

Battle over Patent Invalidation in Patent Infringement Suits

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Chief Judge of the IP High Court

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Today's Topics

I. Historical Background

II. Two Approaches

III. The Latest Trends

I Historical Background

1. Patent Suits of the 20th Century
2. Kilby Supreme Court Decision (in 2000)
3. Article 104-3 of the Patent Act (Revised 2004)
4. Dispute Resolution Procedure in Patent Infringement Cases

1 Patent Suits of the 20th Century

- The Courts in patent infringement suits could not judge any grounds for invalidating patent (Former Supreme Court Decision Sep. 15, 1904, 10 Keiroku 1679).
 - ▪ ▪ Only in a trial for patent invalidation before JPO and in a suit against the JPO trial decision.
- Words of a patent claim were interpreted narrowly enough to exclude the prior art.
- Suspension of the court proceedings until the invalidation trial has become final and conclusive (Article 168 Para.2 of the Patent Act) ▪ ▪ ▪ prolonging the court proceedings

2 “Kilby Case”

(Supreme Court Decision, 3rd Petty Bench, April 11, 2000, 54-4 Minshū 1368)

“Even before a invalidation trial decision becomes final and conclusive, the courts examine patent infringement can judge whether or not it is obvious that there are grounds for invalidating the patent.”

“When there are grounds for invalidating the patent obviously, injunction and damage claims based on the patent are not permissible because such claims constitute an abuse of right unless there are exceptional circumstances.”

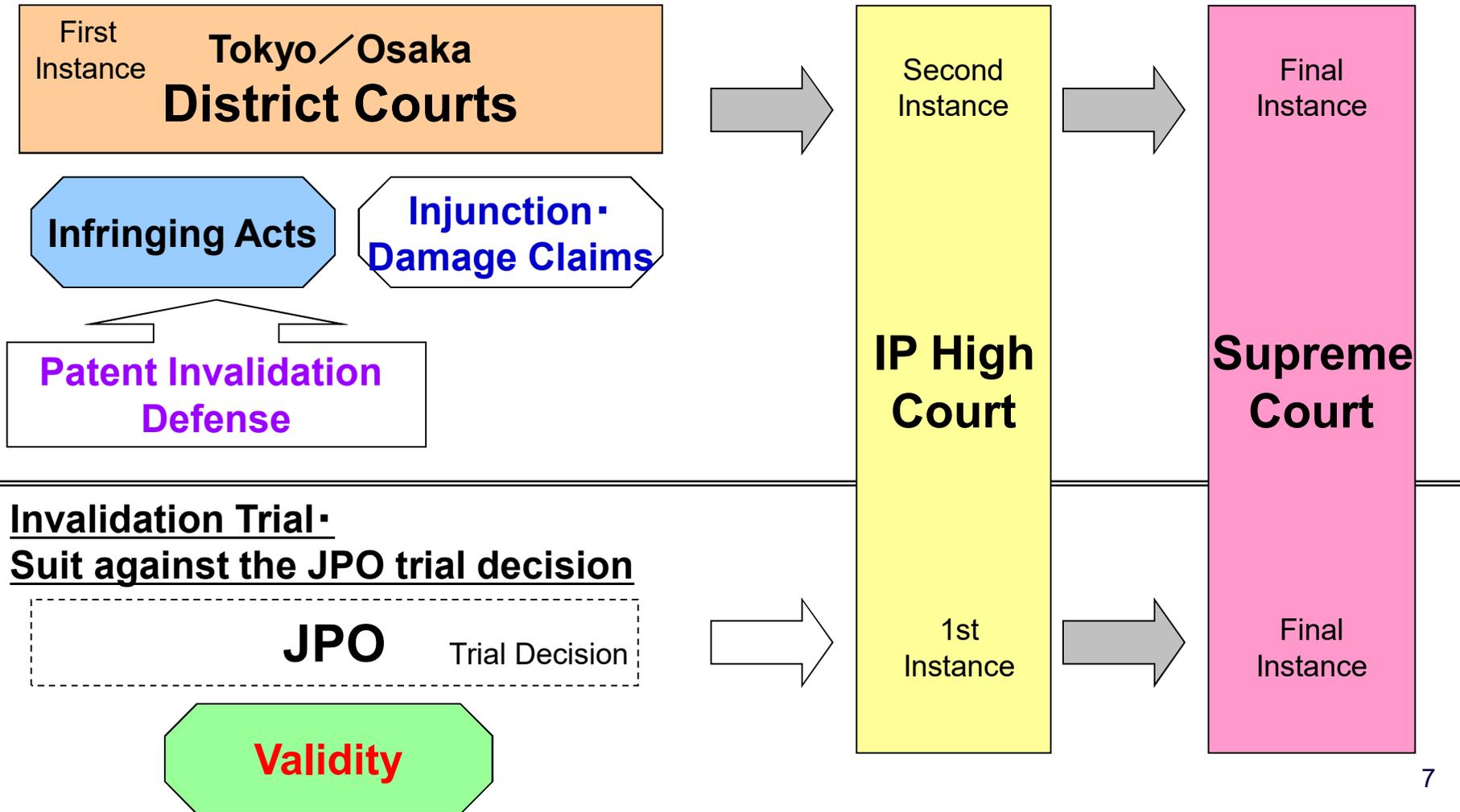
1. Reasonable Conclusion on a case-by-case (in light of equity)
2. One-time dispute resolution, suitable for judicial economy
3. Speed-up of a proceeding in a patent infringement suit

