
CHAMBERS GLOBAL PRACTICE GUIDES

Patent Litigation 2026

Definitive global law guides offering
comparative analysis from top-ranked lawyers

Contributing Editor
Andreas von Falck
Hogan Lovells International LLP



Trends and Developments

Contributed by:

Naoko Nakatsukasa, Katsuya Hongyo, Tatsunori Enomoto and Ronald Kaloostian

Chuo Sogo LPC

Chuo Sogo LPC is an international business law firm founded in 1968. Within the scope of its corporate, commercial and litigation practices, the firm assists clients with IP matters, including patent, trade mark, copyright and unfair competition. The firm has offices in Osaka, Tokyo and Kyoto. The protection of investment in intellectual property is essential to insure the sustained success of many companies and Chuo Sogo handles a range of litigation, negotiation and

contract drafting related to intellectual property law. With over ten lawyers in its IP group, among a total of 80 lawyers at the firm, its experienced IP attorneys offer guidance to protect IP rights in a wide array of commercial sectors. With the co-operation of its affiliated patent firms, the firm is part of a strong global legal network, allowing it to cater to clients' international IP needs with an innovative and cost-effective approach.

Authors



Naoko Nakatsukasa is a partner at Chuo Sogo LPC, admitted to practice in Japan and New York. She assists clients with litigation and dispute resolution involving intellectual property and general corporate

matters, and counsels clients concerning patent, trade mark, copyright, design and unfair competition-related issues. She has substantial experience in domestic and international business transactions. Naoko was admitted to the Japanese Bar in 1994 and serves as a director of listed companies in Japan. She received an LLM degree from Northwestern Pritzker School of Law, is fluent in both Japanese and English, and has been widely published on IP matters and infringement issues.



Katsuya Hongyo is a partner at Chuo Sogo and is admitted to practice in Japan and New York. His practice areas include IP, international transactions, financial regulations, and compliance. He represents

Japanese and overseas clients in IP litigation and dispute resolution. He also advises Japanese start-ups regarding patent, trade mark, and copyright-related issues. While working as a visiting attorney at Kirkland & Ellis in Chicago, he represented a pharmaceutical and medical device company in patent litigation against a Japanese company. He received an LLM degree with honours from Northwestern Law in 2022 and is fluent in both Japanese and English.



Tatsunori Enomoto is a partner at Chuo Sogo LPC. He handles a wide range of legal matters, including general corporate law, as well as specialised tasks such as M&A and structured finance. In the field of

intellectual property rights, he is involved in multiple patent and trade mark infringement lawsuits, and handles legal proceedings and negotiation cases. His routine work includes providing legal checks for consultations related to intellectual property rights and licence agreements. He was registered as a lawyer in Japan in January 2019.



Ronald Kaloostian focuses his practice on IP, M&A, international transactions, data privacy and global compliance. Ron has extensive experience advising clients on a broad range of matters relating to IP,

corporate law and compliance. For over 11 years, Ron worked in the in-house IP department of a major Japanese innovator pharmaceutical company. Ron specialised in IP licensing and due diligence, joint research collaborations with US universities, strategic biopharma alliances and spin-out of new companies with novel technologies and inventions. Ron also managed ANDA and patent litigations in the USA, including negotiation of settlement agreements. He is a member of the State Bar of California, a registered patent attorney with the USPTO, and a registered foreign attorney in Japan.

