



The New Landscape of Japanese IP Litigation

Pro-Enforcement Trends in Japan

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Agenda

1. Why Japan Delivers Certainty for Your IP Strategy
2. Injunctions as Primary Remedy
3. Securing Substantial Compensation
4. Divisional Application
5. Rebuttal Based on Claim Correction
6. 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:**
 - **Injunctions:** A long-standing remedy.
 - **Damages:** A clear trend towards substantial awards.
 - **Relentless pressure:** Strategic use of Divisional Application
 - **Strong counter against invalidity defense**
- **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 **predictability** in litigation outcomes.
 - Effectively stops infringing activities to protect market share.
 - Creates **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 (sales revenue and sales volume)** on the infringing products, which was necessary for calculating the royalty, constituted “unwillingness”.

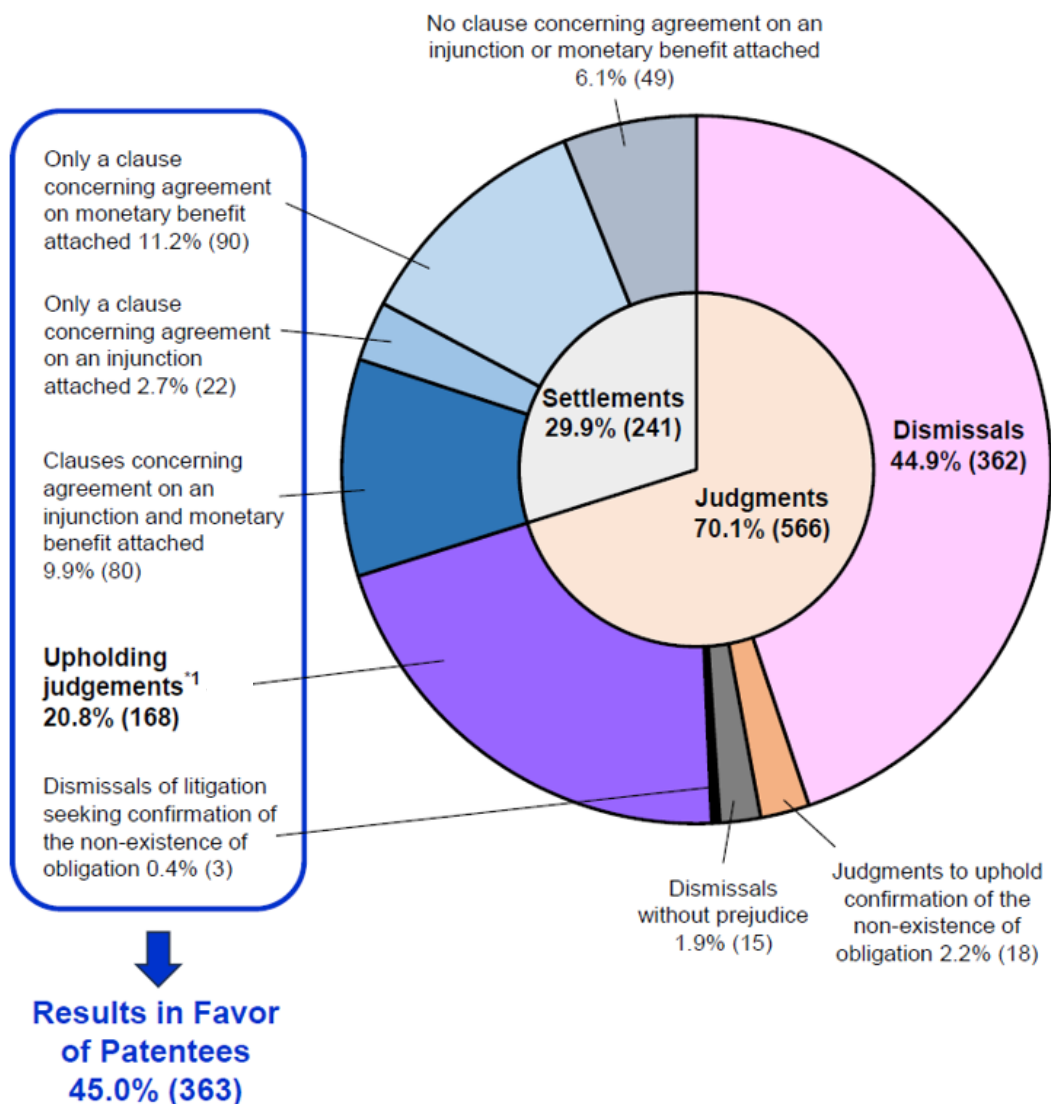
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3-1. Securing Substantial Compensation

