

NEWSLETTER

Research Center for the Legal System of Intellectual Property

Our Global COE program will end at the end of March upon the expiration of the five-year term.

We would like to thank you for your continued help and support on our program: Global COE Program, "Center of Excellence - Waseda Institute for Corporation Law and Society" since the 21st century COE program, the predecessor of the current program.

<Message>

Ryu Takabayashi, RCLIP Director

Research Center for the Legal System of Intellectual Property (RCLIP) has conducted researches on intellectual property law systems including the project of building an English database of IP precedents of Asian and European countries over 10 years since the beginning of the 21st COE project that is the predecessor of the GCOE. The purpose is not to construct a database, but to construct research networks with researchers and practitioners including judges in each region through the procedures of collecting and summarizing the data and to conduct consecutive research on the issues related to the IP law enforcement in these data, and eventually, to establish an ideal shape of IP law enforcement. Our decade-long activities have led to many opportunities to have support from various parties. Having other funds in addition to the GCOE fund, we have held open symposiums and seminars on IP almost every week and quarterly published RCLIP newsletter in Japanese and English to introduce our activities to the world.

December 16, 2003, the first year of our program, to celebrate our start, we held a mock trial on a hypothetical case without a scenario at

the courtroom 101 of Tokyo District Court. In the mock trial in the morning, three incumbent judges at Tokyo District Court played the role of judge and lawyers at famous Japanese law firms played the roles of proxies for the plaintiff and defendant. In the afternoon, the US federal judges played the role of judge and patent attorneys from the US famous law firm played the roles of proxies for the plaintiff and defendant on the same case, having the jury system. The case was that the US patent owner was suing Japanese manufacturer for patent infringement on the invention of medical apparatus. In the US version of lawsuit, the doctrine of equivalents was admitted and the US patent owner won the case. In the Japanese version of the lawsuit, the plaintiff was defeated because of the rejection of the doctrine of equivalents based on the prosecution history estoppel¹. About 400 of the gallery who could not enter the courtroom were gathered to a creditor hall showing the proceedings in the courtroom on a screen. We could carry out the project as such under a collaborative relationship between public sectors and academic, having the support of the Supreme Court and Tokyo District Court. When I recall this, I cannot help thinking that it was such an epoch-making event. In addition, during the decade after that, the increasing number of cases adopting the prosecution history estoppel caused the situation that "the doctrine of equivalents vanished" in the US. In contrast, as "renaissance of the doctrine of equivalents", we occasionally see the recent decisions of IP High Court in Japan finding infringement under the doctrine of equivalents. When I think of that, I have more than profound feelings on the intertwining moves surrounding IP in both countries.

¹ Refer to the Quarterly Review of Corporation Law and Society, Vol.2, "IP Law Research".

After a decade, on January 26, 2013, the last year of the program, many collaborators from different countries and regions gathered having their results and had a conference to confirm the future development of our relationship².

It is impossible to fully lay out the activities and results during five years of the 21st Century COE and five years of the GCOE in the limited space. Especially, the database of precedents has grown to draw global attention as a free database, having the precedents in Brazil and Russia this year, in addition to Asia (China, Korea, Vietnam, Indonesia, Thailand, Taiwan, and India), Europe (Germany, France, Italy, Spain, and UK).

However, time waits for no one. Because of the recent recession, the project, lasting ten years, has no successive project. We closed the RCLIP office which opened at the start of the GCOE project. After the moving, the empty room had a lingering loneliness.

However, even when we cannot have the research funding as much as before, it should never happen to leave the database, which we took 10 years to construct, unattended or shut the human networks. At this time, I can only say that we are searching for a way. We hope to continue the RCLIP activities in any shape after April. As the first step, we could have an offer from the university to provide an office room for a while. In addition, we will continue the web pages to allow users to see the database after April and will hold the RCLIP workshop (No.34) on April 23 as the first workshop of the new RCLIP, inviting Professor Tatsuhiro Ueno as a speaker.

It will be an infancy stage for a while now. I would like to lay down my pen, hoping that we have a grand re-opening after somehow going through the infancy stage.

❖The JASRAC Open Lecture of 2012 No.4 (2012/11/7)



The JASRAC Open Lecture of 2012 No.4 was held on November 17, 2012, inviting Mr. Big Joe, a cartoonist, Mr. Masahiro Mita, a novelist, and Ms. Reiko Nagao, the Japan Writer's Association, to speak on the ideal shape of copyright protection for literary works and cartoon characters from the perspective of creator, under the moderation of Attorney Eiji Tomioka.

First, Ms. Reiko Nagaoka, the Japan Writer's Association introduced several cases that she experienced through her relationships with novelists. It is generally understood that copyright is not found for characters in literary works because the characters are considered as ideas. However, the characters were those who novelists care about. Ms. Nagaoka expressed her opinion that it was necessary to provide copyright protection for them in some cases including the case where the personality of the character was distorted in dramatization or the case where the sequel was made without consent based on the character in a work.