Chuo Sogo LPC

Osaka Dojimahama Tower 15th floor
1-1-27 Dojimahama
Kita-ku
Osaka 530-0004
Japan

Tel: +81 6 6676 8834
Fax: +81 6 6676 8839
Email: nakatsukasa_n@clo.gr.jp
Web: www.clo.jp/english/



1. Intellectual Property High Court Grand Panel

This article introduces the Grand Panel decision dated March 19, 2025 (Intellectual Property High Court Case No. 2023 (Ne) 10040) concerning patents in the field of aesthetic medicine. The case focused on three main issues:

- (i) whether a physician's act of collecting and mixing a patient's blood to create and use a composition containing autologous plasma, bFGF, and a fat emulsion for breast augmentation constituted "working the patented invention" under Patent No. 5186050;
- (ii) whether the patent itself satisfied the requirement of being an "invention that can be industrially applied" under Article 29 (1) of the Patent Act (industrial applicability); and
- (iii) if the act was considered implementation of the invention, whether it was nonetheless exempt from the effect of the patent rights under Article 69 (3) of the Patent Act, which relates to an exemption from patent infringement for acts of preparing or dispensing patented medicines.

The Grand Panel overturned the original ruling by the lower court, partially acknowledged infringement, and especially provided a clear framework for interpreting issues (ii) and (iii).

The Grand Panel held that an invention of a "product" intended for administration to the human body should not automatically be treated as a "method invention" related to medical practices and denied industrial applicability. It reasoned that, historically, the 1975 amendment to the Patent Act deleted the old Article

32 (2), which excluded "inventions such as pharmaceuticals" from patent eligibility. Therefore, it would be difficult to interpret the law as excluding inventions involving administration to the human body, especially since Article 29 contains no explicit exclusion for such items.

Furthermore, the court noted that inventions involving "substances derived from a person and ultimately returned to that person" do not necessarily mean that collection, preparation, and administration are inseparable. In light of developments in regenerative medicine and gene therapy, it is clear that not only physicians but also pharmaceutical and related industries play a significant role in research and development. Thus, the court emphasised the need for patent protection to promote technological advancement. Accordingly, it concluded that the invention in question qualifies as "industrially applicable."

This decision significantly clarifies that inventions involving materials collected from and returned to patients, such as those in regenerative medicine, should not be easily reclassified as "medical methods" and excluded from patentability under Article 29. Even in fields where blood collection, mixing, and administration seem unified, the manufacturing component aligns with industrial realities, particularly in the pharmaceutical and medical materials sectors. The court affirmed the importance of patent protection as a driver of innovation.

Article 69 (3) of the Patent Act stipulates that patent rights related to "medicines to be mixed and manufactured for diagnosing, treating, or preventing human

disease” do not extend to dispensing acts based on physicians’ prescriptions. In this case, the court determined that the composition was used for breast augmentation with a primarily aesthetic purpose. In line with common definitions, the court stated that “disease” implies a condition in which physiological or mental dysfunction impedes a healthy daily life. Cosmetic breast enhancement does not meet this criterion, so the composition was not considered a “medicine” under this article. Therefore, regardless of whether a prescription was involved, the exemption under Article 69 (3) did not apply.

The court also noted that Article 69 (3) was enacted in conjunction with the repeal of the old Article 32 (2) and was intended to ensure the smooth practice of medicine by preserving physicians’ freedom to choose medications. However, the court held that this public interest rationale cannot be extended to the selection of drugs for cosmetic purposes. The reason for this judgment appears to be that drugs used for cosmetic purposes cannot be regarded as those used for the treatment of diseases, and that cosmetic medicine is generally elective and not medically necessary, and thus does not justify the same level of professional discretion as medical treatments.

The ruling precisely defined “medicine” based on both statutory language (disease-related use) and common word meaning, confirming that drugs for cosmetic or aesthetic purposes are generally excluded from protection under Article 69 (3). It reaffirmed that how the intended use is described in the specification and claims is directly relevant to the application of Article 69 (3). Moreover, the court emphasised that the teleological interpretation, which aims to preserve the smooth practice of medicine, should apply only to contexts relevant to disease diagnosis or treatment.

As a result, in aesthetic medical practice, where compositions are prepared in-house, Article 69 (3) cannot generally be relied on for exemption, making patent risk assessment and licensing strategies increasingly important. On the other hand, for compositions mixed for purposes of reconstructive medicine (eg, following breast cancer or burns) or disease treatment, the application of Article 69 (3) may still be considered on a case-by-case basis.

