THE "DUAL-TRACK" SYSTEM IN JAPAN WILL CONFLICT RESULT FROM INVALIDITY DECISIONS BEING MADE IN BOTH THE JPO AND THE COURTS?

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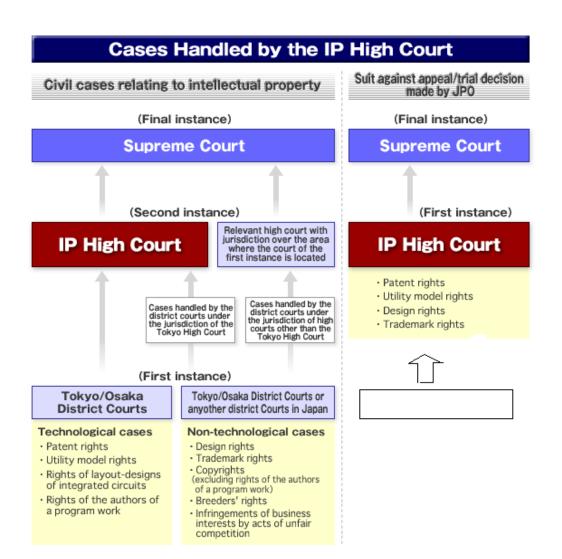
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1 BACKGROUND BASED ON THE PROBLEM (1) WHAT'S THE DUAL-TRACK SYSTEM?

- The invalidation trial at the JPO (Article 123 (2) of the Patent Act )
- The Defense of patent invalidity
   (Article 104 3 (1) of the Patent Act)

## 1 BACKGROUND BASED ON THE PROBLEM

## (1) WHAT'S THE DUAL-TRACK SYSTEM?



- 1 BACKGROUND BASED ON THE PROBLEM
- (1) WHAT'S THE DUAL-TRACK SYSTEM?

## Article 123 (2) of the Patent Act

Γ(2) Any person may file a request for a trial for patent invalidation; provided, however, that where a request for a trial for patent invalidation is filed on the ground that the patent falls under item (ii) of the preceding paragraph (limited to cases where the patent is obtained in violation of Article 38) or item (vi) of the preceding paragraph, only an interested person may file a request for a trial for patent invalidation. I

#### 1 BACKGROUND BASED ON THE PROBLEM

## (1) WHAT'S THE DUAL-TRACK SYSTEM?

## Article 104 - 3 (1) of the Patent Act

" (1) Where, in litigation concerning the infringement of a patent right, the said patent is recognized as one that should be invalidated by a invalidation trial, the rights of the patentee may not be exercised against the adverse party."

BACKGROUND BASED ON THE PROBLEM
 (2) THE BACKGROUND OF ARTICLE 104 - 3

# The Supreme Court decision (dated April 11, 2000)

"when it is clear that the patent in issue has reasons to be invalidated, requesting an injunctive relief and payment of damages based on the patent right should be deemed as an abuse of patent right and prohibited unless there are special circumstances."

The decision made by the court about the Defense of patent invalidity



The decision to invalidate the patent made by the JPO



## •What's the retrospective effect?

## Article 125 of the Patent Act

"Where a trial decision to the effect that a patent is to be invalidated has become final and binding, the patent right shall be deemed never to have existed"

## The Slot machine case

(judgment of IP high court, date of the judgment : October 12,2005)

" Due to the fact that the JPO decision to invalidate the patent became final and binding, the patent right is deemed never to have existed pursuant to the main clause of Article 125 of the Patent Act. Consequently, it is obvious that the appellee's claim based on the Patent right has lost its premise and therefore is groundless."

## The retrial proceedings

## Article 338(1)(viii) of the Code of Civil Procedure

"(1) Where any of the following grounds exist, an appeal may be entered by filing an action for retrial against a final judgment that has become final and binding;

(viii) The administrative disposition, based on which the judgment pertaining to the appeal was made, has been modified by a subsequent administrative disposition."

## The Apparatus for waste removal from lavers case

(Judgment of IP high court, date of the judgment : September 14, 2008)

"since due to the fact that the decision to invalidate the patent became final and binding, the patent right is deemed never to have existed from the beginning (the main clause of Article 125 of the Patent Act), "therefore, it is obvious that the retrial defendant's claim based on the patent right is groundless"

## Stay of litigation

## article 168 (1) of the Patent Act

"where deemed necessary during a trial, the trial proceedings may be suspended until the decision in another trial has become final and binding."

## The Apparatus for machining knife case

(The supreme court decision on April 24,2008)

"this case may meet the requirement of retrial as provided by Article 338(1)(viii)"

"Even if there were the grounds for retrial, "

"the petitioner could have submitted a counter argument (trial for correction) against the respondent's allegation that the patent is invalid. In light of purpose of the Article of 104-3 of the Patent Act, the petitioner should have submitted the countering argument at an earlier stage. ...the Court cannot find any justifiable reason for the petitioner's failure to submit its counting argument relating to the correction proceedings at the JPO before the end of oral arguments at the appellate court."

## The Apparatus for machining knife case

(The supreme court decision on April 24,2008)

"In this case, accepting the petitioner's request to reverse the appellate court's decision based on the fact that the granting correction by the JPO becomes final and binding would prolong the dispute between the petitioner and respondent on infringement of the patent and thus should not be allowed in light of the purpose of Article 104-3 of the patent Act."

# Virtual unification of decisions at the IP High Court

the decision in the patent infringement litigation



Virtual unified decision made by the same panel



the decision in the invalidation trial

## Thank you for your attention