



Session 2

Strategic Enforcement of Patent Rights in Japan and Its Merit

- What US Patentees Should Know
When Enforcing Japanese Patents -

Takao Matsui

Japan Patent Attorneys Association
International Activities Center



**Discover IP JAPAN
Conference 2017**



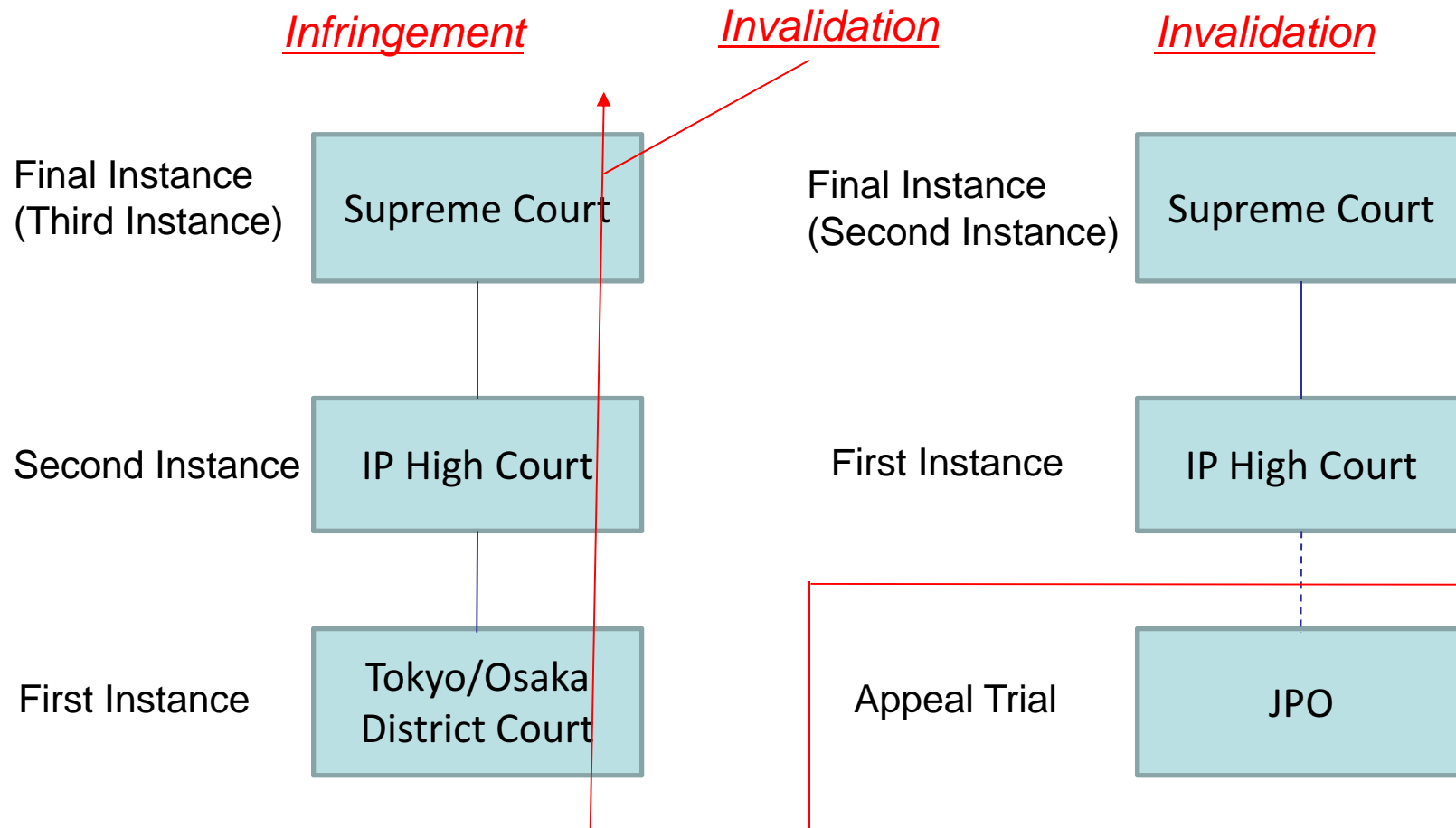
Overview

1. Overview of Japanese Judicial System
2. Remarkable Differences
3. Three Keywords



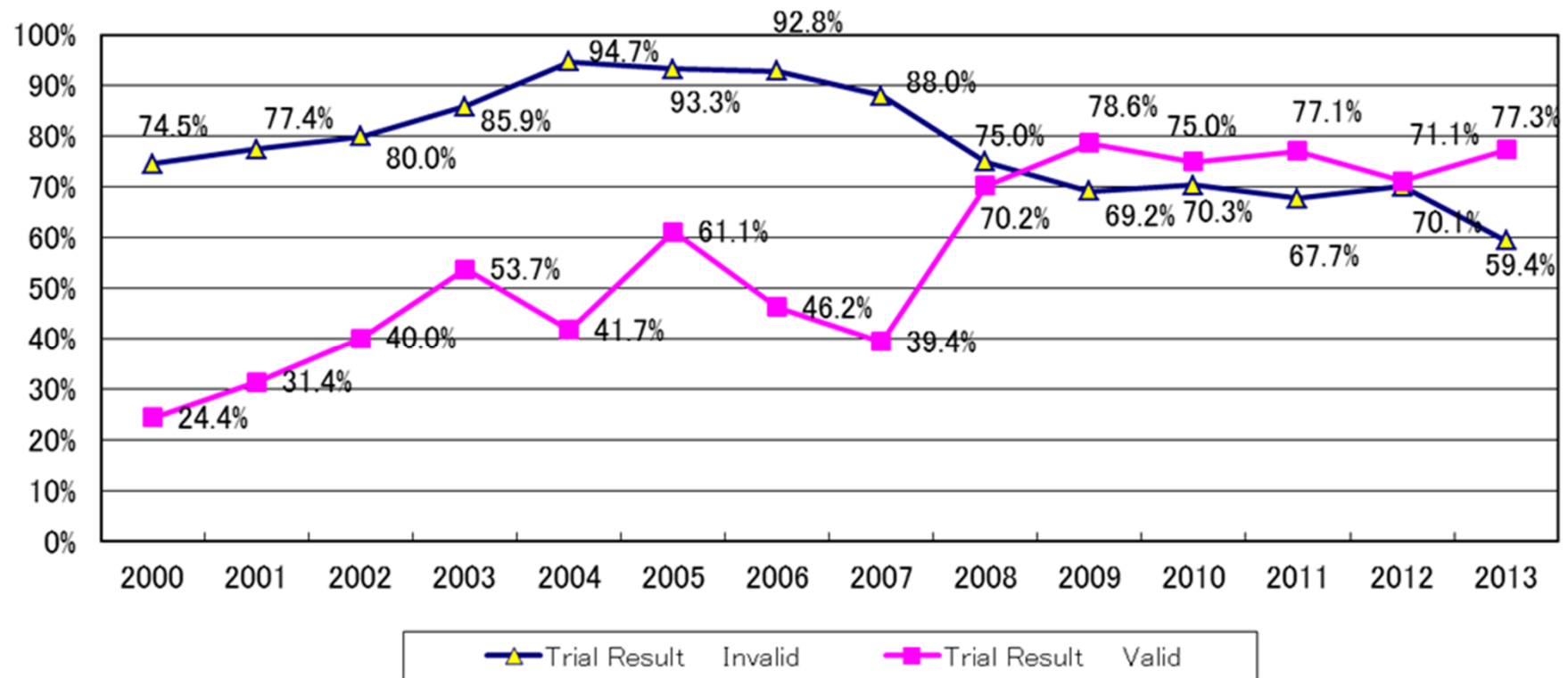
1. Overview of Japanese Judicial System

Overview of Japanese Judicial System



Overview of Japanese Judicial System

Upholding rate by the IP High Court regarding Invalidation Trial Decisions by JPO.



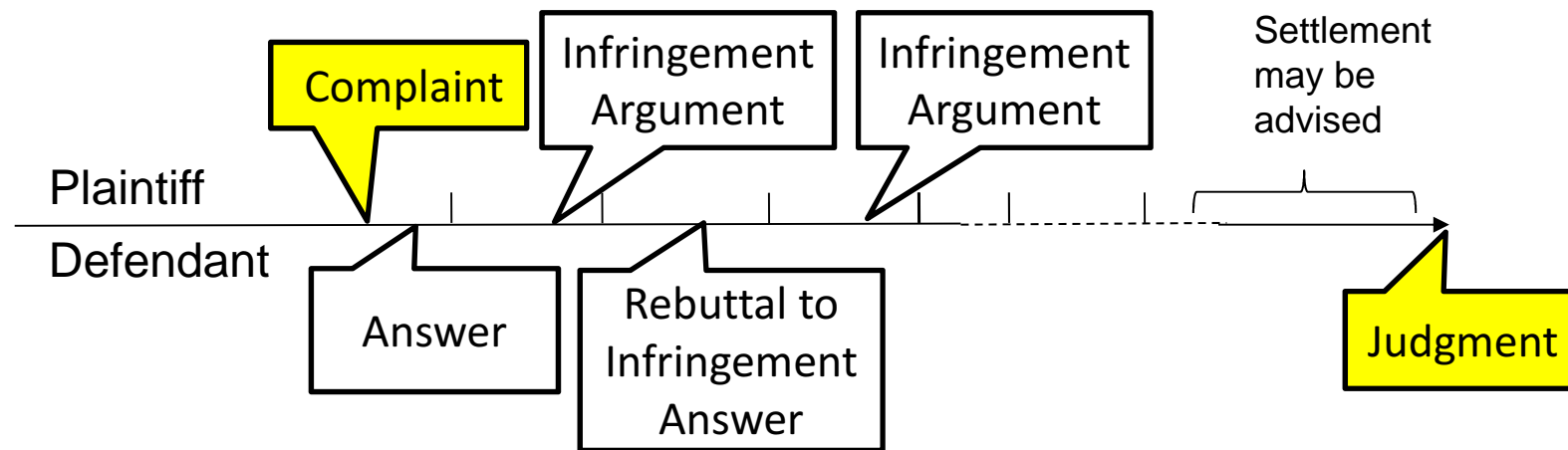
If JPO's decision is "valid", then the IP High court is very likely to uphold such decision !!



