

Patent Infringement Litigation Case Study (1)

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Case 1: The Case Concerning the Doctrine of Equivalents

“ Ball Spline Case ”

(The case of injunction etc. of patent right infringement)

Application No. 46-27391 (Filing Date : 1971.04.26)

Publication (KOKAI) No. 47-39937 (Publication Date :
1972.12.08)

Publication (KOKOKU) No. 53-22203 (Publication Date :
1978.07.07)

Patent No. P. 999139 (Registration Date : 1980.05.30)

First Instance Court :

Tokyo District Court, Judgment : 1991.04.19

Case No. Showa 58 (wa) 12677 (of 1983)

The Tokyo District Court denied the claim for an injunction and damages by the plaintiff (patentee) because the alleged product did not meet the elements of the claimed invention of the patent.

Second Instance Court :

Tokyo High Court, Judgment : 1994.02.03

Case No. Heisei 3(ne) 1627 (of 1991)

The Tokyo High Court denied the decision of the Tokyo District Court and found that the alleged product infringed the patent.

The Court stated that the alleged product should be regarded as substantially the same as the patented invention

because the different portion of the patent claim from the alleged product was not the core portion of the patented invention and that the alleged product should be regarded to fall within the technical scope of the present patented invention.

Supreme Court , Judgment (Third. Petit Bench) :

1998.02.24

Case No. Heisei 6(o)1083 (of 1994)

The Supreme Court quashed the decision of the Tokyo High Court, and reversed the case to the Tokyo High Court.

This is the first case where the Japanese Supreme Court expressly confirmed application of the doctrine of equivalents in a patent infringement litigation.

In the opinion of the decision, the Supreme Court stated the five conditions for applying the doctrine of equivalents as follows:

“In a patent infringement litigation, the technical scope of the patented invention must be determined on the basis of the patented claim in the specification (Patent Law Article 70(1)) in order to determine whether the alleged product made or process used by the other party falls within the technical scope of the patented invention. If there is any part expressed in the patented claim different from the corresponding one in the alleged product or process, the alleged product or process can not be concluded to fall within the technical scope of the patented invention.

However, even if the patented claim includes any part of

constituents different from the corresponding one in the alleged product or process, the alleged product or process should be construed to be equivalent to the constitution expressed in the patented claim thereby to fall within the technical scope of the patented invention, when the following conditions are all satisfied:

- (1) the different part is not the substantial part of the patented invention;
- (2) the purpose of the patented invention can be achieved and the same function and result as those of the patented invention can be obtained, even after interchanging the different part by the element in the alleged product or process;
- (3) a person with ordinary-skill in the art to which the patented invention pertains (hereinafter “a person skilled in the art”) would have easily known the interchangeability at the time of making or using the alleged product or process;
- (4) the alleged product or process is not identical to and not obvious from the publicly known prior art at the time of filling the patent application ;
- (5) there is no special circumstance such that the alleged product or process was intentionally excluded from the scope of the patented claim during the prosecution of the patent application. ”

The Supreme Court also stated in the opinion the

reasons for applying the doctrine of equivalents as follows:

“(i) It is very difficult to draft claims at the time of filing the application with expecting all manners of infringement in the future. If the other party can easily go beyond out of the scope of the patented claim by interchanging a part of the constituents of the patented claim with the material/technology which has become clearly known after the filing of the application, and can easily avoid enforcement by the patent right owner such as an injunction, such situation will discourage motivations for inventions in society. And this situation will be against the purpose of the Patent Law to contribute to the development of industries by protecting and encouraging inventions, and also will be against social justice and equity.

(ii) Under such considerations, the substantial value of a patented invention should be extended from the patented claim to the extent that a third party would have readily known as substantially the same technology as the constitution of the patented claim. And the third party should expect such extension of the scope of a patented invention.

(iii) On the other hand, since no one could have obtained a patent right to the technology publicly known or could easily have been conceived from the publicly known prior art by a person skilled in the art at the time of filing (Patent Law Article 29), such technology could not be included in the scope of the patented invention.

(iv) Once the patentee has intentionally excluded the

technology from the claim during the prosecution of application for example, so as to admit that such an alleged product or process would not be included the scope of the patented invention, or once the patentee has taken such an action as to be outwardly understood so, the patentee can not assert contradictorily under the lawful concept of estoppel. ”

After this decision of the Supreme Court (1998.02.24), as shown in Fig. 1-1, the examination for the doctrine of equivalents must be conducted even though literal infringement can not be found.

Fig. 1-2 shows the flow chart of the examination for patent infringement including literal infringement and infringement under the doctrine of equivalents (D.O.E.).

The Supreme Court pointed out three affirmative conditions (①,②,③) and two negative conditions (④,⑤). Fig. 1-3 shows the relations among the patent claim, alleged product or process, and prior art under these conditions.

They have re-started the discussion about the Substantive Patent Law Treaty (Draft) in WIPO.

Fig. 1-4 shows “Article 14” and “Rule 11” in the draft including the provision of the doctrine of equivalents.

