

Workflow of Civil Trial Proceedings

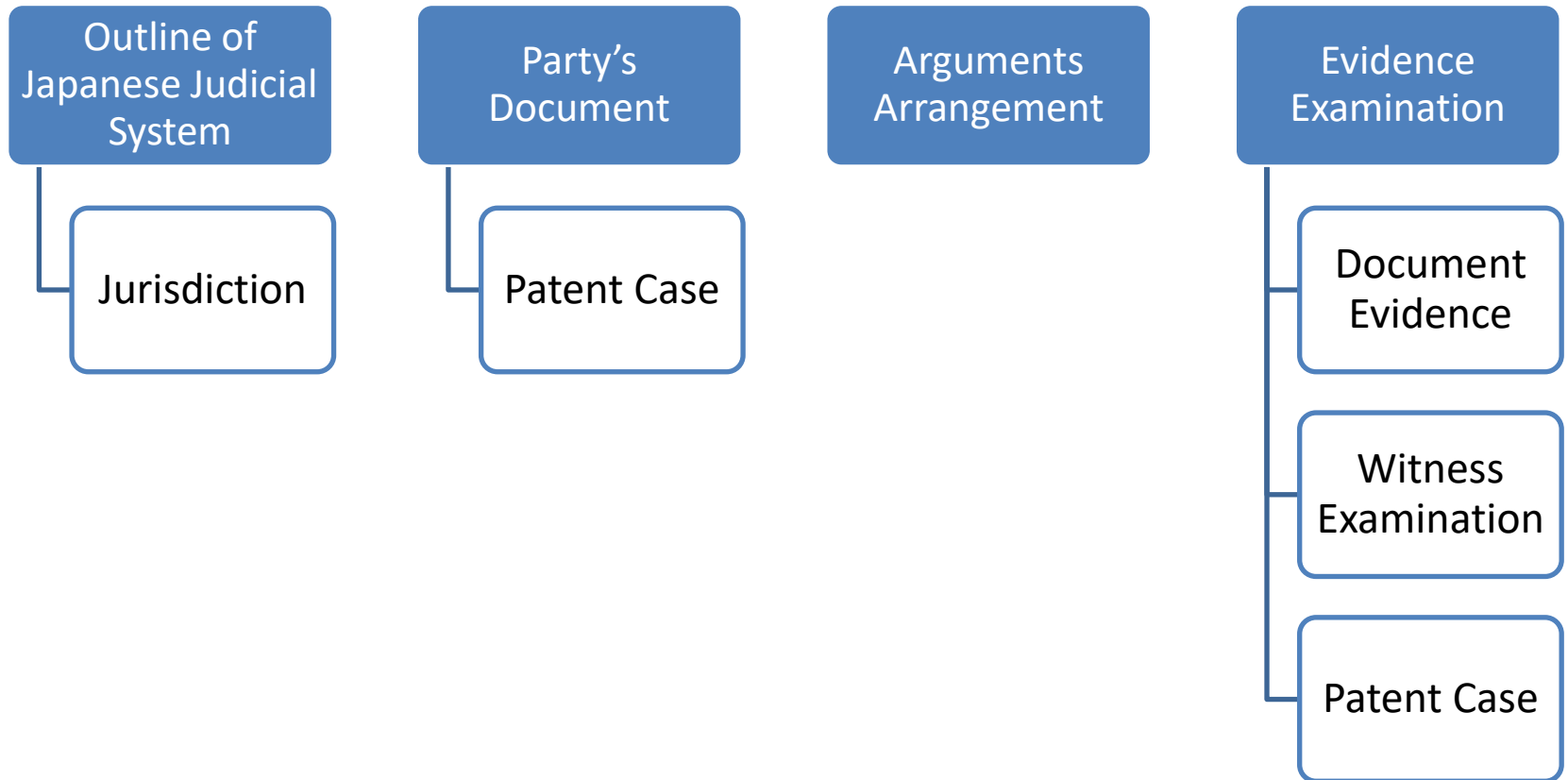
TRAINING COURSE
on the Enforcement of IP Rights
April 13, 2017

