

Patent Right	Date	April 26, 2018	Court	Tokyo District Court, 46th Civil Division
	Case number	2017(Wa)5274		
<p>A case in which the action seeking for confirmation that the defendants do not have the right to demand compensation for damages and the right to demand royalties against the plaintiff for the sales act of the smartphone and tablet terminals in Japan was dismissed.</p>				

### Summary of the Judgment

This case is a case in which the plaintiffs (the plaintiffs are two companies, one of which is a foreign corporation) selling and the like the smartphone and the tablet terminals (plaintiff's products) in Japan sought for confirmation against the defendants in relation with the patent right of Patent No. 4685302 (present patent right) held by one company (Defendant Y1) among the defendants (the defendants are four companies, three of which are foreign corporations) that the defendants do not have the right to demand compensation for damages and the right to demand royalties based on the present patent right for the sales and the like of the plaintiff's products.

The issues of this case are existence of the international jurisdiction, existence of the benefit of confirmation, and existence of the right to demand compensation for damages or the right to demand royalties based on the present patent right of the defendants against the plaintiffs.

The plaintiffs asserted that there was the benefit of confirmation in this action from the facts that Defendant Y1 asserted to Plaintiff X1 that the plaintiff's products infringe many patent rights held by Defendant Y1 including the present patent right in the license negotiation with Plaintiff X1 (foreign corporation) and the like, but for the reasons that the fact that Defendant Y1 asserted to Plaintiff X1 that the plaintiff's products infringe the present patent right is not found, that Defendants explicitly and consistently expressed that they do not have the right to demand compensation for damages and the right to demand royalties based on the present patent right for the sales and the like of the plaintiff's products by the plaintiffs in the present lawsuit, and

the like, the judgment is rendered that it is not found that there is a risk or concern about the right held by Plaintiff X1 or the legal position thereof, the benefit of confirmation for the action between Defendant Y1 and Plaintiff X1 is not found, and the benefit of confirmation is not found, either, in the other actions between the parties, and the action is dismissed.

Judgment rendered on April 26, 2018, the original delivered on the same day,  
court clerk

2017(Wa) 5274, Case seeking for confirmation of the non-existence of right  
to demand compensation for damages based on patent right and the like

Date of conclusion of oral argument: March 15, 2018

### Judgment

Indication of parties concerned: As described in attached list of parties  
concerned

### Main text

- 1 The action is dismissed.
- 2 The plaintiffs shall bear the cost of the lawsuit.
- 3 The additional period for filing an appeal against this judgment shall be  
30 days for the plaintiff, Apple Incorporated.

### Facts and reasons

#### No. 1 Claims

It is confirmed that the defendants do not have the right to demand  
compensation for damages and the right to demand royalties based on the  
patent right of Patent No. 4685302 with regard to the act of producing,  
transferring, leasing, importing, or offering to transfer or lease (including  
displaying for the purpose of transferring or leasing) each of the products  
described in the attached list of article by the plaintiffs (hereinafter  
collectively referred to as the "plaintiff's products").

#### No. 2 Outline of the case

This case is a case in which the plaintiffs seek for confirmation against  
the defendants that the defendants do not have the right to demand  
compensation for damages based on infringement of the patent right held by  
the defendant, Qualcomm Incorporated (hereinafter, referred to as the  
"defendant, Qualcomm") and the right to demand for royalties based on the  
aforementioned patent right with regard to the act of producing, transferring,  
leasing, importing, or offering to transfer or lease (including displaying for

the purpose of transferring or leasing) the plaintiff's products by the plaintiffs.

1 Basic facts (facts easily found by undisputable facts between the parties concerned as well as evidence described later and the entire import of the argument)

(1) Parties concerned

A. Plaintiffs

(A) The plaintiff, Apple Incorporated (hereinafter, referred to as the "plaintiff, Apple") is a corporation founded on the basis of the laws of the state of California in the United States (hereinafter referred to as the "U.S. ").

(B) The plaintiff, Apple Japan GK (hereinafter, referred to as the "plaintiff, Apple Japan") is a corporation having the purpose of sales and the like of personal computers.

B. Defendants

(A) The defendant, Qualcomm is a corporation founded on the basis of the laws of the state of Delaware in the U.S.

(B) The defendant, Qualcomm Japan Inc. (hereinafter, referred to as the "defendant, Qualcomm Japan") is a corporation for collection and provision and the like of information on information communication equipment and information communication services.