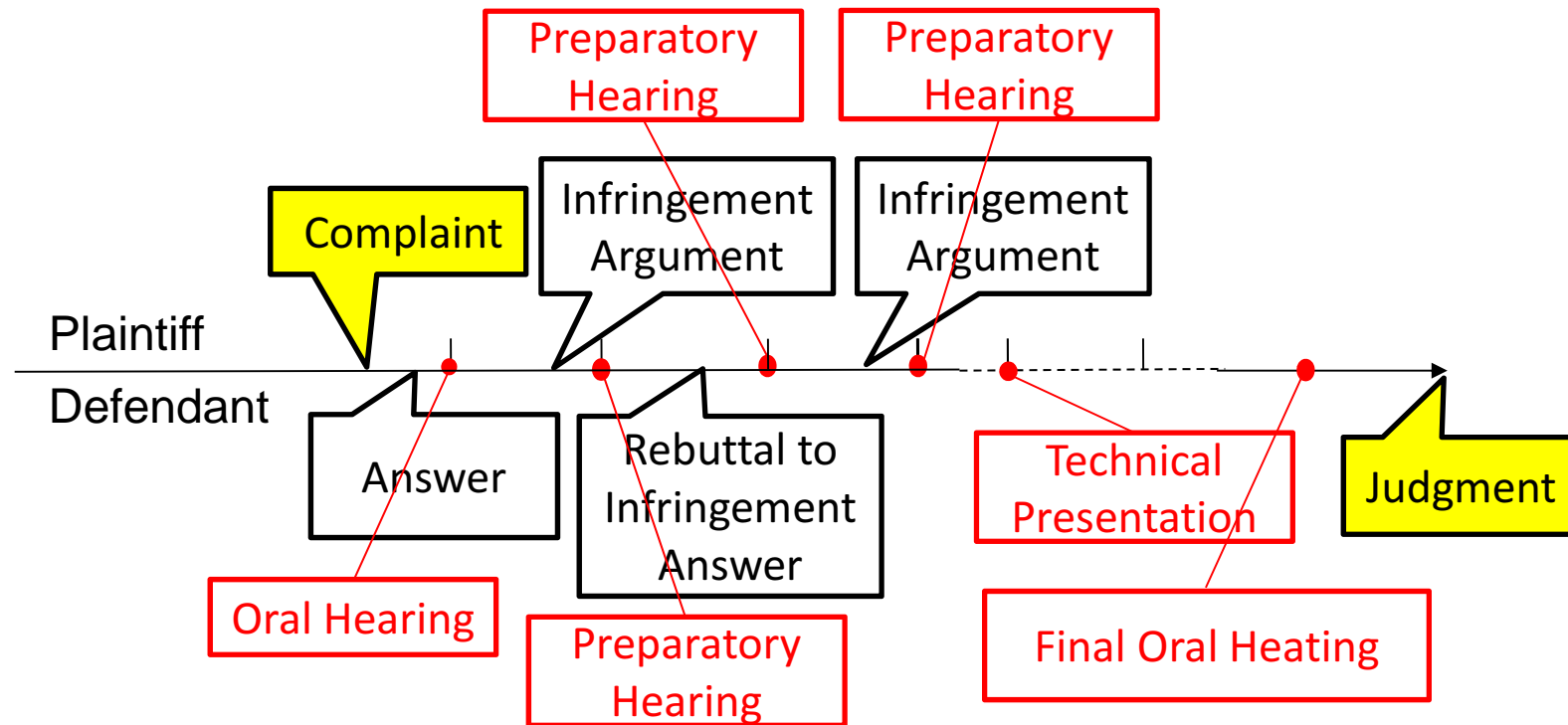
Overview of Japanese Judicial System

- *First Instance* District Court
 - Tokyo/Osaka District Courts have exclusive jurisdiction on patent infringement cases
- *Second Instance* IP High Court
- *Final Instance* Supreme Court
 - Constitutional Issues
 - Inconsistency with past SC case laws.
 - Important legal issues