Next, Mr. Big Joe elaborated how to establish cartoon characters, referring to his works in early years such as "Nail Master Sabu-yan". In his speech, Mr. Big Joe stated that the cartoon characters could not be established at a once but are developed gradually as the story goes on. He stressed that it was the most difficult part for cartoonists as well as editors of publishers to put the cartoon characters into the state in which they start to move about freely, in other words, "a

² The reports submitted at the conference by collaborators from different countries will be published at the Quarterly Review of Corporation Law and Society, Vol.36.

character is well-defined". Then, whether or not they will find success in making characters would be the key factor in terms of having popularity and continuing the series of the cartoon. Also, the characters were eventually established by having sympathy or support from readers. Therefore, the novelists feel indignation about imitation without consent and have an intention to ask for legal protection. On the other hand, it is beneficial for novelists to get others to make other stories based on their works, for example, in the shape of parodies. He said that they had mixed feelings.

Last, Mr. Masahiro Mita introduced various limitations on copyright protection for literary works. For example, in some cases, the payment was made for the ideas that just gave inspiration to the work but could not be considered as original work. In the case of movies, Ed McBain's novel, "King's Ransom" to Akira Kurosawa's movie, "Heaven and Hell" or Pete Hamill's column: "Going Home" to Yoji Yamada's movie "The Yellow Handkerchief". Copyright protection may not be admitted because characters are just ideas. However, even so, they could be protected by convention in some cases. He said that it was necessary for novelists to speak up about this.

After the stated above, the seminar successfully ended, having some questionnaires from the floor.

(RA Asuka Gomi)



❖ The JASRAC Open Lecture of 2012 No.5 (2012/12/8)



○ Keynote Speech: Online Copyright Infringement: ISP Liability under US Copyright Law

【Moderator】Toshiko Takenaka, Professor of University of Washington School of Law

【Speaker】M. Margaret McKeown, federal judge on the United States Court of Appeals for the Ninth Circuit

First, Judge Mckeown outlined the origin of the US Copyright Act and the history of its development. She mentioned the Supreme Court's decision on *Sony Corp. of America v. Universal City Studios Inc.*, 464 U.S. 417 (1984) and pointed out the Federal Supreme Court's stance of stressing the technological development by rejecting Sony's indirect infringement liability. In addition, taking an example of the case of *Metro-Goldwyn-Mayer Studios Inc. v. Grokster Ltd.*, 545 U.S. 913 (2005) where the 9th Circuit rejected copyright infringement but the Federal Supreme Court admitted the infringement, she showed that how distributed network system brought about tension between technological development and copyright and referred to the actual conditions of numerous copyright infringement performed online. Next, she explained that the difference between direct infringement and indirect infringement was very subtle and ambiguous and expounded direct infringement by referring to the case of *Cartoon Network LP, LLLP v. CSC Holdings Inc.*, 536

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F.3d 121 (2d Cir. 2008) in which direct infringement is questioned. Then, she elaborated contributory infringement and the doctrine of respondeat superior. Then, taking the case of Perfect 10 vs. VISA, 494 F.3d 788 (9th Cir. 2007) in which VISA's indirect infringement became an issue because the use of VISA card was available in buying and selling photographs at pornographic website, she mentioned the backgrounds and reasons of the Court's decision that respondeat superior could not admitted only based on the credit-card payment processing. Also, she mentioned the legality of online locker service and stated that the Court tried to find tangible analogy in examining the lawsuits related to Internet as such (in this case, it is possible whether to question the school's responsibility on the contents in the student's locker). Furthermore, she pointed out the difficulty of judging liability against providers of video sharing service such as YouTube, taking the case of Viacom vs. YouTube (10-3270-cv, 2012 WL 1130851 (2d Cir. April 5, 2012)).

After that, an QA session started and a keen discussion was made on the issues including the existence or non-existence of difference in judgmental criteria for indirect infringement lawsuit between the Second Circuit and the Ninth Circuit, the conditions of criminal lawsuits in copyright infringement, Japan's Karaoke doctrine, and so forth.

【 Panel Discussion 】 Present Issues Over Copyright of Video Games



【 Moderator 】 Kazuhiro Ando, Visiting Senior Researcher, Waseda University IIIPS-Forum

【 Discussants 】 Takashi Yoichi (Bandai Namco Games), Yuko Yasuda (Camcom), Yasunori Mitsuda (Procyon Studio), Masato Shibata (Producer)

Inviting legal practitioners and creators from game companies, the panel discussion was made on copyright issues and countermeasures that the production side and legal affairs confront. Concretely, the case of Tsurige Town 2 (GREE vs. DeNA) , the case of fire emblem and others were covered. They discussed where the boundary between ideas and expressions in game software existed, what issues arose in the case of the sequel of a game when the sales agency changed, and so forth. Furthermore, vigorous discussions were made on practical issues such as what kind of difficulties creators were facing to avoid similarities to existing works, and what kind of advice the legal affairs division gave creators.