Fig.1-1: Examination of Infringement

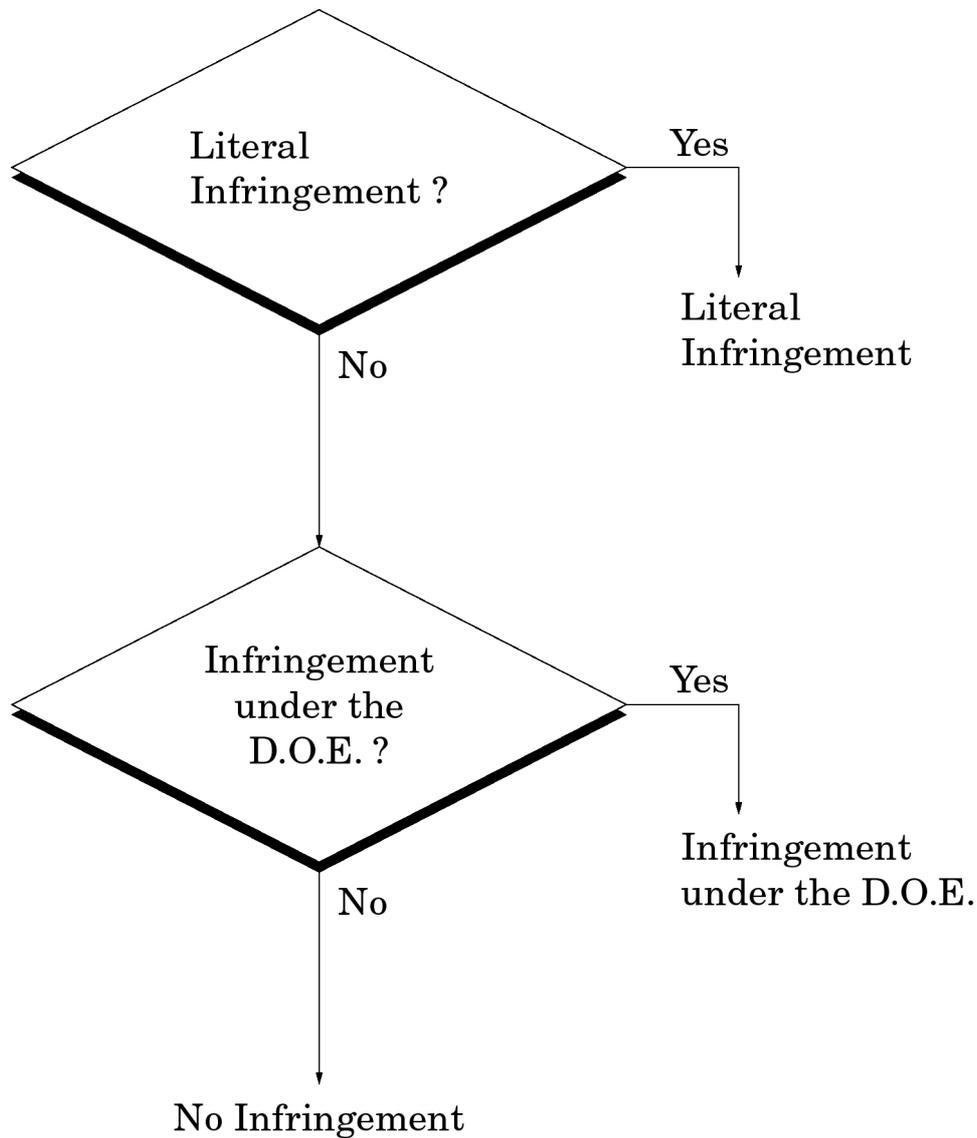
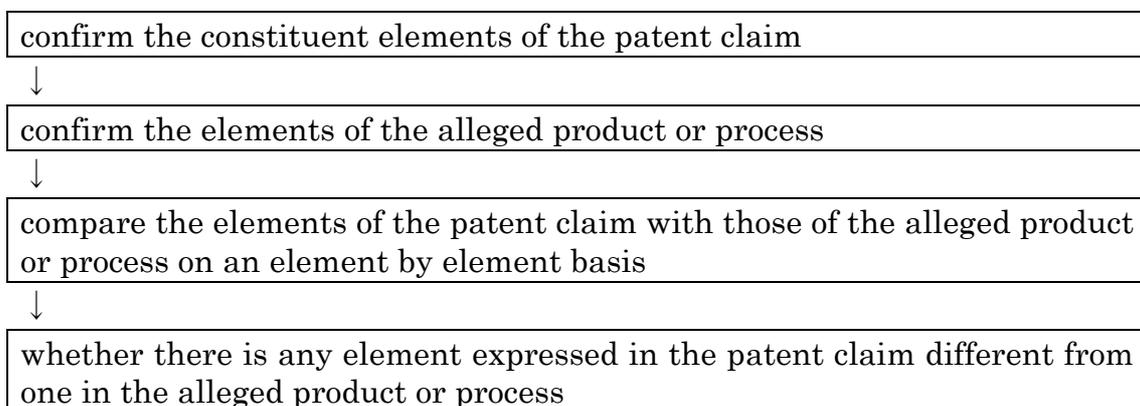


Fig.1-2: Patent Infringement under the Doctrine of Equivalents (D.O.E.)



↓

if yes, literal infringement should not be found, however, an alleged product or process that does not literally infringe upon the express terms of the patent claim should nonetheless be found to infringe, if there is equivalence between the element in the alleged product or process and the different element in the patent claim, and the alleged product or process is substantially the same as the patented invention.

↓

1. whether the change or substitution of the different element in the patent claim relates to insubstantial difference in the patented invention

⇒ **NO** no infringement (even under D.O.E.)

↓ **YES** (the different element is one of “insubstantial” constituents)

2. whether the purpose of the patented invention can be achieved and the same result as that of the patented invention can be obtained even after the different element is interchanged by the element in the alleged product or process

⇒ **NO** no infringement (even under D.O.E.)

↓ **YES** (“interchangeability” can be found)

3. whether a person skilled in the art would have known the interchangeability (of the element not contained in the patent with one that was) at the time of making or using of the alleged product or process

⇒ **NO** no infringement (even under D.O.E.)

↓ **YES** (“conceivability of the interchange” can be found)

4. whether the alleged product or process is identical to or obvious from the “publicly known prior art” at the time of filing of the application

⇒ **YES** no infringement (even under D.O.E.)

