

Unfair Competition	Date	May 30, 2019	Court	Intellectual Property High Court, Second Division
	Case number	2018 (Ne) 10081 (Principal action) 2018 (Ne) 10091 (Counterclaim)		
<p>- A case in which the court held that "マリオカート" and "MARIO KART" are famous as First Instance Plaintiff's indications of goods or business, and that they are similar to the word marks used by First Instance Defendant Company ("マリカー", "MariCar", "MARICAR", and "maricar"), and that the use of the above marks by First Instance Defendant Company constitutes use as indications of goods or business, thereby ruling that Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act shall be applicable.</p> <p>- A case in which the court held that the shapes of Mario, Luigi, Yoshi, and King Bowser Koopa are famous as First Instance Plaintiff's indications of goods or business, and that the costumes, etc. of Mario, Luigi, Yoshi, and King Bowser Koopa which are used by First Instance Defendant Company are similar to said shapes, and that the use of the costumes, etc. by First Instance Defendant Company constitutes use as indications of goods or business, thereby ruling that Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act shall be applicable.</p> <p>- A case in which the court held that First Instance Defendant Company is using the domain names ("maricar.jp", "maricar.co.jp", "fuji-maricar.jp", and "maricar.com"), which are similar to "MARIO KART" and "マリカー", for the purpose of wrongful gain, thereby ruling that Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act shall be applicable.</p>				

Case type: Injunction, etc.

Result: Interlocutory judgment on the merits (The court recognized that there are legitimate grounds for Plaintiff's claim against Defendants for compensation for damages based on the unfair competition.)

References: Article 2, paragraph (1), items (ii) and (xiii) of the Unfair Competition Prevention Act; Article 429, paragraph (1) of the Companies Act

### Summary of the Judgment

1. The claims made in the principal action of the present case by First Instance Plaintiff against First Instance Defendant Company include that [i] First Instance Defendant Company's act of use, in business and as a trade name, of Defendant's Mark 1 ("マリカー", "MariCar", "MARICAR", and "maricar"), which is similar to First Instance Plaintiff's indications of goods or business; namely, Plaintiff's Character Indications ("マリオカート", "マリカー") and the indication of "MARIO KART", falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act, [ii] a

series of acts involving uploading, on the Internet websites, of photographs and videos which include parts that are similar to Plaintiff's Representations (Mario, Luigi, Yoshi, and King Bowser Koopa), which are First Instance Plaintiff's well-known or famous indications of goods or business, and the act by employees of wearing costumes of Mario, Luigi, Yoshi, and King Bowser Koopa, and the act of placing Mario's doll at a shop (hereinafter collectively referred to as "Advertising Activity"), as well as the act of renting out the aforementioned costumes to customers (hereinafter referred to as "Rental Activity") all fall under an act of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act, [iii] use of domain names ("maricar.jp", "maricar.co.jp", "fuji-maricar.jp", and "maricar.com"; hereinafter referred to as "Domain Names"), which are similar to First Instance Plaintiff's specific indications of goods or business; namely, Plaintiff's Character Indications and the indication of "MARIO KART", falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act, and (iv) with regards to negligence of duties, the representative director of First Instance Defendant Company acted in bad faith or with gross negligence. On the grounds of the above claims against First Instance Defendants, First Instance Plaintiff sought for an injunction and compensation and the like.

2. In the prior instance judgment (Tokyo District Court 2017 (Wa) 6293; judgment rendered on September 27, 2018), the court of prior instance held that Plaintiff's Character Indication of "マリーカー" is well-known in Japan, and that Plaintiff's Representations are well-known in Japan and overseas; on that premise, the court of prior instance acknowledged that the following acts by First Instance Defendant Company, either singularly or jointly with Related Groups; namely, the act of using Defendant's Mark 1 in business and as a trade name, the Advertising Activity, the Rental Activity, and the act of using Domain Names, fall under an act of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (xiii) of the Unfair Competition Prevention Act. However, the same court held that the act of using Defendant's Mark 1 in connection with consumers who do not understand Japanese does not fall under an act of unfair competition, and that use of Domain Names on websites which are written only in foreign languages does not infringe on the business interests of First Instance Plaintiff. Furthermore, the same court determined that the representative director of First Instance Defendant Company did not act in bad faith or with gross negligence, and approved the

claims made by First Instance Plaintiff to the extent of an injunction against the use of Defendant's Mark 1 and deletion of the same (except for such use in connection with websites and leaflets written only in foreign languages), an injunction against the use of Defendant's Mark 2, an injunction against the use of Domain Names (except for such use in connection with websites written only in foreign languages), and to the extent of damages payable to First Instance Defendant Company in the amount of 10,000,000 yen along with delinquency charges, and dismissed other claims.