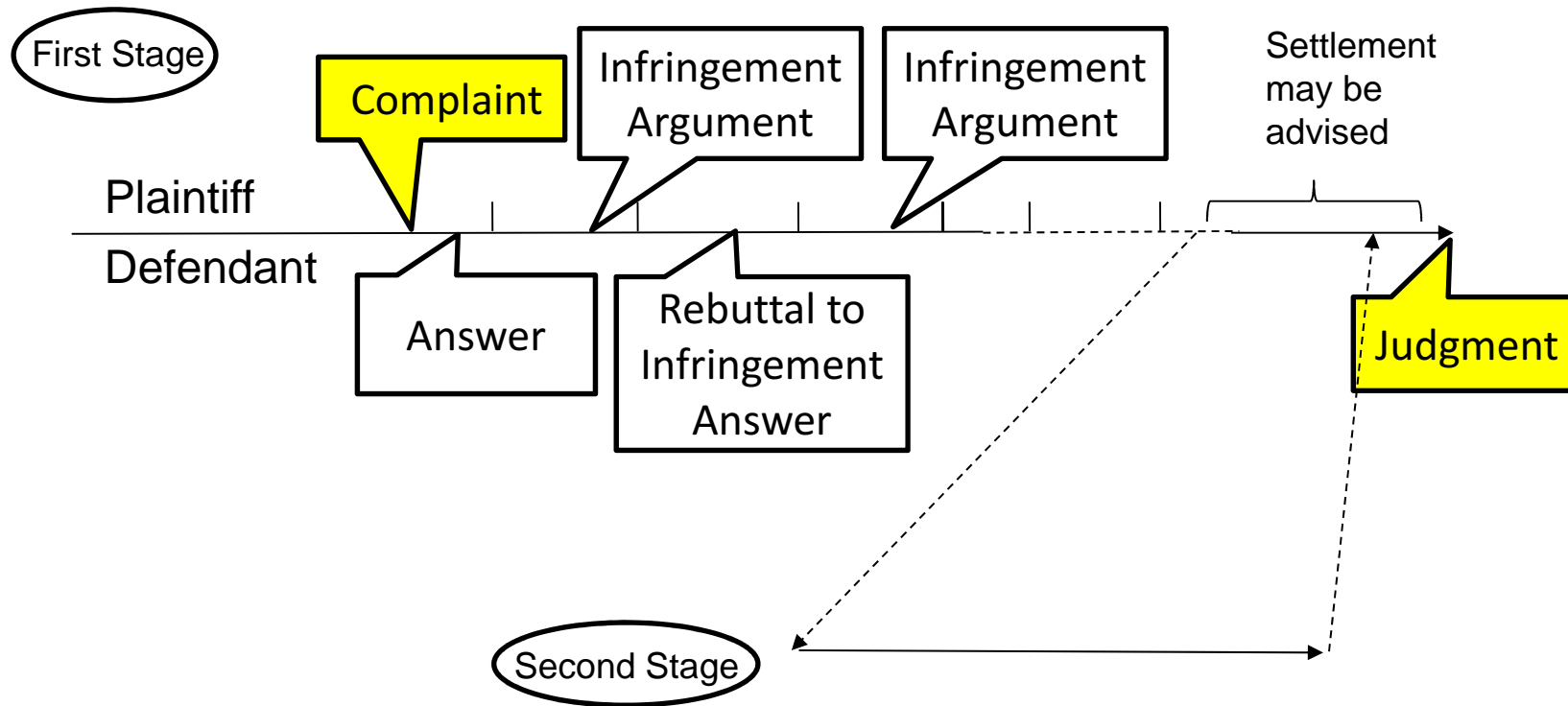
Overview of Japanese Judicial System



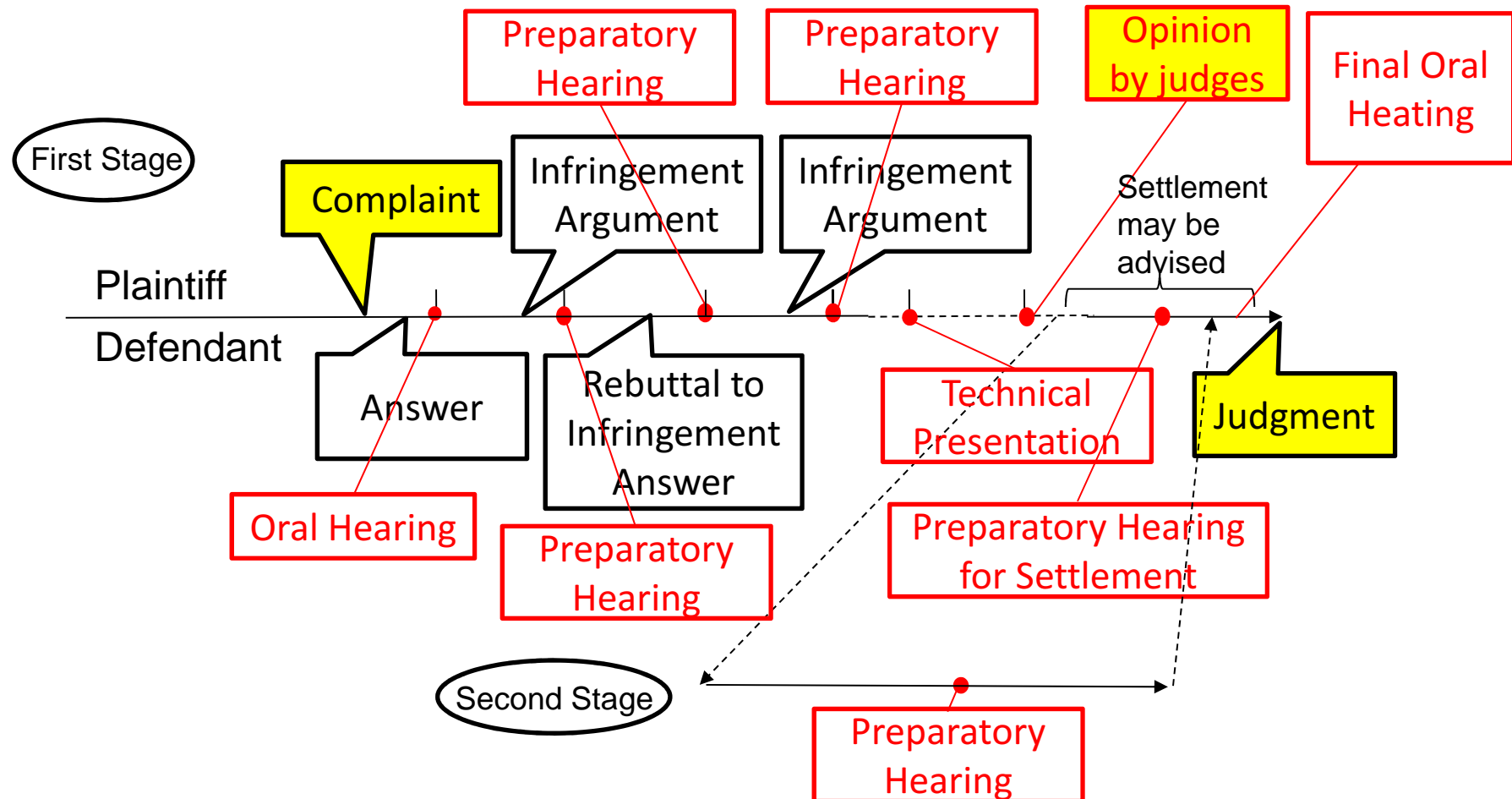
Overview of Japanese Judicial System



Overview of Japanese Judicial System



Overview of Japanese Judicial System





2. Remarkable Differences



Remarkable Differences

- First Stage
 - Focus on *Infringement* and *Validity*

↓ (only both are admitted)

- Second Stage
 - Focus on *Damage Calculation*



Remarkable Differences

- **Settlements on litigations**

Most of the cases ends by settlements on litigations. The panel frequently advises a settlement at the second stage, based on the judges' opinion revealed at the first stage in a ligation .

Remarkable Differences

- **No jury system in civil procedure**

A panel consisting of professional judges are responsible for all procedures including fact finding and applications of a law. A high reliability of a judgment can be expected.

Documentary evidences are important in a litigation in Japan. Examination of a witness is not common in litigations in Japan.



3. Three Keywords



Three Keywords

- Is not a litigation in Japan reliable ? The invalidity rate of patent seems to be high.
- Does a foreign company have a disadvantage in a litigation in Japan ?
- Is a cost of a litigation in Japan high ?

Three Keywords

1. High Reliability

Three Keywords

- ***A system to support a board by a judicial research official and technical Advisors***

Judicial research officials and technical advisors support a panel to provide advises in the view of a technology of an disputable issues regarding an invention on a litigation.

A judicial research official is a full-time court official assigned to carry out research on necessary matters as ordered by a court to report the result of the research.

