

Proof Issue under the Japanese Patent Litigation

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I will present a hypothetical case of telecommunication patent and try to explain the proof issues in the Japanese patent litigation. The issues will cover the proof of infringement in addition to that of the damages.

In the absence of discovery, the proof of infringement in Japan has a certain difficulty especially in case of process patent. However, the introduction of protective order into the Japanese Patent Law might well change the situation. That is, the document production order coupled with the protective order may destroy the defendant's defense by protection of "trade secret". In the case where the technical standards exist, to what extent the plaintiff needs to present a proof will also be discussed.

When the court finds infringement, the Japanese court will move to the damage examination. Here, the production order of evidence will work if the defendant resists to disclose its figures. The court may also appoint an expert to calculate the damages. The parties need to make the necessary explanation for the calculation to the expert.

The difficult part arises after determining the sales amount and the profit amount. To what extent the damage award should be given as the damages resulting from the patent infringement. In Japan, the concept of "contribution rate" of the patented invention is often used in the above evaluation. Even if the defendant's sales (or profit) is large, the contribution of the patent might be limited to a part of it. Or to the opposite direction, even if the sales of the patented product itself is small, the resultant overall profit is large and the patent

contributed to it. The court determined the contribution as 10% of the profit in one case, 95% in another case. What are the elements for determining the contribution rate? Will the claim language matter? Whether will "a car with the special door" or "the special door for a car" bring a difference? Or the "substantial part" of the invention should be considered? Does "cost" approach make sense?

Contribution rate is especially important when the sales figure is high such as those in the cell phone system. For the parties to prove and for the court to determine the contribution rate is a difficult task.