



The New Landscape of Japanese IP Litigation

Analyzing Record-Breaking Damages and Pro-Enforcement Trends

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Agenda

1. Why Japan Delivers Certainty for Your IP Strategy
2. Injunctions as Primary Remedy
3. Securing Substantial Compensation
4. Validity and Amendments
5. Summary

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1. Why Japan Delivers Certainty for Your IP Strategy

- **A Pro-Patentee Shift:** Japanese courts are focused on providing effective relief for patent holders.
- **Key Points of Strength:**
 - **The Power of Injunctions:** A long-standing remedy.
 - **The Rise of Damages:** A clear trend towards substantial awards.
 - **The Flexibility of Amendments:** A practical system to preserve patent validity.
- **Today's Focus:** We will explore these advantages and recent court cases.

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2-1. Injunctions as Powerful Remedy

- **An Injunction:**
 - In Japan, if infringement and validity are found, an **injunction** is almost automatically granted. (except in special cases such as SEP litigation)
- **A Contrast to the U.S. Standard:**
 - This reliability stands in contrast to the U.S. post-**eBay v. MercExchange**, where injunctive relief is discretionary and requires passing a stringent four-factor test.
 - In Japan, irreparable harm is substantially presumed.
- **Upsides:**
 - Provides **certainty and predictability** in litigation outcomes.
 - Quickly and effectively stops infringing activities to protect market share.
 - Creates powerful **leverage** for settlement.

2-2. SEPs

- **The Previous Uncertainty:** While strong for general patents, there was a perception that injunctive relief for SEPs was difficult to obtain due to *Apple v. Samsung*.
- **Case: *Pantech v. Google* (Tokyo Dist. Ct., 2025)**
 - For the first time in Japan, a court **granted an injunction** based on the infringement of an **SEP**.
 - The Defendant's **failure to disclose sales information** on the infringing products, which was necessary for calculating the royalty, constituted the “unwillingness”.
 - It establishes that a patentee who negotiates in good faith can access powerful remedy.

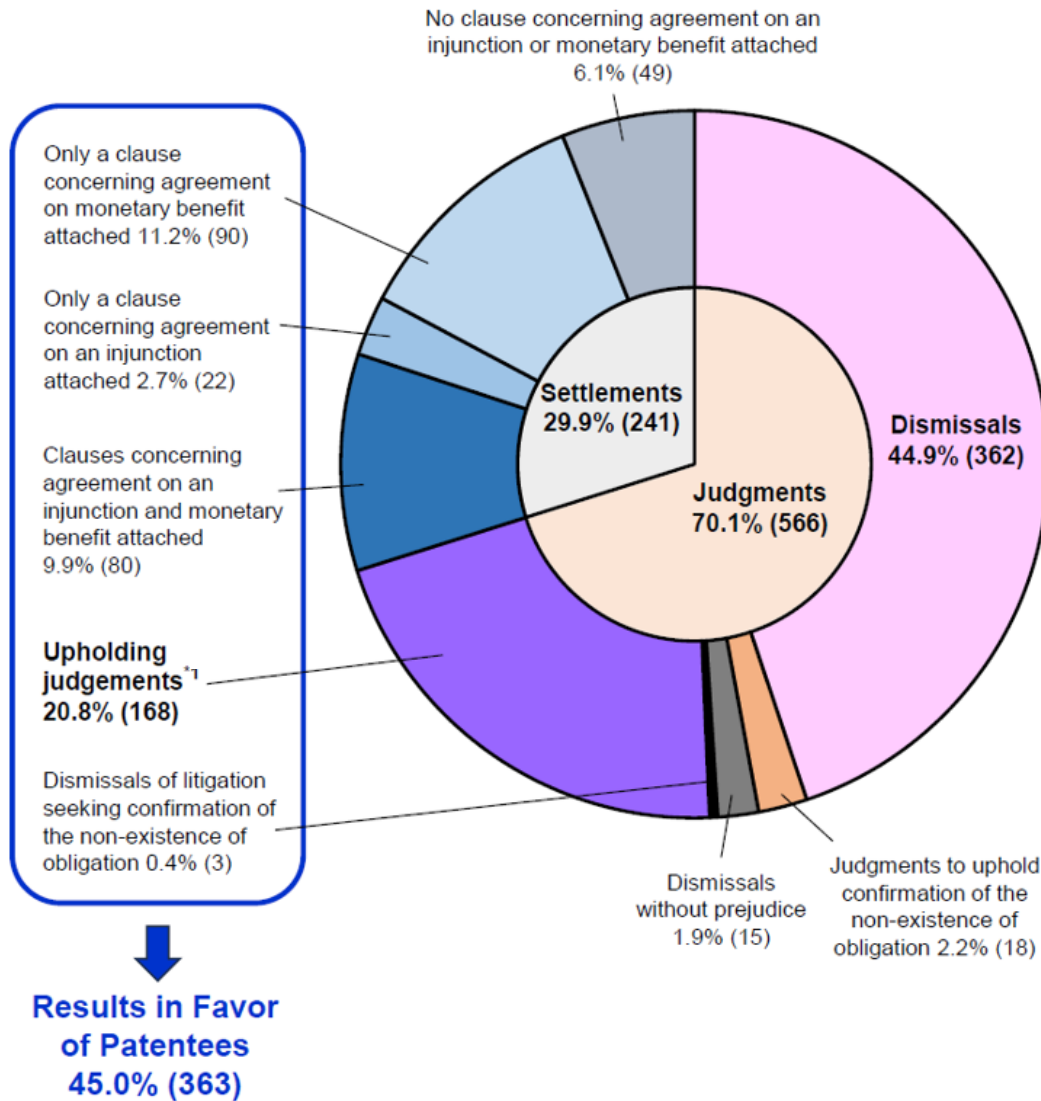
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3-1. Securing Substantial Compensation