Shuheï SHIOTSUKI

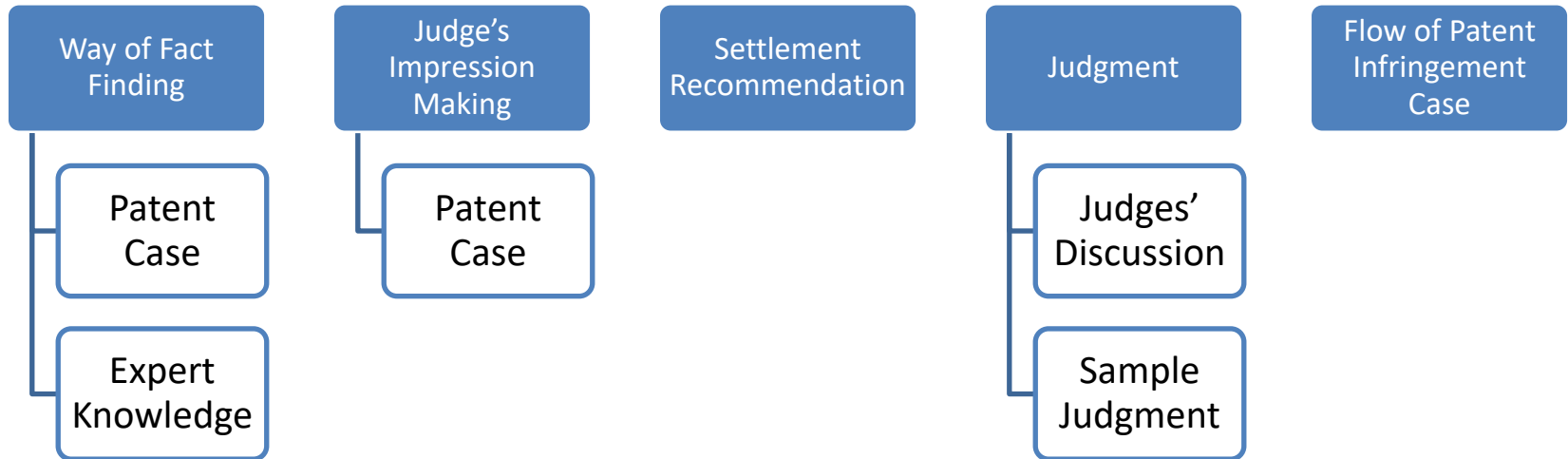
Attorney-at-Law

Former Presiding Judge, IP High Court

Today's Agenda (1)



Today's Agenda (2)



Today's Agenda (3)

