necessary. The judicial system of each country has been developed in the context of their specific legal structure, history, culture and so on, and it is clear from the above comparison with the judicial system of other countries that the IP High Court of Japan is rooted in the legal system of Japan and has a unique character.

3) Development of Organization and Desired Operation of System

Prior to the start-up of the IP Court, the IP Division of the Tokyo High Court, consisting of three to four separate divisions, had functioned as one judicial unit separately from other Civil Divisions (currently 20 divisions), each IP Division dealing only with the IP cases of the same types, commonly utilizing the specific subsidiary organ called “judicial research official”, jointly holding various workshops and training sessions and other events, receiving visitors for training or on-the-spot study purposes from within Japan or from abroad (judges from APEC, APIC, WIPO, AIPLA, EPO, China, Korea, Thailand and so on, scholars, appeal examiners, IP personnel of private corporations), dispatching the judges as lecturers to external institutions (Japan Institute of Invention and Innovation, National Center for Industrial Property Information and Training (former Industrial Property Training Institute), Japan Patent Attorneys Association and so on), dispatching judges to overseas on business trip (for participating in the IP seminars held by the US law schools, symposium held by EPO judges and so on), subject to the plans made for the overall IP unit. Figuratively, the IP High Court changed the “thin dotted line” conventionally drawn to make distinction between the regular Civil Divisions and the IP Division into the “bold and solid line”, substantially making the IP Division areas on the 17th floor of the Tokyo Court Complex in Kasumigaseki the court specialized in intellectual property having the jurisdiction over the cases arising all over Japan except for certain exceptional cases. How to develop the unprecedented system of the “Special

Branch” and how to operate the system are the subjects to be examined and resolved in the future. However, even if the IP High Court is granted certain independency and autonomy, self-righteousness depending on the specialty and expertise should never be permitted. One thing that gives us a useful suggestion is the fact that the Federal Circuit became as it is today with the background that the Frasca Report (1975), which was the key factor behind the establishment of the Federal Circuit, pointed out the “tunnel vision” of judges as a negative effect of creating a court specialized in patents and the risk of the judges reflecting their political views in the decisions (Oobuchi et al., ditto, p.30; “*Chiteki-Zaisan-Senmon-Kosai-ni-Gimon* (Skepticism against the High Court Specialized in Intellectual Property)” by Toshiaki Makino, *The Yomiuri Shimbun* dated December 4, 2003). Whatever the effects will be, there is no doubt that the judicial organ assumes an extremely heavy responsibility under the Establishment Law, which had been established with the above backgrounds, and we must commit ourselves in creating a powerful organization and operating the system with harmony as a whole, being always aware of its responsibility.

4. Personnel System

1) Judges

The number of judges belonging to the IP Division of the Tokyo High Court had been ten until five years ago when the division was consisting of three divisions. Subsequently, the number of judges increased to eleven in April 2000, twelve in April 2001, sixteen in April

2002 when the division grew to four divisions, and finally to eighteen in April 2004. The IP High Court started with these eighteen judges. The industrial world having been pushing and supporting the recent pro-patent policies represents three major needs as follows: speedy trials, trials with more expertise, and unified decision in an early stage. Among those industrial needs, a difficult problem involving the essence of judicial processes relates to the subject of the desired expertise of IP judges. As it is obvious from the discussions made in respect of the introduction of so-called “technical judge” in the course of establishing the Establishment Law, it seems that the issue of technical expertise of judges is more acute for IP litigations, than for those other special litigations requiring specialized technical knowledge and understanding such as the medial malpractice and product-liability cases. The issue of the expertise of judges is mostly concerned with the litigations concerning patents and utility models, among various IP cases, and if we take an example of a case in which the point of dispute is whether the subject invention is entitled to a patent, the knowledge and understanding of the judge assigned to the case should reach, at least at the point of rendering the decision and in respect of the subject technical matters at issue, the level of the person skilled in the art whose knowledge and understanding are reasonably deemed as the standard of the decision (the person who has ordinary knowledge in the technical field to which the invention belongs). In reality, however, the efforts in achieving such level is not necessarily easy for ordinary judges generally without technical background and having acquired their practical ex-

perience as a so-called generalist. Further, it would be practically difficult or impossible for the judges to have knowledge and understanding of the subject technical matters at issue at the level equivalent to those of the person skilled in the art from the outset, in respect of all technical fields having developed into more and more highly specialized and sophisticated fields. It is also difficult to assume or expect any drastic change to these circumstances by having law school graduates with technical backgrounds entering the judiciary in the near future.