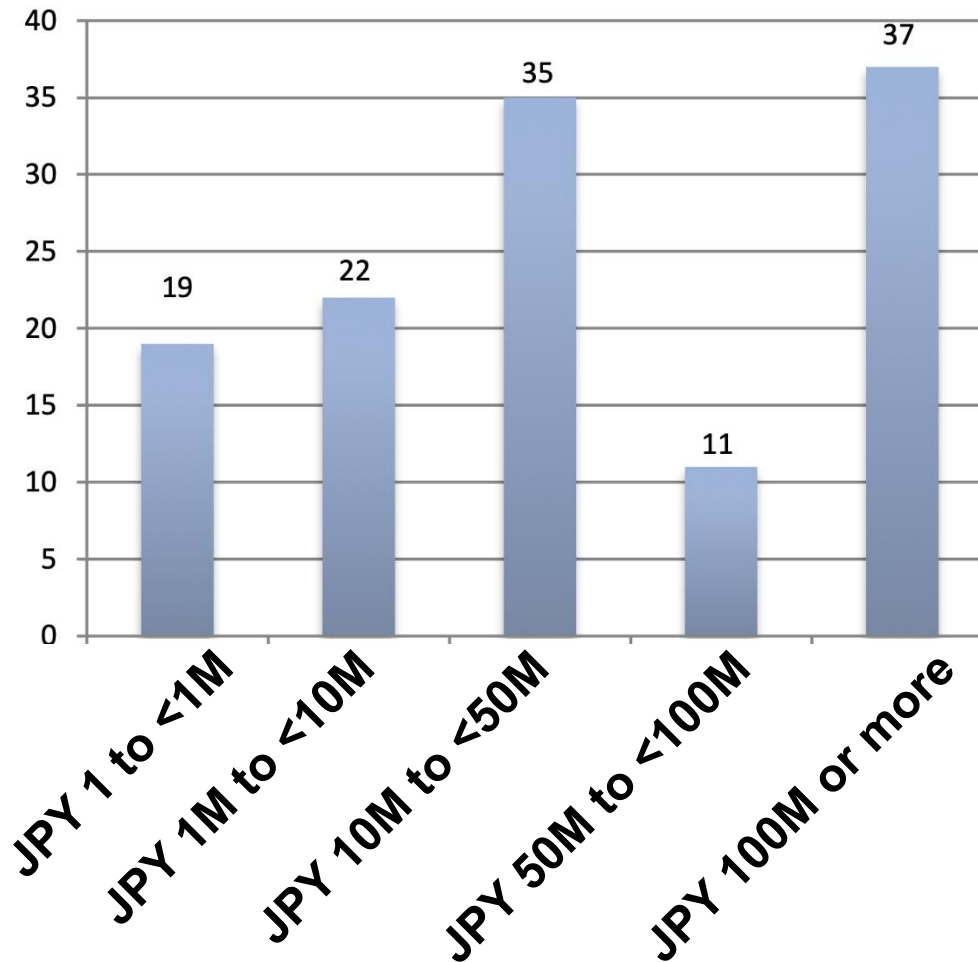
- **A Paradigm Shift:**
 - Courts are now awarding multi-million dollar damages.
- **Framework for Calculation (Patent Act Art. 102):**
 - Japan's Patent Act Art. 102 provides patentee-friendly calculation methods, such as **presuming** the infringer's profits to be the patentee's damages."
 - **(1) Patentee's Lost Profits:** Based on the patentee's lost sales volume and profit per unit.
 - **(2) Infringer's Profits:** The infringer's gains(marginal profits) 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(from 2015 to 2024)



About **half** of the decisions were **favorable** to patentee

3-2. Statistics(from 2015 to 2024)



Awarded damages

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

Remarkable Case Study: 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 Patent was written to claim the 'free base' form of the ingredient
- **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) ruled **NO and dismissed the claim**. It adopted a narrow claim construction of “**active ingredient**” in the claim term and found no infringement.

A Record-Breaking Award

- **Reversal:** The IP High Court **overturned** the district court's decision, finding infringement.
- **Ruling by IP High Court:**
 - 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. Salf form were not deliberately disclaimed.
- **The Staggering Result: Japan's Largest IP Damage Award**
 - **Total Damages: ~¥21.7 Billion (approx. \$135 Million USD)**
 - Based on the patentee's lost profits basis.
- **Implications:**
 - Japanese courts will award **globally significant damages**.
 - *Note: Defendants have announced their intention to appeal to the Supreme Court.*

Case Study 2: Massage Chair 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 17 million)** in damages.



