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Patent Enforcement in the US, Germany and Japan

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The enforcement of patents is a truly global legal issue, since patentees often have registered patents for the protection of the same invention in numerous countries around the world (parallel patents). For the strategic patent portfolio management and in case of an ascertained patent infringement in one or multiple countries, patentees and their legal counsel need to know the patent law and the enforcement options they have in the relevant countries. Often the most developed and industrialized countries are also the most important countries for patent application and patent enforcement, because here the market for patentees' (or their licensees') products is particularly large, and the sale of patent infringing products by third parties often causes particular economic harm. Among those countries, the United States of America (US), Germany and Japan are considered particular important for patentees, and their legal systems therefore draw particular attention. In addition to plenty of books on the topic of patent enforcement in specific countries, in recent years also quite a few books have been published that aim at comparing the patent law and the enforcement of patents in various countries.[1]

This book, which describes and compares patent enforcement in the US, Germany and Japan, is therefore not the first of its kind.[2] In fact, two of its authors (Takenaka and Rademacher) themselves have already published books comparing the patent law and patent enforcement in the US, Germany and Japan before, both published as doctoral theses in 1995[3] and 2010[4],

1 E.g. C. HEATH (ed.), Patent Enforcement Worldwide: Writings in Honour of Dieter Stauder (3rd ed., London 2017); J. BUSCHE/M. TRIMBORN/B. FABRY (eds.), Patent Infringement World-wide: Claim Interpretation – Infringement – Damages (Cologne 2010).

2 J. PITZ/A. KAWADA/J. A. SCHWAB, Patent Litigation in Germany, Japan and the United States (London, Munich, Baden-Baden 2015); reviewed by this reviewer in ZJapanR/J.Japan.L. No. 39 (2015) 307–312.

3 T. TAKENAKA, Interpreting Patent Claims: The United States, Germany and Japan, IIC Studies No. 17 (Weinheim 1995).

respectively, on which they claim this book was based. The information provided in this book hence can be mostly also collected from other publications. Nonetheless, this book deserves attention for two reasons: It is very comprehensive and excellent in its content. The authors are renowned academics or practitioners (attorneys at law or patent attorneys) in the field of patent law; Takenaka originally from Japan, her colleagues from Germany. The concise 450 pages of text on the subject matter address all relevant questions of patent enforcement in the three countries in a precise and accurate way. Even in 2019, the book generally is still a reliable source of information on the topic. The regular internet updates and supplements to the book, announced in the Preface, though, do not exist (anymore).

The main part of the book is divided into six chapters: I. Introduction (history and patent enforcement institutions) (pp. 3–43), II. Infringement (pp. 47–161), III. Validity Challenge (pp. 165–271), IV. Enforcement Procedure (pp. 275–374), V. Remedies (pp. 377–426), and VI. Best Practice (pp. 429–450). It is supplemented by a Preface, a table of Contents, a Table of Cases, a Table of Legislation (pp. v–lix), and, at the end of the book, by an Index (pp. 451–461). The reviewer would have personally more liked if the chapter Remedies (Chapter V.) would have been arranged directly after the first chapter on Infringement, but the order chosen by the authors does no harm.

In each chapter, the respective subject is described first under US law, then under German law, and finally under Japanese law. Comparisons to the legal situation in the other two (and further) jurisdictions are made frequently, which is helpful, although sometimes such law comparison extends only to one of the other two countries. The situation in all three countries is generally analysed quite well. The level of detail, however, is different. The US legal system is described in greatest detail, followed first by the German and then the Japanese counterpart. This is a little bit sad, because information on the US legal system in English is generally to a much greater extent available than about Germany and Japan.

The Table of Cases, the Table of Legislation and the Index are particularly valuable supplements to the main part, and indeed very useful. A little pity though is, that the book does not comprise a separate bibliography. The used references are only mentioned in the footnotes of the respective chapter. Sometimes, this makes the search for full information about a specific reference a little cumbersome. One also would have wished that the full table of Contents (p. ix et seq.) (like the Contents – Summary, p. vii) had identified the respective pages of the book, in addition to the book recitals. Lastly, the Table of Cases appears to be inconsistent in its arrangement of

4 C. RADEMACHER, Die gerichtliche Durchsetzung von Patent- und Markenrechten in Deutschland, Japan und den USA (Baden-Baden 2010).

cases: American and British cases are organised by their case name in alphabetical order, all others (in particular German and Japanese cases) in chronological order. There is no strict reason for this different treatment, because in the field of patent law, also German and Japanese cases are usually known by a commonly used case name.