In the United States, there seems to be a strong tendency to pick judges with wide knowledge and experience, with the so-called generalist preferred to the specialist. The famous Judge Randall Rader of the Federal Circuit is one such generalist without scientific and technical background, and the following statement from Judge Rader may shed light on one of the desired visions for IP judges: "All court proceedings should be made in accordance with the neutral and understandable legal principles, and the most important capacity of IP judges is the legal capacity to understand the points of technical matters required for leading to the legal conclusion. It is sufficient for IP judges to have passionate interest in science if they are to take active roles in their profession." (Interview with Judge Rader in "Law School Report" by Yutaka Miyoshi, NIBEN Frontier, June edition 2004, p.13). Intellectual property laws such as the Patent Law are based on general laws such as the Civil Code, and there is no difference between IP litigation and other general litigation in that the judge is required to make decisions in a thoughtful manner, according to legal precedent. Therefore, what is required as

an IP judge is wide and deep sophistication and experience in the general legal theories and judicial practices, the capacity of accurate and flexible understanding of issues, a sense of justice in seeking an appropriate dispute resolution, a sense of balance and so on ("*Chizai-Kosai-Imeji-Senko-no-Gu-Sakeyo* (Intellectual Property High Court; Avoid the Folly of Pursuing only Images)" by Eiji Tomioka, The Asahi Shimbun dated December 11, 2003; "*Chizai-Seido-Kaikaku-no-Genjoto-Shorai* (Current Situation and Prospect of Intellectual Property System Reform)" by Nobuhiro Nakayama, NBL vol.785, p.5). Judge Rader represented that he was skeptical about leaving the trials of IP cases to the experts in science and technology, insisting that it is almost impossible to find an expert perfectly matching the scientific or technical field at issue and that judicial trials should not be made depending on the views and the way of thinking specific to certain experts. This skepticism seems to have something in common with the argument that; "Since the suits against appeal/trial decisions made by JPO are the judicial trials of the administrative measures made by JPO, which is an administrative agency, the judge assigned to deal with such trial should be a lawyer and not an expert in science and technology" ("*Tokyo-Sosho-Tetsuzuki-Ronko* (Study concerning Proceedings for Patent Litigations)" by Eiichi Takigawa, issued in 1991 [Introduction]). What the personnel distribution of the judges should be and how to develop the technical expertise of the judges of the IP High Court are the challenges for the future. Meanwhile, it should be critically important for the judges of the IP High Court to try to cultivate so-called technical mind by keep-

ing active interests in technologies and maintaining progressive spirit on the basis of their sophistication as a lawyer as well as their knowledge and experience as a generalist, while consistently maintaining sincere efforts in researching the technical matters required for the judicial decisions and deepening their understanding of such matters through the allegations made by the parties to the litigation and by depending on the support of the judicial research officials and listening to the explanations made by the expert commissioners. There is no difference in essence in respect of these efforts between the IP cases and many of the specialized litigations other than the IP cases.