(C) The defendant, Qualcomm Technologies Inc. (hereinafter, referred to as the "defendant, QTI") is a corporation founded on the basis of the laws of the state of Delaware in the U.S.

(D) The defendant, Qualcomm, CDMA Technologies Asia-Pacific PTE LTD (hereinafter, referred to as the "defendant, QCTAP") is a corporation founded on the basis of the laws of the Republic of Singapore.

(2) Patent right of the defendant, Qualcomm

The defendant, Qualcomm is a patent right holder of the following patent rights (hereinafter, referred to as the "present patent rights", and the patents are referred to as the "present patents") (Exhibits Ko 1 and 2).

Patent No. 4685302

Title of Invention: Method and device for determining reverse link transmission rate in wireless communication system

Date of Application: June 30, 2000 (Japanese Patent Application No. 2001-508101)

Date of Registration: February 18, 2011

Date of Priority: July 2, 1999

## 2 Issues

- (1) Existence of international jurisdiction
- (2) Existence of benefit of confirmation
- (3) Existence of the right to demand compensation for damages based on infringement of the present patent rights or the right to demand royalties based on the present patent right of the defendants against the plaintiffs

(omitted)

## No. 3 Judgement of this court

### 1 Findings

In addition to the basic facts, according to the evidence described later and the entire import of the argument, the following facts are found.

(1) The defendant, Qualcomm granted the license (CM license) in relation with the production, transfer, and the like of the plaintiff's products to the four companies (hereinafter, referred to as the "four CM companies" in some cases) which are CM (contracted manufacturers) of the plaintiff's products for a part of the patent rights held by the defendant, and the plaintiffs receive the supply of all the plaintiff's products from the four CM companies. The present patent right is also included in the targets of the CM license, and the CM license contract still effectively exists at the current point of time. (Exhibit Otsu 4, entire import of the argument)

(2) The plaintiff, Apple and the defendant, Qualcomm started a negotiation (the present license negotiation) around 2014 with the purpose that the plaintiff, Apple directly receives the grant of the license from the defendant, Qualcomm for the global essential declared patent portfolio in relation with the present communication standard held by the defendant, Qualcomm. In the present license negotiation, the following transactions were made.

A. The staff in charge in the plaintiff, Apple sent a letter dated February 5, 2016 having the following description to the staff in charge in the defendant, Qualcomm (Exhibit Ko 9).

●(omitted)●

B. The staff in charge in the defendant, Qualcomm sent a letter dated

February 17, 2016 having the following description to the staff in charge in the plaintiff, Apple (Exhibit Ko 10).

●(omitted)●

C. The staff in charge in the defendant, Qualcomm sent a list describing a large number of patents that the defendant, Qualcomm disclosed to ETSI (European Telecommunications Standards Institute) dated March 18, 2016 and asked the staff in charge in the plaintiff, Apple to let them know if there was a patent in the list capable of using the present communication standard and not worked in the products by the plaintiff, Apple. The list describes the U.S. or Chinese patents corresponding to the present patent, and the column for the geographical range has the description of "Japan: 4685302" (the patent number of the present patent) in addition to the country names of U.S., China, Austria, and other countries and numbers corresponding to them with regard to the patent. (Exhibit Ko 7)

D. The staff in charge in the plaintiff, Apple sent a letter dated April 18, 2016 having the following description to the staff in charge in the defendant, Qualcomm (Exhibit Ko 11).

●(omitted)●

E. The staff in charge in the defendant, Qualcomm sent a letter dated June 12, 2016 having the following description to the staff in charge in the plaintiff, Apple (Exhibit Ko 6).

●(omitted)●

F. The staff in charge in the defendant, Qualcomm sent a letter dated July 15, 2016 to the staff in charge in the plaintiff, Apple and made the license proposal by proposing a license under the FRAND conditions for the essential declared patents of the present communication standard held by the defendant, Qualcomm.

G. The defendant, Qualcomm provided the "claim chart list samples" for a part of the patent rights held by Qualcomm around December in 2016 to the plaintiff, Apple (Exhibit Ko 14). The claim chart list samples do not describe the present patent or the U.S. or Chinese patents corresponding to the present patent.

(3) The defendant, Qualcomm instituted an infringement action on the patent right related to the Chinese patent corresponding to the present patent in China against Maze, Inc. which is a portable communication terminal manufacturer as the defendant in June of 2016 (Exhibit Ko 8).

