

IP Law Update

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The Japanese court first judgment to grant an injunction based on a FRAND-committed SEP

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1. Introduction

Disputes over standard essential patents (“SEPs”) have proliferated worldwide, with a substantial body of case law built up in the United States, Europe (particularly the United Kingdom and Germany), and China. In Japan, the Intellectual Property High Court (the “**IP High Court**”), in the 2014 Samsung v. Apple case (see Section 2), addressed whether an exercise of a right to seek an injunction based on a claim of infringement of a patent committed to be licensed on fair, reasonable, and non-discriminatory (“**FRAND**”) terms constitutes an abuse of rights under Article 1(3) of the Civil Code of Japan. Since that decision, active discussions on SEPs and the rights of SEP owners have taken place, and this has contributed to the issuance of the “Guide to Licensing Negotiations Involving Standard Essential Patents” issued by the Japan Patent Office and the “Good Faith Negotiation Guidelines for Standard Essential Patent Licenses” issued by the Ministry of Economy, Trade and Industry. Nevertheless, there had been virtually no court decision in a patent infringement lawsuit brought in the courts of Japan that has assessed the limitations on the rights of SEP owners to seek injunctions based on claims of infringement of FRAND-committed SEPs, and no court had recognized the right of an SEP owner to be awarded an injunction.

However, this situation changed when, on June 23, 2025, the Tokyo District Court rendered a judgment granting an injunction in favor of an SEP owner based on a claim of infringement of a FRAND-committed SEP (This case shall be referred to as the “**Tokyo District Court Case**”, and its judgment as the “**Tokyo District Court Judgment**”)¹. Subsequently, on July 10, 2025, the Osaka District Court, in a separate lawsuit involving the same parties as plaintiff and defendant as that of the Tokyo District Court Case and the same patent at issue in the Tokyo District Court Case but a different version of a product within the same product series as the product considered in the Tokyo District Court Case, rendered a judgment dismissing the SEP owner’s claim of seeking an injunction based on a claim of infringement of FRAND-committed SEPs, notwithstanding a common course of license negotiations and party conduct as that considered in the Tokyo District Court Case (This case shall be referred to as the “**Osaka District Court Case**”, and its judgment as the “**Osaka District Court Judgment**”)².

The Tokyo District Court Judgment is the first time a Japanese court has issued a judgment granting an injunction based on a claim of infringement of FRAND-committed SEP, and this judgment has attracted

¹ See Section 3.

² See Section 4.

significant attention domestically and internationally. The Osaka District Court Judgment, by contrast, acknowledged that the Defendant was willing to obtain a license for the subject SEP on FRAND terms and thus the injunction claim based on the SEP committed to be licensed on FRAND terms constitutes an abuse of rights under Article 1(3) of the Civil Code, and dismissed the claim of seeking an injunction, despite the fact that the SEP license negotiation history between the parties was the same as that considered by in the Tokyo District Court Case and the fact that the same patent right was at issue. Both judgments provide instructive guidance for future SEP license negotiations. This newsletter outlines the two judgments and discusses their significance.

2. Background - Samsung v. Apple

The Samsung v. Apple Grand Panel³ preliminary injunction cases of the IP High Court⁴ (May 16, 2014) are the leading cases in Japan to address whether an injunction claim based on a claim of infringement of FRAND-committed SEPs is restricted. We will briefly outline them here.

In these cases, the products at issue are compliant with the Universal Mobile Telecommunications System (“**UMTS**”) standard. This standard was established by the Third Generation Partnership Project (“**3GPP**”), a private organization aiming to promote the widespread adoption of third-generation mobile communication systems or third-generation mobile phone systems (“**3G**”) and to standardize the associated specifications globally. The European Telecommunications Standards Institute (“**ETSI**”), one of the standardization bodies forming 3GPP, has established an “Intellectual Property Rights Policy” as its policy for handling intellectual property rights. Pursuant to the ETSI’s Intellectual Property Rights Policy, Samsung Electronics (“**Samsung**”) notified ETSI on August 7, 2007, that the intellectual property rights, including the subject patent, are, or are likely to become, essential intellectual property rights in relation to the UMTS standard. Samsung also committed its willingness to grant irrevocable licenses on “Fair, Reasonable and Non-Discriminatory terms and conditions” (FRAND terms).

These Grand Panel preliminary injunction cases involve Samsung asserting that Apple Japan GK’s acts of manufacturing, transferring, importing, etc., the products at issue infringe Samsung’s patent rights under Japanese Patent No. 4642898, titled “Method and Apparatus for Transmitting and Receiving Packet Data Using a Pre-Defined Length Indicator in a Mobile Communication System”. Samsung sought a preliminary injunction against Apple Japan GK (“**Apple Japan**”) based on its patent right, ordering Apple Japan to cease production, transfer, import, etc. of the allegedly infringing products.