3. In the judgment of the present case, the court rendered an interlocutory judgment as follows. With regards to the following acts by First Instance Defendant Company, either singularly or jointly with Related Groups; namely, the act of using Defendant's Mark 1 in business and as a trade name, the Advertising Activity, the Rental Activity, and the act of using Domain Names, the court approved that said acts, including the parts which were denied in the prior instance judgment, fall under acts of unfair competition as prescribed in Article 2, paragraph (1), item (ii) or (xiii) of the Unfair Competition Prevention Act and that there was infringement of business interests as well. Furthermore, the court determined, with regards to negligence of duty, that the representative director of First Instance Defendant Company acted in bad faith or with gross negligence and that the same person is liable for compensation jointly with First Instance Defendant's Company.

- (1) Evidence shows that the indication of "MARIO KART" is famous in Japan and overseas, and that the Plaintiff's Character Indication of "マリオカート" is famous in Japan, respectively.

When similarity is determined in light of the actual circumstances of transactions, which involve use of Defendant's Mark 1 in connection with the business that includes rental of public road go-karts, Defendant's Mark 1-1 ("マリカー") is similar to Plaintiff's Character Indication of "マリオカート", and Defendant's Marks 1-2 to 1-4 ("MariCar", "MARICAR", and "maricar") are similar to the indication of "MARIO KART". Since it can be said that the act by First Instance Defendant Company, either singularly or jointly with Related Groups, of using Defendant's Mark 1, constitutes use of Defendant's Mark 1 as an indication of goods or business, said act falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act and is in infringement of First Instance Plaintiff's business interests.

- (2) Evidence shows that Plaintiff's Representations have become famous in Japan and overseas, and that they are used in connection with the business that includes rental of public road go-karts. When similarity is determined in light of such actual circumstances of specific transactions, it can be said that the costumes of Mario, Luigi, Yoshi, and King Bowser Koopa, and the indications of persons wearing these costumes, and Mario's doll are similar to Plaintiff's Representations, and it can also be said that use of them constitutes use as indications of one's own goods or business, so that the act of using them falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act, and is in infringement of First Instance Plaintiff's business interests.
- (3) Plaintiff's Character Indication of "マリーカー" and the indication of "MARIO KART" are similar to Domain Names. Since it is acknowledged that First Instance Defendant Company is using Domain Names by taking advantage of the high level of goodwill of Plaintiff's Character Indications and the indication of "MARIO KART", which are well-known or famous, for the purpose of illicitly increasing gain, the act of using Domain Names falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act, and is in infringement of First Instance Plaintiff's business interests.
- (1) Although a director has the duty to prevent his/her company from engaging in an act of unfair competition, the representative director of First Instance Defendant Company violated such duty, and thus said person acted in bad faith or at least with gross negligence in this regard.

Judgment rendered on May 30, 2019

2018 (Ne) 10081 Case of appeal seeking injunction against act of unfair competition, etc.

2018 (Ne) 10091 Case of counterclaim seeking confirmation of the non-existence of the right to seek an injunction against copyright infringement

Court of prior instance: Tokyo District Court (2017 (Wa) 6293 Case seeking injunction against act of unfair competition, etc.)

Date of conclusion of oral argument: March 12, 2019

### Interlocutory Judgment

Appellant/Appellee/Counter-Defendant (Plaintiff of First Instance)

Nintendo Co., Ltd.

(hereinafter referred to as "First Instance Plaintiff")

Appellee/Appellant/Counter-Defendant (Defendant of First Instance)

MARI Mobility Development Inc.

(hereinafter referred to as "First Instance Defendant")

Appellee (First Instance Defendant) Y

(hereinafter referred to as "First Instance Defendant Y")

### Main text

1. The grounds, based on which First Instance Plaintiff seeks compensation from First Instance Defendants due to violation of the Unfair Competition Prevention Act, by First Instance Defendant Company and the shops indicated in the attached List of Shops, for the act of using the marks listed in No. 1 in the List of Defendant's Marks Attached to Prior Instance Judgment and the costumes and the doll listed in No. 2 in the List of Defendant's Marks Attached to Prior Instance Judgment, as well as the act of using the domain names indicated in the List of Domain Names Attached to Prior Instance Judgment, are reasonable (except with regards to monetary amounts).
2. The filing of a counterclaim is unlawful.