(Kazuhiro Ando, Visiting Senior Researcher, Waseda University IIIPS-Forum)

❖International IP Seminar - IP Litigation and TLO in China

(2012/12/8)



【 Moderator 】 Qin Yugong, Partner of the King&Wood Mallesons, Attorney-at-law, Patent Attorney

【 Speakers 】
Jiang Zhipei, Former president of Intellectual Property Tribunal of the Supreme People's Court,



Professor of the China National Judges College;
Senior Advisor of the King&Wood Mallesons

Li Shunde, Director of Department of Law and Intellectual Property, Graduate University of Chinese Academy of Sciences; Former deputy director of the Intellectual Property Center of the Chinese Academy of Social Sciences; Vice Chairman of Directors of China Intellectual Property Research Society

Zhang Rongyan, Former Director of Research Office of Patent Reexamination Board of the State Intellectual Property Bureau Senior Research Fellow of the China patent examination
Qin Yugong, Partner of the King&Wood Mallesons, Attorney-at-law, Patent Attorney

On December 8, 2012, International IP Seminar “IP Litigation and TLO in China” was held, hosted by Office for the Promotion of International Consortia, Waseda University and co-hosted by RCLIP and IIIPS-Forum.

This seminar invited experts including judge, academic, examiner and judge at State Intellectual Property Office (SIPO) to discuss on the current conditions and issues of IP Litigation and TLO in China, from the perspectives of judicial practice, legislative practice, patent examination, and law practice.

After the opening remarks by Professor Ryu Takabayashi, Dr. Jiang Zhipei delivered a speech on “the current conditions and the recent moves of patent litigation in China”. First, the outline of IP litigation in China was introduced. Recently, the number of IP litigation in China is drastically increasing. According to the data of 2011, the number of the civil first trial related to IP that local courts across the country accepted, was 59,882. Among them, the number of concluded cases was 58,201, showing a year-on-year increase of 39.43 % and 39.54%. The number of patent (patent, utility model, and design) of the newly-accepted cases was 7,819, showing a year-on-year increase of 35.16 %. The number of trademark was 12,991, a year-on-year increase of

53.45 %. The number of copyright was 35,185, a year-on-year increase of 42.34 %.

Also, China has criminal litigation and administrative litigation as IP protection by judiciary in addition to civil litigation. In 2011, the number of the concluded criminal cases was 5,504 and the number of the concluded administrative cases was 2,470. Furthermore, in 2012, the number of the examined IP cases at local courts across the country is expected to increase by 15% to 20%.

Next, as to IP strategies and protection by judiciary, judicial protection based on the national IP strategy is a major route in China. Courts adopt a judicial policy of concurrently using loose guideline and strict guideline. For example, in the lawsuit questioning whether the method of claim amendment was legal or not, the court expressed the opinion that “on the premise of the satisfaction of the related amendment principles, the amendment method stipulated in the ‘Guidelines for Patent Examination’ does not absolutely eliminate other methods only in cases of three kinds of types such as elimination, consolidation, elimination of technology ideas”. In addition, as to the case of Seiko Ink Cartridge, the court expressed the opinion that “the amendment made in the process of divisional application is not considered as the expansion of the protection scope because it is different from the amendment at the stage of invalidation trial”.

Next, Dr. Jiang Zhipei explained the legal grounds of judge’s rights infringement and the way of identifying infringement. First, in the rights infringement trials, judges need to understand three facts such as the fact concerning the status of right and the infringing act, the fact concerning expertise, and the fact concerning damage. As legal grounds, he presented Article 11 and 60 of the Patent Law, Article 52 of the Trademark Law, Article 46 and 47 of the Copyright Law, Article 5 of the Unfair Competition Prevention Law, and so on. The principle of identifying the infringement of patent



and utility model was established by judicial interpretation. In other words, it is comparison of all technological features (constitutional requirements), estoppel, dedication to public and doctrine of equivalents. Last, he explained the implementation of each principle, mentioning precedents.

The second speaker was Professor Li Shunde. He introduced Chinese law systems as to technology transfer from the view of three aspects. First, as to laws and norms related to patent technology transfer, he mentioned “Science and Technology Advancement Law”, “the Act on the Promotion of Science and Technology Transfer”, “General Principles of Civil Law”, “Patent Law”, “Enforcement Regulations for the Patent Law”, “Regulation on National Defense Patent”, “Contract Law”, “Foreign Trade Law”, “the Regulations on Administration of Import and Export of Technologies”, “Anti-Monopoly Law”, “Mortgage Law”, and “Real Right Law”. As to related judicial interpretation, there is “the Bulletin on Some Issues in the Proceedings of Dispute Trials and Technology Contract by Work Conference on IP Trials of the Supreme People’s Court”. Judicial policy norms such as “the Opinions on Some Issues Concerning the Thorough Execution of the National Intellectual Property Strategy of the Supreme People’s Court” play the same role as judicial interpretation in practice. Furthermore, he pointed out that “the National Intellectual Property Strategy” in 2008 had considerable influence in the implementation.