↓ **NO** (go to next)

5. whether there are any special circumstances such that the alleged product or process was “intentionally excluded” from the scope of the patent claim during the prosecution of the application

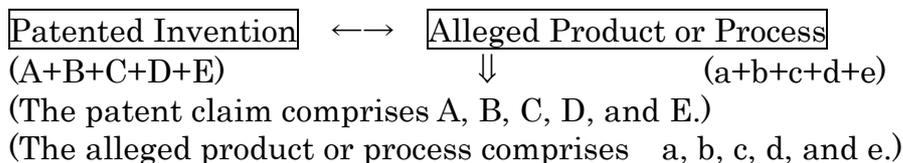
⇒ **YES** no infringement (even under D.O.E.)

→ **NO** “infringement under the doctrine of equivalents” should be found

(the alleged product or process falls within the scope of the patented invention)

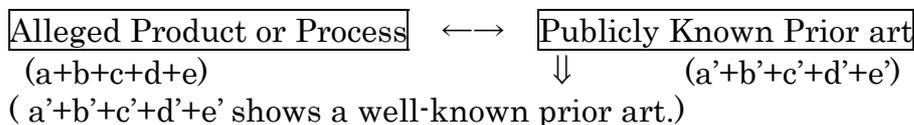
Fig.1-3: Five Conditions for Applying the Doctrine of Equivalent

© *Affirmative Conditions 1 ~3*

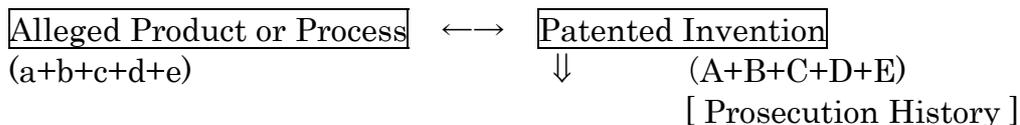


- ① Is the different element in the patented claim from the alleged product or process “insubstantial” ? (The different element is “B”, if $B \neq b$.)
- ② Is the different element in the patented claim interchangeable by the element in the alleged product or process ?
- ③ Would the interchange could have been known by a person skilled in the art ?

© *Negative Conditions 4 ~5*



- ④ Is the alleged product or process identical with or obvious from the well-known prior art ?



- ⑤ Is the alleged product or process intentionally excluded from the patent claim during the prosecution ?

(The File Wrapper could show the exclusion of the alleged product or process from the patent right.)

Fig.1-4: Draft Substantive Patent Law Treaty
(Part of the Draft Concerning the D.O.E.)

Article 14

[Alternative A] Scope of Protection

[(2) [*Equivalents*] For the purpose of determining the scope of protection conferred by the application, due account shall be taken of elements which are *equivalent* to the elements expressed in the claim, as prescribed in the regulations.]

Rule 11

Interpretation of Claims Under Article 14

[(2) [*Equivalents*]

For the purpose of Article 14(2),
an element shall generally be considered as being *equivalent* to an element as expressed in a claim if,
at the time of any alleged infringement,
it performs substantially the same function in substantially the same way and produces substantially the same result as the element **as** expressed in the claim, and
it is obvious to a person skilled in the art that the same result as that achieved by means of the element **as** expressed in the claim can be achieved by means of the *equivalent* element.]

Case 2: The case Concerning Abuse of Patent Right including Obviously Invalid Reason

“ Semiconductor Device Case (Kilby Patent Case)”

(The case of declarative judgement of no infringement against the patent right)

Application No. 46-103280 (Filling Date : 1971.12.21)

-Parent Application No. 39-4689 (Filling Date : 1964.01.30)

-Grand Parent Application No. 35-3745

(Filling Date : 1960.02.06)

(Priority Date : 1959.02.06,12)

Publication (KOKOKU) No. 61-55256

(Publication Date : 1986.11.27)

Patent No. P. 320275 (Registration Date : 1989.10.30)

(Equivalent : US3261081 and others)

First Instance Court :

Tokyo District Court, Judgment : 1994.08.31

Case No. Heisei 3(wa)9782 (of 1991)

The Tokyo District Court denied infringement by construing the patented claim.

The Court found that the alleged products ((i):1Mega Bit Dynamic Random Access Memory, and (ii): 3 2 Kilo Bit Programmable Read Only Memory) did not infringe the patented claim because of lack of meeting the elements of the claim.

This lawsuit was initiated by the plaintiff (the alleged infringer, not the patent holder) to seek the declaratory judgement to confirm that the alleged products (i) and (ii) do not infringe the patent.

Second Instance Court :

Tokyo High Court, Judgment : 1997.09.10
Case No. Heisei 6(ne)3790 (of 1994)

The Tokyo High Court also denied infringement.

The Court found that the present patented claim is the same as that of the “parent patent application” and that the present divisional application (granted for the present patent) was illegal to cause obviously invalid reason of the present patent because of double patenting.

The Court also found that the claim of the “parent patent application” (that is the same as that of the present divisional application) was rejected because of lack of inventive step and the rejection became final, and that the present patented claim could be obviously invalid for the same reason of lack of inventive step as the “parent patent application”.

And the Court stated that enforcement of such as the present patent right that must be obviously invalid if the invalidity is examined should not be allowed because of “abuse of patent right”.

Supreme Court : Judgment : 2000.04.11

Case No. Heisei 10(o)364 (of 1998)

Jokoku appeal is dismissed.

The Supreme Court sustained the Findings of the Tokyo

High Court.