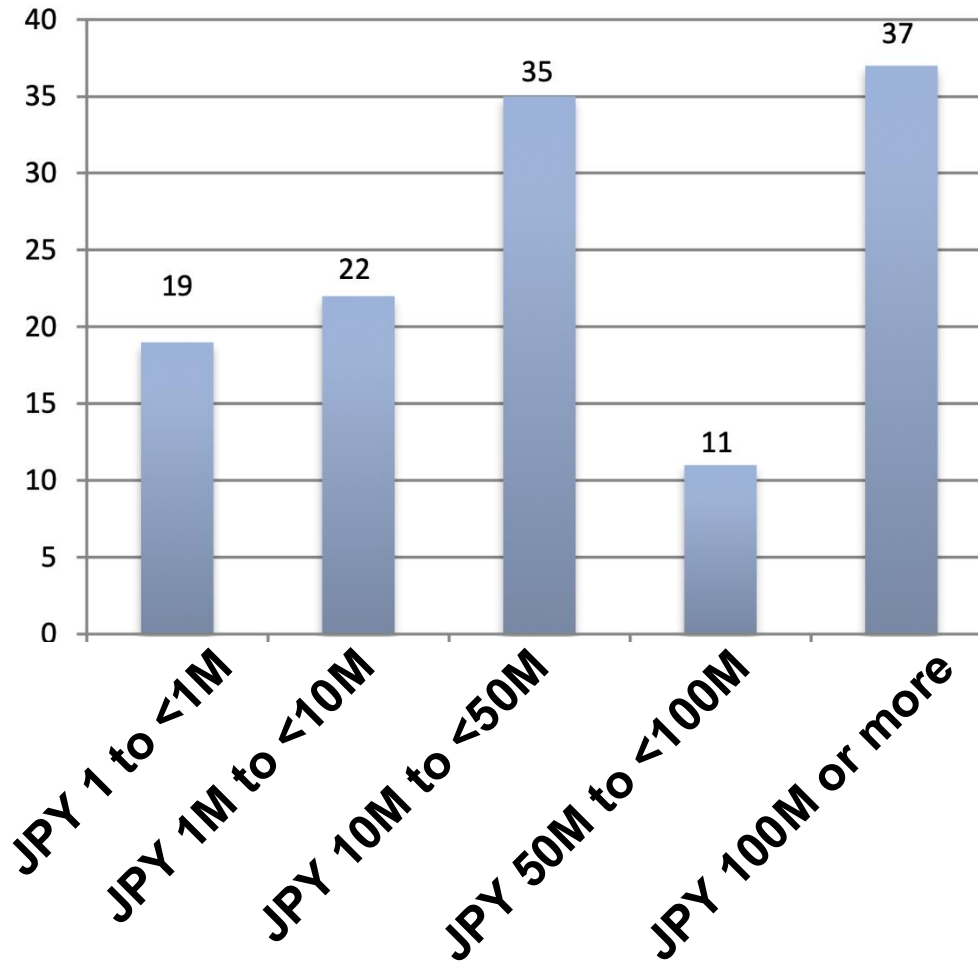
- **A Paradigm Shift:**
 - Courts are now awarding multi-million dollar damages.
- **Framework for Calculation (Patent Act Art. 102):**
 - Japan's Patent Act Art. 102 provides patentee-friendly calculation methods, such as **presuming** the infringer's profits to be the patentee's damages."
 - **(1) Patentee's Lost Profits:** Based on the patentee's lost sales volume and profit per unit.
 - **(2) Infringer's Profits:** The infringer's gains are presumed to be the patentee's damages.
 - **(3) Reasonable Royalty:** Royalty rates higher than normal royalty rates are presumed.
- **Recent High-Profile Cases**
 - Courts are consistently demonstrating a willingness to **award damages that truly compensate for the harm caused.**

3-2. Statistics



About **half** of the decisions were **favorable** to the patent holder.