Addressing whether an injunction claim based on an SEP committed to be licensed on FRAND terms constitutes an abuse of rights under Article 1(3) of the Civil Code, the IP High Court stated:

“An exercise of a right to seek an injunction based on the patent right by Samsung who made the FRAND Commitment would constitute an abuse of rights (Article 1(3) of the Civil Code) and therefore is not allowed, if Apple Japan successfully argues and proves the facts that Samsung made the FRAND Commitment and Apple Japan has a willingness of obtaining a license on FRAND terms.”

Based on the facts regarding the license negotiation between Apple Inc. and Samsung found by the court, the court acknowledged that “Apple Inc. and Apple Japan have a willingness to obtain a license on FRAND terms” and concluded that “the exercise of the injunction right based on the patent right in question

³ A Grand Panel judgment is not a judgment relating to a single case; rather, several judgments/decisions relating to several cases addressing the same legal issues were rendered by the Grand Panel of the IP High Court on the same day. By counting such group of judgments/decisions collectively as one Grand Panel judgment, this case is recognized as the 7th Grand Panel judgment issued.

⁴ At the IP High Court, cases are heard by a panel of three judges; however, in cases that address a particularly important issue(s), a Grand Panel of five judges oversee the proceedings and render the judgment.

constitutes an abuse of rights (Article 1(3) of the Civil Code).”

3. Tokyo District Court Case

3.1 Outline of the Case

Pantech Corporation (“**Pantech**”), a Korean company, owns Japanese Patent No. 6401224, titled “Method for mapping physical hybrid automatic repeat request indicator channel” (the “**’224 Patent**”). On February 4, 2013, in accordance with Section 6.1 of the Intellectual Property Rights Policy established by ETSI, the standardization body that defines the LTE standard, Pantech committed that it was prepared to grant an irrevocable license under the Japanese patent family member of the ’224 Patent (Japanese Patent Application No. 2012-037585) on FRAND terms as an SEP for the LTE standard (the FRAND Commitment).

Google Japan G.K. (“**Google Japan**”), a Japanese company, transferred, etc., the smartphone “Pixel 7” on its business. Pixel 7 is an LTE-capable terminal compliant with 3GPP TS 36.211 version 15.14.0 Release 15.

Prior to the filing of the Tokyo District Court lawsuit, Pantech and Google International LLC (“**Google International**”), a group company of Google Japan, conducted license negotiations for patents including the ’224 Patent. On August 17, 2023, Pantech filed a lawsuit with the Tokyo District Court seeking to enjoin Google Japan from transferring, etc., Pixel 7 based on the ground of Google Japan’s alleged infringement of the ’224 Patent.⁵

In the litigation, Google Japan argued that: (i) Pixel 7 does not fall within the technical scope of claim 5 of the ’224 Patent; (ii) the invention of claim 5 of the ’224 Patent does not involve inventive step in light of the alleged material; and (iii) Google Japan and Google International are willing to obtain a license for the ’224 Patent on FRAND terms and thus the injunction claim based on the SEP with the FRAND Commitment constitutes an abuse of rights under Article 1(3) of the Civil Code (so-called the **FRAND defense**).

3.2 Ruling of the Tokyo District Court Judgment

The Tokyo District Court held that Pixel 7 falls within the technical scope of the ’224 Patent and the invention of claim 5 of the ’224 Patent involves inventive step even in light of the alleged material. As discussed below, the Tokyo District Court rejected the FRAND defense asserted by Google Japan and issued a judgment granting an injunction in favor of Pantech based on the ’224 Patent. This newsletter focuses on the ruling of the Tokyo District Court Judgment on the FRAND defense in this case.

3.2.1 Criteria

Addressing whether an injunction claim based on the SEP committed to be licensed on FRAND terms constitutes an abuse of rights under Article 1(3) of the Civil Code, the Tokyo District Court reasoned as follows:

- Where an SEP holder has made a FRAND commitment regarding its SEPs, implementers who manufacture products in compliance with the standard do so on the premise that they can obtain a license of its SEPs on FRAND terms. Notwithstanding this premise, seeking an injunction against the implementer who trusts that it can obtain such a license significantly undermines that reasonable reliance and contravenes the principles of justice and fairness.
- Since the SEP holder made the FRAND commitment on the premise that it can obtain remuneration

⁵ On August 17, 2022, Pantech asserted that sales of older model smartphones of Pixel 7 infringed its ’224 Patent and filed an application for a preliminary injunction against such sales with the Tokyo District Court. On June 30, 2023, the Tokyo District Court ruled that Google Japan had a willingness to obtain a license for the ’224 Patent on FRAND terms and an injunction claim based on the ’224 Patent is considered to be an abuse of rights by Pantech; and on that basis dismissed Pantech’s petition. Pantech filed an appeal against this decision, but the IP High Court subsequently dismissed the appeal.

equivalent to a reasonable royalty, if the SEP holder can obtain such remuneration, it clearly lacks the necessity and appropriateness to seek an injunction against the implementer.