Justices
&
Judges

Supreme Court Justices

Lower Court Judges

IP Court Judges

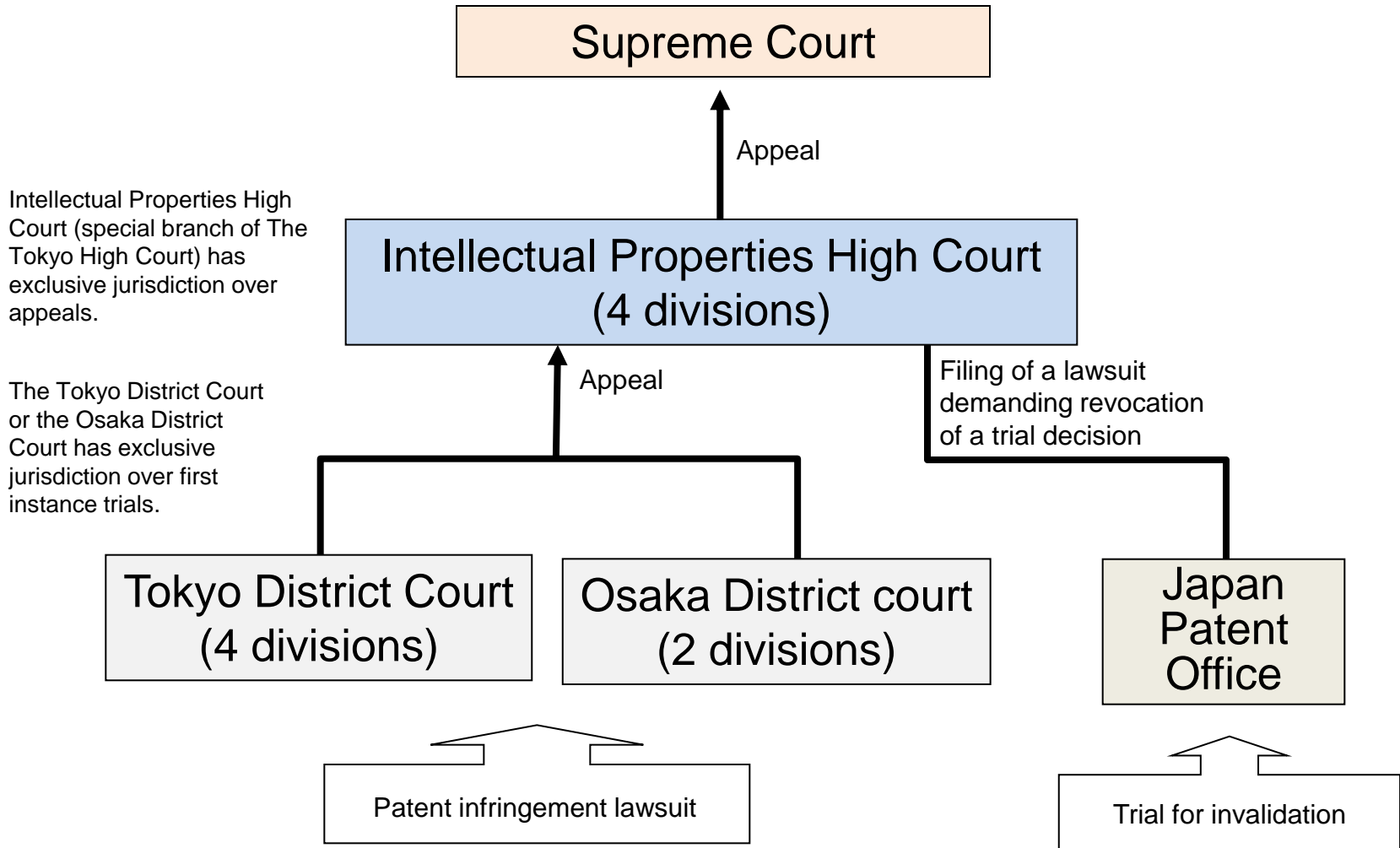
Aim of Civil Law Suits

- Various views have been expressed regarding goals of the civil justice system.
- There used to be a conflict as to the purpose of civil procedure.
- According to the commonly accepted theory, the goal of civil procedure is to resolve legal conflicts among citizens.
- However, although some scholars insist that the purpose of civil justice should be first and foremost to protect the substantive rights of parties, some insist that more importance should be placed on due process, and others insist that all of them should be the goals of civil procedure.

Lawyer is not compulsory

- In Japanese civil procedure, parties are not obliged to be represented by an attorney. In other words, all parties are allowed to submit a suit or be subjected to a suit without appointing an attorney.
- Some cases are actually brought before the court without any representation by attorneys.
- Below, I explain the cases the lawyer represents.

Competent Courts for patent litigation



Written matters in the Complaint

Code of Civil Procedure, Article 133

- List of the parties
- The object of the claim
 - The statement of claim
- The grounds of the claim

Grounds of the complaint

- In the complaint, the assertion on the facts reasoning the claim and the assertion on the facts related to the fact should be distinctly differentiated from each other, and for facts reasoning the claim, the case item should be clearly stated.
- Required facts also should be well organized. For facts related to reasoning claims, important indirect facts are to be organized and claimed, and evidences supporting these are to be cited.
- Also, the issues arranged on pre-lawsuit negotiations may be pointed out as an anticipated issue.