### Facts and reasons

The abbreviations of terms and their meanings shall conform to the prior instance judgment except for those added herein. Exhibits of prior instance judgment shall be referred to herein as "Attached to Prior Instance Judgment".

No. 1 Lawsuits filed by the parties

1. First Instance Plaintiff

Paragraphs 1, 2, and 5 to 7 in the main text of the prior instance judgment shall be changed as follows.

- (1) First Instance Defendant Company shall not use the marks listed as 1 to 4 in No. 1 in the List of Defendant's Marks Attached to Prior Instance Judgment at its business facilities and for its business activities.
- (2) First Instance Defendant Company shall delete the marks of the preceding paragraph from its business facilities, advertisement items, and go-karts as described in the preceding paragraph.
- (3) First Instance Defendant Company shall not use the domain names listed as 1 to 4 in the List of Domain Names Attached to Prior Instance Judgment.
- (4) First Instance Defendant Company shall delete the registration of domain names listed as 2 in the List of Domain Names Attached to Prior Instance Judgment.
- (5) First Instance Defendants shall jointly pay to First Instance Plaintiff 50,000,000 yen as well as the money arising therefrom at the rate of 5% per annum for the period from March 31, 2018 until completion of payment (in the court of this instance, First Instance Plaintiff expanded the damages, which amounted to 10,000,000 yen in the prior instance, to 50,000,000 yen, in addition to postponing the first day for calculation of damages to March 31, 2018).

2. First Instance Defendant Company

- (1) In the prior instance judgment, the part in which First Instance Defendant Company lost shall be revoked.
- (2) With regards to the above part, the claims made by First Instance Plaintiff shall be dismissed.
- (3) The claims having been expanded by First Instance Plaintiff in the present court shall be dismissed.
- (4) First Instance Plaintiff shall confirm, with regards to the act by First Instance Defendant Company of publicly transmitting the photographs or videos of persons wearing the costumes listed as 1 to 4 in the attached List of Costumes, that First

Instance Plaintiff does not have the right to seek an injunction against said act, based on the right of reproduction and the right to transmit the public, for the representations listed as 1 to 4 in the attached List of Counter-Defendant's Representations.

No. 2 Outline of the case

1. History of the case

- (1) In the present case, First Instance Plaintiff asserted that [i] the act by First Instance Defendant Company of using, in its business, Defendant's Mark 1, which is similar to the Plaintiff's Character Indications (Plaintiff's Character Indication of "マリオカート" ["MARIO KART" written in Japanese] and Plaintiff's Character Indication of "マリカー" ["MARICAR" or "MARIKAR" written in Japanese]), which are First Instance Plaintiff's well-known or famous indications of goods or business, as well as the act of using the same as its trade name fall under acts of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act, [ii] the act by First Instance Defendant Company of creating the Photographs and Videos (hereinafter referred to as "Creating Activity"), which contain parts that are similar to the Plaintiff's Representations over which First Instance Plaintiff has copyright, and uploading the same on the Internet websites (hereinafter referred to as "Uploading Activity") fall under infringement of First Instance Plaintiff's copyright (right of reproduction or adaptation right, right of automatic public transmission, and right to make available for transmission), [iii] the advertising activity of the present case (hereinafter referred to as "Advertising Activity"; consisting of the Uploading Activity, the act by employees of wearing costumes, and the act of placing a doll at the shop) of using Defendant's Mark 2, which is an indication of goods or business that is similar to Plaintiff's Representations or Plaintiff's Three-Dimensional Figure, which are First Instance Plaintiff's well-known or famous indications of goods or business, falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act, [iv] the use of Domain Names which are similar to the Plaintiff's Character Indications, which are First Instance Plaintiff's specific indications of goods or business, falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act, and [v] the act of renting out Costumes, which are reproductions or adaptations of Plaintiff's Representations, to customers (hereinafter referred to as "Rental Activity") falls under infringement of First Instance Plaintiff's copyright (right of rental),

respectively, and made the following claims against First Instance Defendants.

A. Claims against First Instance Defendant Company

- (A) Pursuant to Article 3, paragraphs (1) and (2) of the Unfair Competition Prevention Act, concerning the above [i], an injunction against the use of Defendant's Mark 1 and the procedures for recording the deletion of the same and the deletion of trade name registration, and concerning the above [iii], an injunction against the use of Defendant's Mark 2 as well as deletion of Photographs and Videos and disposal of data, and concerning the above [iv], an injunction against the use of Domain Names and deletion of registration of Domain Names 2 and 4.
- (B) Pursuant to Article 112, paragraphs (1) and (2) of the Copyright Act, concerning the above [ii], an injunction against the reproduction or adaptation of Plaintiff's Representations, automatic public transmission of reproductions or adaptations, and making the same available for transmission, as well as deletion of Photographs and Videos and disposal of data, and concerning the above [v], an injunction against the Rental Activity.