Second, he introduced the laws on administration of import and export of technologies. In this field, there are the third provision of “Foreign Trade Law” and “the Regulations on Administration of Import and Export of Technologies”. According to the said regulations, “import and export of technology” is the act of transferring technology from abroad to home and vice versa through trade, investment, or economic technology cooperation. Such acts

include “transfer of patent, transfer of patent application right, patent licensing, transfer of knowhow, technology transfer of technology services and other methods”. Therefore, the regulations such as Patent Law are applied in technology transfer. In addition, because it is necessary to get technology import and export contract registered, concrete administrative ways are applied such as “Measures for the Administration of Registration of Technology Import and Export Contracts”, “Measures for the Administration of Export-prohibited and Export-restricted Technology”, and “Catalog of Technology That China Prohibits from Export or Restricts from Export”.

The third is the regulation on competitive restriction in technology transfer. In this field, there exist Article 329 and Article 343 of “Contract Law” and Article 55 of “Anti-Monopoly Law”. As to the so-called the act of competitive restriction, the judgment is made mainly based on Article 10 of “the Interpretation on Some Issues Concerning the Law Application in the Proceedings of Dispute Trials on Technology Contract of the Supreme People’s Court” and Article 29 of “the Regulations on Administration of Import and Export of Technologies”

The forth was as to disputes on patent technology transfer. He explained that four resolution routes existed such as consultations among parties, conciliation (including administrative conciliation), arbitration and litigation.

The third speaker was Professor Zhang Rongyan. He introduced the Patent Re-examination Board (PRB) of the State Intellectual Property Bureau and spoke on the issues in implementation of “Patent Law” and “Examination Guideline” in examination practice.

The PRB consists of excellent examiners who have examination experience of more than three years. The number of current members exceeds three hundred persons. The main functions of



PRB are the judgment of rejecting applications and the examination of invalidation trial requests. When expressing dissatisfaction with the decision of the PRB, they may file an application for a first instance with the First Intermediate People's Court of Beijing Municipality and a second instance with the High People's Court of Beijing Municipality.

In recent years, the number of re-examined cases per year is about 10,000 and the number of the cases that accepted invalidation request is about 2,000. The cases filing an administrative lawsuit due to dissatisfaction with the re-examination judgment accounts for about 7% of them. On the other hand, he explained that the RPB's decision seemed to have certain stability because the PRB's rate of lost cases had remained about 10%.

Second, as the practical issue, he explained about the judgmental criteria for novelty. Before the law amendment of 2009, novelty was required to be compared to the similar invention. In such cases, the earlier-filed invention consists of four elements, A, B, C, and D, and the later-filed invention consists of A, B, and C, for example. It leads to the illogical conclusion that the later invention is not considered as the similar invention and satisfies novelty. Therefore, in the law amendment of 2009, the requirement to be compared to the similar invention was eliminated and set a requirement that it should not belong to prior art.

Also, as to novelty, the Chinese Patent Law specifies that it is "unusual substantial features and significant advances" in invention and as to utility model, it specifies that it is "substantial features and advances". However, in practice, it is very difficult to recognize novelty. Therefore, State Intellectual Property Office (SIPO) adopted three-step law in the Examination Guideline, referring to German law. This eliminates restrictions in the technical fields and limitations in the number of references. However, he pointed out that, in practice, the judgment of novelty still

remained as unsolved issues.

Next, in China, it is required that those skilled in the art should write descriptions. As to the concept of "those skilled in the art", the examination guideline was amended. Before the amendment, "those skilled in the art" was defined as those who know every prior art in the technical fields of the invention. According to the definition as such, an applicant does not have to write the details in specification as far as he/she can prove that a part of the contents in the technological idea belong to prior art invented in advance of the date of application. However, there would no possibilities of executing the invention by the specification as such. To solve this issue, the Examination Guideline was amended in 2000, referring to the provisions of the European Patent Office. It defined that "those skilled in the art is a hypothetical person and know all general technological knowledge in the technological field of the invention prior to the date of application or the date of priority. It is supposed that they could know all prior art in the related filed".

Last, Professor Zhang presented his opinion on the issue that the SIPO and the Court have different interpretations about the recognition of the technological scope in case where "functional limitation" is used in the claim. In short, the interpretation of the Examination Guideline is that the technological scope of functional limitation "covers all embodiment enabling aforementioned functions". However, the Court provides the judicial interpretation that the related technological features should be determined by connecting concrete embodiment of the relevant functions or effect described in the specification and drawing and the equivalent embodiment". Recently it seems that the Supreme People's Court provides the positive opinion on the interpretation of the Examination Guideline, but the Court is still using different interpretations. Professor Zhang stated that both interpretations should be unified eventually in order to protect

the advantage of right holders.

