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Mr. Ueda received the Award of Excellence in recognition of outstanding patent prosecution in 2011 from Microsoft

Mr. Makoto Ueda, who has been in charge of the Microsoft prosecution team of Yuasa and Hara since 2008, which comprises seven patent attorneys and one administrator, received the Award of Excellence in recognition of outstanding patent prosecution in 2011, from the IP & Licensing–Patent Group of Microsoft Corporation.



Mr. Banowsky Mr. Ueda



Mr. Ueda was commended as an outstanding patent attorney in 2011 by Mr. Banowsky, Senior Director, Worldwide Patent Procurement of Microsoft Corporation, during the regular annual meeting between Microsoft Corporation and the Microsoft team of Yuasa and Hara held on May 23, 2012 at our firm in Tokyo.

We are very proud that the Award has been granted to Mr. Ueda, who performed outstandingly and recorded 42 allowances (about 33% of the total number of 128 allowances) with about a 69% allowance rate (3) (the team's allowance rate (3) was 74.4%) in 2011, but we consider that the Award reflects the performance not only of Mr. Ueda but also that of our entire team led by him. Our team received 128 granted patents, which was more than double the allowance 2010 with increasing allowance rate.

During last three years, the number of dispositions and granted patents has increased at the rate of 100% every year. Further, the allowance rate (3) had improved from 68.9% to 74.4% in 2011. We have been contributing to increasing the patent portfolio of Microsoft in Japan last three years.

The Microsoft prosecution team, was set up to prosecute patent cases of Microsoft Corporation by using the Patent Prosecution Highway (PPH) in 2006.

The total number of cases handled using PPH is 95 to date. Our team has accumulated expertise in prosecution in Japan by making the best use of patented claims and prosecution history in the US.

We use the Anaqua system to prosecute Microsoft applications, through which we can access all information relating to patent family cases. We usually do not re-

ceive instructions on individual Japanese cases; rather, persons in charge develop and make proposals on our strategy including draft arguments and amendments to prosecute cases in Japan by referring to the foregoing information.

In other words, our team members are requested to make the best use of their expertise and creativity to bring cases to fruition in Japan.

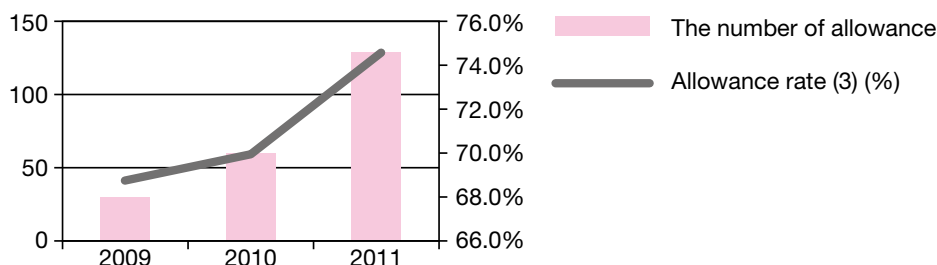
During the prosecution through the PPH, our team members continuously consult each other to attain the best result and the person in charge makes the best use of interviews with an examiner by phone and/or in person.

Since 2009, we have been gradually expanding our acquired expertise to prosecution of ordinary cases and are requested to report prosecution results every month.

Our team aims to achieve grant of patent of every case during normal examination, without filing an appeal. The ratio has improved from 77% in 2009 to 80% in 2011.

Our team members continue to renew their commitment to make every effort to achieve satisfactory results for our client in cases with which we are entrusted.

The number of allowance and allowance rate for each year



year	Number of disposition	Number of Patent	Type 1	Type 2	Type 3	Final Rejection	Allowance Rate (1)	Allowance Rate (2)	Allowance Rate (3)
2011	172	128	103	21	4	44	70.1%	73.8%	74.4%
2010	87	61	49	9	3	26	65.3%	69.0%	70.1%
2009	45	31	24	3	4	14	63.2%	65.9%	68.9%

Remarks:

“Type 1:” allowance at an examination stage;

“Type 2:” allowance at a **re-consideration stage; and

“Type 3:” allowance at an appeal stage.