- Accordingly, a patentee who has made a FRAND commitment for his SEP shall constitute an abuse of rights and thus is not allowed, to seek an injunction against an implementer of the standard, unless there are special circumstances indicating that the implementer lacks willingness to obtain a license on FRAND terms. (Underlining added by the authors.)

3.2.2 Findings of Fact

As a foundation for determining whether such “special circumstances” exist, the Tokyo District Court found the facts regarding the course of license negotiations between Pantech and Google International and the settlement discussions in the litigation, as set forth in the Annex hereto.

3.2.3 Application of the Criteria to the Facts

Based on the findings described in the Annex⁶, the Tokyo District Court first noted the followings, pointing out that the parties’ views on the numerical figures and other elements relating to the proposed licensing terms were incompatible, making further negotiations difficult, and that Pantech and Google Japan failed to reach agreement for that reason.

- Pantech consistently adopted a calculation method based on the sales revenue of infringing products multiplied by a royalty rate attributable to the practice of SEPs, further multiplied by Pantech’s share of the SEP portfolio.
- Google International, by contrast, consistently adopted a calculation method based on the number of infringing units sold, multiplied by a fixed cumulative royalty amount per smartphone and then by Pantech’s share of the SEP portfolio.

The Tokyo District Court held:

“Recognizing the divergence in calculation methodology, the court had disclosed its view that the patent infringement was established and recommended a court-facilitated settlement covering Pantech’s global SEP portfolio. With both parties consenting to conduct such settlement discussions in the Japanese court, since the parties’ views on the numerical figures and other elements relating to the proposed licensing terms were incompatible, the court decided to steer the negotiations by referring to the IP High Court’s Grand Panel Judgment that adopted a calculation approach based on the sales revenue of the end product and asked Google Japan to submit a settlement proposal reflecting the Grand Panel Judgment approach if it was willing to obtain a license.” (Underlining added by the authors.)⁷

The Tokyo District Court then found that Google Japan responded it could not submit a proposal under the Grand Panel Judgment approach because of excessive computational complexity and, moreover, refused to disclose even the sales revenue and unit volumes of the infringing products, holding:

“Despite consenting to the settlement recommendation proposed by the court, Google Japan refused to disclose the sales revenue and unit volumes of the infringing products and failed to submit a proposal under the Grand Panel Judgment approach, thereby foreclosing the possibility of settlement by itself. Taking the court’s request at face value, the court cannot acknowledge that Google Japan is considered as willing to obtain a license.” (Underlining added by the authors.)

⁶ Findings of fact concerning the settlement negotiations are highlighted in green in the Annex.

⁷ The “Grand Panel Judgment” referred to in the Tokyo District Court Judgment refers to the IP High Court (Grand Panel) judgment dated May 16, 2014.

In conclusion, the Tokyo District Court determined that “under these circumstances, it is appropriate to recognize that there are special circumstances indicating that Google Japan lacked willingness to obtain a license on FRAND terms” and thus concluded that Pantech’s injunction claim based on the ’224 Patent could not be deemed an abuse of rights. Based on such determination and conclusion, the Tokyo District Court rejected the FRAND defense asserted by Google Japan and granting the injunction sought by Pantech.

3.2.4 The Tokyo District Court’s obiter dictum on whether negotiation history between the parties alone can constitute “special circumstances”

Although the determination and conclusion mentioned above sufficed to reject the FRAND defense asserted by Google Japan, since Pantech argued that, even looking solely at the negotiation history prior to the court facilitated settlement discussion, there were special circumstances indicating Google International’s lack of willingness to obtain a license on FRAND terms, the Tokyo District Court briefly addressed this point in an obiter dictum.

First, the Tokyo District Court found the following facts (i) to (vii)⁸:

- (i) Google International expressed its willingness to obtain a license on FRAND terms to Pantech and simultaneously proposed negotiations toward concluding an NDA, continuing negotiations with Pantech until November 19, 2020. (See Items 2-4 of the list in the Annex)
- (ii) Google International and Pantech were unable to conclude an NDA early due to differing views on Article 9 of the Google NDA Draft. However, even while NDA negotiations were suspended, Google International reviewed the claim charts and other materials disclosed by Pantech, completing this review on October 18, 2021. (See Items 4 and 12 of the list in the Annex)
- (iii) Google International received the Pantech First Proposal, pointed out the reasons why it could not be considered reasonable, provided supporting evidence, and presented the Google International Counterproposal. (See Item 16 of the list in the Annex)
- (iv) The content of the points raised by Google International in (iii) above cannot be deemed particularly unreasonable.
- (v) Pantech, without providing any explanation regarding Google International’s above-mentioned (iii) points, maintained the royalty rate in the Pantech First Proposal and only offered a proposal reflecting Google International’s product sales status. (See Item 18 of the list in the Annex)
- (vi) Pantech notified Google International that it had determined Google International was not willing to obtain a license and proceeded to file an application for a preliminary injunction. However, it is difficult to say that Pantech necessarily exhausted all possible measures to advance negotiations, such as responding sincerely to Google International’s above-mentioned (iii) points. (See Item 21 of the list in the Annex)
- (vii) Google International subsequently continued negotiations with Pantech in parallel with these legal proceedings, responding to Pantech’s proposed license terms and itself presenting multiple sets of license terms. (See Items 24 and 26-31 of the list in the Annex)