B. Claims against First Instance Defendants

Against First Instance Defendant Company, pursuant to Article 4, Article 5, paragraph (3), items (i) and (iv) of the Unfair Competition Prevention Act or Article 709 of the Civil Code and Article 114, paragraph (3) of the Copyright Act, and against First Instance Defendant Y, pursuant to Article 429, paragraph (1) of the Companies Act, as partial payment of compensation, joint payment of 10,000,000 yen and the delinquency charges arising therefrom at the rate of 5% per annum as prescribed in the Civil Code for the period from March 18, 2017, which is the day after the act of unlawful competition, until completion of payment.

- (2) In the prior instance judgment, the court held as outlined below in A to G, and approved the claims of the above (1) within the extent of an injunction against the use of Defendant's Mark 1 and deletion of the same (except for that which pertains to websites and leaflets which are written only in foreign languages), an injunction against the use of Defendant's Mark 2, disposal of data of Videos, an injunction against the use of Domain Names (except for the cases of use on websites which are written only in foreign languages), and payment by First Instance Defendant Company of 10,000,000 yen in damages and the delinquency charges arising therefrom at the rate of 5% per annum for the period from March 31, 2018, which is the last day of the act of unlawful competition, until completion of payment, and

the court dismissed other claims.

- A. Concerning the use of Defendant's Mark 1 by First Instance Defendant Company, it cannot be acknowledged that Plaintiff's Character Indication of "マリック" was well-known among those who do not understand Japanese, so that the claim for an injunction against the use of Defendant's Mark 1 on websites and in leaflets which are written only in foreign languages is groundless, but as for other acts, they fall under acts of unfair competition as prescribed in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act, so that the claim for an injunction against the use and the claim for deletion are reasonable. Since First Instance Defendant Company changed its trade name, the claim for procedures for recording the deletion of trade name registration is groundless.
- B. The Advertising Activity (provided, however, that acts pertaining to Photograph 1 shall be excluded; when reference is hereinafter made to "Creating Activity", "Uploading Activity", and "Advertising Activity", acts pertaining to Photograph 1 shall be excluded therefrom) falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act, so that the claim for an injunction against the use of Defendant's Mark 2 is reasonable. Since Photographs and Videos have already been deleted, the claim for deletion is groundless, and the data of Photographs can be used in other ways which do not constitute an act of unfair competition, so that the claim for disposal of the same is groundless, but the claim for disposal of the data of Videos is reasonable.
- C. The act of using Domain Names falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act, but the act of using Domain Names on websites which are written only in foreign languages does not infringe on First Instance Plaintiff's business interests. Also, First Instance Defendant Company has deleted registration of Domain Name 4. Accordingly, the claim for an injunction against the act of using Domain Names on websites which are written only in foreign languages is groundless, but the other claim for an injunction against the use of Domain Names is reasonable. With regards to the claim for deletion of registration of Domain Name 2, given that there are cases in which injunction may not be approved as described above, said claim is groundless, and the claim for deletion of registration of Domain Name 4 is therefore groundless.
- D. Since there is not sufficient evidence to acknowledge the need for an injunction, the claims for an injunction against reproduction or adaptation of

Plaintiff's Representations as well as against automatic public transmission of reproductions or adaptations and against making the same available for transmission are groundless.