“Allowance Rate (1):” number of allowance type 1 / ((number of allowance type 1) + (number of final rejection));

“Allowance Rate (2):” number of allowance types 1+2 / ((number of allowance types 1+2) + (number of final rejection)); and

“Allowance Rate (3):” number of allowance types 1+2+3 / ((number of allowance types 1+2+3) + (number of final rejection)).

**Re-consideration in Japan

If an applicant files an Appeal with an amendment, the case will be brought to the original examination for re-consideration.

Shinjiro Ono (Mr.);
Patent Attorney of the Patent Division

Responsibility of an Internet shopping mall for trademark infringement by its sellers

Case Number: (Ne) No. 10076, 2010, IP High Court, February 14, 2012:

1. Introduction:

The main issue of the subject trial was whether the appellee “Rakuten”, who operates the largest Internet shopping mall in Japan, should take responsibility for a trademark infringement and therefore pay damages and/or be subject to an injunction together with the infringing web shop which had opened a store on Rakuten’s online shopping mall and sold products which constituted trademark right infringement. The Intellectual Property High Court (hereinafter “IP High Court”) issued a decision that such a shopping mall needs to take responsibility on certain conditions. In other words, the IP High Court decided that a trademark right holder may claim trademark infringement against such a shopping mall on certain conditions. However, in the subject case, as the appellee “Rakuten” deleted the pictures/indications of the infringing products from the website within a reasonable period from the arrival date of a caution issued by the appellant, the IP High court held that Rakuten did not infringe the subject trademark right.

2. Factual background:



The appellant, who is the plaintiff of the first trial, is an Italian corporation managing the following trademark rights for “Chupa Chups Mark” (please refer to the mark on the left) under Registration Nos. 4296505, 4371802 and 5188082 (Reg. Dates: July 16, 1999, March 31, 2000, and December 12, 2008,

respectively), for the following goods: clothing, coats

in Class 25 (The rest is omitted.), laboratory apparatus and instruments in Class 9 (The rest is omitted.), and handbag frames in Class 18 (The rest is omitted.).

The appellee Rakuten, who is the defendant in the first trial, is a company providing marketing services, retail store services, consultation services and mail-order services and has been managing a shopping mall named “Rakuten Ichiba” prior to April 2009, through which consumers can choose and purchase products sold by many online sellers. The sellers place their own web-pages on “Rakuten Ichiba”, and sell and indicate products via the web shops (virtual shops).

The web shop owners of the subject case made agreements with Rakuten Ichiba as to the opening of the shops in the shopping mall, and exhibited products bearing trademarks similar to the subject registered trademarks on their shopping site in Rakuten Ichiba, prior to August 10, 2009. The products were baby bibs, caps, straps for mobile phones, handbags, mugs and lunch boxes, and their pictures were as follows:



In the subject trial, the appellant claimed that the acts of exhibiting and selling the subject products in the appellee's shopping mall "Rakuten Ichiba" shall constitute an infringement of the subject trademark rights by the appellee and correspond to acts of unfair competition, namely, a free-ride on the well-known mark "Chupa Chups". The appellant thus claimed that the appellee should compensate for monetary damages based on Art. 709 of the Civil Law and Art. 4 of the Unfair Competition Prevention Act, and be subject to an injunction based on Art. 36, Par. 1 of the Japanese Trademark Act and Art. 3, Par. 1 of the Unfair Competition Prevention Act.

In the decision in the first trial dated August 31, 2010, the court held that the plaintiff's claim should be rejected because the party who sold the infringing products through the web shops registered on the defendant's website should be the sellers, rather than Rakuten, the defendant of the first trial.