3 Article 104-3 of the Patent Act (Revised 2004)

1. “In a suit relating to the infringement of patent right ..., the patentee shall not exercise the right to the other party, where the patent ... is considered to be invalidated on a patent invalidity trial ...”
 - • • This article aims to settle all the patent infringement disputes through the proceeding in a suit whenever possible, and furthermore to rapidly settle the disputes.
2. “With respect to the means of attack or defense under the preceding paragraph, the court may, upon motion or ex officio, render a ruling of dismissal, if the submission involving such measures is considered to have been made for the purpose of causing unreasonable delay in the trial.”
 - • • This article aims to avoid the delay of the court proceedings by examining and judging patent invalidation defense.

4 Dispute Resolution Procedures in Patent Infringement Cases

A Patent Infringement Suit



II Two Approaches

1. The Relationship between Two Approaches
2. Patent Invalidation Defense and Suit against JPO Trial Decision
3. Aim of Patent Invalidation Defense
4. Problems and Overcoming the Problems
5. “Double Track” Practice in Court

1 The Relationship between Two Approaches

	Patent Invalidation Defense in Court	Demand for Patent Invalidation Trial
Grounds for invalidating patent	No limitation	No limitation (Only an interested party can claim in case of misappropriated application and the violation of joint applications)
Time Restriction	Dismissed if the submission is considered to have been made for the purpose of causing unreasonable delay in the trial	Demand may be allowed even after the patent has expired. Demand may also be made any numbers of times, except for “prohibition of double jeopardy – two times action for the same reason”
Counter-defense by Patentee	Claim Correction Counter-defense	Claim Correction Request
Effect of patent invalidity decision	Binding effect only between the litigant parties.	Public effect on all parties, retroactive Effect

2 Patent Invalidation Defense and Revocation Suit against a JPO Trial Decision

- Subject matter of a revocation suit against JPO trial decision
 - • • illegality of trial decision
- “... where the patent is considered to be invalidated on a patent invalidation trial”
 - = The situation where the invalidation decision would become final and conclusive if the invalidation trial was demanded.
- The same level in judges’ consideration between the judgement to the invalidation defense and the judgement to the revocation in suit against a JPO trial decision

3 Role of Patent Invalidation Defense

1. Reasonable Claim Interpretation

(No unreasonably narrow claim interpretation)

2. Patent invalidity can be argued and judged without requesting the invalidation trial before JPO (One-time and rapid resolution of patent disputes).

Invalidation defense will be dismissed if the submission is considered to have been made for the purpose of causing unreasonable delay in the trial (The defense should be submitted “timely” or at an appropriate time)

3. Counter-defense (Re-defense) of claim correction

(for a case that the grounds for invalidating the patent are overcome by a request of claim correction or a request for a claim correction trial, and also the subject products/methods fall under the technical scope of the corrected claim.)