2) Judicial Research Officials

At the IP High Court, the judicial research officials support the judges by conducting research on technical matters necessary for the trials and other judicial proceedings of the suits against appeal/trial decisions made by JPO, over which the IP High Court has the jurisdiction as the court of first instance, and the appeals from district courts in civil cases relating to patents and utility models. The system for judicial research officials has a history of over fifty years, and the style of their operation, including the cooperative work style with the judge presiding the preparatory proceedings as well as the form of research papers, seems to be an established principle in its framework. By tradition, retired patent examiners and appeal examiners of JPO (in the mechanical, chemical and electric fields) are assigned as the judicial research officials. All of the research officials work in the same office called the Researcher's Office, and they are assigned to various cases on a case-by-case

basis. The number of those research officials was eight in the 1970's, increased to nine in April 1991 and then to eleven in April 2002. One of the research officials assigned in April 2002 was a practicing patent attorney, who provided a new perspective and beneficially stimulated the Researcher's Office. The total number of judicial research officials engaged in IP cases is twenty-one (eleven at the Tokyo High Court, seven at Tokyo District Court and three at the Osaka District Court), meaning that more than half of those research officials belong to the IP High Court. The judicial research officials so far have gained high reputation for having conducted fair and appropriate researches by performing their duty faithfully with a rather critical eye on the performance of JPO (*"Tokyo-Sosho-Monogatari Aru-Jitsumu-Memo-ni-yoru* (Patent Litigation Story - from business memorandum -)" by Masao Miyake, p173; *"Chiteki-Zaisan-Kankei-Sosho-ni-okeru-Saibansho-Chosakan-no-Yakuwari* (Role of Judicial Research Officials in IP Litigations)" by Ryu Takabayashi, Annual Newsletter of Nihon Industrial Property Right Legal Society, Vol.20, p52). Along with the start of the IP High Court, these research officials are subject to the provisions for increased and clarified authority (Article 92-8 of the Amended Code of Civil Procedure of 2004) and for the qualification of judicial research officials (Article 92-9). Historically, it was judge's authority to ask questions to the parties or urge the parties to establish the facts of the case during oral arguments or other occasions. As from April 2005, the research officials may, at the direction of the judge, exercise such authority as a subsidiary organ of the court in order to have common un-

derstanding and recognition with the parties, and they may further become involved in the in-camera trials for deciding whether certain documents should be submitted at an infringement case where trade secrets are an issue. As a result, research officials will have more opportunity at face to face contact with the parties and accordingly their traditional behind the scenes role will shift to more of a front line role. The form of the research papers was also actively discussed in the course of the recent judicial system reform, and the authority of the research officials to propose their reference opinion in order to properly reflect the expert knowledge and research result to the decisions made by the court for each case (verdict or judgment) was clarified in the provisions stipulating "to propose to the judges their opinions concerning the case"(Article 92-8(4)). It will be necessary to study more and work out what the appropriate exercise of such authority should be. These subjects, together with other subjects such as what the appropriate role-sharing with the expert commissioners should be, are left to the operation of the court in many respect, and therefore, every effort should be made to build up the practice and to prove the merit of the recent reform, purporting further reinforcement of the judicial system specialized in handling the IP cases, while giving appropriate attention to the transparency and neutrality of the proceedings.

3) Expert Commissioners

The system for assigning expert commissioners was introduced on April 1, 2004 for ensuring judicial proceedings with sophistication and expertise corresponding to the highly specialized and sophisticated technologies rapidly evolving

day by day (Article 92-2 of the Amended Code of Civil Procedure of 2003). The expert commissioners system is mostly utilized at the IP High Court so far. Approximately 170 expert commissioners, who are top-level technical experts in various fields, are appointed nationwide by the Supreme Court from among experts such as university professors, researchers at public research institutes or private corporations, patent attorneys and so on, as part-time officials with two-year term. Such expert commissioners are pooled so that the court may designate the most suitable expert for the cases involving the technical disputes especially difficult to understand and requiring explanation based on expert knowledge on a case-by-case basis, and so the court may hear the explanation of such commissioner on the trial date concerning the allegations and evidences submitted by the parties from the fair and neutral position of advisor. Metaphorically, the expert commissioners are sometimes compared to a "home teacher" who guides the most appropriate course of the litigation (Asahi Newspaper; March 29, 2004). Since the expert commissioners provide services on a part-time basis, which is different from the judicial research officials who provide services on a permanent basis, there are certain requirements for exploiting the expert commissioners system, such as the requirement of hearing the opinions of the parties and making explanations based on expert knowledge during oral arguments or other occasions, for giving the parties the opportunity to make counterarguments. However, the expert commissioners system has been favorably received so far since expert knowledge can be reflected in the litigations in a manner easy to un-

