



# International Patent Exhaustion

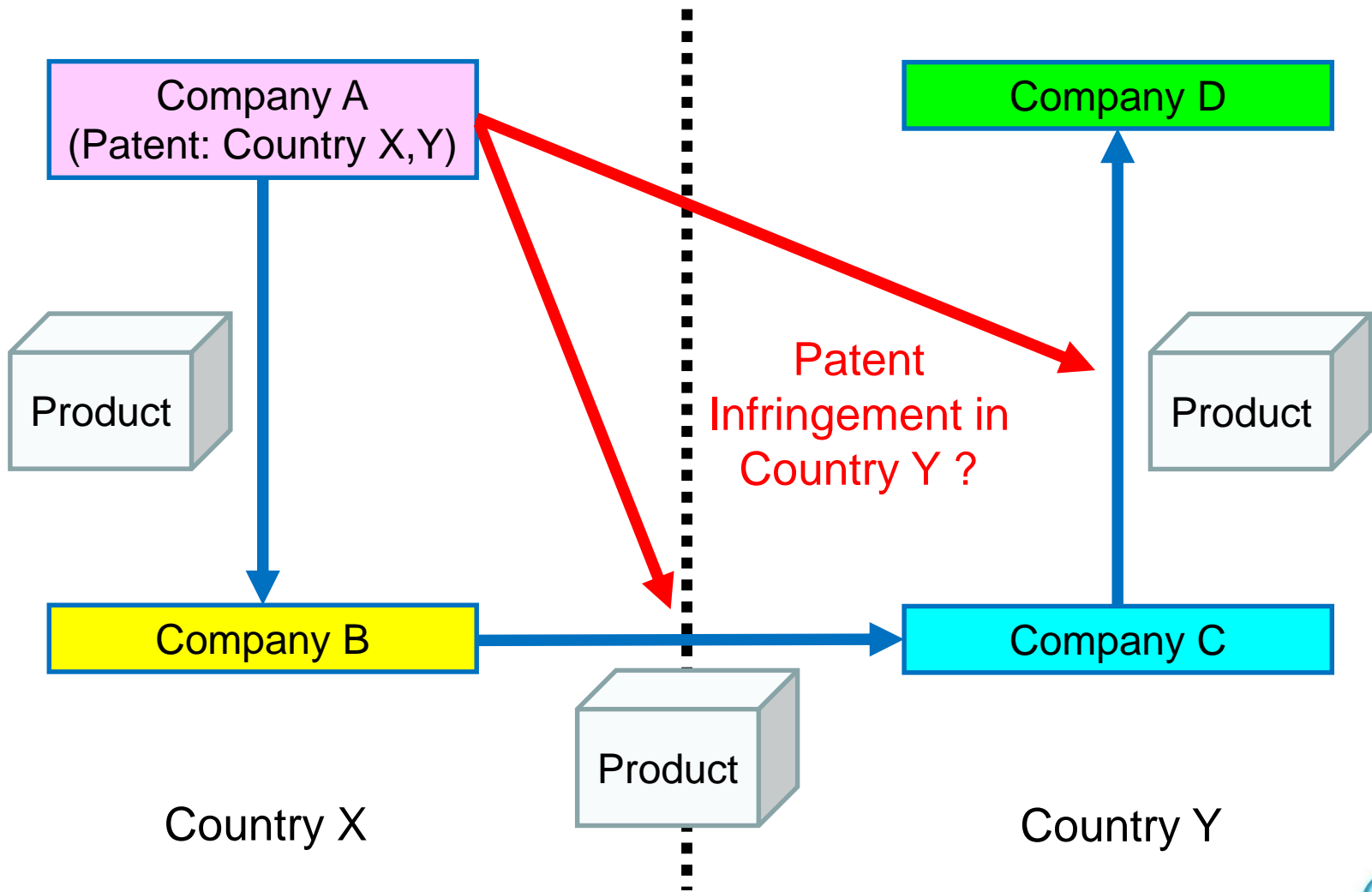
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# International patent exhaustion