The fourth speaker was Mr. Qin Yugong. He introduced the changes of Chinese IP environment from the perspective of attorney, and then presented opinions concerning measures and issues patent infringement lawsuits and measures and issues in technology transfer in China.

First, as to IP environment in China, the number of application is recently increasing by 20% to 30% per year in China. In 2011, China topped the list, overtaking the United States. It should be especially noted that the number of domestically hold cases has already exceeded the number of the cases owned by foreign patentees in the rights of patent inventions in force in China. Therefore, he pointed out that the possibility of Chinese domestic companies' patent attack against foreign companies would be increasing with the increasing number of rights in the future.

Currently, the number of IP litigation cases is increasing in China. In 2011, the civil cases reached about 60,000. However, more than half the number is about copyright lawsuits. He suggested that it was unlikely to expect the increase of patent cases due to the difficulty of acquisition of patent rights.

Next, he explained about the measures and issues of litigation. First, as to the trial grounds, in the notification of 2009, the Supreme People's Court clarified laws, judicial interpretation, administrative regulations, local regulations, and so forth. However, he pointed out that attentions were required because local courts also issued their guidelines independently in reality. In addition, the system of leading cases started in China in 2009. Therefore, he said it was more convincing to cite the cases similar to leading cases.

When exercising rights, it is important to collect evidence. It would be difficult to collect information if goods are directly distributed between companies and not traded in the market. In such cases, there is a way to use a research

company. However, it is possible to face countersuit and can be sued for infringement of trade secret or in some cases, infringement of state secret. He pointed out that attentions must be paid in such cases.

In IP lawsuits, venue choice is also very important. It is said that fair trials can be expected because Judges in large cities have lots of IP experiences including international cases and also have experienced many cases.

Last, as to the issues in technology transfer, he pointed out that in the case of contracts such as license agreement coming into effect at the time of concluding the contract, it should be registered in advance to avoid the situation that a bank might stop overseas remittance due to the absence of registration. In practice, some companies think information might be leaked if they make such registrations. He explained that concrete contents or values were not included as disclosure items.

Then, a panel discussion followed the aforementioned speeches. In the panel discussion, various discussions were made among the speakers including the current conditions of Chinese trials, the movements of the most updated legislation concerning technology transfer, and judgmental guidelines for novelty of utility models. (RA Fei Shi)

**❖RCLIP Summary Conference – The Past, Present, and Future of IP Law Systems—
(2013/1/26)**



In the afternoon of January 26 2013, at the celebration of the milestone of the RCLIP's 10-year activities, we invited academics, judges, and legal practitioners from different regions that have greatly cooperated to the collection of IP precedents for the database to speak on the development of IP system, the movement of IP precedents, the future prospect in each region, and to discuss on those topics at the conference.

We invited the following speakers.

Aprilda Fiona Butar-Butar, Attorney-at-law, APRILDA FIONA & PARTNERS, Jakarta

Nguyen Tran Tuyen, Attorney-at-law, VISION & ASSOCIATES, Hanoi

Tran Ngoc Thanh, Meiji Gakuin University
Professor Guo He, Renmin Univ. of China, Beijing

Judge Jumpol Pinyosinwat, Thai Court of Appeals, Bangkok

Prof. Yun Sun-Hee, Han Yan University, Seoul

Judge Gabriella Muscolo, Tribunale di Roma

Prof. S. K. Verma, Deli University

Shie Ming Yang, Taiwan University

Hsu Hong Sheng, Attorney-at-law, Taipei

The conference was a marathon meeting from 13:00 to 19:00. However, the participants eagerly listened to the IP movements in each region. Also, they stressed the significance of the IP precedent database and the necessity of long-term collaboration in the future.

The Japanese translation of the reports that were submitted by the participants for this conference is published in the Quarterly Review of Corporation Law and Society. Please refer to the Review for the details on the contents in the conference.

<http://www.globalcoe-waseda-law-commerce.org/activity/kiyou.html#k28>

(RA Asuka Gomi)

❖ Waseda Conference on Global Patent Strategies: The Boundaries of Patent Rights in the EU and Japan (2013/2/24)

○ Introduction: The Overview of German IP Precedents in the Past 10 Years

○ Part I: Important Issues in Patent Infringement Practices — Reexamination of Claim Interpretation and Doctrine of Equivalents

【Moderator】 Christoph Rademacher, Assistant Professor of Waseda Institute for Advanced Study