The plaintiff was dissatisfied with the decision of the first trial, and filed an appeal before the court of second instance.

3. The gist of the appeal court decision:

3-1. It is clear that the holder of a trademark right is allowed to demand an injunction, for example deletion of web pages, and to claim for damages based on the trademark rights directly against the infringing online sellers, when the sellers have opened their web shops (shopping page(s)) on a website like the appellee's Internet site, displayed products bearing a third party's trademark in the virtual shop where consumers can view and purchase the exhibited products through a certain process, and sold the infringing products, which constitutes an act of trademark infringement.

Additionally, under the following conditions, it would be reasonable for a trademark right holder to claim for damages and demand an injunction based on its trademark rights against the administrator of the online shopping mall site after a reasonable period.

- The administrator not only provides environments where a seller can open its website, but also administrates and controls the seller and its website (note: the underlined part added by the author). More specifically, the appellee provides an operating system, decides whether or not it permits the seller to open a web shop on the web mall, temporarily stops operation of its seller's web shop when necessary or when the shop has caused trouble, or completely stops the operation of the shop.
- The administrator has obtained business benefits, for example usage fees for systems and shop opening fees from the seller.
- There is a rational reason(s) sufficient to recognize that the administrator was aware or was able to be aware of the trademark infringement made by the seller.
- The infringing content has not been deleted from the website within a reasonable period.

3-2. The reasons are as follows:

- (1) Such a sales system of an online shopping mall like the appellee's mall (Rakuten), which enables consumers to shop online from many sellers via their websites, is convenient for both sellers and consumers, socially very beneficial, and most of the products shown on the sellers' websites do not infringe third parties' trademark rights. Therefore, basically, such a sales system as that in the subject case poses little risk of trademark infringements.
- (2) Even if there is a possibility that products sold on a seller's website infringe a trademark, the sellers might have a right to use the trademark in issue based on prior use thereof, might have been granted a license to use the trademark by the trademark right holder, or the products might be parallel import goods. Therefore, the possibility of trademark infringement by a web mall administrator is not necessarily high.
- (3) Meanwhile, an act of trademark infringement is a criminal act which constitutes a violation of the Japanese Trademark Act as penal law. If

products shown on a website of a seller of the administrator's online shopping mall constitute infringement of a third party's trademark right, and if the administrator has recognized its seller's trademark infringement in a concrete manner and resultantly allowed the infringing act(s), then the online shopping mall administrator should have contributory responsibility in the infringement of the third party's trademark right and will thus have violated the said law or regulations.

- (4) The online shopping mall administrator has entered into a shop-opening agreement with its seller, and the administrator has received business interests from the seller such as shop-opening fees and usage fees for its system based on the administrator's operation of the website.
- (5) Additionally, when the online shopping mall administrator has recognized the act(s) of trademark infringement by its seller, it could have taken steps to prevent any unfavorable outcomes, for example, it could have deleted the infringing content, banned the infringing shop from having its website, and the like, under the contract with the seller.

3-3. Considering all the various factors together, when the online shopping mall administrator has been informed by a trademark holder that there has been a violation of the Japanese Trademark Act, the administrator should promptly conduct an investigation on whether there has been any infringement and also seek opinions from its seller and/or take other possible measures where necessary. If the administrator has taken such action in a reasonable manner, it should not be made liable for damages or be subject to an injunction. However, if it has failed to take such action, then the administrator should bear responsibility for the seller's trademark infringement, together with the infringing seller.

Article 37 of the Japanese Trademark Act provides a definition about the "acts deemed to be infringe-

ment" (the article provides for so-called indirect infringement, and partly defines acts corresponding to indirect infringements). However, a trademark right is "an exclusive right to use the registered trademark with respect to the designated goods/services" (Art. 25 of the said act) and the owner of a trademark right may require the person who is infringing or is likely to infringe the trademark right to discontinue or refrain from such infringement" (Art. 36, Par. 1 of the said act). Accordingly, an infringing party should not be limited to a person who is using a trademark as defined under Art. 2, Par. 3, and thus it should be possible to consider who should be included in the infringing party(s) in the light of social or economic points. Therefore, even though Art. 37 of the Trademark Act clearly stipulates conditions on indirect infringement, trademark infringement may not be limited to only those defined in Art. 37.

