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## Contents & Abstracts

Note: These abstracts have been written in Japanese and the National Center for Industrial Property Information and Training (INPIT) translated into English for reference. INPIT is entirely responsible for any errors in expressions or descriptions of the translation. In the event of any discrepancy between the Japanese original and the English translation, the Japanese text shall prevail.

■ **Progress of Intellectual Property Dissemination in the Japan Patent Attorneys Association** ..... 2

*SUZUKI Kazunori*

■ **Injunctive Relief Requiring an Infringer of Intellectual Property Rights to Perform a Particular Action Such as Disposal of Infringing Goods** ..... 6

*MIYAWAKI Masaharu*

This paper will discuss injunctive relief that requires an infringer of intellectual property rights to perform a particular action such as the disposal of infringing goods (Article 100(2) of the Patent Act and Article 112(2) of the Copyright Act, etc.) as one of the processes of exercising the right to demand an injunction against the infringement of intellectual property rights. According to commonly accepted opinion, claims for disposal, etc. must accompany a request for cessation or prevention (Article 100(1) of the Patent Act and Article 112(1) of the Copyright Act, etc.) and shall not be requested separately.

However, claims for disposal, etc. are specific measures to stop an infringement, and so in certain cases where such action results in an injunction, and where it would be inappropriate to seek a general/abstract cessation or prevention against the infringer, separate claims for disposal, etc. should be allowed.

It is true that in provisions such as Article 100(2) of the Patent Act which outline claims for disposal, etc. the phrase “in filing the claim pursuant to the preceding paragraph” is used, but this phrase should be read simply to infer the need for the cessation or prevention of the infringement. Specific situations in which separate claims should be acceptable may include when a copyright holder seeks the removal of posts that infringe copyright from a video posting site operator.

In such cases, the upload of the video (making it possible to be transmitted) is performed by a user, so it is sufficient to order the administrator to delete the post. Also, in the case of trademark infringement resulting from the actions of online shopping mall vendors, even if the trademark right holder seeks relief from the shopping mall operator that is the subject of the infringement, in many cases it will be sufficient to simply order the removal of the offending vendor’s page. Furthermore, if the cessation or prevention of the use of trade secrets alone may be too abstract in the case of infringements of trade secrets under the Unfair Competition Prevention Act, it may be possible to accept only requests for specific action that prevents certain usage.

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■ **Calculation of Damages under Article 38(1)(i) and (2) of the Trademark Act and Legal Interests Protected by Trademark Rights - Focusing on Analysis of Recent Court Cases (Since 2012) -** ..... 15

*KANEKO Toshiya*

This paper sets out the application status of recently published judicial precedents (10 years since 2012) regarding the calculation of damages under Article 38(1) and (2) of the Trademark Act and discusses the debate surrounding Article 102 of the Patent Act (especially for four Grand Panel cases) and the perspective of legal interests protected by trademark rights.

There have been eight decisions under Article 38(1) of the Trademark Act, including four cases about calculation and four about denied applications (all from were prior to the 2019 revision). Of the 40 decisions under Article 38(2) of the Trademark Act, 30 have been cases about calculation, and eight about denied applications, as well as two cases where the infringer’s interests were in deficit.

Regarding the application requirements under paragraphs (1) and (2), in general terms, initially some decisions were made in consideration of the characteristics of trademark rights, but since the Grand Panel decision on waste storage equipment (February 2013) there have been many cases decided on the judgement criteria of this decision. In terms of specific decisions, in cases in which a licensee/seller of the trademark rights holder sells products that compete with infringed products while the trademark holder themselves does not sell competing products (within Japan), judicial precedents are divided over the application of paragraphs (1) and (2).

Regarding the overturning of presumption/reduction of contribution under paragraph (2), while the majority of decisions from 2012 to 2016 were made on the basis of the reduction of contribution, since 2017 decisions have been made in the context of overturning presumption (However, the actual content of these decisions often involve overturning for reasons of low contribution to the defendant’s interests on the infringed mark). In terms of specific decisions, unlike in the case of patent rights there are no examples of overturning/contribution reduction rate calculations at intermediate values such as 40-60%, and rather it is notable that there is a polarization between low values such as 0 (not overturned/reduced) to 20% or high values such as 90% or more.

Regarding the application status of the above cases under Article 38(1) and (2) of the Trademark Act, this paper will discuss the relationship with the debate surrounding Article 102 (1) and (2) of the Patent Act, in particular from the perspective of how to consider the protection of trademark rights within the doctrine of damages.

■ **Value Co-Creation Using the Exclusivity of Intellectual Property Rights - Transformation of the Role of Intellectual Property Rights in the Cooperative/Co-Creation Area and Prediction of New Transformation -** ..... 39

*NISHINA Masahiro*

This paper will attempt to show that by using the exclusivity of intellectual property rights, it is possible to achieve the seemingly contradictory development of partnerships for the creation of new value.

