

## Research Study on the Situation of Dispute Resolution over Standard Essential Patents (Summary)

Recent years, in the midst of the progress of the Fourth Industrial Revolution, with the spread of the Internet of Things (IoT), the connections between various things (devices, companies, infrastructure, etc.) is increasing. With regard to the standard (norm) utilized for social infrastructure, such concerns are pointed out that the disputes over patents essential to the implementation of the standard (standard essential patents) have negative influences on many fields such as economy and industry. In addition, with the spread of the above-mentioned technology, it is also worried that business operators in various fields may be involved in disputes over standard essential patents.

Based on the above, such countermeasures are considered necessary as to reduce the costs of license negotiations and dispute resolution with regard to standard essential patents and to promote smooth exploitations of patented inventions, and therefore the Ministry of Economy, Trade and Industry and the Japan Patent Office considered the availability of adjudication (award) system as means that the public administration enters between the patent holder and the user to determine appropriate license fees, keeping in mind that it does not unduly harm the patent holder's right, and compiled the report.

However, for the reason that the adjudication (award) system is a system in which only the implementer can request, only Japanese patent rights are objected so as not to lead to a global resolution, and it is difficult for the Japan Patent Office to set appropriate license conditions individually, it has been judged that it is difficult to introduce the system for standard essential patents.

On the other hand, since such the demand remains without change so as to provide persons other than the telecommunications industry and electronics industry that have previously been involved in disputes over standard essential patents, small and medium enterprises, and companies with little know-how with information about matters to be considered in license negotiations (basic issues such as views of major judicial precedents, how to proceed with negotiations, and elements to be taken account), and provide early resolution of disputes between different industry sectors, and to reduce its processing costs, on March 2018 (Heisei 30), the draft guidelines was formulated to summarize issues that both the right holder and the implementer should consider in license

negotiations of standard essential patents.

Thereafter, calling for public comments between March 9 and April 10, 2018 (Heisei 30), on the basis of the same public comments, June 5 of the same year, the "Guide to Licensing Negotiations involving Standard Essential Patents" was published. The guide summarizes issue concerning licensing negotiations as objectively as possible, such as the method proceeding with license negotiations, the method of calculating royalty, etc. and explains how to behave in order to be recognized as to “negotiate with good faith”, for the implementer to avoid injunction and for the patentee to likely obtain appropriate consideration.

However, as new decisions on disputes over standard essential patents have been made constantly in the various foreign courts, from the viewpoint that further development of technology (especially communication technology) in the future is expected, it is predictable to increase disputes over standard essential patents.

In light of such situation, the information provided in the “Guide to Licensing Negotiations involving Standard Essential Patents” likely makes no sense if it becomes old.

Accordingly, in the research study, it was aimed to prevent disputes over standard essential patents or to provide early resolutions, by collecting, organizing, and publishing latest court cases, public organizations’ views, and literatures.