The Tokyo District Court then held:

“Google International and Google Japan, after expressing their willingness to promptly and sincerely engage in discussions when requested by Pantech to obtain a license, subsequently required time

⁸ Facts concerning (i) to (vii) are highlighted in blue in the Annex.

for the conclusion of an NDA, identifying the patents subject to licensing, checking the infringement and validity of those patents, verifying their relationship to the 5G standard, reviewing or negotiating the license terms, and other matters. Therefore, it can be said that they made every effort to engage in license negotiations with Pantech.”

“Despite these negotiations, Pantech and either Google International or Google Japan failed to reach a license agreement because the numerical values and other terms presented by both parties regarding the license conditions were incompatible, making further negotiations difficult.”

“Under these circumstances, based solely on the negotiation history between the parties (prior to the court facilitated settlement discussion), it cannot be concluded that there were special circumstances indicating Google Japan lacked the willingness to obtain a license on FRAND terms.” (Underlining added by the authors.)

4. Osaka District Court Case

4.1 Outline of the Case

In the Osaka District Court Case, which is the case between these two same parties and involving the same '224 Patent as those of the Tokyo District Court Case, Pantech filed an application for an injunction in the Osaka District Court to seek to enjoin Google Japan from transferring, etc. of the smartphone “Pixel 7a” based on a claim infringement with respect to the '224 Patent.

The factual circumstances of the Osaka District Court Case are substantially common to those of the Tokyo District Court Case⁹. However, there is a key distinction; Pantech and Google Japan agreed in the proceedings of the Osaka District Court Case that, for purposes of assessing the FRAND defense, the end point of the relevant license negotiation period would be established as the end of November 2023.

Google Japan argued that Pixel 7a does not fall under claim 5 of the '224 Patent, that there is a ground to invalidate the '224 Patent, and that Google Japan and Google International are willing to obtain a license for the '224 Patent on FRAND terms and thus an injunction claim based on the SEP committed to be licensed on FRAND terms constitutes an abuse of rights (the FRAND defense).

4.2 Ruling of the Osaka District Court Judgment

The Osaka District Court focused on the FRAND defense without addressing whether Google Japan’s acts of transfers, etc. of Pixel 7a infringe the '224 Patent nor whether the said ground to invalidate the '224 Patent is established and dismissed Pantech’s injunction claim based on its acceptance of the FRAND defense asserted by Google Japan.

4.2.1 Criteria

Even though referring to the decision by the Grand Panel of the IP High Court in Samsung v. Apple, the Osaka District Court applied the same criteria as applied in the Tokyo District Court Judgment and stated that “a patentee’s claim for an injunction based on his SEP shall constitute an abuse of rights and thus is not allowed, unless there are special circumstances indicating the implementer lacks willingness to obtain a license on FRAND terms.”

⁹ Please note that in a PDF copy of the Osaka District Court Judgment available on the court website, significant portions of the facts found by the court are omitted. Therefore, it is not necessarily clear what facts are exactly found in the Osaka District Court Judgment, and it is impossible to make a precise comparison of the facts found in the Osaka District Court Judgment with the facts established in the Tokyo District Court Judgment.

4.2.2 Findings of Fact and Application of the Criteria

The Osaka District Court identified the relevant facts for assessing the existence of “special circumstances indicating Google Japan lacks willingness to obtain a license on FRAND terms” in this case as facts up to the end of November 2023, mentioning that the court can also consider facts arising after such cutoff date as necessary. On that basis, the Osaka District Court addressed subclauses 4.2.2.1 to 4.2.2.3 below and others and concluded that the injunction relief sought by Pantech based on its claim of infringement in relation to the '224 Patent was not allowed; in other words, the FRAND defense succeeded.

4.2.2.1 Google International’s attitude in the License Negotiation

The Osaka District Court first noted the following points regarding Pantech’s attitude:

- Pantech agreed to negotiate the terms of the NDA proposed by Google International for the purpose of facilitating smooth license negotiations at the time when Google International expressed its willingness to obtain a license from Pantech on FRAND terms on July 7, 2020;
- Pantech disclosed claim charts for exemplary patents subject to license the month following its January 13, 2021 proposal (Pantech’s first proposal). Pantech further disclosed additional claim charts and created a list of relevant SEPs at Google International’s request, and promptly responded to technical questions raised by Google International regarding the claim charts; and
- Pantech responded promptly on March 2, 2022, to Google International’s counterproposal and subsequent amendments presented in Google International’s first counterproposal.

However, the Osaka District Court observed that Pantech did not provide concrete calculation bases for Pantech’s first proposal until roughly ten months later, and that license agreements which are useful for considering the proposed terms and conditions are reasonable or not were disclosed only on July 30, 2023, pursuant to a Mannheim Regional Court order (i.e., an order issued by the Mannheim Regional Court in Germany in a patent infringement case brought by Pantech against Google).