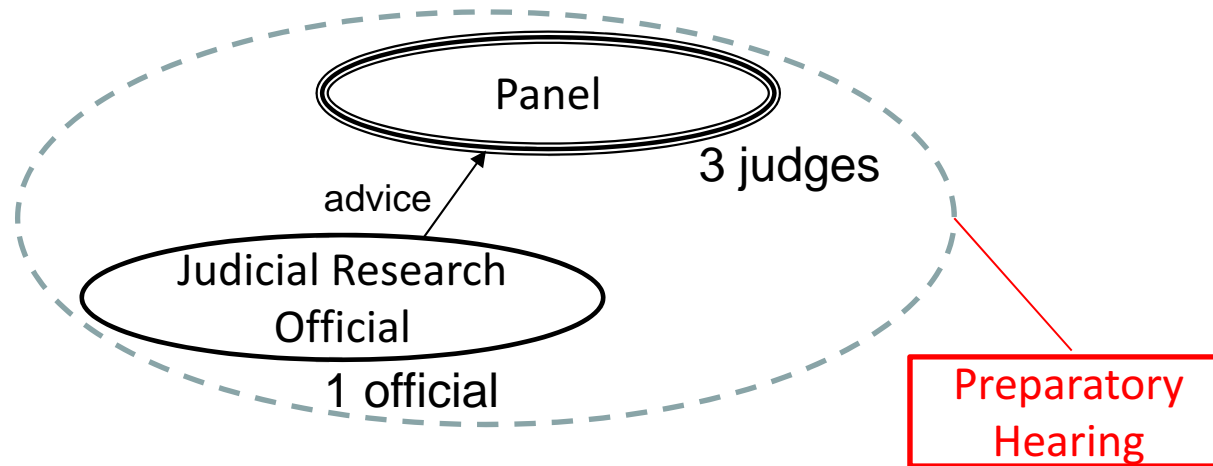
Technical advisors are part-time court officials to provide technical explanations of the disputable issues to the board.

