

**“No injunction when a willing licensee
infringes a FRAND patent”
“当自愿被许可人侵犯FRAND专利时，
不允许禁令”**

—Japan Fair Trade Commission, 2016 —



Aki Ryuka | 龍華 明裕

Japanese Patent Attorney
Attorney at Law, California, U.S.A.
龍華國際特許事務所

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Japan Fair Trade Commission (JFTC): 日本公平交易委员会:

- upholds and enforces Japan's **Antimonopoly Act** to maintain fair and free competition,
- can levy **surcharge** payments against price cartels, bid-riggings, and monopolistic behavior, and
- can also lodge **injunctions** with the court, if consumers or entrepreneurs have incurred or are likely to incur remarkable damage

JFTC published an amendment to its guidelines regarding FRAND patents

关于FRAND专利, JFTC公布了对指南的修改草案

- JFTC specifies how the Antimonopoly Act is applied in “**Guidelines** for the Use of IP under the Antimonopoly Act.”
- A **draft amendment** to the guidelines was published for public comment. (July 8, 2015)
- Reviewing the comments, JFTC partially amended the draft and **revised the guidelines**. (January 21, 2016)

**“An injunction claim against a party who is willing to take a license to a FRAND patent can be considered to be Unfair Trade Practices,”
对自愿被许可人请求禁令是不公开平的交易行为**

- **“if** the injunction claim tends to impede fair competition,”
- **“even if** the injunction claim does **not** substantially restrict competition and is **not** considered as Private Monopolization.”

-- from the guideline

Whether a party is a **willing licensee** is judged in light of the behavior of both parties in license negotiations, etc.

如何判断是否为自愿被许可人要看双方在许可合同中规定的行为

- “Even if a party challenges validity or asserts non-infringement of the patent, those facts should not be considered grounds to deny the **willingness as long as the party undertakes license negotiations in good faith in light of the normal business practices.**”

-- from the guideline

The revised guideline is in line with **Apple v. Samsung** (IP High Court, May 2014) 修改草案与苹果三星案一致

“A FRAND patent owner is not entitled to seek an injunction against a party who is willing to take a license under the FRAND conditions.” *Apple v. Samsung*

JFTC's amendment is silent on damages.

JFTC的修改里没有提到有关损害赔偿

What damages can we pursue?

See Apple v. Samsung

Damages were kept within reasonable royalty rate that was calculated considering contribution by the patent 考虑专利贡献, 限制在合理许可费率范围内

- “Seeking damages that exceed a reasonable royalty under FRAND terms is an **abuse of right**.”
- “(The patentee) can pursue damages within the range of unpaid royalty that could be granted on FRAND terms.”
- The court calculated the royalty using the following percentages and determined the damages to be only about **US\$ 82,000**:
 1. contribution of standard / total sales of product
 2. contribution of patent / contribution of standard

“In special circumstances, damage award may exceed reasonable royalty rate”
特殊情况下，损害赔偿可能会超过合理的许可费率

“e.g. the infringer had **no intention** to obtain a license from the patent holder”

“e.g. it would be **extremely unfair** to limit the damage award to a reasonable royalty rate”

Court cited below negotiation process for determining no “special circumstances”

法庭引用了如下过程来判断没有“特殊情况”

- Apple asked how the plaintiff calculated its royalty rate
⇒ not explained
- Apple repeatedly asked royalty rates paid by others, which was essential to determine the rate ⇒ not explained
- Apple countered with its own proposed royalty rate and explained its calculation
⇒ denied with no counter
- Law suit for preliminary injunction was filed and maintained despite Apple’s desire for an agreement under FRAND terms

What should you do?

你应该做什么呢？

Standard Essential Patents will still be important for making the standard closer to your technologies and increasing sales
SEP对于让标准更接近自己的技术并增加销售量仍然是很重要的。

Continue to obtain Standard Essential Patents

Obtain relevant, but not essential patents

Utilize relevant patents that are not bound by a FRAND declaration

Disclaimer: These suggestions are general and should not be construed as advice to deal with specific cases.