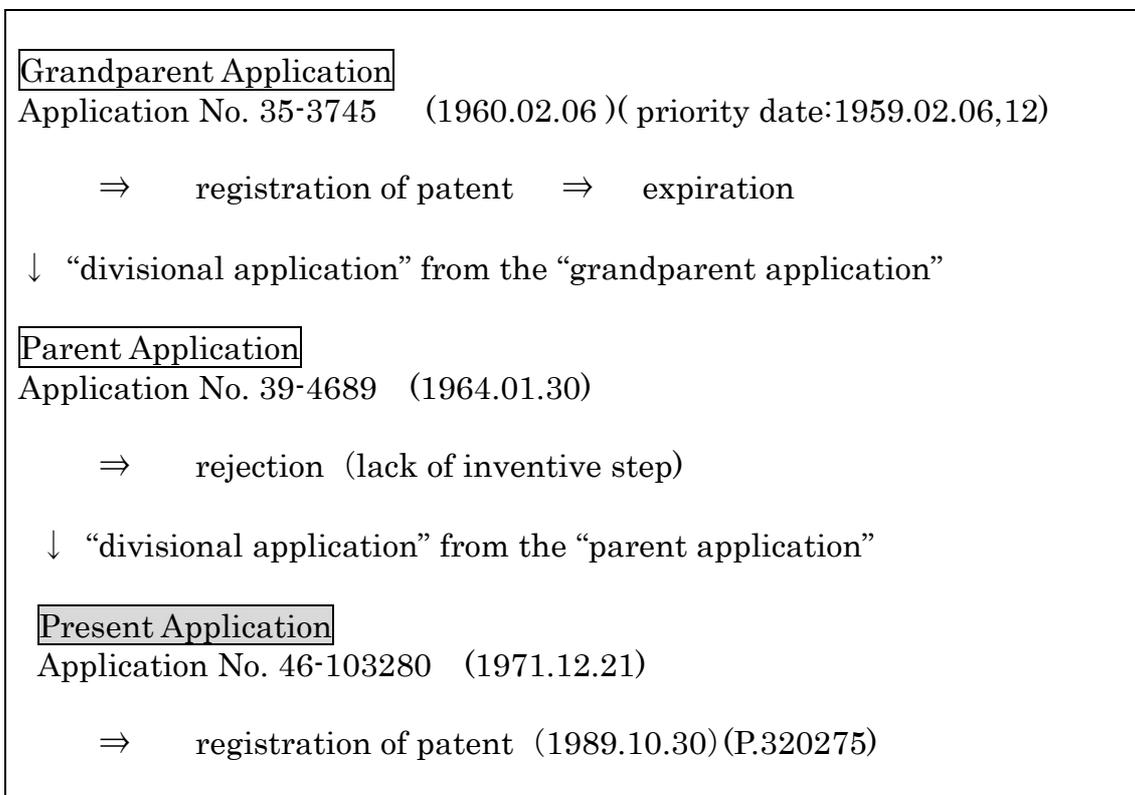
The Supreme Court referred to the “Doctrine of Equity” and confirmed that a patent infringement court should be able to examine whether the disputed patent is obviously invalid or not even before the trial decision (before the **Japan** Patent Office) for invalidation of the patent became final.

FIG. 2-1 shows the history of the present patent application that is divided from the parent application that is divided from the grand-parent application.

Concerning to the present patent right, patent infringement litigation (before the Tokyo District Court, the Tokyo High Court, and the Supreme Court) and administrative litigation (trial for invalidation and trial for correction before the Japan Patent Office, and actions against the trial decisions of the JPO before the Tokyo High Court) have been conducted in parallel. FIG. 2-2 shows relations among these lawsuits.

FIG. 2-3 shows the claim and the drawing for the embodiment written in the specification of the patent (320275) (JP 61-55256 B1).

Fig.2-1: File History of the Divisional Applications Concerning Kilby Patent (320275)



It is found by the Tokyo High Court that the “present divisional application” should be regarded *as the same as* the “parent application”, and the Finding by the Tokyo High Court is sustained by the Supreme Court.

Fig.2-2: Infringement Litigation and Administrative Litigation Concerning Kilby Patent (320275)