Three Keywords

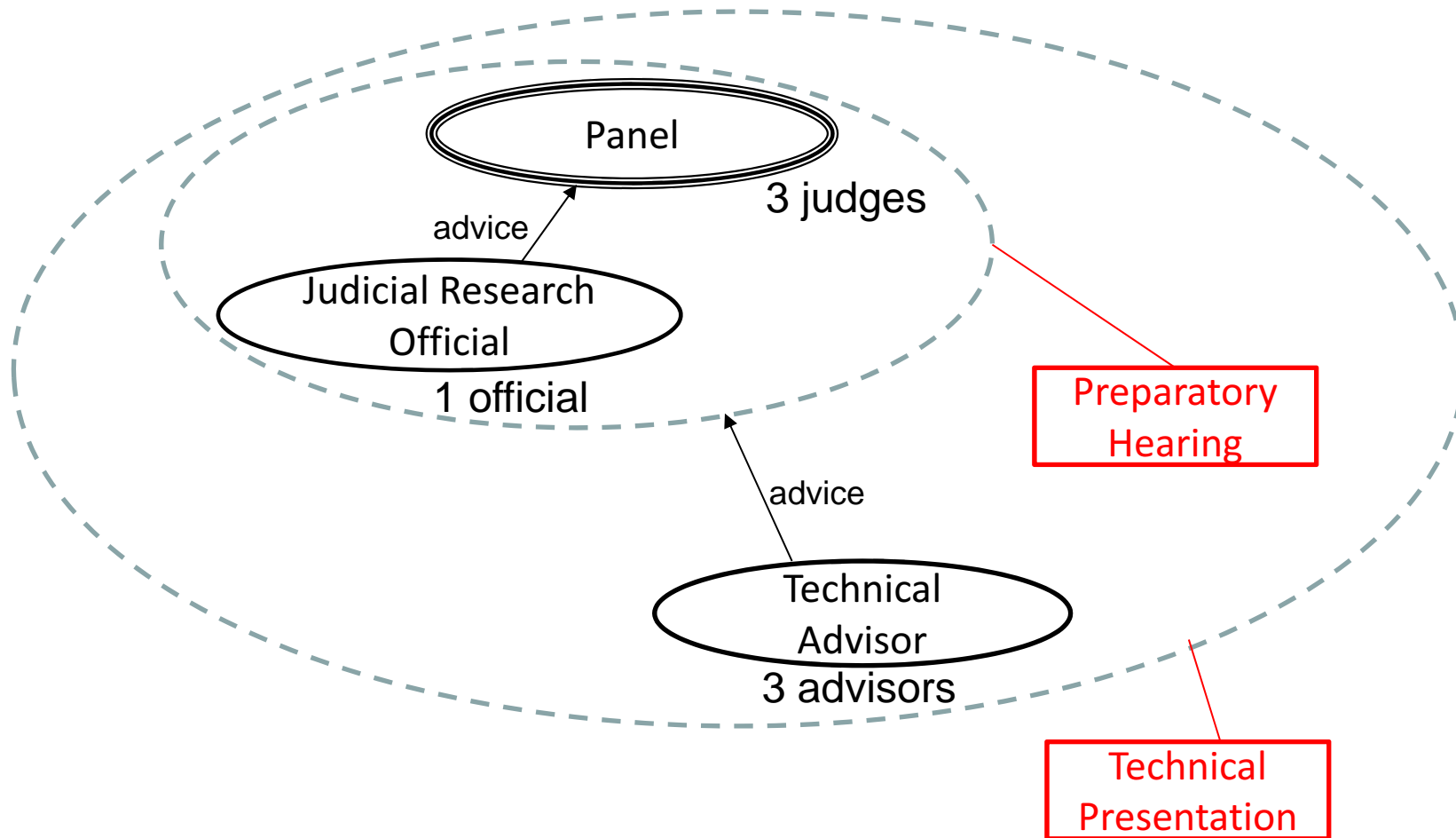


3 judges

Three Keywords



Three Keywords



Three Keywords

Attorneys
For
Defendant



Judicial
Research
Official

Technical Presentation

Judges

Technical
Advisors

Attorneys for
Plaintiff



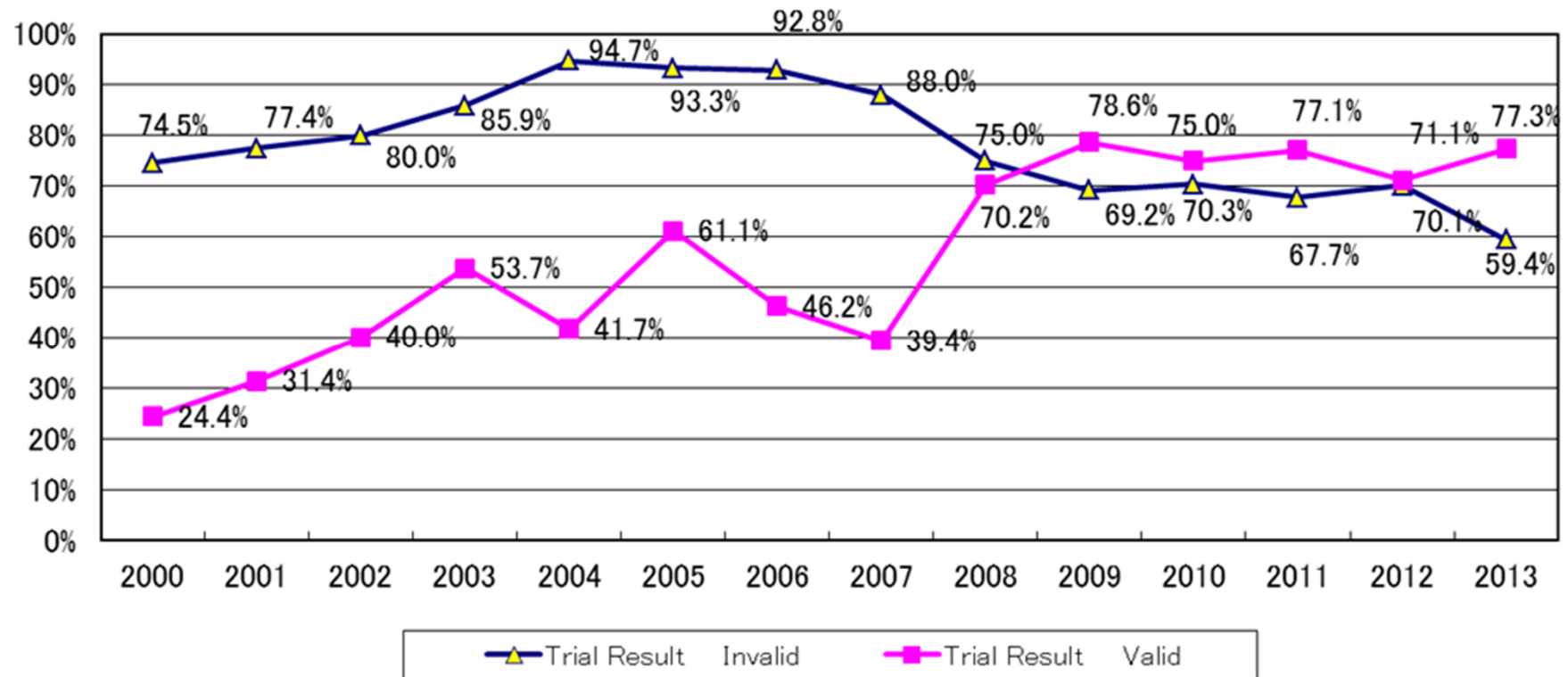
Three Keywords

The invalidity rate of patents is NOT high in comparison with other countries.