# International patent exhaustion



# Case law on international patent exhaustion in US

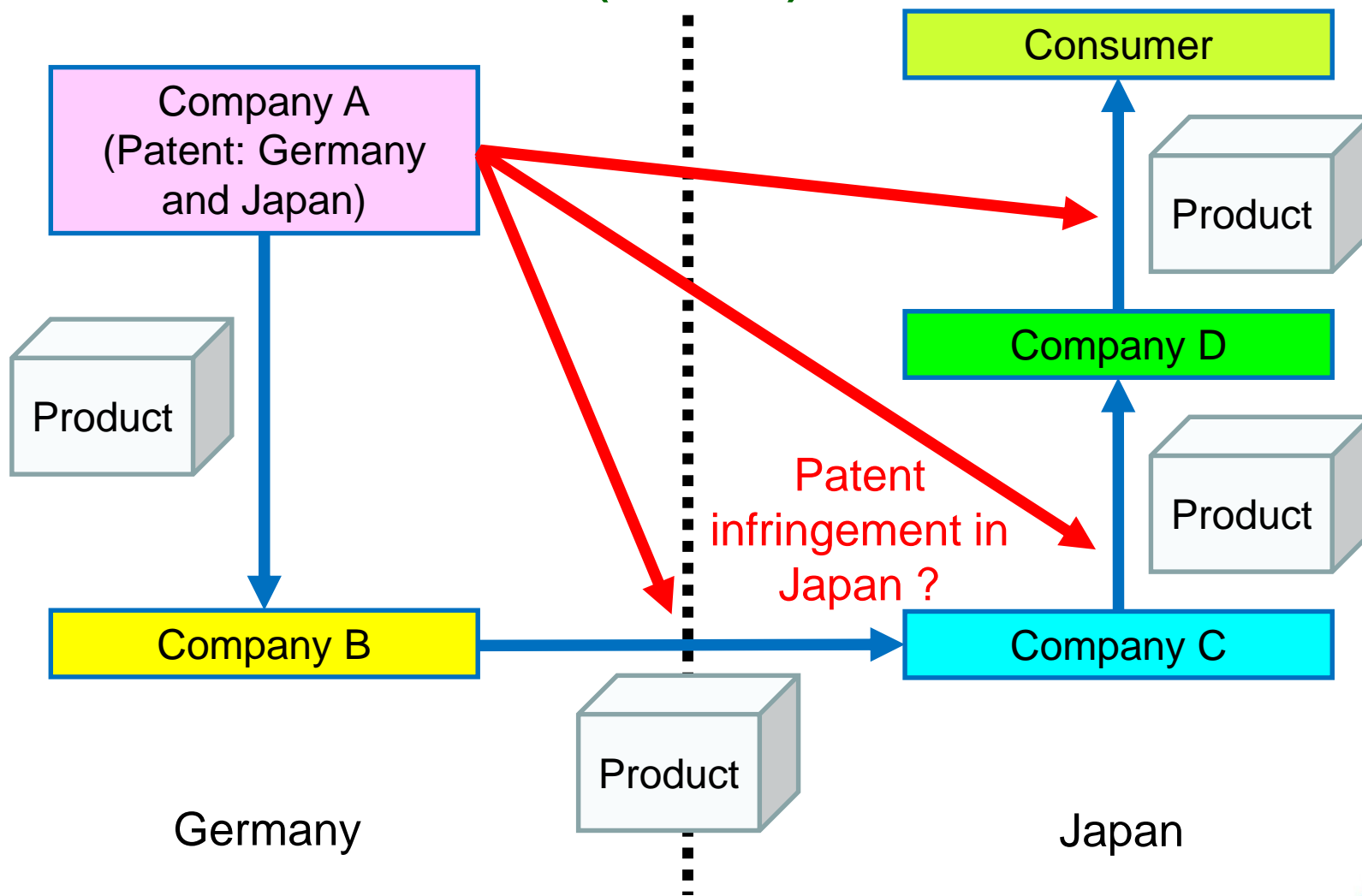
# IMPRESSION PRODUCTS, INC. v. LEXMARK INTERNATIONAL, INC.

Upheld on May 30, 2017

- ✓ A patentee's decision to sell a product in the United States exhausts all of its patent rights in that item, regardless of any restrictions the patentee purports to impose.
- ✓ An authorized sale outside the United States, just as one within the United States, exhausts all rights under the Patent Act.

# Case law on international patent exhaustion in Japan

# Supreme court decision on July 1, 1997 (facts)





# Supreme court decision on July 1, 1997 (upheld)

Domestic patent exhaustion should be affirmed because:

- ✓ protection of invention under the patent law should be realized to be consistent with public interest,
- ✓ it is necessary for the patented product to ensure free circulation once the product has been put on the market by the patent owner; and,
- ✓ patent owner has a chance to obtain profit (e.g. licensing fee) when he/she puts the patented product on the market, and thus it is not necessary to give the patent owner additional chance to obtain profit once the product has been put on the market by the patent owner.

# Supreme court decision on July 1, 1997 (upheld)

International patent exhaustion should not be considered as same as domestic patent exhaustion because:

- ✓ patent owner does not always have corresponding patent in each country,
- ✓ and if he/she has corresponding patent, each patent right is individual and different right,
- ✓ thus, even if patent right is enforced in Japan, it is not regarded as giving the patent owner additional chance to obtain profit.

# Supreme court decision on July 1, 1997 (upheld)

However, considering the balance of international distribution of product and patent right:

- ✓ freedom of international distribution should be given the utmost respect, and
- ✓ patent owners can expect that the patented product they sell outside Japan may be imported to Japan.

# Supreme court decision on July 1, 1997 (upheld)

The patent owner cannot enforce the patent right in Japan, except against:

✓ assignee of the patented product (where the patent owner and the assignee agree that assignee exclude Japan as an area of distribution),

✓ succeeding assignees of the assignee of the patented product (where the patent owner and the assignee agree that assignee exclude Japan as an area of distribution, and show this agreement clearly on the patented product).

# International patent exhaustion in other Asian countries

# International patent exhaustion in Taiwan

International patent exhaustion is affirmed by the Patent Act.

## Article 59 Limitations of patent right

The effects of an invention patent right shall not extend to the following acts:

6. where, after the sale of a patented product made by patentee or made under consent of the patentee, using or reselling such product. The making and selling as stated above are not limited to acts done domestically...

# International patent exhaustion in China

Although there is neither clear legislation nor case law regarding international patent exhaustion, international patent exhaustion is most probably affirmed by the Patent Act.

## Article 69

The following shall not be deemed to be patent right infringement:

(1) After a patented product or a product directly obtained by using the patented method is sold by the patentee or sold by any unit or individual with the permission of the patentee, any other person uses, offers to sell, sells or imports that product...

# International patent exhaustion in Korea

Currently, there is neither legislation nor case law regarding international patent exhaustion.

Note:

There is a lower court decision which affirmed international patent exhaustion.



# Thank you for your attention

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