While all the above-mentioned formal issues are only trivia, the authors certainly should have been a little bit more careful in preparing and checking the footnote text, the citation of the references (cases and literature), and the transcription/romanisation of Japanese terms and names (by using Latin script, the alphabet)[5] in the parts on the Japanese legal system. To give only some examples by looking at for instance pages xxiv et seq. (Table of Cases). One and the same Japanese law reviews or case collections are named in different ways. One example for this is 判例タイムズ Hanrei Taimuzu. This journal is named (and transcribed) in numerous ways; in addition to "Hanrei Taimuzu" (a direct and correct transcription of the Japanese name), one can also find "Hanrei Taimusu", "Hanrei Tainmusu", "Hanrei Taimusu", "Hanrei Tailmuzo", "Hanrei Taimuszo", "Hanrei Times" etc. This follows no romanisation system and can be only called a mess. Similar problematic is the citation of Japanese cases, which should be cited by their official file reference in a consistent way. Instead, one finds various forms of romanisations of the same designating parts: e.g. "gyō ke", "gyo ke", *"Gyo-ke"* etc. The romanisation of Japanese legal terms or case names is similarly chaotic and for that reason at least sometimes very difficult to read and to understand. The romanisation systems for the Japanese language usually use a macron to indicate long vowels (e.g. "ō"), sometimes also in the form of an "ô" (originating from a time when it was still difficult to process an "ō" on a type writer or computer). In this book, one can alternatively find "ō", "ô" and "o" (without a macron). The segmentation of words and word parts also follows no rules. Two examples for an extremely bad transcription of whole words/designations are *"Jikishingōkirokuyōkinsokufunmatsu"* (p. xxviii) and *"Denjiyudōkanetsusōchi"* (p. xxvii). This could have been easily avoided.

Moving along to the contents of the main part of the book, the overall impression in general gets much better. The introductory chapter (I.) on the history and the patent organisations in each country is generally concise and well-written. Only one point appears to be odd. In the part about Germany, the authors jump from the explanation of the pre-patent era, finishing with the introduction of the first national Patent Act (Patentgesetz) after the formation of the German Empire in 1877 (p. 14), directly to "Patents in the

5 There are several different coherent romanisation systems. The Hepburn system (and its variants) is the most widely used.

Nazi Era", which leaves a period of almost sixty years completely uncovered. There are certainly some things to say about this time, at least one could have shortly summarized the basic features of the act. On the other hand, while it has been paid particular attention to the Nazi era in Germany, the explanation of the developments in Japan just skips the parallel ultranationalist period (ca. 1931–1945) completely, as the authors make a leap from 1921 to 1948 (p. 21). While this is a little bit arbitrary for readers with a particular interest in history, for readers who are only interested in the patent law practice today, this certainly bears no relevance.

Chapter II. (Infringement) is altogether very well written. It comprehensively describes the various forms and types of a possible patent infringement under the laws of the three countries: direct infringement (including the infringing acts, matters of claim construction/interpretation of patent claims, and particularities in regard of special types of patent claims), indirect infringement, and equivalent infringement. The explanation of the legal situation in the US though appears to be a little lengthy in comparison with the counterparts on Germany and Japan. One wonders, for instance, why comparisons with the situation under the pre-1981 German Patent Act are necessary (e.g. pp. 54, 59), or why procedural particularities of the US, such as pre-trial discovery proceedings and the Markman hearing (pp. 56–59) need to be covered in this chapter to the extent provided, while there is also Chapter IV. on the Enforcement Procedure. The part on Germany is probably the best in this chapter, while the Japanese part could have been more detailed.