【Speakers】

Dr. Tilman Müller-Stoy, Bardehle Pagenberg

Dr. Thomas Kühnen, Presiding Judge, Patent Senate Düsseldorf High Court

Judge Toshiaki Iimura, IP High Court

Ryu Takabayashi, Professor at Waseda University

Toshiko Takenaka, Professor at University of Washington School of Law

Waseda Conference on Global Patent Strategies: The Boundaries of Patent Rights in the EU and Japan was held on February 24, 2013, hosted by the RCLIP. After the greetings by Professor Waichiro Iwashi, Dean of School of Law, Waseda University and Mr. Holger Finken, Head of DAAD Tokyo, as the introduction, Dr. Tilman Müller-Stoy delivered his speech: German IP Precedents during the past decade. RCLIP has been building the English database of IP precedents of Asia and Europe. This seminar is



positioned as the summary of German part of the project. Noteworthy precedents from copyright law, patent law, design law, and trademark law were picked up and the outline of each precedent was introduced. Among them, two cases that were introduced from the field of patent law (the case of atomic clock and the case of prepaid telephone card) were relating to cross-boundary infringement and we can see the attention to this issue. The case of atomic clock was that the defendant was selling the atomic clock violating German patent right within Germany to the third party and the clock was flowing back to Germany and sold in Germany. Having the background as such, the case decided whether the defendant was responsible for patent infringement found in Germany even though his act was conducted abroad. The court recognized the defendant's responsibility on the following grounds. The defendant recognized that the clock would be domestically sold and consciously encouraged it. It was pointed out that the judgment was posed a considerable risk to companies that develop international businesses.

Next, under the moderation of Assistant Professor Christoph Rademacher, Part I: Important Issues in Patent Infringement Practices — Reexamination of Claim Interpretation and Doctrine of Equivalents was conducted.

First, Dr. Thomas Kühnen presented on Germany, having the title of “the Basic Principle of Determining the Protection Scope in Germany”. The basic principle of determining the protection scope in Germany was stipulated in Article 14 of the Patent Law. It clearly defined that the scope was determined by the claim. In addition, the specification and drawing can be used to interpret the claim. The patent specification is only used for the claim interpretation and there should be no conflict between specification and claim essentially. If there is any conflict between them, they place priority on the claim. Allowance of patent prosecution history is not conducted in Germany.



Next, the doctrine of equivalents in Germany was introduced. The doctrine in Germany is sorted into the following three types, organizing various precedents. In short, there are ①identical effect (whether to get almost of all associated benefits at least if substituted), ②ease of guess (alternate means could be easily found by experts without inventive efforts) and ③equivalence(only after having thoughts based on the substantive meanings of technical idea, experts can find that the changed means provides equivalent solution responding to the meanings) (for Japanese translation of these requirements, I referred to Japanese translation of Judge Kühnen's speech and Atsuhiko Kawada's “Comparison of Doctrine of Equivalents in Japanese and German Courts – Based on the Interpretation of Technical Scope”, AIPP vol.155, no.7, p.454 (2010)). In addition, among three requirements of the doctrine of equivalents, the requirement of equivalent is difficult to meet in many cases. It was pointed out that nine of 10 cases did not meet the requirement.

After that, Judge Toshiaki Iimura, IP High Court delivered a speech about Japan, having the title of “The Claim Interpretation of Patent Infringement Lawsuits (including doctrine of equivalents)”. There is a stipulation in Article 70 of Patent Act for the basic principle of determining the scope of patent protection in Japan. What we should interpret is a claim and claim specification and drawing is a reference for interpretation. In this respect, Japan is not different from Germany. Also, in Japan, the scope of patent is restrictively

interpreted in some cases by making allowance for prosecution history. Because it is reluctant to accept the claim despite of the overlap of the related patent with known art, this has been used as the measure to reject claims by limiting the scope of the right. After the Kilby decision (the Supreme Court's decision on April 11, 2000, Minsyu vol.54, no.4, p.1368), and the addition of Article 104-3, it is fine to simply dismiss the claim. It was pointed out to re-examine the necessity for allowance of patent prosecution history. Next, as to the doctrine of equivalents, the Ball Spline Case (the Supreme Court's decision on February 24, 1998, Minsyu vol.52, no.1, p.113) presented five requirements. These requirements were presented from the restraining perspective to the extreme doctrine of equivalents he stated that it was recognized as the doctrine of equivalents, but the hurdle seemed to be not so high.

Next, Toshiko Takenaka, Professor at University of Washington School of Law delivered a speech about the US, having the title of "The Protection Scope of the US Patent Right – Claim Interpretation and Doctrine of Equivalents". In the US, there is no rule for claim interpretation. Exceptionally, only the interpretation rule of functional claims exists (Section 112(f), the US Patent Act) and the rules of claim interpretation have been developed by case law. It was pointed out that no major difference seemed to exist in the rules among Japan, the US, and Germany but the use of the rules might be different. In other



words, the US attaches importance to the disclosing function of claim and the rules tend to be used toward narrowed interpretation. In addition, in the US, the subject of claim interpretation and the subject of claim application are different. Claim interpretation is conducted by judges. But those who apply the interpretation and determine infringement are the jury. Therefore, basically, it is impossible to interpret claims only by seeing the defendant's product. Allowance of the defendant's product is conducted in a limited cope manner. In addition, as to the doctrine of equivalents, it is limited to the technology which emerged after the establishment of patent and also was not predictable. Also, it is not the evaluation as invention but as individual elements. Therefore, the doctrine of equivalents in the US is limited to very exceptional cases. It was pointed out that in the background there was a set of value that the doctrine of equivalents should not be used for making up for mistakes of the person preparing the patent document.