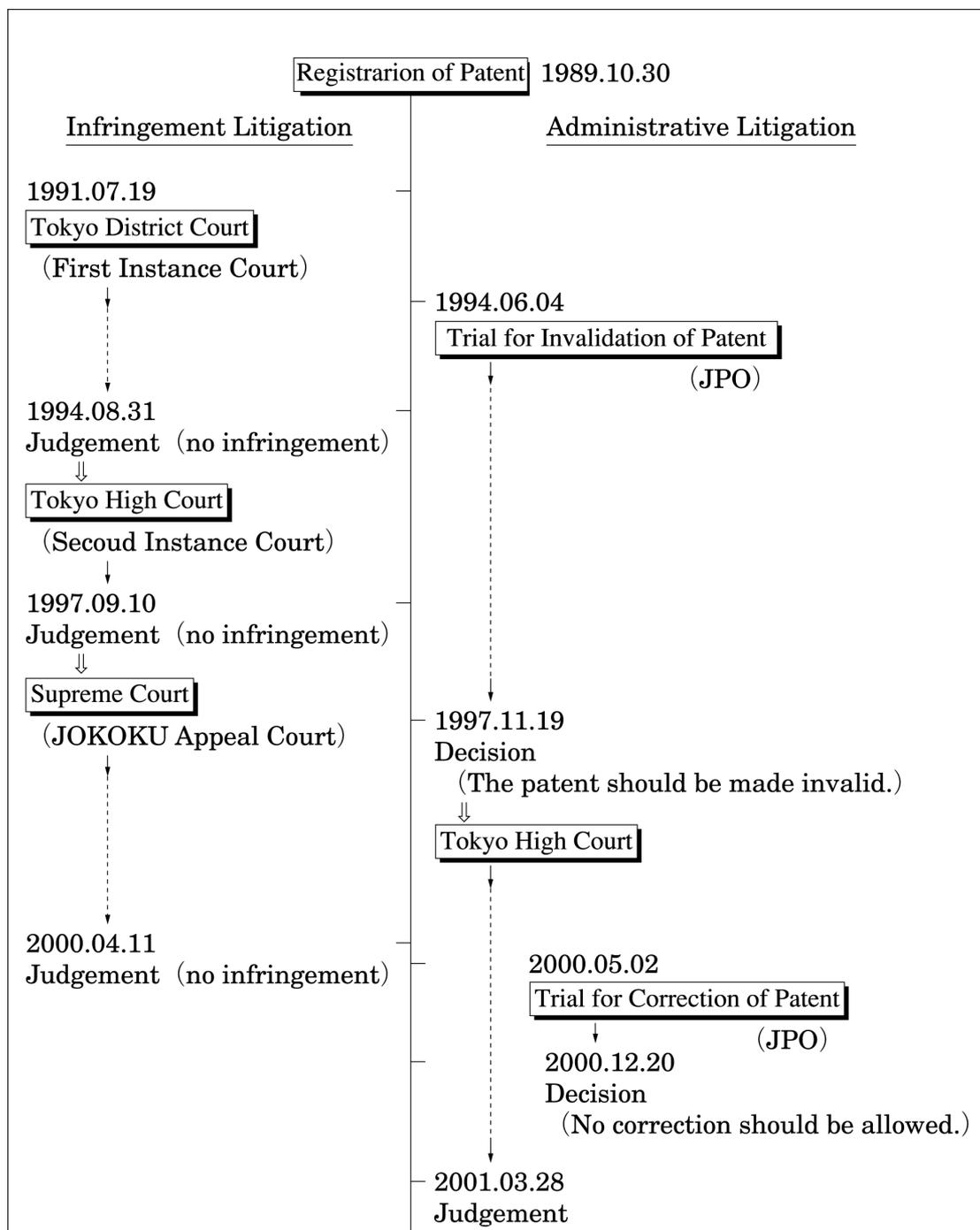


Fig. 2-3: Claim and Embodiments Drawing

(Kilby Patent :320275) (JP 61-55256 B1)

CLAIM:

In a semiconductor device for an electronic circuit having

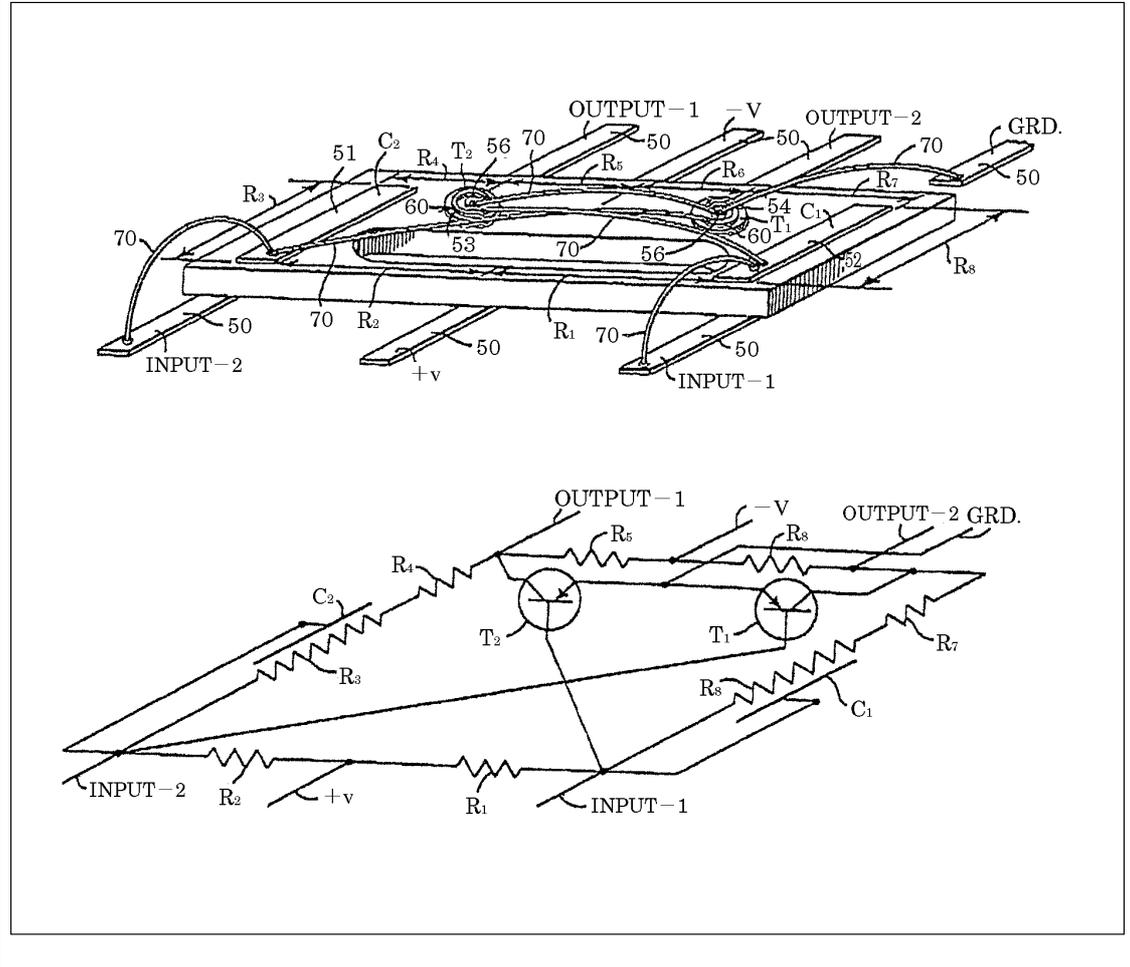
a single thin wafer of semiconductor material including a plurality of circuit components and having a major surface and a bottom surface, and

a plurality of lead wires electrically connected to the selected circuit components to be connected to the outside of the thin wafer,

the semiconductor device comprising:

- (a) the plurality of circuit components being isolated in distance apart from each other in various regions of the thin wafer,
- (b) the plurality of circuit components each including at least one thin region defined by a junction extending to the major surface of the thin wafer,
- (c) a passive insulating material on which a plurality of conductive material for circuit interconnection are laid down, being formed on the major surface of the thin wafer,
- (d) wherein the selected thin regions in the plurality of circuit components isolated in distance apart from each other being electrically interconnected through the plurality of conductive material on the passive insulating material thereby to make electric-circuit interconnections necessary for providing the electronic circuit, and
- (e) the electronic circuit being arranged substantially in a plane manner by means of the plurality of circuit components and the plurality of conductive material for circuit interconnection on the passive insulating material.