- E. The costumes bearing Defendant's Marks 2-2, 2-3, 2-5, 2-6, 2-8, and 2-10 are the same as the Costumes. Since the injunction against the use of Defendant's Mark 2 pursuant to the Unfair Competition Prevention Act includes prohibition of Rental Activity, there is no need to make a decision concerning the claim for an injunction against Rental Activity based on copyright, which is in the relationship of selective joinder with the aforementioned claim for an injunction (the costumes bearing Defendant's Marks 2-1 to 2-10 may hereinafter be collectively referred to as "Costumes Bearing Defendant's Mark 2").
  - F. With regards to First Instance Defendant Y, it cannot be acknowledged that First Instance Defendant Y had performed its duties for First Instance Defendant Company in bad faith or with gross negligence, and thus the claim made against First Instance Defendant Y pursuant to Article 429, paragraph (1) of the Companies Act is groundless.
  - G. The claim of compensation against First Instance Defendant Company is reasonable with regards to the entire amount (10,000,000 yen). Delinquency charges shall arise from March 31, 2018, which is the final day of the act of unlawful competition.
- (3) With regards to the prior instance judgment, First Instance Plaintiff, who was dissatisfied with the court's ruling concerning [i] the part in which the court dismissed the claim for an injunction against the use of the Defendant's Mark 1 on websites and leaflets which are written only in foreign languages as well as the claim for deletion of Defendant's Mark 1 from websites and leaflets which are written only in foreign languages, [ii] the part in which the court dismissed the claim for an injunction against the use of Domain Names on websites which are written only in foreign languages and the claim for deletion of registration of Domain Name 2, and [iii] the part in which the court dismissed the claim for compensation by First Instance Defendant Y, filed an appeal, in addition to increasing the amount of damages from 10,000,000 yen to 50,000,000 yen and postponing the date of calculation for delinquency charges to March 31, 2018.

Meanwhile, First Instance Defendant Company, who was dissatisfied with the part in which it had lost, filed an appeal, in addition to filing a counterclaim seeking confirmation as to First Instance Plaintiff having no right to seek an injunction, pursuant to the right of reproduction and the right to transmit the

public for the reproductions listed as 1 to 4 in the attached List of Counter-Defendant's Representations, against the act by First Instance Defendant Company of publicly transmitting the photographs or videos of persons wearing the costumes indicated in the attached List of Costumes, but First Instance Plaintiff stated that it does not agree with the filing of the counterclaim.

Of the prior instance judgment, the following parts are not subject to the examination by this court; namely, the part in which the court held that the creation and uploading of Photograph 1 do not fall under acts of unfair competition or infringement of copyright (right of reproduction, adaptation right, right of automatic public transmission, right to make available for transmission), the part in which the court dismissed the claim for deletion of Defendant's Mark 1 from cars other than go-karts and from bicycles and light vehicles, the part in which the court dismissed the claim for procedures for recording the deletion of registration of First Instance Defendant Company's trade name, the part in which the court dismissed the claim for deletion of Photographs and Videos and the claim for disposal of data of Photographs, the part in which the court dismissed the claim for deletion of registration of Domain Name 4, and the part in which the court dismissed the claim for an injunction against reproduction or adaptation of Plaintiff's Representations, and against the automatic public transmission of reproductions or adaptations, and against making the same available for transmission.

2. Basic facts (facts over which the parties are not in dispute, and the facts which can be acknowledged based on the evidence described later and the entire import of the oral argument)
  - (1) Parties
    - A. First Instance Plaintiff is a corporation whose business includes the manufacture and sale of recreational goods, sporting goods, audio equipment, and vehicles, and the creation, manufacture, and sale of contents such as games, videos, and music, and the planning, manufacture, and sale of character goods, and licensing of intellectual property rights (Exhibit Ko 1).
    - B. First Instance Defendant Company is a corporation whose business includes purchase and sale, lease, and rental of cars, and it was founded on June 4, 2015 (Exhibit Ko 2).
    - C. First Instance Defendant Y is the Representative Director of First Instance Defendant (Exhibit Ko 2).
  - (2) Development and release by First Instance Plaintiff of the software games, "Mario

Kart" series

- A. On August 27, 1992, First Instance Plaintiff released "Super Mario Kart" as a software game for a game console called Super FAMICOM, and during the period from the release until April 28, 2017, sold a total of nine titles of software games for the "Mario Kart" series (Exhibit Ko 7, Exhibits Ko 8-1 to 8-9).

"Mario Kart" is a game series in which characters such as "Mario", "Luigi", "Yoshi", and "King Bowser Koopa" ride go-karts and drive various courses, engaging in car races and the like (Exhibits Ko 8-1 to 8-9).

- B. Plaintiff's Representation of Mario, Plaintiff's Representation of Luigi, Plaintiff's Representation of Yoshi, and Plaintiff's Representation of King Bowser Koopa are illustrations of persons or animals, and are works of painting, over which First Instance Plaintiff has copyrights. Plaintiff's Representations appear in series of games of First Instance Plaintiff, such as the "Mario" series which includes "Super Mario Brothers", and it can be said that Mario, Luigi, Yoshi, and King Bowser Koopa, who are characters also appearing as go-kart drivers in the "Mario Kart" series, have been reproduced in their characteristics of expression as persons or animals (Exhibit Ko 7, Exhibits Ko 8-1 to 8-9, Exhibits Ko 94-1 to 94-4).