Image of the accused product

<https://www.fujiiryoki.shop/products/>

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4. Divisional Application

- Why consider filing a divisional application ?
 - To overcome Unity of Invention rejection
 - To keep application pending
 - To track competitor's infringing action
- Strategic use of divisional applications will enable stronger enforcement against competitors.

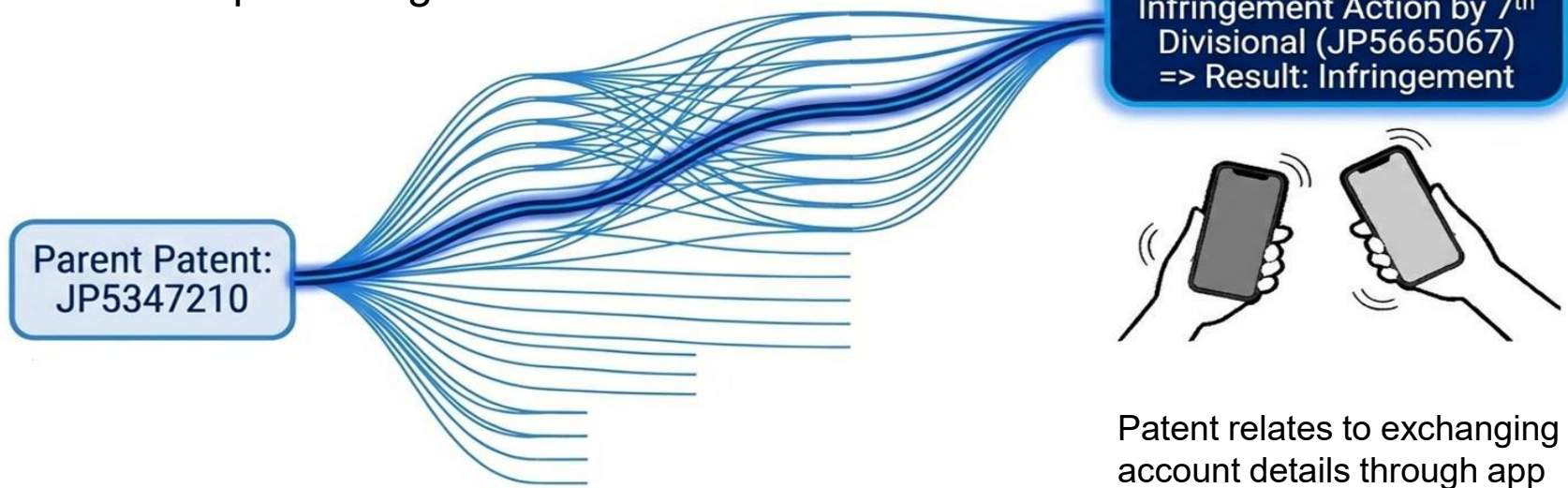
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Future-I v. LINE case (Tokyo District Court, May 19, 2021)



commons.wikimedia.org
upload.wikimedia.org/wikipedia/commons/4/41/LINE_logo.svg

patentee filed up to 15th generation DA!!



- Patentee files Infringement Action based on parent patent, but the court found non-infringement.
- Then patentee files Infringement Action based on 7th divisional patent
- The court finally found infringement of the 7th generation patent. LINE had to remove the function at issue.

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5. Rebuttal Based on Claim Correction

- IP High Court, March 14, 2017 (Electric Fishing Reel Case)
 - Even where a patent is subject to a ground for invalidation:
 - **a valid request for claim correction** (or a request for a trial for correction) has been filed (or, where such a request cannot currently be filed due to procedural restrictions, **the patentee asserts that he/she intends to seek such correction at the earliest opportunity when a correction request becomes available**);
 - the above correction of the claim would eliminate the ground for invalidation; and
 - the accused product falls within the scope of the corrected claim,
- If above conditions are met, patentee can counter defendant's invalidity defense within the infringement action (the court will determine whether such a rebuttal can be sustained).

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.
- **Strategic Use of Divisional Application**
 - Esp, in software patents, strategy of tailoring claim scope after observing competitors' products can be effective.
- This is why now is the time to actively consider filing for patents in Japan.

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Thank you for your attention.



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