

## Japanese Court's Jurisdiction over International IP Cases

Nozomi Satake  
Takashi B. Yamamoto

### 1. Introduction

International transactions with the Japanese individuals or corporations have expanded in various fields. If you enter into a dispute with a Japanese or a Japanese corporation, you may bring the case to a court in your own country or to a Japanese court. While bringing the case to the courts in your own country would be usually less expensive, more convenient and otherwise favorable for you, it could sometimes be the case that your home courts are not available due to lack of jurisdiction or inconveniency and the Japanese courts are the best resort.

### 2. Japanese Rules on Personal Jurisdiction

#### (1) Statutory Jurisdictional Rules

The Civil Code of Procedure of Japan set up statutory jurisdictional rules for international cases (Articles 3-2 through 3-12) in 2011. The following are major bases of jurisdiction in Japanese courts under the Civil Code of Procedure:

- Domicile of individual defendant, or principal place of business or domicile of representative of corporate defendant is in Japan:  
General basis of jurisdiction for any claim (Article 3-2)
- Place where a duty shall be performed is in Japan:  
Specific basis of jurisdiction for contractual claims (Article 3-3 (1))
- Present place of defendant's property claimed, pledged for the claim or seizable for the claim (Defendant's intellectual property rights registered or protected under Japanese law are construed to exist in Japan):  
Specific basis of jurisdiction for any property claim (Article 3-3 (3))
- Place of any office of defendant is in Japan:  
Specific basis of jurisdiction for a claim related to business at the office (Article 3-3 (4))
- Place of business is in Japan:  
Specific basis of jurisdiction for a claim related to the business (Article 3-3 (5))
- Place of a tortious conduct is in Japan:  
Specific basis of jurisdiction for tort claims arising from the tortious conduct (Article 3-3 (8))
- Joined claim with any other claim whose jurisdictional basis is found:  
Specific basis of jurisdiction for any joined claim as long as the joined claim is closely connected with the original claim (Article 3-6)
- Defendant's agreement:  
Specific basis of jurisdiction for the consented suit if the agreement specifies the claims and is made in writing (Article 3-7)

- Defendant's general appearance:  
Specific basis of jurisdiction for the suit Defendant appears without raising any jurisdictional defense (Article 3-8)

Please note that the defendant's PRESENCE in Japan itself may not be a jurisdictional basis under Japanese law. Therefore, a Japanese court may have no jurisdiction against a foreign individual or a foreign corporation even if the foreign individual or any officer of the foreign corporation goes on a trip to Japan and during the stay a service of process is delivered to him/her for a suit filed with a Japanese court.

Please also note that Japanese NATIONALITY or CITIZENSHIP itself may not be a jurisdictional basis under Japanese law. Therefore, a Japanese court may have no jurisdiction against a Japanese because of his/her nationality or citizenship. In the *Family Car Dealer* case, the plaintiff, a Japanese corporation, sued a Japanese individual who lived in Germany over a transaction in Germany. The Supreme Court denied the Japanese court's jurisdiction in spite of the Japanese nationality of both parties.<sup>1</sup>

#### (2) Exclusive Jurisdiction on Certain Types of Suits

While a claim on damages or injunction against infringement of intellectual property right may be subject to a non-exclusive jurisdiction of the Japanese court under the general rules above, certain types of suits are subject to an exclusive jurisdiction thereof.

##### (a) A Suit concerning Existence or Validity of the Intellectual Property Right

As for an intellectual property right that may be granted upon a registration establishing the rights, which include patent rights, design rights, registered trademark rights and utility rights but not copyright, any suit on the existence or validity of such intellectual property rights is subject to the exclusive jurisdiction of the Japanese courts if that registration is made in Japan (Article 3-5 (3)). An infringement case in which the defendant claims invalidity defense is not included in the "suit on the existence or validity."

The provision aims to deny a decision by a foreign court to invalidate such rights registered in Japan (*See*, Article 118). This is because Japanese law requires invalidation of such rights to be exclusively subject to the examination and judgement of Patent Office of Japan (JPO). The provision also means that Japanese court has no jurisdiction over any suit on the existence or validity of IP rights established by the registration in a foreign country.