4 Problems and Overcoming the Problems

1. Legal Instability due to Inconsistency

→ Even if the invalidity/claim-correction trial decision become final and conclusive after the judgement in an infringement suit becomes final and conclusive, the trial decision has no effects on the final and conclusive court judgement (Article 104-4 of the Patent Act). The same panel of appeal board at the IP High Court examines both cases (an infringement suit and a suit against the JPO trial decision) whenever possible at timing.

2. Unfairness between Parties (The patentee is forced to win both cases.)

→ Consideration of the necessity of a demand for an invalidity trial, reducing the burden by examining common grounds for invalidating the patent.

5 “Double Track” Practice in Court

- The same panel of appeal board at the IP High Court examines both cases whenever possible at timing.
- The appeal board requests defendants to submit common grounds for invalidating a patent and common evidences in two proceedings.
- The appeal board firmly reply to late-filed arguments with dignity.

III The Latest Trends

1. Former Judicial Precedents
2. “Apparatus for Machining Knife” Case
3. “Sheet Cutter” Case
4. Timely Arguments and Rapid and Reasonable Judgements

1 A Former Judicial Precedent

- The new grounds for invalidation which were submitted in the second instance were not dismissed by appeal court and the court found the patent invalid on such grounds (IP High Court Decision, September 30, 2005, 1904 Hanrei Jihō 47– “Ichitaro Case”)

2 “Apparatus for Machining Knife” Case

(Supreme Court Decision, April 24, 2008, 62-5 Minshū 1262)

- After the 2nd instance accepted Y’s patent invalidation defense based on Article 104-3 (1) regarding X’s damage claims against Y’s patent infringement, the JPO trial approved the claim correction for the purpose of its limitation of the patent became final and conclusive.

Under said circumstances, it was held in light of the purpose of Article 104-3 of the Patent Act that X (the patentee) could no longer argue against the second-instance decision based on the final decision of the correction trial (Article 338 (1) ⑧ of the Civil Procedure Code), because it unduly delays the solution of the dispute.

- i. X should have submitted the counter-defense to deny or overcome Y’s patent invalidation arguments at an earlier stage, at least, at the appeal proceeding.
- ii. The Court cannot find any justifiable reasons why before the end of the oral argument X did not submit the counter-defense of a request for a correction trial (which was submitted after the end of the oral argument) in order to deny or overcome patent the invalidation arguments that Y had submitted.

- Judgement of the first instance
 - ▪ ▪ Invalidation Defense by Y was accepted and the claim by X was dismissed.
 - Request for a claim correction trial 1→Withdrawn
 - Request for a claim correction trial 2→Dismissed→Withdrawn
- Conclusion of oral argument of the second instance
 - Request for a claim correction trial 3→Withdrawn
- Judgement of the second instance
 - ▪ ▪ Invalidation Defense by Y was accepted and the appeal by X was dismissed.
 - Request for a claim correction trial 4→Withdrawn
 - Request for a claim correction trial 5→Correction became conclusive
- Final Appeal
 - ▪ ▪ Argument of “grounds for retrial” by X

3 “Sheet Cutter” Case

(Supreme Court Decision, 2nd Petty Bench July 10, 2017, 71-6 Minshū 861)

- In the case where the patentee had not submitted claim-correction-counter-defense until the end of the oral argument at the fact finding court (appeal court), it is not permissible to argue against the decision in fact-finding proceeding on the ground that the claim-correction-trial became final and conclusive in light of the purpose of Article 104-3 and 104-4 of the Patent Act, except for exceptional circumstances such as the situation where the patentee could not have submitted correction-counter-defense due to unavoidable situations, because such argument would unreasonably delay the resolution of the patent infringement dispute.

4 Timely Argument and Rapid and Reasonable Judgements

- It is necessary to submit both patent invalidation defense and claim-correction-counter-defense in a timely manner.
- The situation where the party bringing “too late-filed arguments” or “repeatedly-brought-up arguments” can take advantages (should be avoided)
 - Trial schedule plan, and rapid and reasonable judgement
- Acquisition of expert knowledge
 - • • Technical Presentation, Judicial Research Officials, Technical Advisors

(Technical Presentation)



Thank you for your attention!



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