As for the patent infringement case

- Identification of patent rights
- Identification of Identify defendant products
 - It is specified by product number.
 - The effect of the judgment extends only to the product of that product number.
 - But, when changing the product number and manufacturing and selling products with the same composition as products judged infringement, the image of the defendant company will be dropped, so ordinary companies will not handle such behavior.
- Technical scope of patented invention
 - The defendant's product falls in the scope of patented invention.
- Argument of the damage caused by the defendant infringement

ELEMENTS OF PATENT INFRINGEMENT

- Definition of infringement
 - Based on the implications of the Patent Law, Article 68 as well as the essential nature of the patent rights, patent infringement can be defined as "an unauthorized ***practice*** of the patented invention as a ***business***."
- "***Practice***" of an invention
 - The meaning of "practice," one element of patent infringement, is defined in the Patent Law depending on three types of invention:

The Patent Law, Article 2

- "**Practice**" of an invention in this Law means the following acts:
 - (i) in the case of an invention of a product (including the program, etc.), making, using, assigning, etc. (which means assigning and leasing, and if the product is program, etc., includes providing via telecommunications circuit,- hereinafter the same), exporting or importing or offering for assignment, etc. (including displaying for the purpose of assignment, etc.) of the product;
 - (ii) in the case of an invention of a process, using the process;
 - (iii) in the case of an invention of a process of manufacturing a product, using, assigning, etc., exporting or importing or offering for assignment, etc. of the product manufactured by the process, in addition to the acts mentioned in the preceding paragraph."

As a *business*

- The element, "as a *business*," as shown in the definition of infringement has no practical significance.
- It is generally agreed that "as a *business*" is a term only to exclude a private or home use of an invention from infringement liability.
- Any other type of activity may fall within "as a *business*".

Replying document

- Defendant -

- Answer to the complaint
- Answer to the argument of the plaintiff
- Defense – invalidation defense -
 - Lack of novelty of invention
 - Article 29(1) and Article 123(1)(ii) of the Patent Act
 - Same as publicly known invention
 - Lack of Inventive step
 - Article 29 (2) and Article 123 (1)(ii) of the Patent Act
 - Invention that an applicant is able to easily make based on the prior publicly known invention
 - Deficiency in the description
 - Article 36 and Article 123 (1) (iv) of the Patent Act
 - Violation of Support requirements

Preparatory Briefs

- Plaintiff / Defendant -

- Detailed assertions are written on the preparatory briefs.
- The documents above are submitted to the court prior to the hearing date.
- Parties argue on the basis of the documents above.

Adjustment of Argued Issues

- Preparatory procedure
 - In Japan generally, civil lawsuits are not tried on intensively continuing dates, but on the due date, the next due date is specified three weeks later, or several months later. Such process being repeated, procedure leads to final date for oral argument.
 - In some cases intensive trial proceedings are taken place.
 - As a prerequisite for planned proceeding, or intensive trial, procedures for dispute arrangement procedure are taken place.
 - Arranging whether some dispute is significant or not between the judge and the parties.

Adjustment of Argued Issues

- Taking the date for oral argument one or two times, they select the cases where there are the need to arrange issues on the preparatory procedure.
- On the Preparatory proceedings, discussions by TV-Conference System are taken place on quite a few cases.
- Arguments on the preparatory proceedings are often carried out by the presiding judge and one other judge, but in difficult cases there all three-judge members are involved.

Adjustment of Argued Issues

- At the stage where the issue adjustment has progressed to a certain extent, the judge decides
 - the time to give judgment will be made
 - date to terminate the preparatory proceedings by counting backward from the prospect of the judgment declaring date
- It is common for the judge to designate multiple hearing dates all at once.

Examination of evidence

- The judgment should not be based on facts that parties do not assert or evidence that they do not submit in court.
- The judge plays a central role in conducting procedures and directing the date for oral argument, and parties play critical roles in asserting facts and producing evidence.
- It is the judge who decides the date for oral argument, examination of witnesses, and rendition of judgment.

Document evidence

- Once the document evidences supporting the alleged facts are submitted, it is necessary to submit the evidence explanation papers which describe
 - the time when the documents were created
 - the creator of the documents,
- stating the objects which should be proved from the document evidences,
- Stating "What is Do you understand "accurately on the proof-of-concept column.