- U.K.: **59 %** (from 2009 to 2014 before the patent court)
- Germany: **78 %** (from 2009 to 2012 before the patent court, excluding cases withdrawn or settled)
- U.S. (IPR proceeding): **83 %** (until January, 2015)
- Japan : **36 %** (from 2004 to 2013 in patent infringement litigation)

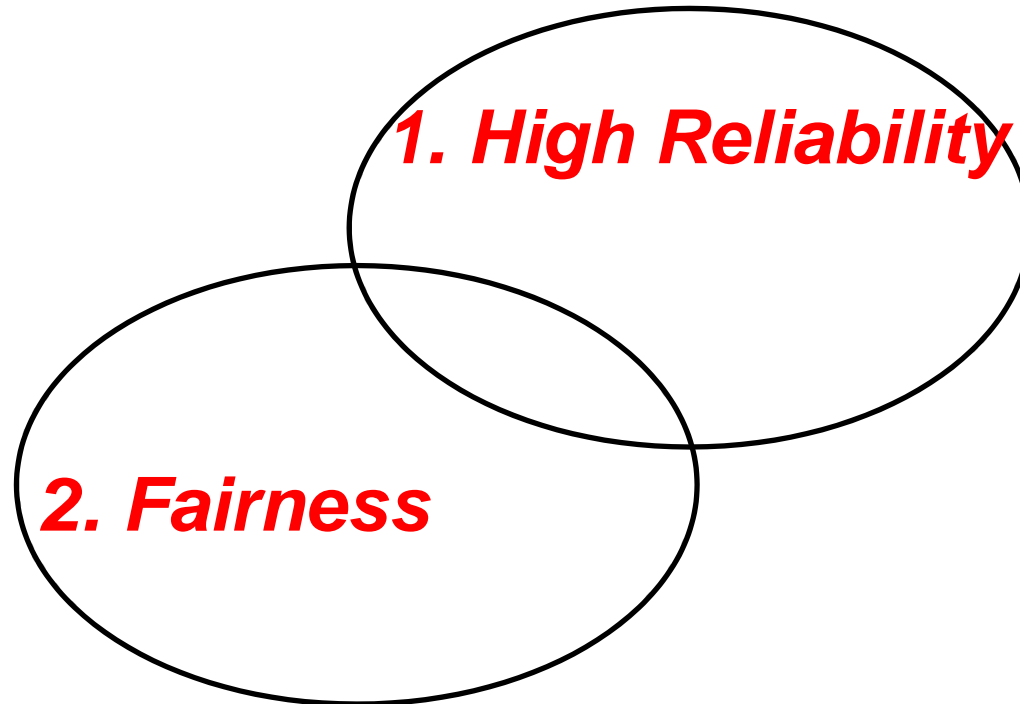
Three Keywords

Upholding rate by the IP High Court regarding Invalidation Trial Decisions by JPO.