Drawing
(JP 61-55256 B1)
TOKUKOSHO 61-55256



Case 3: The Case Concerning Parallel Import

“ Car Wheels Case (BBS Case) ”

(The case of injunction etc. to infringement of patent right)

Application No. 58-203572 (Filing Date : 1983.10.29)

(Priority Date : 1983.05.27 EP Application)

Publication (KOKAI) No. 59-227501

(Publication Date : 1984.12.20)

Publication (KOKOKU) No. 2-1681

(Publication Date : 1990.01.12)

Patent No. P. 1629869 (Registration Date : 1991.12.20)

Corresponding Foreign Patent (German Patent)

EP 0128224 B1 (Registration Date : 1987.04.22)

(Application No. EP 83105259.2)

First Instance Court :

Tokyo District Court, Judgment : 1994.07.22

Case No. Heisei 4 (wa) 16565 (of 1992)

The Tokyo District Court denied “international exhaustion of patent right ” and found that the defendant’s imported products infringed the Japanese patent right of the plaintiff.

Second Instance Court :

Tokyo High Court, Judgment : 1995.03.23

Case No. Heisei 6 (ne) 3272 (of 1994)

The Tokyo High Court reversed the decision of the Tokyo

District Court.

The Court denied infringement of the Japanese patent right on the imported products made in Germany under the corresponding German patent right according to the reason of “international exhaustion of patent right”.

Supreme Court : Judgment (Third Petit Bench): 1997.07.01
Case No. Heisei 7 (o) 1988 (of 1995)

The JOKOKU appeal was dismissed. (Appellant - appellee to the Tokyo High Court - plaintiff - patent holder lost the case.)

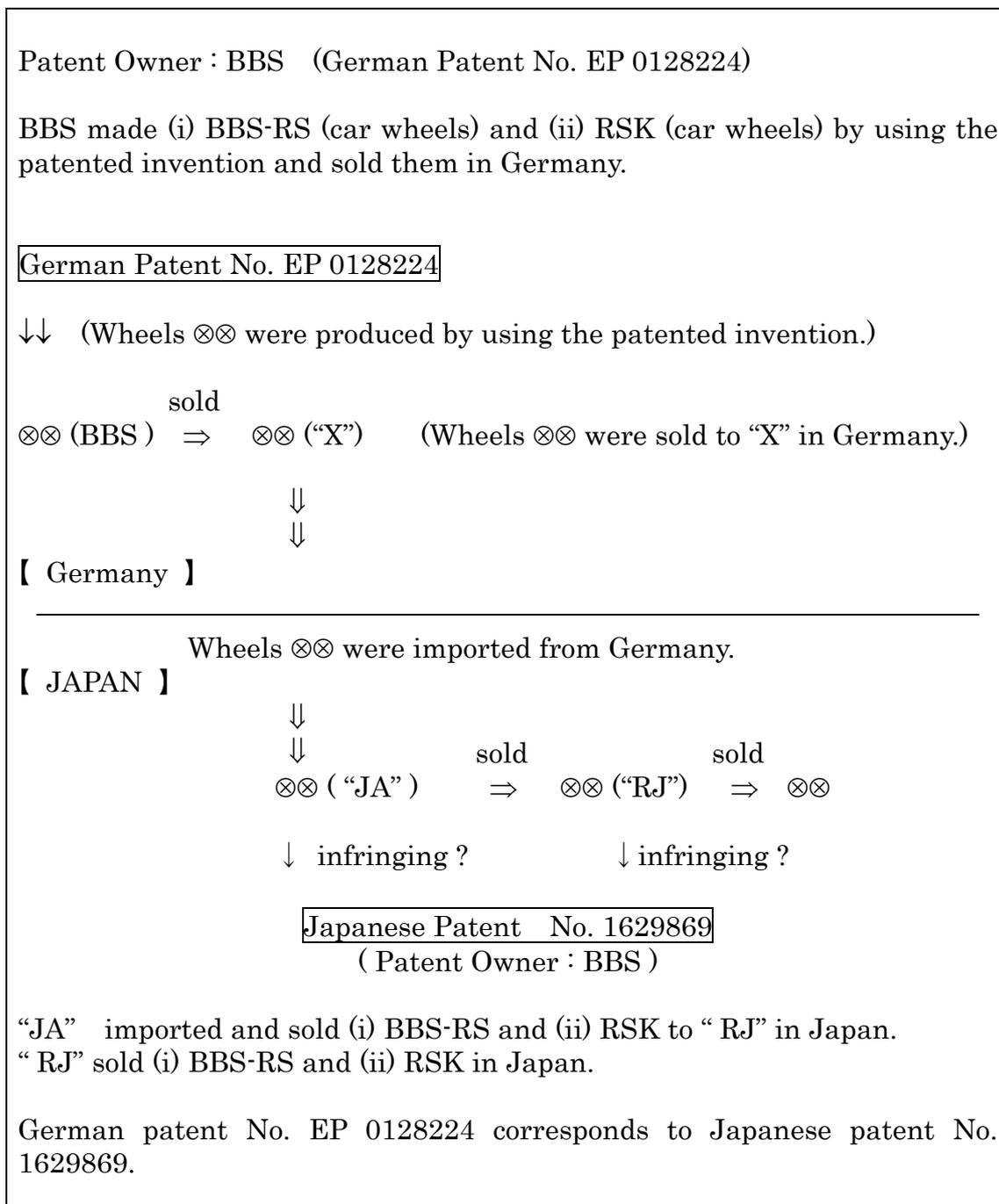
This was the first case where the Japanese Supreme Court stated whether parallel import of products made under a foreign patent infringed the corresponding Japanese patent or not.