In conclusion, this decision interpreted the requirement for industrial applicability by considering legislative history and industrial realities, and it strictly limited the scope of dispensing exemptions to the statutory definition and legislative purpose. The decision is precedent-setting for compositions involving autologous materials and in-house mixing in aesthetic medicine and has direct implications for licensing practices, infringement risk management, compliance, and R&D investment planning.

2. Supreme Court Decision

The Supreme Court’s rulings become established precedents in the interpretation of Japanese law. On March 3, 2025, the Supreme Court rendered judgments in two lawsuits alleging patent infringement involving a video distribution system equipped with a function for displaying comments over videos:

- DWANGO Co., Ltd. v FC2, Inc. and Homepage System, Inc. Case No 2025 (Ju) 14 and 15; and
- DWANGO Co., Ltd. v FC2, Inc. Case No 2025 (Ju) 2028.

These two cases involve DWANGO filing lawsuits against FC2, alleging that the internet-based, comment-enabled video distribution service “FC2 Video,” operated by FC2, infringed DWANGO’s patent rights and seeking injunctions and damages.

In both lawsuits, the issue was whether FC2’s act of distributing its files from a server in the USA to user terminals in Japan, through FC2’s systems for online video delivery services with commentary (“FC2’s act”), infringes DWANGO’s patents. In both instances, the High Court overturned the District Court’s conclusions. Ultimately, the Supreme Court ruled in favour of DWANGO, recognising that FC2 had infringed DWANGO’s patents.

Below is a comparison of the key points of the two lawsuits.

2.1 Patents alleged to be infringed

Case No 2025 (Ju) 14 and 15:

JAPAN TRENDS AND DEVELOPMENTS

Contributed by: Naoko Nakatsukasa, Katsuya Hongyo, Tatsunori Enomoto and Ronald Kaloostian, Chuo Sogo LPC

- Patent No 4734471 (title of the invention: “Display Device, Comment Display Method, and Program”); and
- Patent No 4695583 (title of the invention: “Display Device, Comment Display Method, and Program”).

Case No 2025 (Ju) 2028:

- Patent No 6526304 (title of the invention: “Comment Distribution System”).

2.2 Provisions of the Patent Act

Case No 2025 (Ju) 14 and 15:

- “provision through a telecommunication line” in Article 2, Paragraph 3, Item 1 of the Patent Act and “assignment, etc.” in Article 101, Item 1 of the same Act.

Case No 2025 (Ju) 2028:

- “production” in Article 2, paragraph 3, item 1 of the Patent Act.

2.3 Territoriality of patent rights

Patent rights are granted in each country in accordance with that country’s legal system. The existence, transfer, and effect of patent rights are determined by the laws of the respective country, and their effect is recognised only within that country’s territory. This is known as the principle of territoriality of patent rights.

On the other hand, it is generally required that all elements constituting a patented invention be practised by the infringer for patent infringement to be established; this is known as the all-elements rule.

The Supreme Court established an important legal standard regarding the relationship between the principle of territoriality and the all-elements rule, stating as follows:

“While the effect of a Japanese patent right is recognized only within the territory of Japan, in today’s world, where cross-border transmission of information via telecommunication lines has become extremely easy, if a program or the like is transmitted from outside Japan and thereby made available within Japa-

nese territory via a telecommunication line, it would be inconsistent with the purpose of the Patent Act, to contribute to the development of industry by granting patent holders exclusive rights to work their patented inventions as a business, thereby protecting and promoting inventions, if such acts were always deemed to be outside the scope of Japanese patent rights solely because the transmission originated from abroad. Therefore, even in such cases, if the act in question, when viewed as a whole, can be substantively evaluated as constituting a “provision through a telecommunication line,” an “assignment, etc.,” or “production” within Japanese territory, then there is no reason to deny the applicability of Japanese patent rights to that act. In this context, “assignment, etc.” refers to the assignment of the product that is the subject of the invention.”