derstand and the point of dispute can be clarified due to the explanations made by the expert commissioners from various perspectives. The purpose of the expert commissioners system is to enhance the quality and accuracy of the trial proceedings rather than to speed up the trial, and the judges in charge of each case now start examining the content of the cases at an earlier stage than before to identify the suitable expert commissioners on the basis of the backgrounds of those commissioners, select the most suitable commissioner after explaining the content of the case to all candidates, and explain the system of litigation and the manner in which the commissioner should make explanations on the trial date. Since the use of a single commissioner may cause a conflict of opinions between the commissioner and the parties, assigning multiple commissioners (combining, for example, a patent attorney and a scholar or a researcher) to one case is under discussion for the smoother operation of the litigations. This kind of know-how has gradually been accumulated. However, what is important to make this system get on track is to gain the confidence of the parties in this system, and therefore, the transparency of process is indispensable in the course of the preparatory meetings with the expert commissioners. The expert commissioners system has just begun, and various briefing sessions and study meetings have recently been held. It would be necessary to establish and develop this system to be fully operable as technical support in synergy with the system for judicial research officials by accumulating further practices and further trial and error.

5. Jurisdiction

1) Comprehensive Succession of Cases Pending at IP Division of Tokyo High Court

The IP High Court hears all cases subject to the jurisdiction of the Tokyo High Court as long as the nature and contents of the case are related to intellectual property (Article 2 of the Establishment Law). The Establishment Law does not change the jurisdictions set forth in Article 6 and other provisions of the Code of Civil Procedure but sets forth the assignment of cases between the Tokyo High Court and the IP High Court as its special branch. Therefore, the IP High Court hears the same cases as currently heard by the IP Division of the Tokyo High Court. The codes used in the case records include “*Gyo-ke*” for the suits brought to the High Court against appeal/trial decisions made by JPO, “*Ne*” for appeals from district courts, “*Gyo-ko*” for appeals from district courts on administrative cases, and “*Ra*” for interlocutory appeals. All cases pending at the IP Division of the Tokyo High Court as of the end of March 2005 are succeeded by the IP High Court and those cases are given new case numbers at the IP High Court. In order to distinguish these cases from those of other divisions of the Tokyo High Court, the new case numbers are sequential serial numbers starting from 10,000.

An overview of the trend of major cases heard by the IP Division of the Tokyo High Court in the past 10 years is as follows: First, in terms of the administrative cases brought to the High Court as the court of first instance (suits against appeal/trial decisions made by JPO), although the number of commenced cases

hit a peak and began gradual declining in 2002, the number is still hovering at a high level. With the number of disposed cases increasing, the number of pending cases decreased nearly to fivehundred, the number before the period when the number of cases drastically increased. Looking into the details of the number of commenced cases in these few years, the patent cases increased to account for nearly 80% of all cases, followed by trademark cases, utility model cases and design cases. Nearly 80% of these cases result in court decisions due to the nature of the administrative cases. Second, in terms of appeals from district courts on intellectual property actions, the number of commenced cases that drastically increased starting in 1997 stopped increasing with the peak in 2002 and remained flat. With the increase in the number of disposed cases, the number of pending cases decreased less than eighty. Looking into the details of the number of commenced cases, patent cases account for over 30% of all cases, copyright cases account for over 20%, followed by cases concerning business interests by acts of unfair competition, trademark cases, utility model cases and design cases.