Way of Witness Examination

- The party who submits a witness as a evidence examines the witness first, the other party cross-examines next, and then the judge ask the witness if necessary.
- The judge asks supplementary questions to the witness.

What kind of facts are necessary to examine witnesses?

- Were contracts made by contract parties themselves?
- Were contracts created by the intent of the contracting parties as being not by the contract parties themselves?
- Facts that can not be proved with the documentary evidence are examined by witnesses.

Way of the facts finding on the patent infringement judgment

- Judgment as to whether the defendant's product falls within the scope of claims is not based on the examination of witnesses but is often made by the interpretation of the language of the claims and expert opinion.

Way of the fact finding on the patent infringement judgment

- In order to prove the patent infringement of manufacturing process, it is necessary to specify the manufacturing process of the defendant.
- Identification of the manufacturing process inside the factory of the defendant may be done by witness examination.

Way of the fact finding on the patent infringement judgment

- If the patented invention was produced by the defendant prior to the filing of the patent, Defendant has the right of prior-use.
- To prove whether the defendant produced the patented invention goods or not, witness examination may be done.
- In these manners, facts that can not be proved with the documentary witness examination is to be taken place.

Expert Knowledge about Technology

In the case of IP-related litigation, especially litigation related to a patent, the issue in dispute is often related to a complex, highly specialized technical matter.

In order to introduce and use the expert knowledge of technology, Expert Knowledge system has been established.

This system is expected

- to increase the accuracy and efficiency of the court proceedings and judgments on specialized, technical matters and

- to further improve the reliability of court judgments.

Judicial Research Officials

- Judicial research officials are assigned to the Intellectual Property High Court and also to the intellectual property divisions of the Tokyo District Court and the Osaka District Court respectively.
- They are full-time court staff members, consisting of former JPO trial examiners and patent attorneys.
- They have specialized knowledge in technical fields such as machinery, chemistry, and electric equipment, as well as knowledge about the Patent Act, etc.
- In principle, upon a court order, judicial research officials are engaged in all technology-based IP-related litigations, such as those related to a patent, and conduct research on technical matters necessary for the court proceedings and judicial decisions for those cases.
- Upon an order by the presiding judge, judicial research officials can ask questions to the parties concerned on the date for oral argument or on other such occasions in order to clarify the matters related to the suit.

Technical Advisors

Technical advisors are part-time national public officers appointed by the Supreme Court, consisting of leading experts such as university professors and researchers of public institutions, who are engaged in research on cutting-edge technology in a wide range of specialized fields including electrical equipment, machinery, chemistry, information communications, and biotechnology.

About 200 technical advisors are appointed nationwide.

Technical Advisors

When a court makes a decision to designate a technical advisor for a certain case in order to clarify the matters related to the suit or ensure the smooth progress of court proceedings, the technical advisor would provide explanation, etc. on the highly specialized, technical matters in dispute based on his/her expertise from a fair, neutral standpoint.

Technical Advisors provide explanation on the technical explanation procedure.

Judge's impression making

- While reviewing the preparatory briefs submitted by parties, the judge cross-examines the evidence consistent with the facts argued by the parties as well as the contradictory evidence.
- While doing these sort of work the judge tentatively establishes the feeling of the value of the evidence.
- In order for the parties to prove it, it is indispensable that they appropriately explain the relationship between the evidence and the arguments.

Judge's impression making

- The judge will comprehend the assertion structure and verify the value of objective evidence while matching the arguments of both parties and confirm the existence of objective evidence.
- Where the judge wondered, the judge asks the parties on the hearing date.
- The judge repeats the task of reexamining wondering issues based on the answer from the parties, and the judge will make the provisional evidence formation.
- Then, the judge discloses his/her impression of provisional evidence formation to the parties.

Judge's impression making

- Provisional evidence formation does not necessarily imply a low probability of confidentiality but means that formation can move in a different direction by subsequent developments.
- The purpose of disclosing provisional evidence formation is to confirm the points of proof of assertion at an appropriate time and to clarify future proof issues and the prospect of procedure form then on.

Judge's impression making

- Therefore, as long as provisional evidence formation are made, the party utilizes the disclosing to find out
 - where to place emphasis on the proof of the subsequent assertions,
 - what kind of conclusions or the progress policy and settlement are anticipated by progress of the proof of assertion.