The defendant, Qualcomm thought that Maze, Inc. sold worked products of the patent held by the defendant, Qualcomm without being granted a license from the defendant, Qualcomm, although there was no such situation that Maze Inc. received supply of manufacture from CM having the CM license, and instituted the aforementioned lawsuit (entire import of the argument).

(4) The plaintiff, Apple filed an action with the South California District Court of U.S. on January 20, 2017 with the defendant, Qualcomm as the defendant (Exhibit Ko 16).

The plaintiff, Apple sought for confirmation that sales acts by the defendant, Qualcomm of the baseband processor chipsets made by the defendant, Qualcomm to CM exhaust the patent right of the defendant, Qualcomm in relation with the patent right included in the chipsets, confirmation that the defendant, Qualcomm did not make a proposal of a non-discriminatory license with the rational royalty rates and rational conditions to the plaintiff, Apple and setting of the FRAND rates using the rational royalty rate for the patent held by the defendant, Qualcomm, and worked by the plaintiff, Apple (Exhibit Otsu 2). In response to that, the defendant, Qualcomm sought for confirmation that the license proposal that the defendant, Qualcomm presented to the plaintiff, Apple in the present license negotiation fulfills the FRAND conditions and the like (Exhibit Ko 33, entire import of the argument).

(5) The defendants express to the plaintiffs in this action that the defendant, Qualcomm granted the license (CM license) of the patent rights including the present patent right to the four CM companies of the plaintiff's products at the current point of time, and the plaintiff, Apple receives the supply of all the plaintiff's products from the four CM companies and thus, they do not have nor intend to exercise the right to demand compensation for damages based on the present patent right infringement and the right to demand royalties based on the present patent right.

2 Issue (2) (existence of benefit of confirmation)

(1) The action for confirmation is allowed only if a risk or a concern currently exists in the right or the legal position of the plaintiff and to obtain the confirmation judgment to the defendant to remove that is necessary and appropriate (see Supreme Court 1952(O)683, judgment of the third petty bench on December 26, 1955/Supreme Court Civil Digest, Vol 9, No. 14, p2082).

(2)A. The plaintiffs assert that the defendant, Qualcomm asserted to the plaintiff, Apple that the plaintiff's products infringe many patent rights held by the defendant, Qualcomm including the present patent right in the present license negotiation in 2016.

By considering the history of the present license negotiation, the present license negotiation was a negotiation in relation with the production, transfer, and the like of the plaintiff's products with the purpose that the transaction form in which the defendant, Qualcomm grants the CM license for the patents including the present patent to the four CM companies performing the supply to the plaintiff, Apple should be revised and the defendant, Qualcomm should directly grant the license to the plaintiff, Apple (findings (1) and (2)). In the process of this negotiation, the defendant, Qualcomm was asked to specify the patent right which would be infringed by the plaintiff's products without the CM license from the plaintiff, Apple and to explain the reasons they thought that the plaintiff's products infringe the patent right and the like. In response to that, the defendant, Qualcomm stated to the plaintiff, Apple that the plaintiff's products are certified for compliance with the present communication standard, sent the list of the patents (describing also the patent number of the present patent therein) that the defendant, Qualcomm disclosed to ETSI (European Telecommunications Standard Institute) and requested specification of those not worked among the plaintiff's products and the like (findings (2)B, C and E).

In view of the purpose of the present license negotiation and the contents of transactions in the present license negotiation, it cannot be found that the defendant, Qualcomm asserted to the plaintiff, Apple that the plaintiff's products infringe the present patent right in the present license negotiation in 2016. In the present license negotiation, the staff in charge in the defendant, Qualcomm sent the letter including the phrase that the plaintiff's products are •(omitted)• (E in the same), but it is found that upon receipt of the request by the plaintiff, Apple to the defendant, Qualcomm to specify the patent right that the defendant, Qualcomm considers to infringe the plaintiff's products without the CM license and the like (A in the same), the aforementioned phrase was used in the opinion of the defendant's Qualcomm in the negotiation. Moreover, in the present license negotiation, the defendant, Qualcomm discloses the list including



the description of the patent number of the present patent (C in the same) but this can be also considered such that the list was disclosed in the course of the aforementioned negotiation in response to the request by the plaintiff, Apple to the defendant, Qualcomm to specify the patent right considered to be worked in the plaintiff's products, and this cannot be found to be an act to indicate the fact of infringement of the present patent right and expecting a claim of rights.