Subsequently, the Osaka District Court noted the following points regarding the Google International’s attitude in the license negotiation and held that “it can be assessed that Google International endeavored to respond to Pantech’s proposals, etc., as promptly as possible.”

- Google International, after expressing its willingness to obtain a license on FRAND terms to Pantech on July 7, 2020, presented conditions and conducted negotiations toward concluding an NDA it had proposed.
- Google International received Pantech’s first proposal from Pantech on January 13, 2021. After receiving the calculation basis from Pantech on November 2, 2021, Google International reviewed the disclosed claim charts. Then, based on discussions with Pantech, Google International pointed out issues regarding Pantech’s first proposal and presented Google International’s first proposal on March 2, 2022.
- Google International promptly showed Pantech the basis for its counterproposal and also presented a revised proposal.

The court then noted the following two points and concluded that, as of the end of November 2023, Google International’s conduct did not reflect a lack good faith in relation to its negotiations with Pantech towards a license agreement on FRAND terms.

- A certain period elapsed between Pantech’s proposal for license negotiations and Google International’s expression of willingness to obtain a license with respect to the '224 Patent, and the commencement of substantive license negotiations via the underlying NDA negotiations. However,

during this period, they proceeded with negotiations on the terms of the NDA, which cannot necessarily be deemed unnecessary. Upon receiving a proposal for specific license terms, they can be said to have conducted timely reviews based on the disclosed information.

- It should be considered somewhat unavoidable that Pantech and Google International did not immediately and accurately provide all materials necessary for license consideration during the negotiation process, including those related to relevant patents. Both parties endeavored to disclose materials supporting the rationale for their respective calculation methods to the greatest extent possible and, based on this premise, revised and presented feasible concession proposals.

4.2.2.2 Pantech's Proposal for the License Agreement

Regarding Pantech's first proposal, the Osaka District Court recognized that Google International's doubts about the percentage used for calculating the license fee were understandable, given doubts about the freshness and accuracy of underlying data and the reliability of Pantech's portfolio share.

The court then held:

"Pantech should have provided explanations, such as addressing the doubts raised by Google International, to demonstrate that the percentage used for calculating the license fee in question falls within the scope of FRAND terms." (Underlining added by the authors.)

Furthermore, the Osaka District Court stated (referencing the omitted portion), "Regarding the basis for the percentage used for calculating the license fee in Pantech's first proposal and the extent of the percentage reduction, no particular explanation was provided. This failed to address Google International's aforementioned doubts whatsoever. It must be said that, on its own, it remained impossible for Google International to understand that it fell within the scope of FRAND terms."

Regarding this point, Pantech argued that it provided Google International with license agreements it entered into with other device manufactures after the agreed end of November 2023 cut-off. However, the Osaka District Court ruled on this argument, stating:

"For these to be referenced in determining the percentage for calculating the license fee between Pantech and Google International, the terms and conditions in each agreement must be reasonably verified. Therefore, it must be said that even at the conclusion of the hearings in this case, it remains difficult to immediately understand that Pantech's proposal falls within the scope of FRAND terms based solely on the existence of these agreements."

4.2.2.3 Google International's Proposals for the License Agreement

As to Google International's proposals (Google International's first through third proposals), the Osaka District Court assessed that "from the perspective of avoiding royalty stacking for implementers, it can be said that at least this method cannot be excluded from consideration when examining FRAND terms."

The court then pointed out:

"It is common knowledge that the performance of the (LTE) communication portion, which is the essential part of the technology covered by the '224 Patent, is generally common across the series of smartphones sold by Google Japan (including Pixel 7a) (or, not limited to these, smartphones in general), and that the price of the device largely depends on various non-communication performance factors such as the device manufacturer, SoC chip, screen, camera, and auxiliary storage capacity."

The court further held:

"That Google International emphasized this point during negotiations cannot be entirely faulted as a

judgment made at each point in time when the basis for Pantech’s proposal was unclear. At the very least, the fact that Google International did not change its stance on this point as of the end of November 2023 cannot be interpreted as indicating a lack of willingness to enter into a license agreement on FRAND terms [...].” (Underlining added by the authors.)

4.2.2.4 Conclusion

Based on these considerations, the Osaka District Court concluded:

“Google International, and Google Japan who had entrusted license negotiations to Google International, were, at least as of the end of November 2023, willing to obtain a license on FRAND terms. Considering also that whether Pantech’s proposal fell within the scope of FRAND terms remained an open question even at the close of hearing, Pantech’s injunction claim based on a claim of infringement constituted an impermissible abuse of rights.”