Judge's impression making

- The Judge is pursuing procedures while examining how much confidence can be formed from reliability verification from the stage of dispute arrangement to the point of time.
- The process finds important facts as a hypothesis by finding "facts that are difficult to move" and connecting them.

Patent case

- In patent litigation, once the evidence submission to prove the existence of infringement is terminated, the judge-panel discloses the impression whether the accused products fall within the scope of the plaintiff's patent or not.
- If the infringement was disclosed by the judge, and if compensation for damages is requested, the procedure proceeds to hear the damage calculation phase.

Settlement Recommendation

- In some cases the judge persuades a settlement to the parties.
- A settlement is not a deciding clearly whether accept or dismiss claims, but a solution that meets the parties' circumstances. The settlement has the following advantages.
 - Rapid and drastic resolution of conflict.
 - Appeals disappear.
 - A comprehensive agreement may be made on not only the claim right that was the subject of the lawsuit but also the related rights relationship.
 - Because the settled parties consent and reconcile, the fulfillment of the obligation of the content of the settlement is smooth.
 - The court will also save judicial resources.

Judgment

- Followed by the final date for oral argument, the judgement is to be made.
- Code of Civil Procedure Article 253
 - A judgement document shall state the following matters
 - (1) The main sentence (Main text)
 - (2) The facts
 - (3) The reasons

Judgment

- "The main sentence" (Main text) is the conclusion of the trial, which corresponds to the complaint of the party concerning the request.
- "The fact" is the main facts claimed by the parties as the basis of the legal effect related to the rights of the case item and indirect facts related thereto.
- "The reason" is the factual and legal basis for the court to draw the conclusion of the main sentence.

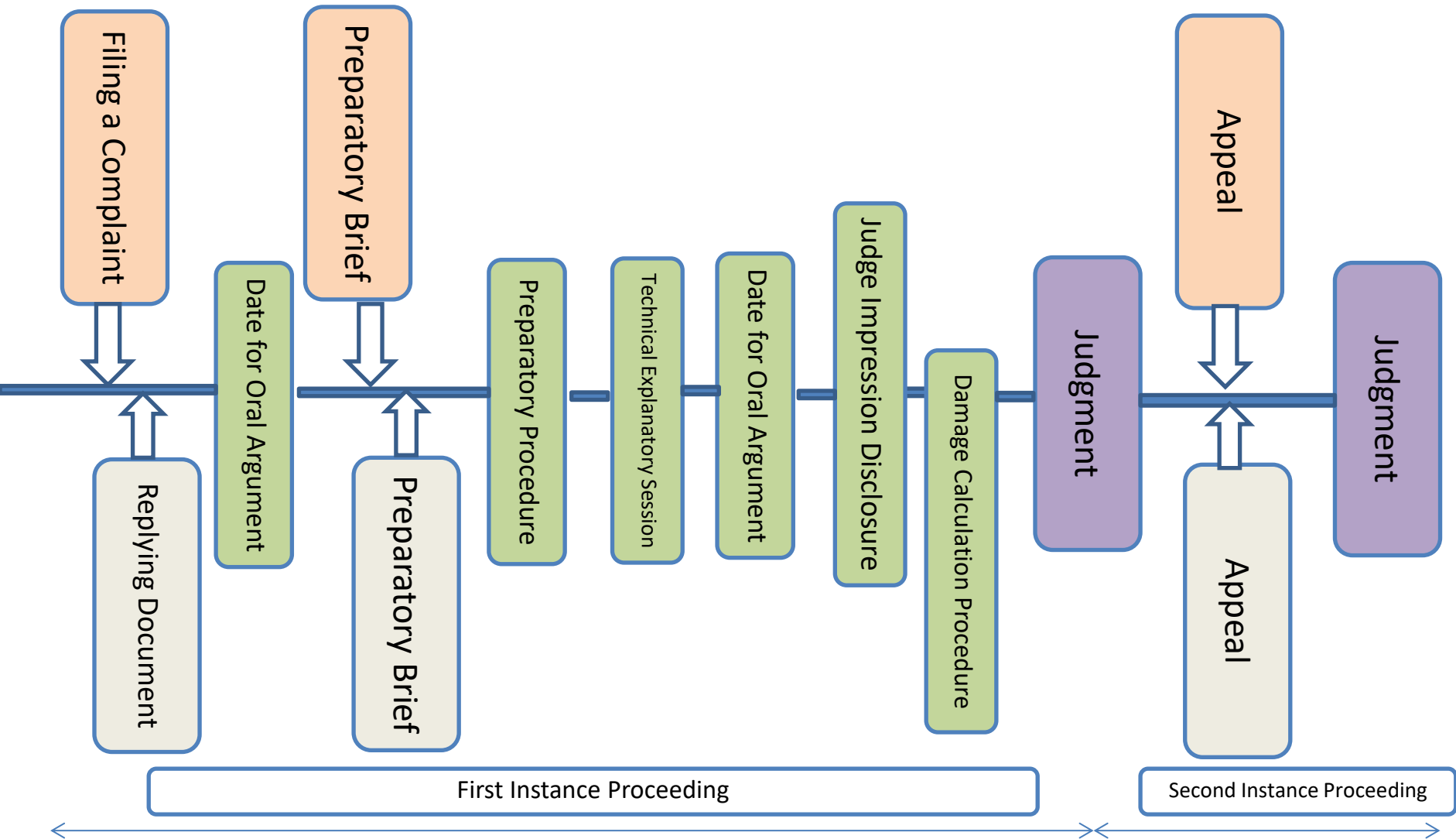
Judge-panel discussion - making Judgment -