B. The plaintiffs assert not only that the defendant, Qualcomm does not clarify the target range of the CM license in the present license negotiation but they change their assertions and in view of such history of the facts, the plaintiffs are in danger of exercise of rights by the defendants based on the present patent right infringement.

However, the defendant, Qualcomm explicitly and consistently expresses in the present action that the present patent right is included in the targets of the CM license, and as a result, the defendants do not have the right to demand compensation for damages based on the present patent right infringement and the right to demand royalties based on the present patent right for the production, transfer, and the like of the plaintiff's products by the plaintiff. In such circumstances, it cannot be found that the plaintiffs are in the danger of exercise of rights by the defendants based on the present patent right infringement, since the defendants do not clarify the contents of the CM license contract.

C. The plaintiffs point out that the defendant, Qualcomm instituted an infringement action against Maze Inc. on the patent right in relation with the Chinese patent corresponding to the present patent.

However, as in the findings (3), the defendant, Qualcomm thought that Maze Inc. sells the worked products of the patent held by the defendant, Qualcomm without being granted the license from the defendant, Qualcomm, even though there is no such situation that Maze Inc. receives the supply of manufacture from CM having the CM license, and instituted the action, and the situation is different from the present case in which the plaintiff's products supplied from the four CM companies constitute the problem. It cannot be found by the aforementioned institution of the action that the plaintiffs are in the danger of exercise of rights by the defendants based on the present patent right infringement.

D. The plaintiffs assert that the defendant, Qualcomm seeks for

confirmation of compatibility with the FRAND declaration of the proposed license of the essential declared patent portfolio (including the present patent right) presented to the plaintiff, Apple and the like in the U.S. lawsuit, and such request for confirmation is nothing but the assertion that the plaintiff, Apple infringes all the essential declared patents including the present patent right.

As in the findings (4), the plaintiff, Apple sought for confirmation that the defendant, Qualcomm did not make a proposal of a non-discriminatory license with the rational royalty rates and rational conditions and setting of the FRAND rates of the patent held by the defendant, Qualcomm and worked by the plaintiff, Apple in the U.S. lawsuit, and the defendant, Qualcomm sought for confirmation that the license proposal that the defendant, Qualcomm indicated in the present license negotiation is compatible with the FRAND declaration as cross bull to this claim by the plaintiff, Apple.

In these lawsuits, it cannot be found that the defendant, Qualcomm asserted that the plaintiff, Apple infringed the patent right held by the defendant, Qualcomm including the present patent right regardless of the existence of the CM license and the license proposal, which was the issue of suit, was made in the present license negotiation conducted between the plaintiff, Apple and the defendant, Qualcomm in 2016 (findings (2) F), and in view of the purpose of the present license negotiation (findings (2)) and the history of the aforementioned claim for confirmation in the lawsuit in the United States, it cannot be found that the aforementioned claim for confirmation does not mean that the defendant, Qualcomm asserts that the plaintiff, Apple infringes the present patent right. The plaintiffs assert that the defendant Qualcomm did make assertion with the hypothetical condition that the CM license did not exist in the U.S. lawsuit, but in view of the history of the aforementioned claim for confirmation and the like, it cannot be found that the facts immediately change the aforementioned judgment.

E. In this case, the plaintiffs receive the supply of all the plaintiff's products from the four CM companies, but the CM license exists between the defendant, Qualcomm and the four CM companies, and the present patent right is also included in the targets (findings (1)).

The defendants admit these facts and with these facts as reasons,

expressed in this action that the defendants do not have the right to demand compensation for damages based on the present patent right infringement and the right to demand royalties based on the present patent right for the production, transfer, and the like of the plaintiff's products by the plaintiffs.

And as described in the aforementioned A and D, it is not found that the defendant, Qualcomm asserted that the plaintiff's products infringe the present patent right in the past negotiation between the plaintiff, Apple and the defendant, Qualcomm and it is not found in the other lawsuits and the like, either, that the defendant, Qualcomm took an action contradicting the aforementioned expression by the defendants. Other than that, there is not sufficient evidence to find that the defendant, Qualcomm took an action which causes the risk or concern about the right of the plaintiff, Apple or the legal position thereof.

By comprehensively considering the above, it cannot be found that there is a risk or concern about the right of the plaintiff, Apple or the legal position thereof in the relation with the defendant, Qualcomm.