The Supreme Court did not concretely elaborate on the legal standard, but its application to the two cases suggests that it affirmed the existence of patent infringement by emphasising the key points outlined below.

- The video distribution was carried out as part of the information processing required to provide the service within Japan. It was structured in such a way that the effects of the patented invention would naturally manifest at terminals located in Japan. In this context, the servers’ location outside Japan was not particularly significant for the manifestation of the patented effects.
- There were no apparent circumstances suggesting that the distribution in question had no economic impact on DWANGO, the holder of the patent rights.

As a judicial precedent related to the principle of territoriality, though concerning trademark rights, the Intellectual Property High Court, in *KIYOMURA CORPORATION v Daisho Japan Co., LTD (Case No 2024 (Ne) 10031)*, concluded that the defendant did not infringe the plaintiff’s trademarks, such as “SUSHI ZANMAI.”

In relation to territoriality, the court noted that the sushi restaurants operated by the defendant were located in Singapore and Malaysia. Accordingly, the use of indications such as “SUSHI ZANMAI” by the defendant

was not considered to be in connection with the provision of services within Japan, and therefore did not infringe the source-identifying function of the plaintiff's trademark rights within Japan.

While this case is quite different from the Supreme Court's decision on patent infringement, it is consistent with the Court's reasoning, which focused on the invention's effect and economic impact in Japan.

3. Technology

3.1 Pantech Corporation v Google Japan G.K.

Case No 2023 (Wa) 70501

On June 23, 2025, the Tokyo District Court issued a ruling in a patent infringement case, ordering an injunction to halt the sale of Google's Pixel 7. This decision has attracted attention because it recognises Google's infringement of a Standard Essential Patent (SEP) for implementing a standardised technology in its product.

A SEP refers to a patent that is essential to implement a technological standard, meaning that manufacturing a product compliant with the standard inevitably requires the use of the patented invention. Such patents are typically subject to procedures established by Standard Setting Organisations (SSOs), including a FRAND declaration, and a commitment by the patent holder to license the SEP to all users of the standard on fair, reasonable, and non-discriminatory terms.

In this case, it was claimed that Google's smartphone Pixel 7 (the "Google product") infringed the Long Term Evolution (LTE)-related SEP owned by the plaintiff, and a request was made to enjoin the sale of the Google product. While the case also involved disputes over whether the patent was actually infringed (satisfaction of the claim elements) and whether the invention met the standard of inventive step, the court affirmed both. The main issue was whether, in light of the patent's SEP status, the exercise of the right to seek an injunction constituted an abuse of rights.

As a legal standard, the Tokyo District Court stated:

"When a SEP holder seeks an injunction against an implementer of the standard based on a SEP, such a request should be deemed an abuse of rights unless

there are special circumstances indicating that the implementer has no intention to obtain a license on FRAND terms."

The court then concluded that there was indeed an abuse of rights in this case, citing the factors outlined below.

- The plaintiff consistently proposed a licensing formula based on the sales revenue of the infringing product, multiplied by a royalty rate applicable to SEPs, and then further multiplied by the plaintiff's share of relevant SEPs.
- In contrast, Google consistently proposed a formula based on the number of units sold, multiplied by a fixed cumulative royalty per smartphone unit, and then adjusted by the plaintiff's share of SEPs.
- Due to the incompatibility of these approaches, further adjustments became unfeasible, and it was found that both parties ultimately failed to reach a licensing agreement.
- Based on the established facts, the court expressed its preliminary view that patent infringement had occurred, and recommended that the parties consider settling based on the plaintiff's global SEP portfolio.
- Since both parties agreed to hold settlement discussions under the jurisdiction of the Japanese court, the court decided to mediate using the Grand Panel method, which starts from the final product's sales revenue. The court then requested that Google present a settlement offer based on this method if it wished to obtain a license.
- However, Google responded that using the Grand Panel method would make the calculation excessively complex and refused to submit a settlement offer.
- Google also refused to disclose either the sales revenue or the number of units sold of the allegedly infringing products.
- In light of these facts, the court concluded that, despite agreeing to the court's settlement recommendation, Google had eliminated the possibility of further licensing negotiations by refusing to disclose key data and failing to submit a settlement offer based on the proposed method.
- Accordingly, the court held that there were exceptional circumstances indicating that the defendant