- One kind of judges' discussion are held before the date of the hearing to examine the progress of the case.
- Other kind of discussion are held to make the decision to considering the settlement proposal and the contents of the judgment.
- In both kinds, the responsible judge at the case is preparing in advance.
- As for preparations up to the first date for oral argument, by examining the references and the relevant judicial cases, it is necessary for the responsible judge to summarize the case and issues of the parties' assertions, for the merit of discussion among the members of the judge-panel.

Judge-panel discussion - making Judgment -

- The responsible judge makes discussion notes that summarize points and prepares memos stating how to move on the due date.
- Main points of the assertion are gathered up with a list of Excel tables.
- In the discussion before the first date for oral argument, the agendas are
 - the prospects of the proceedings,
 - how to proceed the first date for oral argument,
 - what kind of explanation is to be given to the parties.
- However, there are quite a few cases that the defendant's approval / refusal or assertion does not be written in the answer document, so in that case the discussion with substantial content among the judges falls after the second date for oral argument.

Flow of Patent Infringement case Litigaion



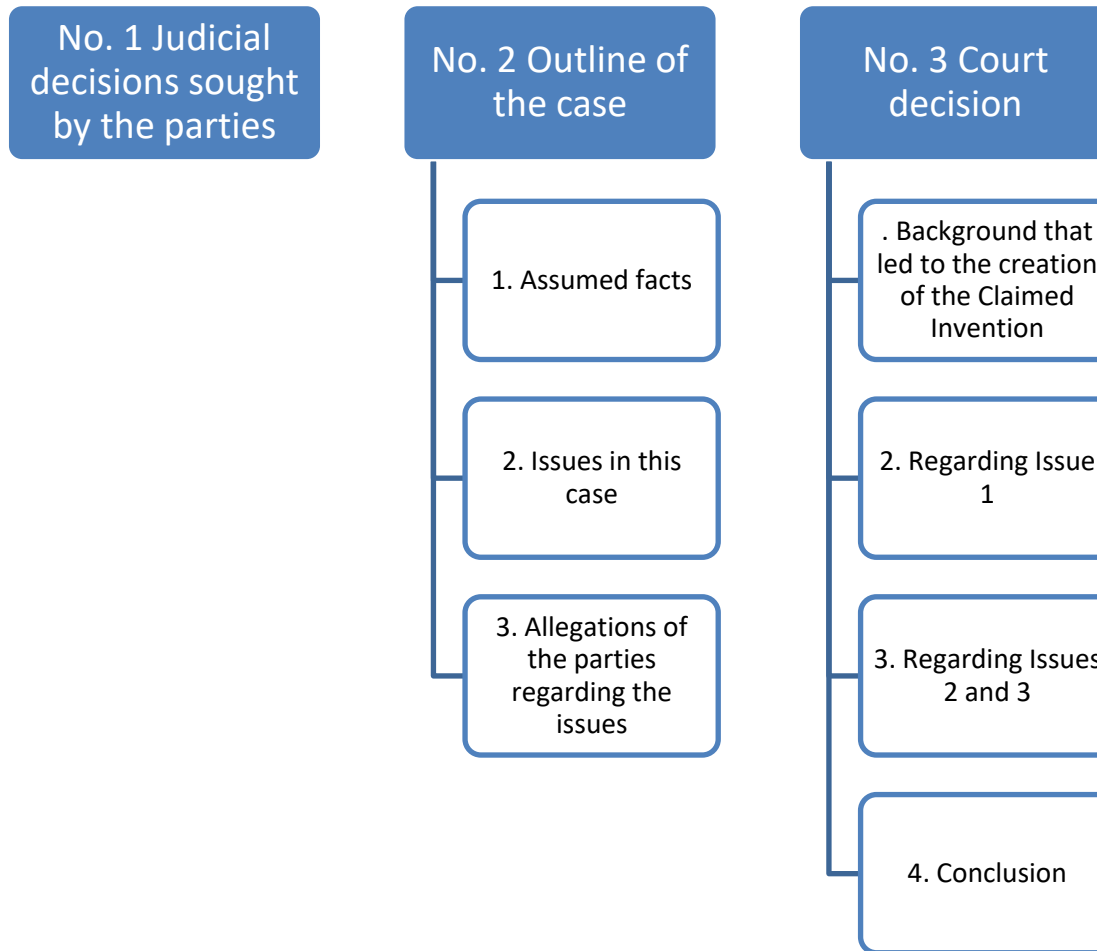
Sample Judgment

Main text

Facts and
reasons

Sample Judgment

- Facts and reasons -



Justices of the Supreme Court

Article 41 of the Courts Act

15 justices should be over 40 years old.

Of the fifteen justices, not less than ten must have either ten years' experience as judges, or twenty years' experience in the following positions:

- judges of summary courts,

- public prosecutors,

- attorneys,

- professors "in legal science at such universities as shall be determined elsewhere by law."

The remaining justices may be chosen from those without such experience.

Justices of the Supreme Court