5. Comment: Significance of the Tokyo District Court Judgment and Osaka District Court Judgment

While the Tokyo District Court Judgment and Osaka District Court Judgment appear to contain many points worthy of consideration and attention, we would like to note the following three points:

First of all, the Tokyo District Court Judgment and Osaka District Court Judgment are notable because, in Japan, there had been few court cases to address limitations on the rights of SEP owners to seek injunctions based on claims of infringement with respect to FRAND-committed SEPs in post Grand Panel Decisions of *Samsung v. Apple* in 2014. In particular, the Tokyo District Court Judgment is significant as the first time a Japanese court has issued a judgment granting an injunction grounded on a FRAND-committed SEP.

Second, rulings in both the Tokyo District Court Judgment and Osaka District Court Judgment suggest practical points for parties involving SEP license negotiation. Both courts found facts in detail in relation to the parties’ license negotiations and proposals made during the negotiations (while significant portions of the facts found by the court are omitted in the publicly available version of the Osaka District Court Judgment). Based on their factual assessment, the Tokyo District Court, albeit in obiter dictum, stated that the negotiation history alone did not establish “special circumstances” indicating Google Japan lacked willingness to obtain a FRAND license, and the Osaka District Court likewise held that Google International and Google Japan were willing to obtain a license at least as of the end of November 2023. Taken together, the judgments illuminate how Japanese courts may evaluate specific steps in SEP license negotiations—for example, NDA negotiations, identification of licensed patents, assessments of infringement and validity of those patents, and negotiation for terms and conditions of the license agreement (including method of calculation for license fee).

Third, on the other hand, the Tokyo District Court found “special circumstances” indicating Google Japan lacked willingness to obtain a FRAND license based on Google Japan’s conduct in the court-facilitated settlement process, including their refusal to disclose sales and unit data and failure to submit a proposal under the Grand Panel Judgment approach after agreeing to a court-facilitated settlement proceeding. While whether that reasoning applies to similar cases must be considered carefully, the ruling of the Tokyo District Court suggests that, in future cases involving SEP license negotiations, parties should exercise particular caution and give careful consideration to how they respond to settlement discussions before the court, including decisions on whether to participate in such discussions and how such discussions should be conducted.

Lastly, both judgments are issued by trial courts of first instance, and we understand the Tokyo District Court Judgment was appealed, while it is unclear whether an appeal was filed against the Osaka District Court

Judgment, though it is possible. Careful consideration should be given to the decision of the IP High Court which will conduct the appellate review of the Tokyo District Court Judgment, particularly given that appellate courts may consider post-trial negotiation developments and may further assess parties' negotiation conduct and methodologies in light of any subsequent record. We will keep you informed once there are any updates on this matter.

November 14, 2025

Annex: Facts found by the Tokyo District Court¹⁰

No.	Date	Facts
1	June 12, 2020	Pantech sent a letter dated June 12, 2020 and proposed commencing negotiations to Google International for a license granting rights to inventions relating to 593 patents owned by Pantech (all corresponding to 3G or 4G [LTE] communication systems). Although a list of the aforementioned patents was attached to the letter, it did not include claim charts for each patent nor the numbers of the corresponding standards documents.
2	July 7, 2020	Google International sent a letter dated July 7, 2020 to Pantech. In this letter, Google International expressed its willingness to obtain a license for Pantech's SEPs on FRAND terms and proposed entering into a non-disclosure agreement. A draft non-disclosure agreement (the " Google NDA Draft ") was enclosed with the letter.
3		Pantech and Google International disagreed on the scope of "Patent Related Materials" under Article 9 of the Google NDA Draft. Consequently, they negotiated by exchanging revised proposals. The aforementioned Article 9 stipulated that "Patent Related Materials" disclosed between Pantech and Google International would not constitute the basis for an infringement notice or knowledge on the part of Google International under U.S. law or similar legislation and Pantech was required to waive its right to use the "Patent Related Materials" or any consideration or analysis of such materials by Google International as evidence to establish the basis for any such infringement notice or Google International's knowledge in judicial, administrative, or any other proceedings under applicable law.
4	November 19, 2020	Google International informed Pantech by email that it could not accept Pantech's proposal regarding Article 9 of the Google NDA Draft. Google International attached its signed version of the Google NDA Draft as of that date to the email and requested that Pantech sign the draft if there were no other issues.
5	January 13, 2021	<p>Pantech proposed to Google International that license negotiations proceed without concluding an NDA, arguing the lengthy NDA negotiations causing delays in the license talks. Pantech also sent a summary of license terms (the "Pantech First Proposal") and a list containing a total of 66 LTE standard essential patents and corresponding standard document numbers. Note that the Pantech First Proposal did not include the basis for calculating the royalty rate at this juncture.</p> <p>[Contents of the Pantech First Proposal]</p> <ul style="list-style-type: none"> • Licensed Patents <p>All SEPs for LTE standards and non-SEPs currently assigned to Pantech</p>

¹⁰ Please note that the findings of fact described in the tables of the Annex at are not a verbatim transcription of the facts found by the Tokyo District Court and some of the facts are omitted.