2) Administrative Cases Brought to High Court as the Court of First Instance

The administrative cases brought to the High Court as the court of first instance herein means the suits against appeal/trial decisions made by JPO, over which the Tokyo High Court has the exclusive jurisdiction (Article 178(1) of the Patent Law, etc.). These suits are heard by the IP High Court as a special branch of the Tokyo High Court. Traditionally, there had been two forms of administra-

tive litigation challenging the appropriateness of the decision made by JPO on the patentability of an invention, suits against appeal/trial decisions made by JPO and suits for canceling the decision of revocation of a patent. As a result of the 2003 amendment to the Patent Law (implemented as of January 1, 2004), the patent opposition system was abolished and merged into a single system for the trial for invalidity of a patent (Article 123 of the Patent Law), and the system for the suits for canceling the decision of revocation of a patent vanished. Litigations against the decision of revocation of a patent made in certain opposition proceedings which had been brought to the court prior to the implementation of the amended Patent Law shall be subject to conventional proceedings (Article 2.9 of the Supplemental Provisions), and therefore those suits for canceling the revocation decision are expected to remain pending for a while. These "administrative cases brought to the High Court as the court of first instance" may include (1) suits for canceling the trial decision made by JPO for sustaining the final rejection in the trial against the final rejection concerning patent, design registration or trademark registration, (2) suits against trial decision made by JPO for denying the trial for correction of a patent, (3) suits against trial decision made by JPO for sustaining the rejection of amendment concerning a patent, utility model registration, design registration or trademark registration, (4) suits against trial decision made by JPO for invalidation or denial of invalidation concerning a patent, utility model registration, design registration or trademark registration, (5) suits against trial decision made by JPO for revocation or denial of revocation of a

trademark on the ground of non-use of the trademark, and (6) suits against trial decision made by JPO for revocation or denial of revocation of a trademark on the ground of misuse of the trademark, and so on. The above cases (1) through (3) could be classified as suits against appeal/trial decisions made by JPO deriving from JPO decisions and cases (4) through (6) could be classified as those deriving from disputes between the parties.

3) Appeals from District Courts in Civil Cases

First, appeals from district courts in civil cases relating to intellectual property and which derive from claims covering patent rights, utility model rights, rights of layout-designs of integrated circuits, and rights of the authors of a program work (hereinafter the "claims concerning patents and others") come under the exclusive jurisdiction of the Tokyo High Court (Article 6(3) of the Code of Civil Procedure amended in 2003 and implemented on April 1, 2004), and are heard by the IP High Court. As from April 1, 2004, the claims concerning patents and others occurring in the East Japan area should be subject to the exclusive jurisdiction of the Tokyo District Court for the first instance, and those occurring in the West Japan area should be subject to the exclusive jurisdiction of the Osaka District Court for the first instance. However, the appeals for the cases pending at other district courts within the jurisdiction of other High Courts as of March 31, 2004 should be subject to the jurisdiction of such other High Courts as they had been prior to the implementation of the amended code (Article 3.1 of the Supplemental Provisions), and the appeals from the Osaka District Court concerning the

cases filed in the Osaka District Court on and after April 1, 2004 should be heard by the IP High Court. There could be, however, some cases where a certain appeal involving patent or other intellectual property is transferred to the Osaka High Court from the IP High Court because the requirement for technical expertise or other reason as long as such transfer is deemed necessary to avoid excessive damage or delay (Article 20-2.2). Further, we are considering utilizing telephone meetings or video meetings for the convenience of people living in regional areas, reducing the burden of the parties to appear in court. These "claims concerning patents and others" may include (1) a claim for injunction or destruction based on the patent right, (2) a claim seeking a declaratory judgment to establish the non-existence of the claim for injunction based on a patent right, (3) a claim for damages (or liability for returning undue profit) caused by patent or other IP infringement (or claim for return of undue profit), (4) a claim seeking a declaratory judgment to establish the non-existence of liability for damages (or liability for returning undue profit) caused by patent or other IP infringement, (5) a claim for restoring reputation or confidence based on patent or other IP right, (6) a claim for payment of royalty based on a license agreement concerning patent or other IP right, (7) a claim for transferring the registration of a patent, (8) a claim for seeking a declaratory judgment to establish the right to apply for a patent, (9) a claim for the payment of consideration for assignment of employee's invention to employer, and so on.