JAPAN TRENDS AND DEVELOPMENTS

Contributed by: Naoko Nakatsukasa, Katsuya Hongyo, Tatsunori Enomoto and Ronald Kaloostian, Chuo Sogo LPC

did not intend to obtain a license under FRAND terms, thereby justifying the injunction and rejecting the claim of abuse of rights.

On the other hand, in *Pantech Corporation v Asus Japan (Case No 2024 (Wa) 7976)*, decided on April 10, 2025, the court rejected Pantech's request for an injunction, finding that there were no exceptional circumstances indicating that ASUS Taiwan lacked the intention to obtain a license under FRAND terms. The court also denied Pantech's claim for damages exceeding the reasonable royalty amount based on FRAND terms.

Furthermore, the court noted that despite prior negotiations and settlement discussions during the litigation, the parties failed to reach an agreement on FRAND royalty rates because the rates proposed by each party were too far apart. The court attributed this discrepancy to differences in legal precedent:

In major countries worldwide, court precedents such as [2020] UKSC 37, *Unwired Planet International Ltd and another v Huawei Technologies (UK) Co Ltd* and another and others have evolved and influenced the international standard for calculating FRAND royalties.

In contrast, Japan has seen no significant development in case law on FRAND royalty calculation for nearly a decade since the Apple-Samsung Grand Panel decision, resulting in a lack of well-established methodologies in Japanese practice to determine FRAND royalty rates.

This divergence in judicial perspectives and practical standards highlights an interesting contrast in how different courts now assess the precedential value of the Apple-Samsung Grand Panel decision.

4. Life Sciences

In 2025, several significant rulings were issued by the Japanese Courts, including the Intellectual Property High Court (the "IP High Court") in the field of life sciences. The case below shows the criteria for determining the scope of effectiveness of a pharmaceutical patent right whose term has been extended.

In Japan, the scope of protection of a pharmaceutical patent whose term has been extended is governed by the Grand Panel decision of the IP High Court dated January 20, 2017 (the "Oxaliplatin Case Decision"). The scope of an extended patent has since been determined in accordance with the criteria set forth in that decision. However, in applying those criteria to specific cases, it is not always clear how far the concept of "substantially identical" should extend.

The decision introduced below concerns a case in which an additive or modified component, not the active ingredient, was changed, and it offers certain insights in this regard. The decision also attracted attention because it awarded damages of CNY21.7 billion.

4.1 Toray Industries, Inc v Sawai Pharmaceutical Co., Ltd., Fuso Pharmaceutical Industries, Ltd. Case No 2021 (Ne) 10037, Intellectual Property High Court (decision rendered on 27 May 2025)

4.1.1 Overview of the case

The plaintiff is a pharmaceutical company that manufactures an original (brand-name) drug and is the holder of a patent titled "Antipruritic Agent." The plaintiff sought damages from the defendants, each a generic drug manufacturer, alleging that the manufacture and sale of the defendants' products infringed the plaintiff's extended patent right.

The patented invention concerns an antipruritic agent whose active ingredient is a certain compound, and its purpose is to provide an antipruritic agent with a very rapid and strong antipruritic effect. While the patented invention uses the compound "nalfurafine" (the "compound at issue") as its active ingredient, the defendants' products use "nalfurafine hydrochloride" as the active ingredient. Whether the defendants' formulations satisfied the claims of the patented invention and whether the formulations were "substantially identical" thereto were the central issues in dispute.

4.1.2 Patent term extension in Japan

In Japan, a patent expires 20 years from the filing date (Patent Act, Article 67).