No.	Date	Facts
		<ul style="list-style-type: none"> Licensed Products LTE-capable mobile phones Mobile phones infringing the non-SEPs Contract Period January 1, 2021 to December 30, 2025 License Grant Territories /Royalty rate United States, Europe, Japan, and South Korea: 0.75% of the sales price Other regions: 0.4% of the sales price
6	February 8, 2021	Pantech disclosed claim charts for 6 (six) U.S. patents (including patents other than SEPs for LTE standards) to Google International.
7	May 14, 2021	Pantech informed Google International that it (via a Pantech subsidiary) had acquired a patent portfolio which included patents corresponding to the LTE communication method held by Signal Trust, through a succession agreement, and stated that it would also offer for a license for the patents in this portfolio.
8	May 19, 2021	Google International requested Pantech to disclose claim charts for the patents acquired from Signal Trust.
9	June 4, 2021	Pantech sent Google International the claim charts for 22 patents acquired from Signal Trust. Note that Google International had received the claim charts for these 22 patents from Signal Trust in 2020, but at that time, Google International had not yet needed to conduct a detailed review of Signal Trust's claim charts.
10	July 7, 2021	Pantech proposed to Google International, by a letter dated July 7, 2021, to also negotiate licenses for many patents held by Pantech and its subsidiaries, stating that these patents are also SEPs for 5G communication systems. The letter included a table listing the numbers of each patent and the corresponding standard documents.
11	August 4, 2021	Pantech sent claim charts for 5 (five) 5G SEPs, as listed in the letter dated July 7, 2021, to Google International.
12	October 18, 2021	Google International notified Pantech that it had completed its review to determine whether the products sold by Google International fall within the technical scope of the inventions covered by each of the patents that were the subject of Pantech's license negotiations, and requested that Pantech provide the basis for calculating the royalty rate proposed by Pantech.
13	November 2, 2021	Pantech participated in a video conference with Google International and explained the basis for calculating the royalty rate stated in the summary of license terms.
14	November 15, 2021	Google International requested Pantech to enter into an NDA again and commenced negotiations for the conclusion of an NDA.
15	December 13, 2021	Google International and Pantech entered into an NDA after Google International agreed to delete Article 9 from the Google NDA draft.
16	March 4, 2022	Google International participated in a video conference with Pantech. Google International pointed out numerous unreasonable aspects of the negotiations, such as the calculation basis for the license rate

No.	Date	Facts
		<p>explained by Pantech on November 2, 2021, being based on outdated materials from 14 years ago, and explained that this resulted in an unreasonably high license rate. Google International then proposed a license rate based on recent information regarding SEPs for smartphones (the “Google International Counterproposal”). Pantech listened to the explanation regarding the Google International Counterproposal but ended the video conference without asking any questions about its basis. Google International interpreted Pantech’s conduct during the meeting as indicating a lack of interest in potential transactions with Google International and therefore did not send Pantech the presentation materials for the Google International Counterproposal.</p> <p>[Contents of the Google International Counterproposal]</p> <ul style="list-style-type: none"> • Cumulative royalties for cellular SEPs related to smartphones ●(omitted)● dollars • Pantech’s share of the 4G/5G cellular SEP stack ●(omitted)●% / ●(omitted)●% • Pantech’s overall share ●(omitted)●% • FRAND offer per unit ●(omitted)● dollars • Example of lump-sum payment Lump sum ●(omitted)● dollars <p>Term: 5 years (July 2021 to June 2026) Licensed Products: All products Licensed Patents: All Patents</p>
17	March 15, 2022	Google International sent the presentation materials for the Google International Counterproposal via email in response to a request from Pantech.
18	March 24, 2022	<p>Pantech informed Google International that regarding the Google International Counterproposal: (i) The number of SEP families and the royalty stack figures are incorrect, and it is not an appropriate FRAND analysis based on a top-down approach; (ii) Regarding the royalty stack, considering that Release11 was frozen in 2013, patents deemed essential after that point are largely irrelevant to LTE actually implemented in mobile devices, and setting the royalty per unit at ●(omitted)● dollars per unit is arbitrary, and setting the royalty stack below ●(omitted)●% is unreasonable with no factual basis. Pantech also emailed materials from its “Pantech Intellectual Property Licensing Program.” The above materials purported to reflect Google Japan product sales through December 2021, yet the license rates shown maintained the Pantech First Proposal. Notably, Pantech did not address Google International’s objections regarding the unreasonableness of the Pantech First Proposal.</p>
19	April 4, 2022	Google International informed Pantech that it was willing to license Pantech’s SEPs on FRAND terms, and that Pantech had not yet made