For this to happen, firstly, I will show that as value co-creation and open innovation expand as tools for promoting innovation, coupled with the increasing importance of intellectual property, the role played by intellectual property rights will have to change.

Next, I will clarify that “equality” or “equity” relationships are required between entities that gather in

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“platforms” where value co-creation takes place, and I will explain that the exclusivity of intellectual property rights can be use in constructing and maintaining such “platforms”.

Further, after presenting specific examples of the “platform” using the exclusivity of intellectual property rights, I will show that it is possible to achieve both business and investment recovery while creating partners for value co-creation by using the exclusivity of intellectual property rights properly in cooperation/co-creation and competitive areas.

I will further show, with the example of patterns of intellectual property rights utilization in startups, that whether the exclusivity of intellectual property rights is effective for co-creation or monopoly is relative.

In addition, I will clarify the existence of intangible assets such as philosophy and contracts, etc., that are important as a prerequisite for using the exclusivity of intellectual property rights in “platforms” where value co-creation is performed, then I will also touch on the prediction of the new transformation of intellectual property rights.

Finally, given that the deepening of value co-creation and open innovation will lead to an increase in circumstances for the mutual use of intellectual property rights, I will note that a careful approach is needed for attempts to uniformly limit the strengths of exclusivity possessed by intellectual property rights, and will show the expectations for a balanced use of this exclusivity in partnership creation and monopolistic circumstances.

## ■ Information Disclosure on Patent Activities and Stock Market Valuation .....49

*YAMAUCHI Isamu and SUZUKI Takamasa*

This paper quantitatively examines information on the extent of corporate disclosures on patent activities and analyzes the reliability of such information. We categorized the medium of disclosure into Annual Securities Reports and other disclosure materials (including annual reports, press releases, etc.). Moreover, the content of the disclosure was classified and aggregated into “proactive disclosures” and “defensive disclosures,” based on the terms used concurrently with “patent”.

We find that in recent years, proactive disclosures in other disclosure materials have shown a rapid increase. This suggests that firms are becoming more proactive in highlighting their patent activities in mediums with a relatively high degree of freedom in description. Also, in Annual Securities Reports, defensive disclosures have been gradually increasing, especially from the perspective of risk disclosure.

This study further examines whether such disclosed information appropriately reflects a firm’s patent activities by analyzing the relationship between the frequency of disclosures and the quantity and quality of patent applications. The results show that firms with high-quality patent applications tend to disclose more information. However, we also find that firms with fewer and lower-quality patent applications make more proactive disclosures, especially in materials with a high degree of freedom in description.

Furthermore, this paper examines the correlation between the degree of information disclosure and stock market valuation. Overall, firms that increased the volume of their disclosures show higher growth rates of stock price. On the other hand, proactive disclosures are not highly valued in the stock market. This may be due to concerns over the reliability of information disclosed proactively. Therefore, in addition to encouraging the disclosure of information, designing a mechanism to improve the quality of information disclosed would be an important policy issue.

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■ **Judgement of Similarity of Trademarks Combined with Generic Terms - Considering Recent IP Court Decisions - .....64**

*NISHIMURA Masako*

In determining composite trademarks which include common or generic terms, this ruling (ex parte case) by the Intellectual Property High Court (IPHC) ruled that the trademark “EMPIRE STEAK HOUSE” was similar to the cited trademark “EMPIRE,” and the original decision to reject the registration was upheld.

On the other hand, in the examination of the Patent Office, “EMPIRE BURGER HOUSE” had been deemed dissimilar to the same cited trademark “EMPIRE” and had been registered.

In the IPHC decision in the case of trials for the invalidation of registration, regarding the question of whether “Genkotsu Menchi” and “Genkotsu Croquette” were similar to the cited trademark “Genkotsu,” the former was found to be dissimilar, while the latter was found to be similar.

The IPHC decision (ex parte case) also found that “Heart Denki Service” was similar to “HEART,” while in examinations by the Patent Office, both “Heart Planning” and “Heart Rental Service” were not deemed similar to “HEART” and were registered concurrently.

How can these differing judgements be understood, to provide some predictability for future cases? I would also like to apply some considerations from a linguistic perspective.

The elements for determining similarity include, first, the issues of constituent word depletion and dilution.

The likelihood of words to be adopted as trademarks, are those with a favorable lexical meaning, where the question is whether it is acceptable to narrow the scope for others to choose trademarks by broadly recognizing the effect of excluding subsequent applications (scope of similarity), or dilution is to be prevented.

This judgement also differs based on whether the composite trademark or single trademark is the earlier trademark.

This is a question of whether, given that the earlier trademark is registered in combination with other elements, it is appropriate to recognize part of this to the effect of excluding subsequent applications.

There are also distinctions in whether the composite trademarks include only letters, or also other figures.

If the composite trademark includes figures, the evaluation of the figure portion requires a different examination than for letters only, so the transformative power of the information contained in the figures should not be ignored.

It is also necessary to take into account the coinage of the trademark and its degree of goodwill.

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