##### (b) A Suit concerning Registration

Any suit concerning registration, including intellectual property rights thereof, is subject to the exclusive jurisdiction of the Japanese courts if the registration is made in Japan (Article 3-5 (2)). Although copyright does not require any registration for protection, some types of registration system are available such as registration of transfer as perfection requirement (Article 77 (a) of the Copyright Act). Therefore, when an

---

<sup>1</sup> Judgment of Supreme Court on 11 November 1997

assignee of copyright or any other intellectual property right demand cooperation in registration of the transfer against the assignor, he/she must file a suit with a Japanese court against the assigner who refuses the cooperation.

### (3) Major Court Cases on Jurisdiction over International Cases

Despite the statutory jurisdictional basis under Articles 3-1 through 3-12, there are still constructive problems to be disputed in courts. The following are typical jurisdictional bases and some related court cases:

#### (a) Place of a Tortious Conduct

If the place of a tortious conduct is found in Japan, then it may be a specific basis of jurisdiction for tort claims arising from the conduct (Article 3-3 (8)). The tort claims may include a claim on damages or injunction against an infringement of an intellectual property right.<sup>2</sup>

The "place of tortious conduct" may include any of the places where the defendant conducts any act which causes infringement of intellectual property or illegal injury and where infringement of intellectual property or illegal injury is caused. It does not include, however, the place where any incidental or secondary damage occurred.<sup>3</sup> The Supreme Court judged that actual conduct at the place is not necessarily required with regard to an injunction claim if there is a possibility thereof in the place.<sup>4</sup>

To establish this jurisdictional basis, must the plaintiff allege or prove the tortious conduct? Must any requirement other than the tortious conduct for a tort claim (*e.g.*, negligence or intention, causation or lack of defense) be alleged or proved? In the *Tsuburaya Productions* case,<sup>5</sup> the Supreme Court held that the plaintiff was required to prove only the tortious conduct, reasoning "if such facts exist, there is a reasonable ground to subject the defendant to the court proceeding for the merit and there is sufficient legal nexus to justify the exercise of judiciary power by Japan even from the viewpoint of allocation of the judicial function in the international society." Although the case is under the Act before revision, it has still been a leading case for the matter.

#### (b) Joined Claims

Any claim may be joined with any claim whose jurisdictional basis is found in Japan, if the claim is "closely connected" with the joined claim (Article 3-6). In the case that the original claim and the joined claim are between the same parties ("objective joinder"), a "close connection" between the original claim and joined claim may be found when the substantial issues are the same.<sup>6</sup>

<sup>2</sup> See, Judgment of Supreme Court on April 24, 2014; Judgment of Intellectual Property High Court on September 15, 2010

<sup>3</sup> See, Article 3-3 (8) proviso; Judgment of Tokyo District Court on March 27, 1984, Hanrei Jiho 1113-26; Judgment of Shizuoka District Court on 30 April 1993, Hanrei Taimuzu 824-241

<sup>4</sup> Judgment of Supreme Court on April 24, 2014

<sup>5</sup> Judgment of Supreme Court on 8 June 2001, Hanrei Jiho 1756-55

<sup>6</sup> See, *Tsuburaya Productions* case, supra; Judgment of Intellectual Property High Court on March

Meanwhile, joinder of a claim by or against a third party with the original claim ("subjective joinder") is generally considered as against the fairness between the parties and the notion of just and prompt court proceedings even if the claim is "closely connected" with the joined claim. Therefore, the subjective joinder is allowed only when the joinder is based on the same factual or legal basis as the original claim (Article 3-6 *proviso*).

If a joined claim is subject to a statutory exclusive jurisdiction in a country other than Japan, Japanese court will not permit either the objective joinder or the subjective joinder (Article 3-10).

#### (c) Agreement on Jurisdiction

An agreement on jurisdiction binds a Japanese court only if the scope of claims to which the jurisdiction agreement applies is specified based on certain legal relationships and is made in writing (or in electromagnetic form) (Article 3-7). This means that a jurisdiction clause in a contract may be considered invalid in a Japanese court unless the clause applies only to a specific dispute, for example, where the clause limits its applicability to any dispute arising from or in connection with the contract.<sup>7</sup>

#### (d) Special Circumstance

Despite the statutory jurisdictional basis under the provisions above, the Japanese Court may deny the Japanese court's jurisdiction over the suits having special circumstances that are against fairness between the parties or the notion of proper and prompt court proceedings (Article 3-9). In the case of a Japanese company and its officer that claimed for damages against a U.S. company based on defamation on the Internet, the Supreme Court found the "special circumstances".<sup>8</sup> The judgment took into consideration that (i) the case was derived from the parties' other suits in the U.S., (ii) most of the evidence existed in the U.S, (iii) the parties would generally predict that any suit would be filed in the U.S. concerning the U.S. company's management, and (iv) the U.S. company had the burden to appear in the court.