Second, appeals from district courts in civil cases relating to intellectual property and which derive from claims cover-

ing the design rights, trademark rights, rights of the authors (excluding the rights of the authors of a program work), publishing rights, copyright neighboring rights, breeder's rights, and business interests by acts of unfair competition (hereinafter the "claims concerning design and others") may be also heard by the IP High Court as long as the court of first instance is within the jurisdiction of the Tokyo High Court. Although claims concerning design and others filed in a district court within the jurisdiction of the High Court other than the Tokyo High Court should be subject to the jurisdiction of the corresponding High Court, the appeals from the district court could be heard by the IP High Court as the special branch of the Tokyo High Court if the parties agree upon the jurisdiction of the Tokyo District Court for the first instance. Trial by the IP High Court could also be available according to the provision of Article 12 of the Code of Civil Procedure if the suit is filed in the IP High Court and the defendant fails to challenge the lack of jurisdiction.

Appeals from district courts in civil cases relating to intellectual property account for a little less than 20% of all case so far, but after the so-called Kilby decision (*Texas Instruments v. Fujitsu*, Supreme Court Third Petty Bench Decision of April 11, 2000, Minshu 54-4, 1368), more and more patent or other IP infringement cases are arguing the existence of the reason for invalidating a patent, and with the increase of the first trials making decisions on the "defense of abuse due to obvious invalidity", the appeal trials on infringement have become more and more complicated and difficult to render a decision. While maintaining the framework of the invalidation trials

before JPO but still extending the legal theory depending on the above precedents, the provision of Article 104-3 of the amended Patent Law of 2004 came into effect at the same time as the start of the IP High Court, setting forth that the enforcement by courts of a patent, which should be invalidated by an invalidation trial before the JPO, should be restricted. Accordingly, it is expected that the courts will face more and more opportunities where the court is required to confront the issue and make decision on the invalidity of the patent. Further, the appeals from district courts on the claims concerning patents and others, which have been subject to the jurisdiction of other High Courts, will inevitably come under the jurisdiction of the IP High Court sooner or later. Accordingly, the significance of the appeals from district court in civil cases on intellectual property will increase.

4) Appeals from District Courts on Administrative Cases involving Intellectual Property Right

Appeals against the decisions made by the Tokyo District Court in the suits for canceling any disposition ordered by the Commissioner of Patents (such as the rejection of the application for special succession of the right to apply for a patent, or the rejection of proceedings due to the failure in payment of patent fees) are subject to the jurisdiction of the Tokyo High Court, and as a matter of course, these case are heard by the IP High Court.

5) Other Cases

The IP High Court will hear, in addition to the above discussed cases, the cases which are subject to the jurisdiction

of the Tokyo High Court and which require specialized knowledge concerning intellectual property in terms of major dispute (Article 2.3 of the Establishment Law), including (1) the cases not classified as involving “intellectual property rights” such as patents but classified as involving “intellectual property”, like those involving trade names (Articles 20 and 21 of the Commercial Code), requiring judgment depending on specialized knowledge in the trial concerning the substantial matter of the case, (2) interlocutory appeals concerning the civil or administrative cases discussed in 2) through 4) above, (3) suits for seeking preliminary injunctions based on civil cases discussed in 3) above, (4) suits for seeking suspension of execution based on administrative cases discussed in 2) above, and (5) retrial or quasi retrial proceedings concerning any of the above cases described in (1) through (4) above. The IP High Court will further hear the cases that should be heard by combining with the cases set forth in Articles 2.1, 2.2 or 2.3 of the Establishment Law (Article 2.4 of the Establishment Law).