The following Chapter III., entitled "Validity", highlights the various defences an alleged infringer and defendant in infringement proceedings can assert to defend against the allegation of a patent infringement. Among those defences, the claim that the patent in suit is invalid is of particular importance and has been correctly given special attention. Nonetheless, the chapter addresses also the many other types of defences. One wonders therefore, why the title of the chapter only refers to the "validity" defence. All country reports describe the legal situation accurately and in reasonable detail. There are only a few statements that the reviewer does not endorse, such as for instance the thesis that the Japanese Supreme Court (allegedly) had acknowledged the "rule of international patent exhaustion" in the famous *BBS Car Wheels (III)* case (p. 271), without adding that the court in fact had not explicitly named it as such, but rather referred to an implied license similar in meaning as under the implied license theory applied in UK case law at the time.

Chapter IV. (Enforcement Procedure) describes the procedure of how to enforce a patent in all three countries. It explains procedural issues such as international and national jurisdiction of the courts for infringement pro-

ceedings (civil law suit), qualification as a party in infringement proceedings, costs of infringement proceedings, the course and length of infringement proceedings and available pre-trial evidence collection proceedings, available preliminary injunction proceedings, appeal proceedings, pre-trial warning letters and similar out-of-court instruments for the parties, and border measures involving the customs authorities. All parts are equally well-written, informative, and reliable in the information provided.

Chapter V. (Remedies) informs about the available legal remedies for the right holder in all three jurisdictions. These remedies are similar. They encompass in particular a claim for injunctive relief and a claim for compensation of damages, although the requirements and the extent of the claim in the three countries differ. Other claims such as a claim for destruction and recall of infringing products etc., a claim for return of an unjust enrichment, a claim for information on the extent of the infringing acts etc., are not always fully available in all three countries. The authors describe in particular detail the special requirements for obtaining an injunctive order in the US and the method how the amount of claimable compensation is being calculated in all the three countries. The particularity of the US courts of having the power to grant so-called triple damages in certain cases is also fully covered. A possible claim for the recovery of accrued attorney fees in a legal dispute is partly discussed here, because in the US and Japan, this issue is discussed rather on the basis of tort law, while in Germany the reimbursement of attorney fees is regulated by procedural law and thus already had to be addressed in Chapter IV, from that viewpoint. Overall, the chapter provides all basic information one needs to inform oneself about the available legal remedies in the covered jurisdictions.

The final Chapter VI. (Best Practice) provides a conclusion based on the comparison of the circumstances in the three countries throughout the book, by making a proposal about an ideal patent enforcement regime. Although many observations made here are certainly correct; here and there, the proposal still remains a little bit cursory and arbitrary. When the authors on p. 429 in particular laude the “patent enforcement system in Japanese courts” for “blending the best aspects of common law and civil law”, the reviewer wonders what these common law aspects could possibly be. While the reviewer acknowledges the important role of expert testimony (party experts and court appointed experts) in German court proceedings in contrast to Japan, it is at least doubtful whether this role is essential for the interpretation of the patent claims as paragraph 16.06 (p. 430–431) seems to hold. Furthermore, one may certainly be a little bit dissatisfied with the difficulties a patentee has in infringement proceedings in Germany and Japan to demonstrate and prove its full amount of damages incurred by the patent infringement. However, to speak of a limited role of damage awards

as a remedy for patent infringement in Germany and Japan, appears to be a strange conclusion (p. 442 (16.36)). Certainly, damage awards in the US, to which the comparison here is made, are – as the authors correctly observe on pp. 390 (13.43) and 441 (16.34) – "by far the largest". But it remains not fully clear, what the reason for this is and whether the reason is valid. If it is the increased damages that can be awarded in the US in cases of a willful infringement or when the infringer acted in bad faith (up to three times the actual damages), this is certainly not an appropriate comparison, since this includes a punitive element, fundamentally incompatible with the principles of damage compensation under German and Japanese law. The reviewer thus cannot agree with all conclusions the authors have made in their best practice proposal, but nonetheless appreciates its inspiring nature.

While having not only praised the book, but also made a couple of critical comments above, this criticism should not be misunderstood. The criticised points concern mostly minor issues and cannot blur the overall positive impression the reviewer has received. The critical comments thus should encourage the authors to improve certain things when writing a second edition of the book in the future. In particular, the mentioned formal issues can be easily corrected. The book, therefore, can without any reservation or hesitation be highly recommended to all patent practitioners in law offices and enterprises, and other people who are looking for reliable, comprehensive, and at the same time concise information on patent enforcement in the three covered jurisdictions.

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