In view of the subject case based on the aforementioned conditions, the first trial defendant administers its Internet shopping mall having the aforementioned system and it obtained business interests from the sellers such as shop-opening fees and usage fees for the system. The pages displaying product Nos. 1 and 2 (Please refer to the chart below.) were deleted on April 20, 2009 and it took 18 days from the commencement of display before the deletion thereof. Meanwhile, the deletion date is identical to the date when the first trial defendant received the content-certified mail issued by the attorney at law of the appellant and recognized the trademark infringement. Additionally, it took 80 days from the commencement of the display of product Nos. 3 through 8 before the deletion thereof. However, it took only 8 days to the deletion from October 20, 2009, on which the written complaint of the subject trial arrived at the first trial defendant and it became aware of the trademark infringement. Furthermore, it took only 6 days from the deletion of product Nos. 9 through 12 until the initial display thereof. Accordingly, it is appropriate to note that the first trial defendant resolved

the trademark infringement within the reasonable period. Consequently, under the circumstances, it is impossible to say whether the administration by the first trial defendant constituted an infringement of the subject trademark right.

No.	Products
1	Key Holder
2	Baby bib
3	Baby bib
4	Cap
5	Strap for mobile phone
6	Boston Bag
7	Mug cup
8	Lunch box
9	Cap
10	Strap for mobile phone
11	Strap for mobile phone
12	Mug cup

(This chart shows products sold by 12 infringing sellers in Rakuten Ichiba. Nos. 9 through 12 are recognized after the filing of the appeal.)

4. Comment:

The subject case is interesting in the point that it sought to determine who should be responsible for damages in a practical manner, rather than relying too much on the word definitions in the related articles of the Japanese Trademark Act. The Japanese Trademark Act has articles of definitions regarding acts of use of trademarks and the acts that naturally constitute an infringement of trademarks. Additionally, there are definitions of acts which are deemed to be trademark infringement (so-called indirect infringement). Rakuten's acts did not seem to correspond to any of them. However, the

decision implies that there is a possibility that Rakuten might be responsible for damage. The decision was epoch-making on the aforementioned point, but at the same time it included some risks as follows:

Regarding the subject case, it is relatively clear that the mark attached to the seller's products is similar to the appellant's registered trademarks in appearance, and the seller soon admitted that they had actually infringed the trademarks. Thus, it might have been relatively easy for the administrator of the Internet shopping mall Rakuten to judge whether the seller's products constituted trademark infringement. In fact, the appellee did not argue from the beginning of the first trial on whether the products constituted trademark infringement. Therefore, in the subject case, it might have been possible to decide that the arrival date of the content-certified mail sent by the appellant's attorney or the arrival date of the written complaint of the first trial was the date when the appellee recognized the trademark infringement. However, it would be ordinarily difficult for an administrator of such an online shopping mall to judge whether products constitute trademark infringement. This is because its seller might have a license to use a trademark right or a seller's products might be genuine products which might have been legally imported on a parallel import basis etc. Such a judgment would be usually possible only by a trademark right holder or a buyer of products. Accordingly, if the decision means that an administrator of an online shopping mall must judge whether there is trademark infringement and delete pictures and so on of infringing products from the website as soon as it receives a letter of warning or a written complaint, it would subject an administrator to very strict conditions and impractical requirements.

Since the period for filing an appeal to the Supreme Court has not lapsed, it is not yet clear whether the decision made by the IP court will become final and binding.

Hanako Kamikura (Ms.);
Patent Attorney of the Trademark and Design Division

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