

**“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 —**



**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 by the patent contribution 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 court calculated the royalty using the following percentages and determined the damages to be **only** about **US\$ 82,000**:

Contribution of standard / Total sales of product

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.