6. Trial System

1) Intensive Hearings and Plan Hearings

Traditionally, administrative cases brought to the High Court as the court of first instance and relating to trademark or design rights as well as the appeals from district courts on civil or administrative cases are heard at oral proceedings in the court room by a panel of three judges from the first date of the trial, while cases relating to patents or utility model rights are left from the outset to the judge

assigned to each specific case for the preparatory proceedings, where the allegations and presentation of evidence are fully completed, and regularly left to the oral proceedings for final conclusion after the submission of the report and the completion of the draft decision. Because cases brought to the court have been drastically increasing in these few years, a project team consisting of experienced associate judges was started in July 2002 to study the style of trial proceedings and the form of decisions. The project team announced the result of the study recommending the intensive hearing method in which the judge intensively develops clear understanding of the allegations and the point of issue and forms his opinion within the single date of the preparatory proceedings (to the extent possible), by requiring the parties to submit preparatory documents by the date agreed upon by the court and the parties, and rationalizing the form of decisions on a case-by-case basis from the high-performance and heavy-weight rulings to the high-performance and light or medium-weight rulings (“*Shinketsu-Torikeshi-Sosho-no-Aratana - Shinri - Hoshiki - to - Aratana - Hanketsu-Yoshiki-ni-tsuite* (New Method of Trial Proceedings and New Form of Decisions in Suits against Appeal/Trial Decisions made by JPO)” by Shuhei Shiotsuki, Ryuichi Shitara, Misao Shimizu and Gaku Okamoto, NBL vol.769, p.6). Since around January 2003, the intensive hearing method has been prevailing in which the preparatory proceedings are completed within one or two times of such proceedings. For this and other reasons, the average time intervals from commencement to conclusion, which was 18.6 months in respect of the suits against appeal/trial decisions made

by JPO and 18.5 months in respect of the appeals from district courts in civil cases in 1997, decreased to 12.4 months and to 10.4 months, respectively, in 2003. In some cases, the whole trial process is completed and the decision is made within approximately six to ten months after the filing of the suit.

The Justice System Reform Council published a report recommending further promotion of the planned hearings with the goal of reducing the time intervals from commencement to disposition of the civil cases by half. The Law concerning Promotion of Speedy Judicial Proceedings (implemented as of July 16, 2003) was established, and the system of planned proceedings was introduced in the process of the fact-finding proceedings on the ground of the legal framework due to the 2003 amendment to the Code of Civil Procedure (Articles 147-2, 147-3 and 297) (implemented as of April 1, 2004). Especially in case of suits against appeal/trial decisions made by JPO, apart from the allegation of procedural defects, the cause of canceling the decision has already been alleged in the course of the trial proceedings from time to time, and the parties are not allowed to present a new reason for invalidation or other new allegation or evidence that have not been heard in the course of the appeal proceedings by JPO. Therefore, regularly the subject issue to be heard at the IP High Court is whether such cause is reasonable or not. That is why the planned hearing system is generally deemed to go well with the suits of this kind. The guideline for implementing the planned proceedings was established and the actual planned proceedings started around October 2004. The basic process of the planned proceedings is as follows:

(1) The court requires the appellant to submit the preparatory pleadings providing the cause of canceling the decision until a week before the date of the first preparatory proceedings; (2) During the first preparatory proceedings, the judge clarifies the point at issue and notifies the subsequent due dates of all preparatory documents and the approximate scheduled date of rendition of judgment; (3) The court designates the second preparatory proceedings as the date of intensive hearing for finalizing the preparatory proceedings, and the judge in charge of the case forms his opinion on the issue in the course of confirming the point at issue with the parties and referring to the opinion of the judicial research officials, and gives notice of the scheduled oral hearing date and the date of rendition of judgment; (4) The court ensures that the parties attach a summary of the cause of canceling the decision at the end of the final preparatory pleadings if the parties are to submit plurality of or high volume of preparatory pleadings. We are committed to achieve good results from the planned proceedings by further making improvements and efforts.

