



Grand Panel of IP High Court of Japan rendered a new decision on presumption clause of damages

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Patented Invention (1)

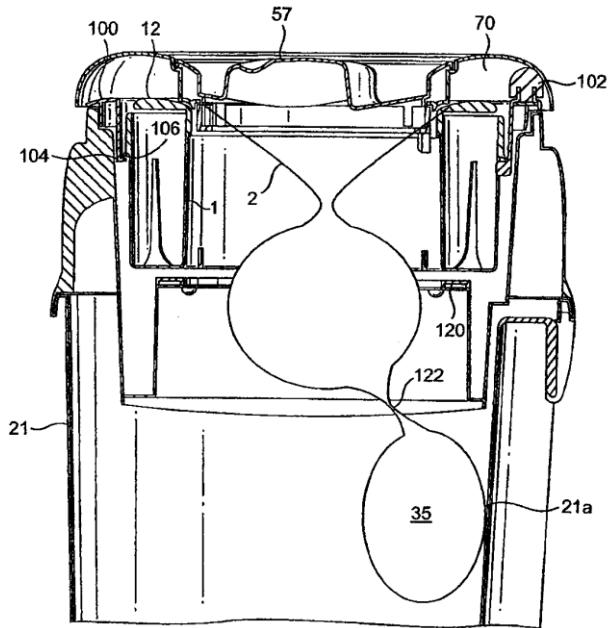
カセット交換



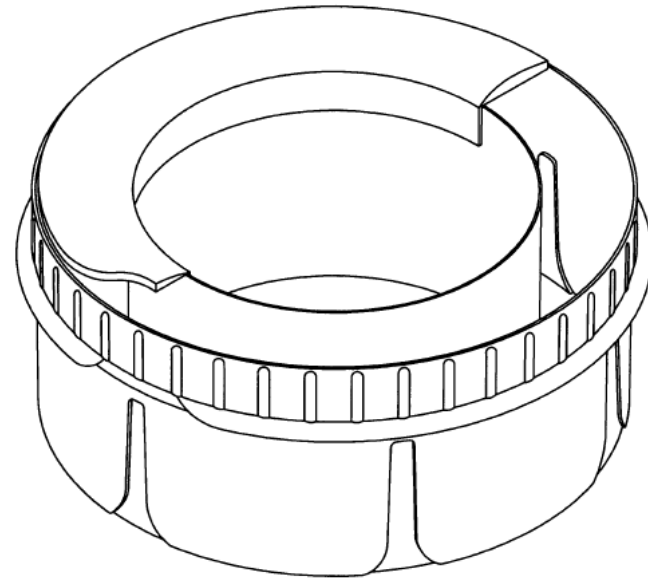
カセットが空になったら、新しいカセットと取り替えるだけ

Patented Invention (2)

Garbage Can



Cassette with Film



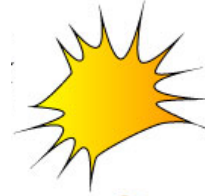
Facts

UK

Japan

Sangenic

Aprica



Combi
(Sole Agent)

- Sangenic sued Aprica by its patent and design patent.
- Aprica counter-claimed breach of unfair competition law.

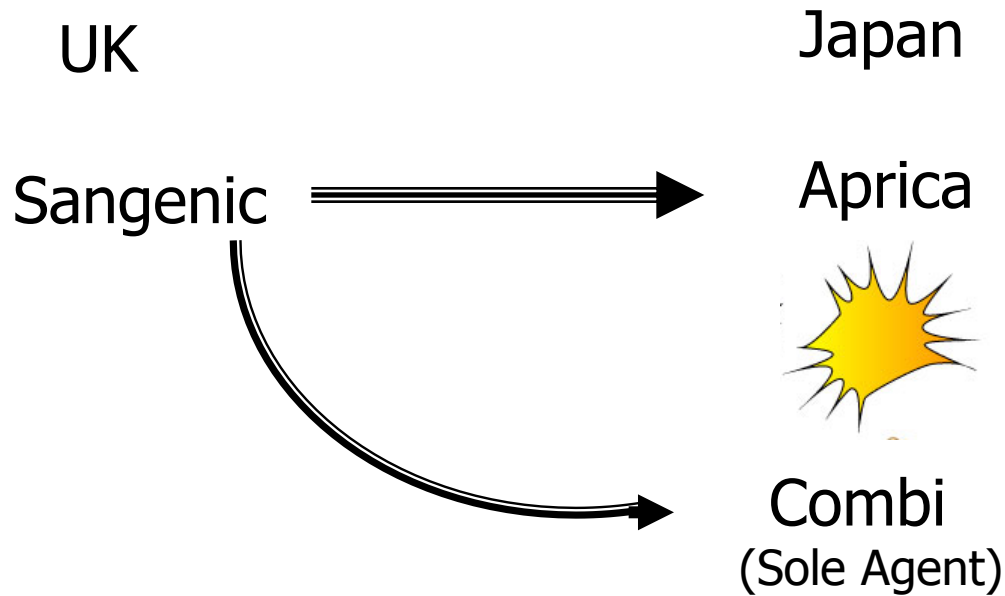


Tokyo District Court's Decision

- Found infringement of patent.
Denied design patent infringement.
Denied counter-claim.
- Denied application of presumption clause of damages because of the lack of practice of invention by patentee (Sangenic) in Japan.
- Granted damages of reasonable royalty (10% = 21MY)



Practice of Invention in Japan





Presumption of Damages

- Profit of alleged infringer is presumed as the damages of patentee.

- § 102, para 2:

Where a patentee or exclusive licensee claims, from a person who has intentionally or negligently infringed the patent right or exclusive license, compensation for damage caused to him by the infringement, **the profits gained by the infringer through the infringement shall be presumed to be the amount of damage suffered by the patentee or exclusive licensee.**



Decision of Grand Panel of IP High Court of Japan (1)

- Purpose of § 102, para 2 is to make the patentee's proof easier. It is only a presumption clause and no rational reason to interpret restrictively.
- So long as there is a circumstance where the patentee could have obtained profit if there had not been infringement, this clause can be applied.



Decision of Grand Panel of IP High Court of Japan (2)

- The circumstances such as whether the patentee and the infringer have different businesses shall be considered as the circumstances to overturn the presumed damage amount.
- There is no requirement that the patentee practices the patented invention for the application of this presumption clause.
- In this case, the defendant's profit is calculated as 62.6% of sales.
- IP High Court found 148million yen as damage compensation (7 times more than district court's decision).



Effect of this Grand Panel Decision

- Foreign patentee may obtain more damages easily by application of presumption clause.



Grand Panel's Cases

	Date	Issue	Note
1	2005/9/30	Indirect Infringement	
2	2005/11/11	Support Requirement	
3	2006/1/31	Exhaustion	Cannon ink cartridge case
4	2007/3/22	Claim Interpretation in Invalidity Defense	Settled
5	2008/5/30	Disclaimers	
6	2012/1/27	Product by Process	
7	2013/2/1	Presumption of Damages	



Thank you!



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