The Supreme Court sustained the decision of Tokyo High Court and stated that “the present” parallel-imported products made by using the German patent did not infringe the corresponding Japanese patent.

In the case, products (car wheels) were sold in Germany by the German patent holder (the appellant). The Supreme Court found that the appellant (Japanese patent holder) had neither asserted nor proved that the appellant had agreed with the “assignee to exclude Japan” from selling or using the products or had “expressly indicated the remark” on the products, and so the appellant should not be allowed to seek an injunction or claim damages on the Japanese patent right.

Fig. 3-1 shows the flow of the parallel-imported products from Germany to Japan.

Fig. 3-1: BBS Case



Case 4: The Case Concerning Interpretation of “Experiment in Article 69 of the Japanese Patent Law

“ Pharmaceutical Product Case ”

(The case of injunction etc. of infringement to patent right)

Application No. 51-5062 (Filing Date : 1976.01.21)

Publication (KOKAI) No. 52-89640 (Publication Date :
1977.07.27)

Publication (KOKOKU) No. 57-14670 (Publication Date :
1982.03.25)

Patent No. P. 1122708 (Registration Date : 1982.11.12)

First Instance Court :

Kyoto District Court, Judgment : 1996.05.15
Case No. Heisei 8 (wa) 1898 (of 1996)

The Kyoto District Court denied the claim for injunction by the plaintiff (patentee) because the claim for injunction was asserted after expiration of the patent right.

Second Instance Court :

Osaka High Court, Judgment : 1998.05.13
Case No. Heisei 9 (ne) 1476 (of 1998)

The Osaka High Court denied infringement.

The Court stated that it should be regarded as “ working of a patented invention for testing or research ” under Article 69, Paragraph 1 of the Japanese Patent Law to conduct the

“experiment” that is provided in the Japanese Pharmaceutical Act within the period of the patent right for the purpose of making and selling the pharmaceutical product after expiration of the patent right.

Supreme Court , Judgment (Second Petit Bench) :
1999.04.16
Case No. Heisei 10 (ju) 153 (of 1999)

The Supreme Court dismissed the Jokoku appeal by the patent holder.

The Court ruled against an infringement.

The Court confirmed the Findings that the appellee (the defendant) made and used the defendant’s product (that is identical in ingredients, amount, usage, dose, and effects with the pharmaceutical product made by the patented invention) for conducting the experiment to obtain data attached to the application for approval of manufacturing pharmaceutical product under Article 14 of Japanese Pharmaceutical Act “within the period of the patent right”, and that the appellant (the patent holder) claims for injunction and damages.

The Court referred to the object of patent system that is intended to contribute to “the development of industry” by encouraging creation of inventions through granting an exclusive right for a limited period to the person who discloses inventions and by giving to third parties opportunities to use the disclosed inventions.

The Court stated that the act of the appellee (the

defendant) should be regarded as “ working of a patented invention for experiment or research ” under Article 69, Paragraph 1 of the Japanese Patent Law and that the act of the appellee (the defendant) should not be regarded as an infringement of the appellant’s patent right.

FIG. 4-1 shows the limit of patent right (including “experiment”) under the Japanese Patent Law.

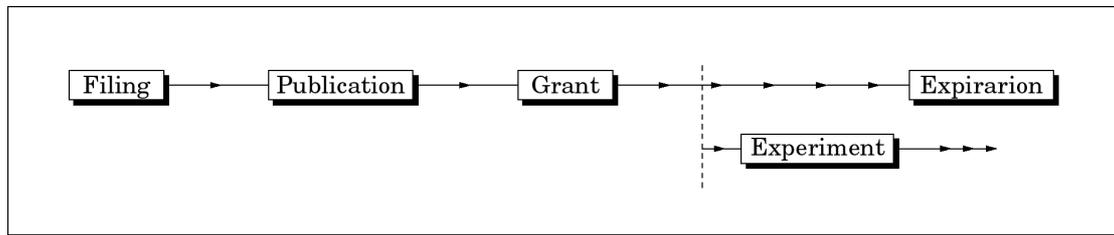
FIG. 4-2 shows the relation between the time of the experiment of this case and the time of expiration of the patent right.

Fig. 4-1: Limit of Patent Right

(Limits of patent right under the Japanese Patent Law, Article 69)

- | |
|--|
| <p>(1) The effects of the patent right shall not extend to the working of the patent right for the purposes of <u>experiment or research</u>.</p> <p>(2) The effects of the patent right shall not extend to the following:</p> <p>(i) vessels or aircraft merely passing through Japan or machines, instruments, equipment or other accessories used therein;</p> <p>(ii) products existing in Japan prior to the filing of the patent application.</p> <p>(3) The effects of the patent right for inventions of medicines (namely, products used for the diagnosis, cure, medical treatment or prevention of human diseases - hereinafter referred to as “medicines” in this subsection) to be manufactured by mixing two or more medicines or for inventions of processes for manufacturing medicines by mixing two or more medicines shall not extend to acts of preparing medicines in accordance with the prescriptions of physicians or dentists or to medicines prepared in accordance with the prescriptions of physicians or dentists.</p> |
|--|

Fig. 4-2: The Time of “Experiment” in the Case 4



The experiment began before the expiration of the patent.
The experiment was conducted for obtaining data to be attached for application under the Pharmaceutical Act.

Case 5: The Case Concerning Interpretation of Method Patent

“ Method of Measuring a Kallikrein Formation Inhibitor Case”

(The case of injunction against working of patented invention)

Application Number : 62-225959 (Filing Date : 1987.09.08)
(Priority Date : 1986.09.10)

Publication Number (KOKAI): 63-185398
(Publication Date : 1988.07.30)

Publication Number (KOKOKU): 4-14000
(Publication Date : 1992.03.11)

Patent Number : P. 1725747
(Registration Date : 1993.01.19)

(Equivalents: US 4985354 EP 0259857 B1)

First Instance Court :

Osaka District Court, Judgment : 1995.06.29
Case No. Heisei 4 (wa) 7157 (of 1992)

The Osaka District Court denied infringement.