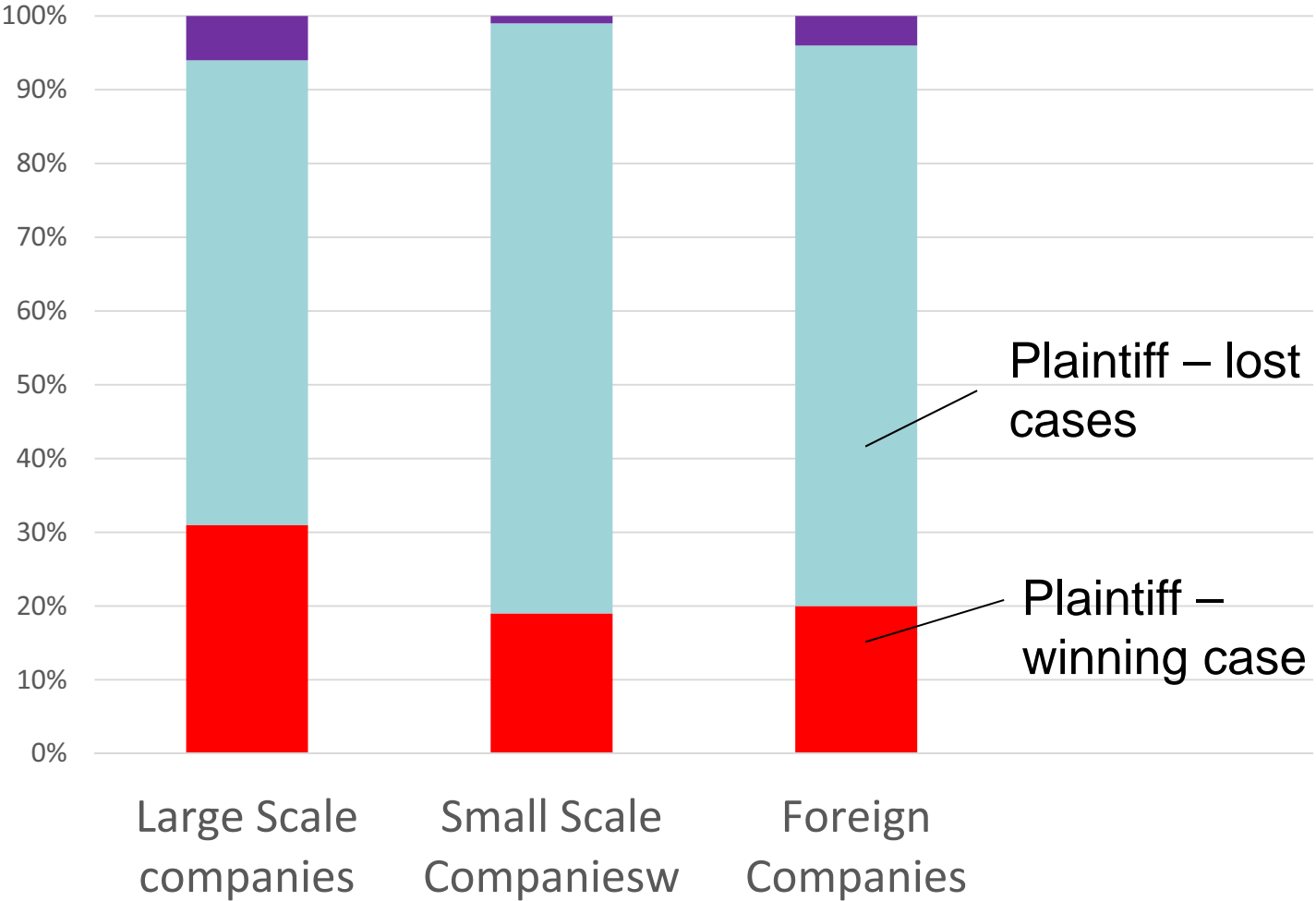


If JPO's decision is "valid", then the IP High court is very likely to uphold such decision !!

Three Keywords



Three Key words



Three Keywords

Plaintiff	VS	Defendant	Winning rate of Plaintiff
Japanese Large Company		Japanese Large Company	36 %
Japanese Large Company		Japanese Small Company	25 %
Japanese Large Company		Foreign Company	25 %
Japanese Small Company		Japanese Large Company	7 %
Japanese Small Company		Japanese Small Company	28 %
Japanese Small Company		Foreign Company	None
Foreign Company		Japanese Large Company	18 %
Foreign Company		Japanese Small Company	29 %