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		an offer consistent with FRAND terms. Google International requested that Pantech contact them if it wished to discuss the Google International Counterproposal or if it wished to present a counterproposal consistent with FRAND terms.
20	July 8, 2022	Pantech informed Google International that it did not believe Google International was genuinely willing to obtain a license, while asserting that the Pantech First Proposal met FRAND terms and that the Google International Counterproposal did not meet FRAND terms.
21	August 17, 2022	Pantech filed a petition for a preliminary injunction with the Tokyo District Court. The Tokyo District Court issued a decision on June 30, 2023, dismissing the above petition. Pantech filed an appeal against the above decision with the IP High Court. The IP High Court issued a decision on December 25, 2023, dismissing Pantech's appeal.
22	February 15, 2023	Google International sent a letter to Pantech through its representative in the German litigation, stating that it was collecting information on past sales volumes of Google International's smartphones and that it planned to provide a security deposit to cover FRAND royalties for past sales and the period until a license agreement was concluded.
23	March 14, 2023	Google International disclosed the past global sales volume of its LTE smartphones.
24	June 30, 2023	Pantech, through its representative in the German litigation, again proposed licensing terms (the " Pantech First Revised Proposal "). Furthermore, under the confidentiality protection system in the German litigation, Pantech submitted as evidence a comparable existing license agreement with a handset manufacturer that, like Google International, manufactures and sells mobile devices. Pantech First Revised Proposal separated the licensed patents into those that were only SEPs and those that included non-SEPs, and then reduced the royalty rates based on the royalty rate outlined in the license terms summary.
25	August 17, 2023	Pantech filed this lawsuit with the Tokyo District Court.
26	September 12, 2023	Pantech and Google International held a video conference. During the video conference, Google International pointed out issues with the calculation details of Pantech's proposal and stated that the existing license agreement presented by Pantech could not be considered comparable. Furthermore, Google International provided the latest sales volume projections, including estimates for the license term. Pantech expressed a desire to create a lump-sum proposal based on this information.
27	September 21, 2023	Pantech submitted a lump-sum royalty payment proposal (the " Pantech Second Revised Proposal ") to Google International in response to the video conference exchange on September 12, 2023. This proposal maintained the royalty rate proposed in the Pantech First Revised Proposal while proposing a lump-sum payment method.
28	September 25, 2023	Google International responded to the Pantech Second Revised Proposal, stating that the license rate proposed by Pantech was not

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		FRAND-compliant and that it planned to present a counterproposal at a later date.
29	October 9, 2023	Pantech informed Google International that it would consider a proposal combining partial royalty payments with the assignment of patents held by Google International, if such a proposal was made during the agent-to-agent discussions.
30	November, 2023	Google International held a video conference with Pantech and presented a counterproposal (the “ Google International Revised Proposal ”). The Google International Revised Proposal indicated a lump-sum payment amount covering the period up to the end of 2026, and the lump-sum payment amount until the patents’ terms expire. This proposal maintained the base amount from the Google International Counterproposal while increasing the lump-sum payment amount in response to changes in Google International’s projected product sales and raising the royalty rate by 10%.
31	February 10, 2024	Pantech rejected the Google International Revised Proposal, stating that it was based on adjustments to sales forecasts and that the underlying calculation method remained unchanged.
32	July 23, 2024	At the third preparatory hearing, the Tokyo District Court disclosed its findings of infringement to both parties, recommended settlement, and inquired whether either party intended to engage in settlement discussions within the Japanese court proceeding based on the global SEP portfolio. It requested that Google Japan, if it was willing to engage in settlement discussions within the Japanese court proceeding, by September 6, 2024, to consider the direction of settlement, including whether to maintain the content of the Google International Revised Proposal, and to propose a specific plan. In response, Pantech and Google Japan replied after the above preparatory hearing that they intended to proceed with settlement proceedings based on the global SEP portfolio in this litigation.
33		Google Japan presented its settlement proposal in response to the Tokyo District Court’s instruction dated July 23, 2024. The content of Google Japan’s settlement proposal was a lump-sum payment based on an amount calculated by multiplying the royalty amount per device by the total number of past and projected future sales of smartphone models (including all models) by Google International and its affiliates. This amount was substantially the same as Google International Revised Proposal.
34	September 30, 2024	At the fourth preparatory hearing, the Tokyo District Court requested Google Japan to propose a new settlement agreement, based on the calculation method indicated in the Grand Panel judgment (referring to the method using final product sales revenue as the starting point for calculation) and taking into account comparative approaches, if it was willing to obtain a license.
35		Following the Tokyo District Court’s instruction on September 30, 2024, Google Japan conducted thorough discussions within Google

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		International. However, it concluded that submitting a further settlement proposal based on the method suggested by the court would be difficult. The reasons cited were as follows. (i) This case differs from the subject matter of the Grand Panel case, as the products in question - Google International's 4G, 5G product lines - encompass a vastly more diverse range of models than those in the Grand Panel case. Applying the Grand Panel approach directly would make calculations excessively complex. (ii) The content of Google Japan's settlement proposal is equivalent to, or even more favorable to Pantech than, a proposal based on the Grand Panel judgment approach. Consequently, it did not disclose sales amounts nor sales volumes for any specific infringing product type.
36	December 6, 2024	The Tokyo District Court terminated settlement discussion at the fifth preparatory hearing, as Google Japan stated it could not submit the settlement proposal recommended by the court.

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