### 3. Court System of Japan

Japan has a unitary national court system. The highest court in Japan is the Supreme Court. Below that there are 8 High Courts. Below the High Courts there are 50 District Courts and 50 Family Courts. Finally there are Summary Courts below the District Courts.

#### (1) Supreme Court (*Saiko Saibansho*)

The Supreme Court is the highest court in Japan and is located in Tokyo. It is composed of the Chief Justice (designated by the Cabinet and appointed by the Emperor) and 14

---

25, 2015

<sup>7</sup> See, Introductory Judgment of Tokyo District Court on 15 February 2016

<sup>8</sup> Judgment of the Supreme Court on 10 March 2016

Justices (appointed by the Cabinet). It has appellate jurisdiction over appeals from the High Courts. Proceedings are held either before the Grand Bench (composed of all 15 Justices) or the Petty Bench (composed of 5 Justices).

#### (2) High Courts (*Koto Saibansho*)

The High Courts have appellate jurisdiction over judgments of the District, Family and Summary Courts, and original jurisdiction over some administrative cases. Proceedings are held before a panel of 3 judges (or of 5 judges in some cases).

The High Courts are located in Sapporo, Sendai, Tokyo, Nagoya, Osaka, Hiroshima, Takamatsu, and Fukuoka. There are also 6 branch offices (Akita Branch for Sendai High Court, Kanazawa for Nagoya, Okayama and Matsue for Hiroshima, and Miyazaki and Naha for Fukuoka).

Additionally, the Intellectual Property High Court (*Chiteki Zaisan Koto Saibansho*) was established as a branch of Tokyo High Court in April 2005. The IP High Court has an exclusive subject matter jurisdiction over patent and other industrial property law cases including software copyright case and is expected to carry out the same function as the Court of Appeals for the Federal Circuit in the United States. On the other hand, it has only a non-exclusive subject matter jurisdiction over copyright cases other than software copyright case.

#### (3) District Courts (*Chiho Saibansho*)

Each prefecture has one District Court (except Hokkaido, which has 4). There are also 203 branch offices. The District Courts have original jurisdiction in most cases (civil, criminal and administrative) except those belonging to the original jurisdiction of the other courts. They also have appellate jurisdiction over civil judgments of the Summary Courts. Proceedings are held before a single-judge court or before a three-judge panel.

Each District Court has jurisdiction over the cases whose jurisdictional basis is found in the prefecture where it sits. As to intellectual property suits, however, there is a special rule: Under Articles 6 and 6-2 of the Code of Civil Procedure, the Tokyo District Court has jurisdiction if jurisdictional basis is located in the eastern part of Japan (the judicial district of Tokyo, Nagoya, Sendai or Sapporo High Court), or the Osaka District Court if in the western part of Japan (the judicial district of Osaka, Hiroshima, Fukuoka or Takamatsu High Court). The jurisdiction of the Tokyo District Court or the Osaka District Court is exclusive for suits involving infringement of patents, utility models, design patents, trademarks and copyright to computer programs, and non-exclusive jurisdiction for suits involving infringement of copyright in works other than computer programs.

#### (4) Summary Courts (*Kan'i Saibansho*)

There are 438 Summary Courts in Japan. They have the original jurisdiction over civil claims not exceeding 1,400,000 yen and over criminal cases concerning petty offenses.

#### 4. Conclusion

Japan has been under the rule of law, the modern law, since 1868. The independence of the judiciary has been established in Japan. Judges are free from political connection or bribe while it is concerned whether they are free from even the public. The Japanese courts never discriminate against parties because of their nationalities while they may do so depending on arrogant or disrespectful behavior to the courts. Therefore, considering the jurisdictional rules of Japan discussed above, you may include the Japanese courts as an alternative in your legal strategy.