

III. Issues of Patent Infringement

1. General

The plaintiff (patentee) bears the burden of proof of patent infringement in a patent infringement action. Moreover, the plaintiff bears the burden to allege specific patent infringement act conducted by the defendant. This means that the plaintiff must identify the structure of accused product manufactured or sold by the defendant or accused process used by the defendant and allege infringement of a certain claim of the patent in suit in the complaint. In the US the plaintiff is not required to identify the accused product/process in the complaint. That is not the same in Japan. The plaintiff of patent infringement action must investigate the accused product/process as much as possible before filling the complaint. For successful enforcement of patent thorough preparation of the case prior to filing is extremely important in Japan.

Act of Infringement under the Japanese patent law are: (1) if the claim is directed to a product, manufacturing, sale including an offer of sale, use and importation of the infringing product; (2) if the claim is directed to a process of manufacturing a product, manufacturing, sale including an offer of sale, use and importation of the product manufactured by use of the infringing process; and (3) if the claim is directed to a simple process, use of the process.

Direct Infringement and Indirect Infringement: The act of infringement which include all of the claim elements or its equivalents is direct infringement. In addition, under the Japanese patent law Article 101, indirect infringement or contributory infringement are provided. Namely, manufacturing, sale and importation of products which have no other practical use than infringement is also patent infringement. (Article 101 item (1) for a product claim and item (3) for a process claim) Further, effective as of January 1, 2003 a new type of indirect infringement was enacted. That is manufacturing, sale and importation of products which are used for infringement; not commonly traded articles, indispensable element for achieving the result of the invention, and Such act was done knowingly that the invention is patented and the product is used for practice of the invention. (Article 101 item (2) for a product claim and item (4) for a process claim) On the other hand, under the Japanese patent law an act of active inducement is not patent infringement under the patent law. However, such active inducer may be liable under general tort law, which means that the patentee may seek

damages but may not seek an injunctive relief against such active inducer.

2. Claim Interpretation

The main issue of patent infringement case is claim interpretation. The scope of protection by the right of patent is determined based on the claim. (Article 70 para.1 of Patent Law) The claim should be interpreted in light of the specification of patent. (Article 70 para. 2) Prosecution history of the patent is also a very important basis of claim interpretation.

In the past, until mid 1990's, the Japanese court was criticized by US and European patentees that its claim interpretation was too narrow. If court decisions of '70s, '80s and early and mid '90s are reviewed, the court often interpreted the claim narrowly by introducing a limitation based on a specific embodiment into the claim when a certain claim language is not unequivocally clear.

Now, the tendency of narrow claim interpretation by the Japanese court has changed. It is well recognized that an embodiment is just one example and does not necessarily provide a basis of claim limitation. It is not inconsistent with Article 70 para.2 which provides that the claim should be interpreted in light of the specification. The invention is disclosed in the specification and it is natural that the specification must be considered to interpret the claim. Japanese patent law does not have an explicit provision like section 112 para. 6 of US patent law in connection with a means plus function claim. However, Japanese court interprets such means plus function claim in a manner similar to the US court, taking the embodiments into consideration well. Not only a means plus function claim, a functional claim which describes only function and result but does not recite specific means to achieve such function and result in the claim is also interpreted by taking the embodiments into consideration well. Prosecution history in which the applicant made a restrictive statement about the claim sought to be patented is also relied upon by the Japanese court for claim interpretation.

3. Doctrine of Equivalents

Even if literal infringement is not found, infringement can still be found in proper cases under the doctrine of equivalents. The Supreme Court decision in *Ball spline bearing case* handed down February 24, 1998 held that infringement may be found under the

doctrine of equivalents in consideration of the following five criteria: (1) the difference between the claimed invention and accused product/process does not relate to the essential part of the invention; (2) there is an interchangeability with a claim element and a structure of accused product/process, i.e., the accused product/process has the same function and result; (3) such interchangeability or substitution was obvious as of the time of infringement; (4) the accused product/process was not the same as or obvious over prior art of the patent; and (5) there is no special circumstance which could prevent application of the doctrine, e.g., typically prosecution history estoppel.