Responding to the speeches stated above, Professor Ryu Takabayashi at Waseda University made comments. In Japanese patent infringement lawsuits, the court takes allowance for patent prosecution history and limitedly interprets the patent scope in some cases. If many working examples are written and then, eliminated at the patent prosecution history, it is possible to limit the scope by taking allowance for the history. To avoid this, it might end up to the trend that a good specification does not clearly write function effect and should have only one working example (the doctrine of equivalents clears up after that). That is very questionable. It was pointed out that the specification should clarify the essence of the invention and the judge's task in patent infringement lawsuits was to investigate the essential part of the invention.

Based on the contents stated above, vigorous debate was also made in the panel discussion.

(RC Syun Kuwahara)



○Part II World Standard, Standard Patent, and Compulsory License

【Moderator】 Ichiro Nakayama, Kokugakuin University

【Speakers】

Keynote Speech: Dr. Thomas Kühnen, Presiding Judge, Patent Senate Düsseldorf High Court

Dr. Matthias Lamping Max Planck Institute for Intellectual Property and Competition Law

Fumihiko Moriya, VP, Senior General Manager, Intellectual Property Division, Sony Corporation

Dr. Christof Karl, Attorney-at-law, Bardehle Pagenberg

Hiroyuki Hagiwara, Attorney-at-law, Ropes & Gray

Ryouichi Mimura, Attorney-at-law, Nagashima, Ohno&Tsunematsu

In the Part II, with the theme of “World Standard, Standard Patent, and Compulsory License”, the following presentations, panel discussion, and Q&A session were conducted.

1. Keynote Speech

Judge Kühnen delivered a keynote speech titled “Infringement Lawsuits from Standard Essential Patents” and briefly outlined the conditions in Europe and Germany concerning the requirements and procedures in the cases where the estoppel based on Standard Essential Patents (SEP) is restricted in patent infringement lawsuits.

According to Article 102 of Treaty on the

Functioning of the European Union, any abuse by using a dominant position within markets violates the competition law and should be prohibited. Because the patentee of SEP has a dominant position in the licensing market, the SEP should be licensed on FRAND (Fair, Reasonable, and Non-Discriminatory) terms and an injunction should not be granted in patent infringement lawsuit. However, in Germany, if it is such a case, the defendant of the infringement lawsuit must offer make a concrete and objectively reasonable proposal of licensing in Germany, as defined in the decision on the case of “Orange-Book-Standard” by the German Federal Court of Justice. Basically, this proposal should be unconditional and should present royalty base and royalty rate. But it is also possible to leave a decision to the patentee. In addition, if the defendant uses the invention before concluding the license agreement, it is necessary to pay a license fee. The defendant may make a deposit by a certain amount. In such a case, the dispute over the license fee will be separated from the infringement lawsuit.

On the other hand, in the recent Samsung case, the EU Commission concluded that Samsung violated the competition law and levies might be imposed on Samsung. According to the decision of the EU Commission, the act of filing an infringement lawsuit and requesting an injunction by the patentee of SEP after the FRAND declaration is abuse of dominant position if the defendant is “willing to negotiate” a license of the related SEP on FRAND terms. However,





what does the “willing to negotiate” mean? Is it possible that the defendant pays lip service or gain time? In such conditions, the patentee has two options. One is a claim for damages only. In this case, the Samsung decision is not applied. The other is a request of an injunction and removal. In this case, there is a risk that levies are imposed. The EU Commission’s decision has an effect to suspend infringement lawsuits and the duration might amount to several years. It is also possible that the infringement lawsuit court refers their opinions to European Court of Justice.

2. Speeches

First, under the theme of “Protection of Competition in the Standardized Market”, Dr. Lamping various cases are possible, depending on whether the patentee participates in the standardization activity, whether a FRAND declaration is made, whether the infringer stopped using the standardized technology, alleging violation of competitive law, whether the infringer alleges the defense of competitive law in infringement lawsuit while using the standardized technology, and so forth.

Next, Mr. Moriya pointed out the questions in the Orange Book defense under the theme of “SEP and Orange Book Defense”. Whether it is acceptable that the defendant’s licensing proposal is intended only for German required patents, especially only the limited patents questioned in infringement lawsuit when many required patents globally exist based on his own experiences and whether it is possible for the defendant to question the patent invalidity or not.