2) Grand Panel System

In response to the requirements of “unified decision in early stage”, which is one of the three major needs of the industrial circle, the system of the Grand Panel consisting of five judges was introduced as of April 1, 2004 for hearing suits against appeal/trial decision on patents or utility models made by JPO and appeals from district courts based on claims concerning patents and others (Article 182-2 of the Amended Patent Law; Article 47.2 of the Amended Utility Model Law; Article 310-2 of the Amended Code of Civil

Procedure, of 2003), and the IP High Court has set up within it a special division (the Grand Panel), to which all the judges are assigned. The Federal Circuit, which was established to unify the legal interpretation concerning intellectual property rights, conducts trials on the matter of law and substantially functions as the last court of appeals. Especially the in banc panel of the Federal Circuit is deemed to play an important role (“*Beikoku - Renpo - Junkaikouso - Saibansho - no - Genjo - ni - tsuite* (Current situation of the United States Court of Appeals for the Federal Circuit)” by Yori-hisa Takase, *Hanrei Jiho* vol.1826, p.28). On the other hand, the IP High Court is a court originally conducting fact-finding proceedings and it is the Supreme Court that plays the role of unifying the legal interpretation as the court conducting trials on the matter of law. However, since the court decisions sometimes have the effect of setting up new rules and frameworks for business, the industrial circle had desired the formation of satisfactorily reliable rules prior to the final judgment made by the Supreme Court in order to set up these business rules at an early stage. That is why the system of the Grand Panel was introduced as the means to substantially unify the decisions in the early stage at the level of the High Court (“*Chizaisosho - no - Genjo - to - Honnen - Shigatsu - kara - no - Atarashii - Chizaisosho - Seido* (Current Situation of Intellectual Property Litigations and New System for Intellectual Property Litigation just Started in April)” by Makoto Jozuka, *NBL* vol.785, p.19).

In the IP High Court, it is arranged that the general managing judge of the special division (Chief Judge of the IP High Court) presides over the panel at the

Grand Panel, and the other four judges consist of three judges managing the other three divisions, respectively, (or the associate judges substituting the above) and one associate judge who should be in charge of the case. It is further arranged that the cases involving important matter of law as their point at issue should be heard by the Grand Panel through the given procedure when there is another pending litigation having the same point or issue in common and heard by another panel, or when it is otherwise deemed reasonable for the Grand Panel to hear the case. According to a person having been engaged in the relevant legislation, it seems they assumed a situation where the case involves an extremely important matter of law and the outcome of the proceedings may significantly impact corporate activities (by Kondo and Saito, ditto, p.74). As a precondition to conducting these procedures, the judges are required to be aware of the cases presided over by other judges at all times, especially the cases pending at other divisions, to some extent. Therefore, the judges have regular meetings for exchanging information among associate judges approximately once a month. These should be one of the reasons contributing to the sense of unity which is strong as ever before among the judges belonging to the IP Division.

7. Prospects for the Future

Now that the start of the new IP High Court is just before our eyes, when I think back the past days, I feel the mere fact that serious discussions were made from various perspectives concerning the desired IP High Court indicates the significance of the “judicial role for pro-

protecting intellectual properties” (Article 1 of the Establishment Law), and I believe the establishment of the IP High Court is a historical and epoch-making event in the context of the judicial system reform. According to the Strategic Program for the Creation, Protection and Exploitation of Intellectual Property, one of the reasons to establish the IP High Court was the symbolic role of the court proclaiming the pro-patent national policy to the public and overseas. Further, according to a person having been engaged in the relevant legislation, they assumed the side effect of enhancing the awareness of respecting intellectual property rights and deterring the infringement of patents and other IP rights within Japan as well as deterring the import of counterfeit goods from abroad (by Kondo and Saito, ditto, p.73; by Yoshimura, ditto, p.5). In either case, I believe that the most important task and duty of the IP High Court is to

conduct trial proceedings in speedy and reliable manner with high-level expertise in the disputes involving intellectual property, ensure the position of last resort of protection within the intellectual creation cycle by responding to the demands of the times and the voices from all levels of Japanese society, and to output necessary information on the results of our effort. I am committed to humbly accept the opinions and criticisms brought to our attention so far, return to the starting point of the judicial role of promoting appropriate and speedy proceedings regardless of the scale of each case, and to do solemnly what I am expected to do in order to respond to the expectation of all levels of Japanese society toward the new system. I would greatly appreciate the understanding and cooperation of all users of the IP High Court as well as all public, since it is impossible for us alone to respond to all expectations.