However, because pharmaceuticals require lengthy regulatory review before approval, the patent term may be extended for up to five years (Article 67 (4)).

The effectiveness of a patent right that has been extended, however, does not cover acts other than the working of the patented invention for the product that was the subject of the regulatory approval forming the basis for the extension (or, where a specific use is designated in that approval, a product used for that use) (Article 68-2). In the case of pharmaceutical patents, the “regulatory approval” referred to above is approval under the Pharmaceuticals and Medical Devices Act.

Accordingly, whether the defendant’s product infringes the extended patent right requires two inquiries:

- whether the defendant’s product falls within the technical scope of the patented invention; and, if so,
- whether the extended patent right covers that product.

For the second inquiry, Article 68-2 of the Patent Act and the standards set forth in the “Oxaliplatin Case Decision” guide the analysis. Under that decision, the effectiveness of an extended patent right extends not only to the pharmaceutical product specified by the regulatory approval – defined by its “ingredients, quantity, dosage, administration method, indications, and effects” – but also to products that are substantially identical to it as pharmaceuticals.

4.1.3 Decision

4.1.3.1 Whether the defendants’ products fall within the technical scope of the patented invention

The Tokyo District Court, which heard the case at first instance, held that the “active ingredient” as a claim element of the patented invention referred to the active pharmaceutical ingredient (API) that serves as the basis of the formulation before any additives are combined. Because the defendants’ products used hydrochloride as an active ingredient, the court concluded that it did not satisfy this claim element and therefore did not fall within the scope of the patented invention.

The Intellectual Property High Court held that the defendants’ products fell within the technical scope of the patented invention.

Its reasoning was as follows.

- At the time of filing, it was well-known that drugs can be formulated as acid-addition salts to improve solubility or stability. Therefore, a person skilled in the art reading the specification would readily understand that the chemical substance responsible for the antipruritic effect – the purpose of the invention – is the compound nalfurafine itself, and that taking the form of a “pharmaceutically acceptable acid-addition salt” does not alter the antipruritic effect of the substance but merely serves to improve its solubility or stability as a drug.
- The patented invention exerts its pharmacological effect as the active ingredient when the compound at issue, whether in the form of an acid-addition salt or not, dissolves and is absorbed in the body, and the same is true of the defendants’ formulations.

On these grounds, the court concluded that the defendants’ products meet the claim element and are included within the technical scope of the patented invention.

4.1.3.2 Whether the extended patent right covers the defendants’ products

The Court in this case followed the Oxaliplatin Case Decision in holding that the effect of an extended patent right covers not only the pharmaceutical product specified by its “ingredients, quantity, dosage, administration method, indications, and effects,” but also products that are deemed “substantially identical”.

It then reasoned as follows.

- The patented invention is characterised by providing a new medical use as an antipruritic agent based on previously unknown properties of the compound at issue.
- Both the plaintiff’s and the defendants’ formulations are antipruritic agents whose active ingredient is nalfurafine, and they share the same “active

JAPAN TRENDS AND DEVELOPMENTS

Contributed by: Naoko Nakatsukasa, Katsuya Hongyo, Tatsunori Enomoto and Ronald Kaloostian, **Chuo Sogo LPC**

ingredient, quantity, dosage, administration method, indications, and effects,” as well as the same dosage form (OD tablets). The only differences lie in the additives, apart from the active ingredient.

- Additives do not exhibit pharmacological effects at the dosage administered in the formulations and do not interfere with the therapeutic effect of the active ingredient. Thus, they are not considered to have technical significance.
- The differences in additives between the plaintiff’s and the defendants’ formulations represent only minor or, when viewed as a whole, formal differences.

Based on these reasons, the Court held that the defendants’ formulations are substantially identical, as a pharmaceutical, to the plaintiff’s formulation that was the subject of the regulatory approval underlying the patent term extension and therefore infringe the plaintiff’s extended patent right.

It should be noted that the defendants have filed an appeal to the Supreme Court, and the forthcoming decision is being closely watched.