3-2. Statistics



Awarded damages

Number of court rulings awarding damages of **100 million JPY (\$680,000) or more = highest ever**

Case Study 1: Remitch®

Case: Toray v. Sawai & Fuso (IP High Court, 2025)

- **The Patent:** Toray held a use patent for the active ingredient Nalfurafine as an anti-itch agent.
- **The Extension & The Generic:**
 - The patent term was extended (PTE) based on the marketing approval of Remitch® OD tablets, which contain the **salt form** (Nalfurafine Hydrochloride).
 - Defendants launched a generic product, also using the same **salt form**.
- **The Issue:** Did the extended patent, which claimed the **free base** form of the molecule, cover the commercial products that used the **salt form**?
- The lower court (Tokyo District Court) initially ruled **NO**. It adopted a narrow interpretation of “active ingredient ” and found no infringement.

A Record-Breaking Award

- **Reversal:** The IP High Court **overturned** the lower court's decision, finding infringement.
- **Ruling:**
 - The Court held that the core features (the active ingredient, the medical use, and the dosage form) were identical. The differences in the additives were considered minor and formal, as they did not alter the drug's therapeutic effect.
- **The Staggering Result: Japan's Largest-Ever IP Damage Award**
 - **Total Damages: ~¥21.7 Billion (approx. \$140 Million USD)**
 - Based on the patentee's lost profits.
- **Implications for Companies:**
 - Japanese courts will award **globally significant damages**.
 - *Note: Defendants have announced their intention to appeal to the Supreme Court.*

Case Study 2: Massage Machine Case

Family Inada v. Fuji Medical (Osaka District Court, Sep 15, 2022)

The Osaka District Court found that the defendant had infringed multiple patents held by the plaintiff, covering inventions titled “Chair-type Massage Machine” and “Massage Machine.” **The court applied Article 102(2)** of the Patent Act to calculate damages based on presumed lost profits. For portions where the presumption under Article 102(2) was rebutted, **Article 102(3) was applied** to determine a reasonable royalty. As a result, the court ordered the defendant to pay **JPY 2,779,831,907 (≒ USD 18,868,704)** in damages.

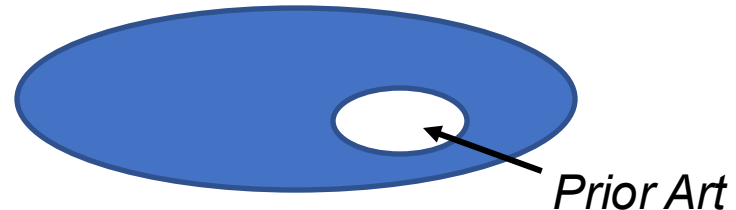
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4. Validity - "Carve-Out Claim"

- **The “Carve-Out” Amendment**

- Patentees can amend claims *during* litigation to surgically exclude prior art cited by a defendant.
- **Example:** “A device comprising X, Y, and Z, **excluding** [*the specific embodiment found in Prior Art*].”



- This allows patentees to **defeat an invalidity challenge while ensuring the patent remains valid and continues to cover the defendant's infringing product**. It is a powerful tool for preserving your core asset.

4. Validity - "Carve-Out Claim"

- **Case: *Chemours v. AGC* (IP High Court, 2023)**
 - This decision is on the assumption that, even if **no specific reference to the portion to be excluded is described in the Specification**, the "Carve-Out" Amendment **will be allowed**, on the ground that it narrows the scope of claim.
 - The decision also states that "there is **no requirement to exclude only those parts which are identical to a prior art.**"

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Summary

- **Stop Infringement with Certainty:**
 - Use the highly predictable **injunction** system to protect your market.
- **Get Compensated Fairly:**
 - Leverage the **damages** presumption framework to recover your financial losses.
- **Preserve Your Asset with Resilience:**
 - Employ flexible **amendments** to defeat validity challenges.
- This is why now is the time to actively consider filing for patents in Japan.

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Any Questions?