In the following Attorney Karl’s presentation titled “FRAND Defense in European Lawsuits -Practitioner’s Concerns”, concerning the FRAND defense based on the Orange Book case in Germany, he explained that the defense would be also applied to the injunction demand based on the transferred SEP, whether the patentee participated in the act of standardization or not. It is possible that the patentee claim the amount

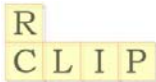
more than FRAND as compensation for the past damage. When the defendant proposes the licensing, he/she should withdraw invalidation procedure or at least, suspend it. The defendant has to make an application of the licensing only for the SEP in question even when the patentee is licensing the entire portfolio including the SEP targeted in the infringement lawsuit. However, it is difficult to take one SEP and determine the FRAND terms for it.

Attorney Hagiwara presented on the conditions in the US under the theme of “Execution of Standard-essential Patents in the US”. In the case of *Microsoft v. Motorola*, Motorola demanded a 2.25 percent royalty rate based on the patents of FRAND declaration. The trial questioned whether it is inconsistent with the conditions derived from FRAND declaration and the injunction was rejected in the context of four-factor test of the *eBay* decision. Also, in the case of *Apple v. Motorola*, Judge Posner did not approve the injunction based on the SEP under FRAND declaration. Furthermore, the FTC concluded that the injunction demand against those who requesting licensing of SEP was violating Section 5 of the FTC Act in the consent order to Google.

Last, Attorney Mimura presented on Japan’s condition with the theme of “Japan’s Conditions Surrounding SEP”. Although there are regulations on compulsory license in Japan, there have been no previous decisions. Also, there have been no judicial cases to directly decide whether or not to permit the injunction demand based on the SEP under FRAND declaration. However, there exist pending cases. If we restrict the injunction, the doctrine of abuse of right would be used. In trademark law, there was a case where execution of right was considered as abuse of right.

3. Panel Discussion

In the panel discussion, first, the relation between the EU Commission’s decision on



Samsung case and the Orange Book defense in Germany became an issue. Judge Kühnen commented as the following. The infringer needs to offer concrete licensing which the patentee cannot refuse under the Orange Book defense. If it is based on the EU Commission's decision, it would be necessary to concretely present the amount of licensing fee. The EU Commission's decision is ambiguous in many points and there is also obscure part as the future prospect. On the other hand, Mr. Moriya commented that, generally, the infringer in many cases was negotiating with the patentee on the licensing conditions and therefore, the EU Commission's decision was more attractive than the Orange Book defense requiring detailed conditions and procedures. Attorney Karl commented that the infringer's deposition under the Orange Book defense might be considered as FRAND terms and the infringer's side would bear a heavier burden in that meaning.

Next, as to the conditions in the US, the discussion was made on the relation between FRAND declaration and the establishment of contract for the third party. Attorney Hagiwara commented as the following. The decision on the case of *Microsoft v. Motorola* approved the establishment of the contract between the patentee and the standards body to consider users of standardized technology as the third party that is beneficiary, under FRAND declaration. In the case of *Apple v. Motorola*, Judge Posner rejected the injunction regardless of the establishment of

the contract. He commented that, in short, concerning four-factor test in the *eBay* decision, some argument reject injunction by considering the establishment of contract under FRAND declaration and some argument would reject injunction simply by FRAND declaration. On the other hand, Attorney Mimura commented that it was difficult in Japan to approve the establishment of contract for the third party by FRAND declaration and we should depend on the doctrine of abuse of right in order to solve the problems.

Last, the discussion was made on how to deal with the issue in Japan, considering that the injunction based on the SEP that declared FRAND is restricted in the Western countries although the approach is different. Attorney Mimura made a comment on the possibility of applying Anti-monopoly Act. Although Japan's Anti-monopoly Act has the stipulations such as Article 21, there have occurred some cases that Japan Fair Trade Commission deals with the IP related cases such as JASRAC case. In addition, Dr. Lamping commented that we should consider responses in terms of the issue of patent law—how far the effect of patent law should reach in addition to competitive law.

On the other hand, there were some comments from the floor. The injunction restriction in the US and Europe requires strict conditions and procedures and we should carefully think about it, considering the point that it does not restrict the injunction to the persons rejecting the payment of license fee. Also a question was made on the handling of a claim for invalidation in the lawsuit of the infringement based on the SEP under FRAND declaration.

As stated above, vigorous discussions were made through the entire proceedings of the Part II session.

(Ichiro Nakayama, Professor at Kokugakuin University)





Events and Seminars

Please visit RCLIP's webpage for the detail.

RCLIP Workshop Series No. 34

“The History of Copyright Law Study”

【Date】 April 23, Tuesday, 2013, 18:30-20:30

【 Venue 】 Ohkuma Lecture Hall, Waseda University

【Speaker】 Tatsuhiro Ueno, Professor of Waseda University

【Moderator】 Ryu Takabayashi, Professor of Waseda University

RCLIP Workshop Series No. 35

“Comparison of Execution of Standard Essential Patents among Japan, the US, Germany”

【Date】 June 4, Tuesday, 2013, 18:30-20:30

【 Venue 】 Ohkuma Lecture Hall, Waseda University

【 Speaker 】 Toshiko Takenaka, Professor of University of Washington

Editor/issuer

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