(3) The plaintiffs assert that since the defendant, QTI, the defendant, QCTAP, and the defendant, Qualcomm Japan perform businesses related to the products and the like of the defendant, Qualcomm and sales of the products, they exercise the present patent right integrally with the defendant, Qualcomm. However, it cannot be considered that since those not holding the present patent right perform the business related to the worked products and the like, they hold or exercise the present patent right itself or the right to demand royalties, and there is not sufficient evidence to find the facts that the defendant, QTI, the defendant, QCTAP, and the defendant, Qualcomm Japan specifically exercised those rights. Therefore, it cannot be found that there is a specific concern that these defendants exercise the right to demand compensation for damages based on the present patent right infringement and the right to demand royalties based on the present patent right.

(4) According to the above, the action by the plaintiff, Apple against the defendant, Qualcomm and the action between the plaintiff, Apple, and the defendant, QTI, the defendant, QCTAP, and the defendant, Qualcomm Japan in the present actions do not have the benefit of confirmation.

Moreover, there is no assertion of the facts as the grounds for a specific concern that the defendants exercise the right to demand compensation for

damages based on the present patent right infringement and the right to demand royalties based on the present patent right against the plaintiff, Apple Japan separately from the plaintiff, Apple, and the benefit of confirmation is not found, either, for the action between the plaintiff, Apple Japan and the defendants.

### 3 Conclusion

Therefore, without even the need to determine the other issues, since the present action lacks benefit of confirmation and is unlawful, the action is dismissed and judgment is rendered as in the main text.

Tokyo District court, 46th Civil Division

Presiding Judge SHIBATA Yoshiaki  
Judge OOSHITA Yoshihiro

The judge, HAGIWARA, Takamoto cannot sign/seal due to changing of the post.

Presiding Judge SHIBATA Yoshiaki

(Attachment)

List of parties concerned

Plaintiff: Apple Incorporated

Plaintiff: Apple Japan GK

(omitted)

Defendant: Qualcomm Incorporated

Defendant: Qualcomm Technologies Inc.

Defendant: Qualcomm CDMA Technologies Asia-Pacific PTE LTD

Defendant: Qualcomm Japan Inc.

(omitted)

(Attachment)

List of articles

- 1 iPhone 7 Plus 32GB
- 2 iPhone 7 Plus 128GB
- 3 iPhone 7 Plus 256GB
- 4 iPhone 7 32GB
- 5 iPhone 7 128GB
- 6 iPhone 7 256GB
- 7 iPhone 6S Plus 32GB
- 8 iPhone 6S Plus 128GB
- 9 iPhone 6S 32GB
- 10 iPhone 6S 128GB
- 11 iPhone SE 16GB
- 12 iPhone SE 64GB
- 13 12.9 inch iPad Pro Wi-Fi 32GB
- 14 12.9 inch iPad Pro Wi-Fi 128GB
- 15 12.9 inch iPad Pro Wi-Fi 256GB
- 16 12.9 inch iPad Pro Wi-Fi + Cellular model 128GB
- 17 12.9 inch iPad Pro Wi-Fi + Cellular model 256GB
- 18 9.7 inch iPad Pro Wi-Fi 32GB
- 19 9.7 inch iPad Pro Wi-Fi 128GB
- 20 9.7 inch iPad Pro Wi-Fi 256GB
- 21 9.7 inch iPad Pro Wi-Fi+ Cellular model 32GB
- 22 9.7 inch iPad Pro Wi-Fi+ Cellular model 128GB
- 23 9.7 inch iPad Pro Wi-Fi+ Cellular model 256GB
- 24 iPad Air 2 Wi-Fi 32GB
- 25 iPad Air 2 Wi-Fi 64GB
- 26 iPad Air 2 Wi-Fi 128GB
- 27 iPad Air 2 Wi-Fi + Cellular model 32GB
- 28 iPad Air 2 Wi-Fi + Cellular model 128GB
- 29 iPad Air Wi-Fi 16GB
- 30 iPad Air Wi-Fi 32GB
- 31 iPad mini 4 Wi-Fi 32GB
- 32 iPad mini 4 Wi-Fi 128GB

33 iPad mini 4 Wi-Fi + Cellular model 32GB  
34 iPad mini 4 Wi-Fi + Cellular model 128GB  
35 iPad mini 3 Wi-Fi 16GB  
36 iPad mini 3 Wi-Fi 64GB  
37 iPad mini 2 Wi-Fi 16GB  
38 iPad mini 2 Wi-Fi 32GB  
39 iPad mini 2 Wi-Fi + Cellular model 32GB

End