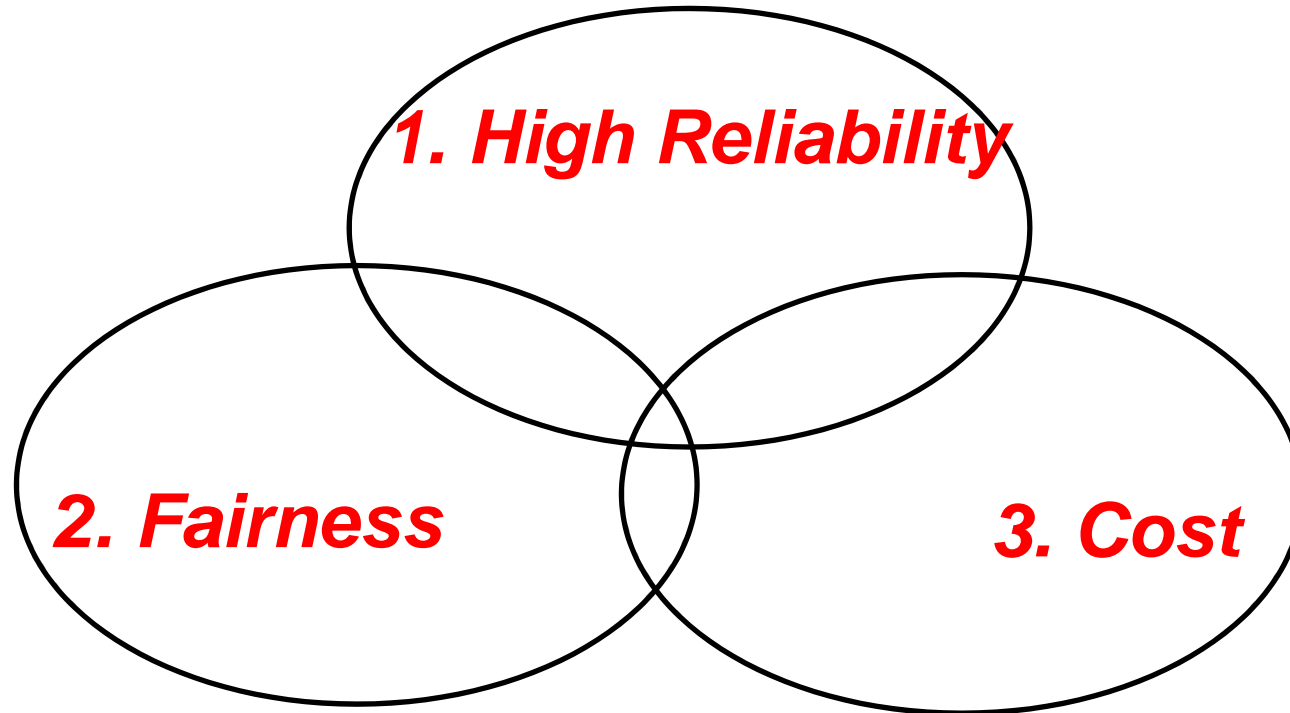
Three Key words

- Actual winning rate of plaintiff (That is, patentee (Cases handled by 29th division of the Tokyo District Court))

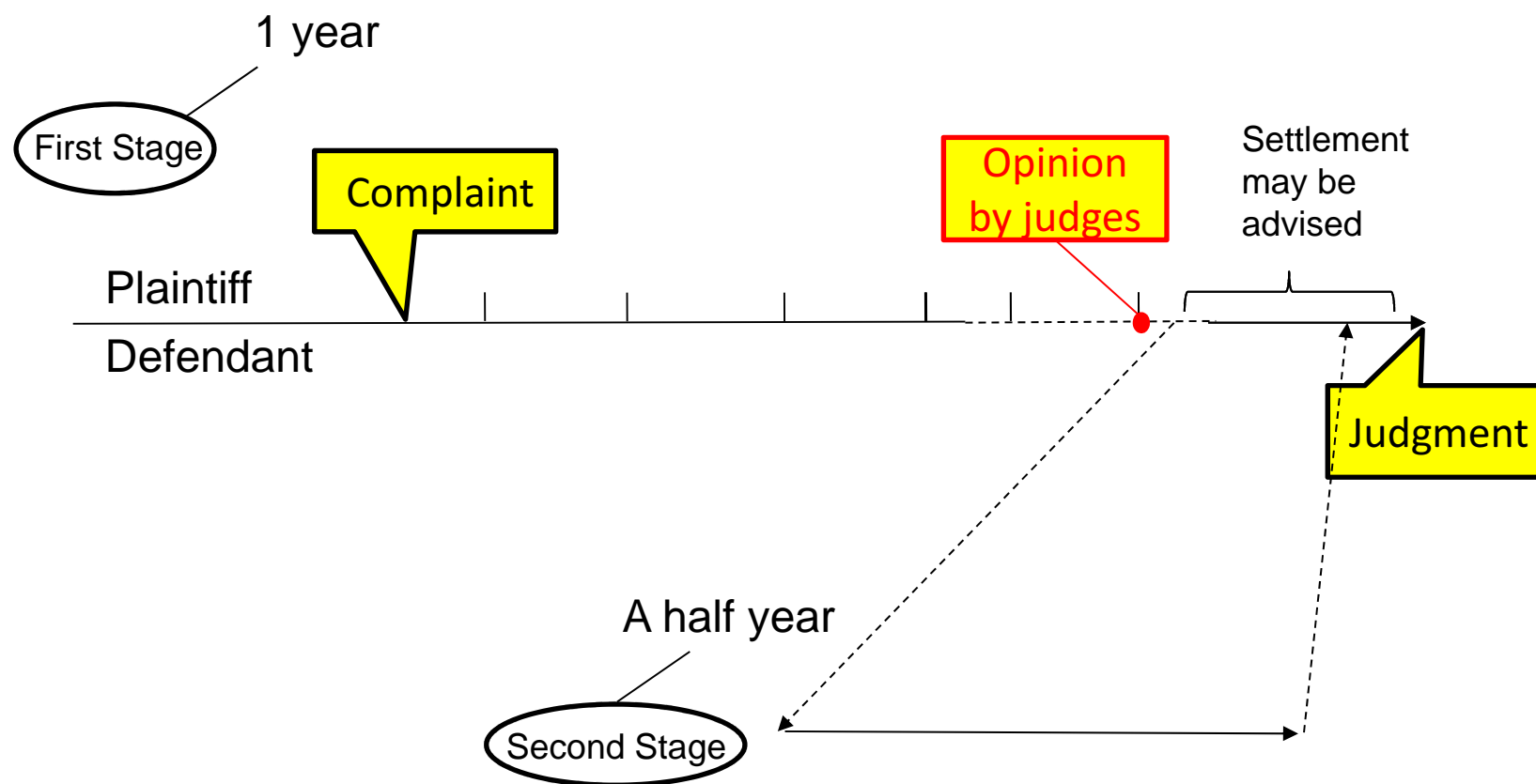
Year	Judgment (a)		Settlement (c)		Patentee's winning rate (b)+(d)/(a)+(c)
		In favor of patetee (b)		In favor of patentee (d)	
2006	27	5	50	27	42%
2007	33	13	39	23	50%
2008	25	13	49	29	57%
2009	20	8	50	37	64%

Source: Misao Shimizu “Current Status of IP divisions of the Tokyo District Court Based on Statistics” Hanrei Times No. 1301-84p

Three Keywords



Three Keywords



Three Keywords

JAPAN

Cost for a small to medium-scale patent litigation in the 1st instance

\$80,000 to \$ 250,000

US

Cost before end of discovery

\$350,000 to \$1,000,000

All costs.

\$700,000 to \$2,000,000



Thank you for your attention

Takao Matsui

matsui@okabeintl.gr.jp

Okabe International Patent Office