- The practice to select the Supreme Court justices
 - five justices from "career judges",
 - five justices from among attorneys, and
 - other five justices from among those engaged in various other occupations, such as public prosecutors, law professors and government officials.

Judges of

High Court, District Court, Family court

- The judges of the inferior courts (other than the Supreme Court) shall be appointed by the Cabinet from a list of persons nominated by the Supreme Court.
- This was originally intended to leave a choice for the Cabinet, but the practice has been to the contrary. The Cabinet has never exercised its power to refuse the appointment of a nominee of the Supreme Court.
- The Constitution provides that the term of office for judges of the inferior court is to be ten years.

Judges of High Court, District Court, Family court

- In order for District Courts and Family Courts, both of which are located in all prefectures throughout the country, and High Courts to provide uniform judicial service among such courts, judges transfer from one court to another court every 3-4 years.

IP Court Judges

- While the judges in Japan are appointed by the Cabinet, it is the Supreme Court which designates to which court an appointed judge will belong, out of District Courts, Family Courts and High Courts.
- For instance, regarding the issue of whether a judge belongs to a civil division or a criminal division as well as IP division of a District Court, it is the Judicial Assembly of the District Court which makes a decision on such issue.

IP Court Judges

- Once a judge is assigned a position which is specific to intellectual property rights, he/she will handle not only patent cases across all technical fields, including chemistry, machinery and IT, but also copyright cases and trademark cases.
- The judges belonging to the Intellectual Property High Court and the respective Intellectual Property Divisions of the Tokyo District Court and the Osaka District Court work in the entire organization of the judiciary as a whole.