After the Supreme Court decision there were several cases in which infringement was found under the doctrine of equivalents by lower courts in consideration of the criteria held by Supreme Court. Our firm represented plaintiffs in two such cases. One is pen-type injector case held by Osaka District Court on May 27, 1999. This decision was affirmed by Osaka High Court on April 19, 2001. The other case is chair-type massage machine case held by Tokyo District Court on March 26, 2003. In its second instance Intellectual Property High Court also found infringement under the doctrine of equivalents on September 25, 2006.

4. Proof of Infringement

Unlike the US judiciary system, an extensive discovery is not available in Japan. Therefore, the plaintiff must obtain evidence of infringement by its own effort before initiating the lawsuit. If there are many different models of accused products, it would be very difficult for the plaintiff to obtain evidences of all of those models. In such case it is important to have a complete evidence of infringement of at least one model, preferably a main model. If the plaintiff is successful in showing infringement of one model to the court, it can be expected that the court would exercise its power to instruct the defendant to disclose other models including non-infringing models if any. However, if the plaintiff does not have an evidence to show infringement of at least one model, the court would not have any reason to instruct the defendant to disclose other models. In such case the plaintiff will lose.

In certain cases the plaintiff cannot expect to obtain a complete evidence of infringement because, e.g., the accused product is not available in the market or the patent relates to a process used inside the defendant's factory. In such case it was practically impossible for a patentee to enforce the patent in Japan in the past. Now if

the plaintiff shows that the plaintiff has done reasonable efforts to investigate the accused infringing product or process and there is reasonable doubt of infringement, then it is possible to expect that the court would exercise its power to issue an order to disclose relevant information if necessary. Following is a process to reach the step of issuance of court order to disclose relevant documents and things:

- (1) First, the plaintiff must make allegation of specific structure of accused infringing product or process. The plaintiff bears the burden of making this allegation.
- (2) Then, the defendant must make responses to the plaintiff's allegation of the specific structure of accused infringing product or process by admission or denial of each statement of the plaintiff's allegation. If the plaintiff has made specific enough allegation of the structure of accused product or process, the defendant which denies such plaintiff's allegation must disclose the structure of accused product or process. (Patent Law Article 104-2) In such case the court usually requests the defendant to submit supporting evidences.
- (3) If the plaintiff does not agree with the defendant's allegation of the structure of accused product or process, the plaintiff may file a petition to request a court order against the defendant to disclose further evidences of documents and things and/or to request the court to inspect ,e.g., defendant's plant. (Patent Law Article 105)
- (4) Usually, the defendant raise an objection to the plaintiff's petition for the court order based on confidentiality of the requested documents etc. In such case the court considers necessity of the documents for the proof of infringement by the plaintiff and confidentiality nature of the requested documents. For this purpose the court conducts *in camera* investigation of the documents. Plaintiff's attorney may participate in such *in camera* investigation under the court's secrecy retention order (Patent Law Article 105-4 para. 1, effective as if April 1, 2005) or signing a secrecy agreement with the defendant. If the court finds that the requested documents are not necessary for proof of infringement by the plaintiff, the petition to request court order to disclose the documents is rejected. If the court issues such order to disclose, attorneys and plaintiff's employees who need to have an access to the documents may be requested to be subject to court's secrecy retention order or a secrecy agreement with the defendant.

It should be noted that Japanese judiciary system has been equipped with a system to

compel disclosure of confidential evidences to the court and the other party, but it is not like an extensive discovery system in the US. Most of disclosure of evidences are conducted not through a court's order but through the court's informal request of disclosure to the parties and usually the parties accept such requests. No extensive disclosure is requested by the court.