

The measure to harmonize patent trial and litigation in Japan

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Presiding Judge

IP High Court of Japan

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Overview

1. Historical development regarding the legal system in Japan
2. Issues and solutions as to the double track system
3. Remaining issues

1. Historical development
regarding the legal system in
Japan

1-1 Former Supreme Court's Judgement September 15,1904

“a judgement in litigation on patent infringement needs to be rendered on the premise that the patent is valid, even if it is obvious that the said patent is invalid.”

[problem]

1. Contrary to the principle of equity
2. Increase of economic loads for the parties
3. Delay of the proceeding

1-2 Supreme Court's judgement April 11,2000 [Kilby case]

“ When it is clear that the patent in issue has reasons to be invalidated, claims for injunction, damages, or other claims based on such patent right should be deemed as an abuse of patent right and prohibited unless there are extenuating circumstances.”

[Effect of alteration of judicial precedent]

1. Reasonable conclusion (equitable)
2. Solution of the case with one time
3. Expediting of trials in patent infringement

1-3 Article 104-3 of the Patent Act 2004 the revised law

Restriction on exercise of rights of patentee

- (1) Where, in litigation concerning the infringement of a patent right, said patent is recognized as one that should be invalidated by a trial for patent invalidation, the rights of the patent owner may not be exercised against the adverse party.
- (2) Where the court considers that the materials used for an allegation or defense under the preceding paragraph are submitted for the purpose of unreasonably delaying the proceedings, the court may, upon a motion or ex officio, render a ruling to the effect that the allegation or the defense is to be dismissed.

1-4 Current system

Trial for patent invalidation

- JPO



- IP High Court



- Supreme Court

Litigation of patent infringement

- Tokyo District Court/
• Osaka District Court



- IP High Court



- Supreme Court

1-4 Current system

Trial for patent invalidation

1. Ex officio examination
2. No limitation by the timing of the initiating a trial and the numbers of trials
3. Retrospective effect as to third parties
4. Request for correction in a trial for patent invalidation

litigation under article 104-3 of the patent act

1. No ex officio examination
2. Dismissal of an allegation or defense that unreasonably delays the proceedings
3. Relative effect of judgments limited to the parties
4. Trial for correction
Re-defense of correction

2 Issues and solutions as to the double track system

2-1 Issues arising from double track system

1. Unfair in that the defendant has double opportunities to defense although the plaintiff has to win both in patent trial and in litigation.
2. Contrary to the principle of solution at once and judicial economy.
3. Possibility of the contradiction between trial decision and judgment in litigation on patent infringement.
→ Legal stability and reliability of patent system will be deteriorated.

2-2 Legislative solution of contradiction of judgement

In case where a judgment for the patentee (the patent valid) was rendered prior to a decision against applicant (the patent invalid)

1. Former theory: grounds for retrial (Article 338 of the Code of Civil Procedure)
(not in cases where a judgment against the patentee (the patent invalid) was rendered prior to a decision for the applicant (the patent valid))
2. Article 104-4 of the Patent Act (2004.04.01 revision of the Act): not grounds for retrial
This rule should be also applied in the case where the decision of the trial for correction has become final and binding.

2-3 Affect of legislation

1. Former: If the infringer loses a litigation, he still had a opportunity to prevail a trial for invalidation of patent.
2. Under the said amended law, defendant must present assertion and evidence of ground for invalidation timely.

2-4 Contrived ways to avoid the contradiction between judgement and decision

[Reasons for the contradiction]

- ① Difference in allegation and evidence
- ② Difference in the panel of trial and litigation

[Device for operational improvement]

- ① To have the same allegation and evidence to be submitted both in litigation and in a trial.
- ② To have the same panel to handle both a case of suit against an trial decision on a patent and a case of an appeal against infringement of the said patent.

2-4 Contrived ways to avoid contradiction of judgement and decision

[limitations]

- ① On suit against appeal/trial decisions, it is not permissible to assert a cause for invalidating a patent in relation to publicly-known facts that were not presented for appeal/trial examination and judgement.
- ② The court may not be able to handle both cases depending on the timing of a trial.

3 Remaining issues

3-1 Scope of procedure of suit against appeal/trial decisions ①

Supreme Court's Judgement March 10,1976

[knitting machine case]

“It is not permissible to assert a cause for invalidating a patent in relation to publicly-known facts that were not put for appeal/trial examination and judgement in an appeal to the determination for invalidation of a patent in a lawsuit for revocation of an appeal to the determination. “

3-1 Scope of procedure of suit against appeal/trial decisions②

Supreme Court's judgement January 24, 1980

[Paccage case]

“ It is permissible to submit publications that were not put for appeal/trial examination and judgment in an appeal to the determination, to make clear common general technical knowledge. “

3-2 Limitation of chance of trial for correction

Article 126(2) : A request for a trial for correction may not be filed from the time the relevant trial for patent invalidation has become pending before the Patent Office to the time the trial decision has become final and binding.

- Whether correction is right or not cannot be final and binding until judgement become final and binding also, therefore the patentee cannot correct the claim.
- Accordingly courts must judge for re-defense of correction in many cases.

3-3 Prohibition of double jeopardy

Article 167 of the patent act : Effect of trial decision

“When a final and binding trial decision in a trial for patent invalidation or a trial for invalidation of the registration of extension of the duration has been registered, no one may file a request for a trial on the basis of the same facts and evidence.”

→”party and participant may not file a request for a trial on the basis of the same facts and evidence.”

The flexible interpretation of the legal meaning in regard of “the same facts and evidence” is the first step to settle a dispute at once.

Thank you for your attention.



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