

## **Hitachi Metals To Take Appropriate Legal Steps to Address the Recent Decisions of the U.S. Patent and Trademark Office**

The recent decisions of the Patent Trial and Appeal Board (the “Board”) of the U.S. Patent and Trademark Office, made in *inter partes review* proceedings, were that certain challenged claims of U.S. Patent Nos. 6,491,765 (the “’765 patent”) and 6,537,385 (the “’385 patent”) are obvious over prior art. In connection with the Board’s decisions, Hitachi Metals must note that the petitioner in the above *inter partes review* proceedings, the Alliance of Rare-Earth Permanent Magnet Industry (the “Alliance”), has once again made and disseminated in the Chinese media purposefully false assertions that the ‘765 and ‘385 patents had been invalidated in their entirety. In disseminating such false information through the Chinese media, the Alliance is attempting to mislead the public, particularly parties involved in sintered NdFeB magnet business. As noted above, the Board’s ruling only applied to certain challenged claims of the ‘765 and ‘385 patents and is subject to further legal steps by Hitachi Metals.

Such determinations of partial invalidity by the Board, even if not changed, will not impact the validity of the ‘765 and ‘385 patents as to the remaining claims, nor do they address in any way the validity of the 600 or more other patents owned by Hitachi Metals that are directly associated with sintered NdFeB magnets. Hitachi Metals’ extensive patent portfolio, the result of substantial capital investment and research and development efforts devoted by Hitachi Metals, comprise both component and process patents spanning the entire manufacturing process for Hitachi Metals’ magnet products and represent the core of Hitachi Metals’ competitiveness in the sintered NdFeB magnet industry. Hitachi Metals intends to continue to vigorously defend and protect its sintered NdFeB magnet patent portfolio, and advance its views and positions on behalf of itself and its licensees and customers.

Hitachi Metals, Ltd.  
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