The Court did not find the fact that the alleged defendant's method asserted by the plaintiff (patentee) used the patented method.

Second Instance Court :

Osaka High Court, Judgment : 1997.11.18
Case No. Heisei 7 (ne) 1743 (of 1995)

The Osaka High Court found infringement according to the judgement that although the present invention is a “method invention”, the patented method is combined with the process of making the appellant’s pharmaceutical product so as not to be separated with the process of making the product, and the patented method could be regarded as an invention of a “method of making a product”.

And the Court granted “the patented method” the same effect as that of a “method of making a product”.

Supreme Court : Judgment (Second Petit Bench) :
1999.07.16
Case No. Heisei 10 (o) 604 (of 1999)

The Supreme Court reversed the decision by the Osaka High Court.

The Court referred to Article 2, Paragraph 3 of the Japanese Patent Law in which three categories of inventions are distinctively regulated, and that the method claim of the present patent (A method of assaying physiologically active substances) does not extend a “product”.

The Court stated that the present patented invention (is “ A method of assaying physiologically active substances” and) was not an invention of “a method of making a product”, so even if the appellant used the method of the present patent claimed invention for confirmation experiment to examine the quality in the process of making the appellant’s pharmaceutical product, making the product and selling the product by the appellant (is not working of the patented invention and) should not be regarded as an infringement of the present method patent.

So, all the claims for injunction were not allowed.

The Japanese Patent Law gives different definitions of working in accordance with categories of inventions. FIG. 5-1 shows such different definitions under the Patent Law.

FIG. 5-2 shows the claim of the patent.

Fig. 5-1: Categories of Inventions and Working of Inventions

(“Working” of an invention under the Japanese Patent Law : Article 2(3))

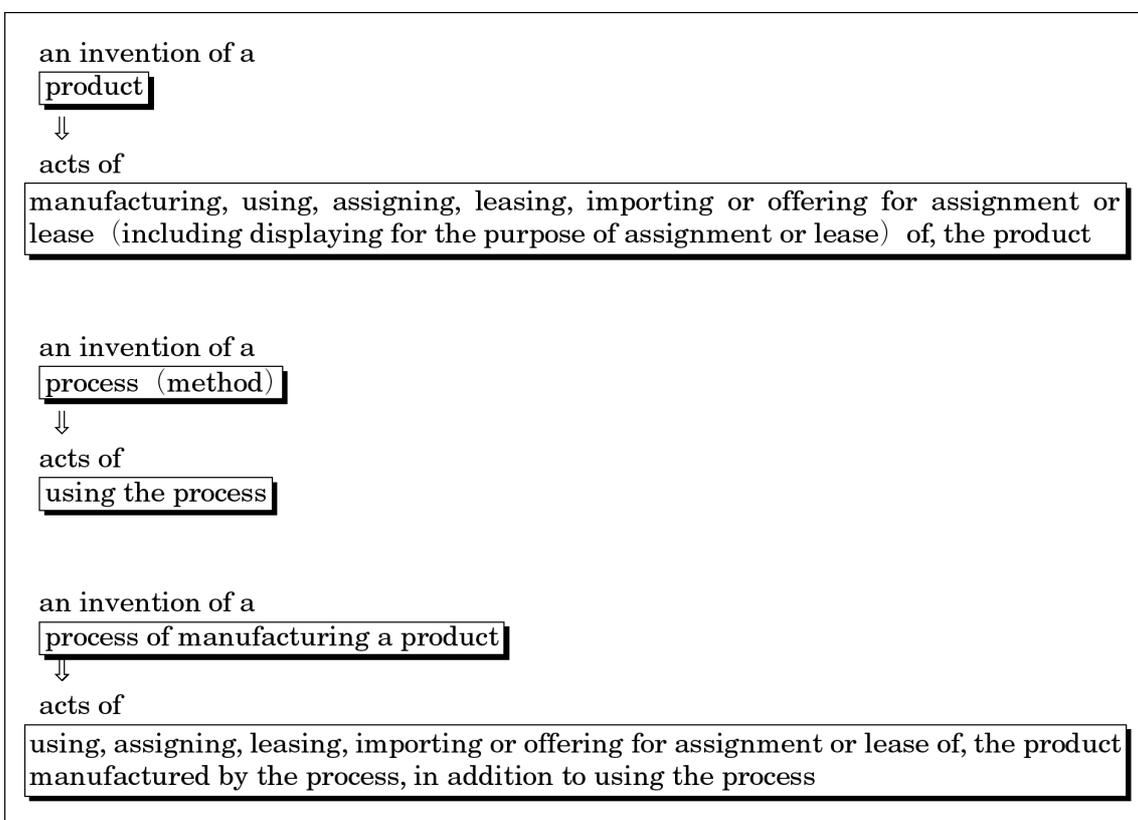


Fig. 5-2: The Patent Claim of the Present Case 5

(JP4-14000)

1. *A method of measuring* inhibitory action of a kallikrein formation inhibitor to be assayed comprising ;

mixing for reaction a solution essentially of animal plasma, an activator for blood coagulation factor XII, an electrolyte and a kallikrein formation inhibitor to be assayed, then

adding an inhibitor having substantially no effect upon the kallikrein activity and being capable of specifically inhibiting activity of activated blood coagulation factor XII to substantially stop production of kallikrein in said reaction mixture, while a substantially linear relationship exists between reaction time and kallikrein formation, and

measuring an amount of kallikrein thus formed.

(A method of ... mixing $\xrightarrow{\text{then}}$ adding $\xrightarrow{\text{then}}$ measuring.)

References :

JPO Homepage

Supreme Court Homepage

JIII /APIC Homepage