- (3) Rental business of public road go-karts, etc. by First Instance Defendant Company, etc.

- A. First Instance Defendant Company has operated the Rental Business, consisting of rental of public road go-karts which can run public roads, including the Rental Activity, and other businesses associated with the foregoing, since June 4, 2015, which is the date of foundation, until June 23, 2016, if not earlier, which is the day before the effective date of a partnership contract with Shinagawa Kumiai, by using the shop name of "MariCAR" (Exhibit Ko 62-1, entire import of the oral argument).

- B. As per the attached List of Shops, there were [i] five shops; namely, Shinagawa Shop 1, Shibuya Shop, Akihabara Shop 1, Osaka Shop, and Okinawa Shop, which operate under the trade name of "MariCAR" (Exhibits Ko 143-1 to 143-5, hereinafter collectively referred to as "MariCAR Shops"), [ii] five shops; namely, Shinagawa Shop 2, Akihabara Shop 2, Tokyo Bay BBQ Shop, Yokohama Shop, and Kyoto Shop, which use the indication, "STREETKART", on their websites and the like (Exhibits Ko 143-6 to 143-8, 143-10, 143-11), and Asakusa Shop, which uses the indication, "SAMURAI", on its website and the like (Exhibit Ko 143-9; Shinagawa Shop 2, Akihabara Shop 2, Tokyo Bay BBQ Shop,

Yokohama Shop, Kyoto Shop, and Asakusa Shop are hereinafter collectively referred to as "STREET KART Shops"), [iii] Fuji-Kawaguchiko Shop (Exhibit Ko 6-2, Exhibit Otsu 116), and [iv] Roppongi Shop, which number a total of 13 shops (the shops above are hereinafter collectively referred to as "Shops").

C. The partnerships and corporations and the like which were involved in the Rental Business pertaining to the claims made by First Instance Defendants are: Shinagawa Kumiai (partnership agreement effective on June 24, 2016, dissolved on December 20, 2017); Shinagawa Kanko LLP (partnership agreement effective on December 20, 2017); Akihabara Kumiai (partnership agreement effective on June 13, 2017); Okinawa Kumiai (partnership agreement effective on June 26, 2017); Shinkiba Kart LLP (partnership agreement effective on June 19, 2017; hereinafter referred to as "Shinkiba Kumiai"); Kabushiki Kaisha MariCAR Osaka (founded on October 14, 2016, hereinafter referred to as "MariCAR Osaka"); Kabushiki Kaisha PLAN-S (founded on June 8, 2016; hereinafter referred to as "PLAN-S"); Eco Kart LLC (founded on January 22, 2015; hereinafter referred to as "Eco Kart"); STREET KART LLC (hereinafter referred to as "STREET KART"); and Samurai Kart Asakusa (Exhibits Ko 121-1 to 121-4, Exhibits Otsu 48-1 to 48-5, Exhibit Otsu 112, entire import of oral argument; these partnerships and companies are hereinafter collectively referred to as "Related Groups").

(4) Use of Defendant's Mark 1, Defendant's Mark 2, and Domain Names by First Instance Defendant Company, and at MariCAR Shops and Fuji-Kawaguchiko Shop

A. First Instance Defendant Company

(A) Since its foundation on June 4, 2015 until March 21, 2018, First Instance Defendant Company used the trade name, "Kabushiki Kaisha MariCAR", which contains Defendant's Mark 1-1, but changed its trade name to MARI Mobility Development Inc. on the 22nd of the same month (Exhibit Otsu 84).

(B) At the time of February 23, 2017, First Instance Defendant Company used Domain Name 2 to run Defendant Company's Site, and made multiple posts on the same site of [i] indications which contain Defendant's Mark 1-1 and which read, "MariCAR Halloween Event being held" [in Japanese], "MariCAR Amazon store is officially open" [in Japanese], "MariCAR online store is officially open on Yahoo! Japan" [in Japanese], and "Driving MariCAR on streets makes you want to smile" [in Japanese], and [ii] the Logo, which is a combination of the letters, "MARICAR", which is the Defendant's Mark 1-3, and of a person riding a go-kart, and [iii] Defendant's Mark 1-2 along with the

photograph of a public road go-kart with the letters, "MariCar.jp", which contain the same mark, indicated in yellow (Exhibit Ko 6-3).

Upon taking into consideration that, in the Logo, the figure part of a go-kart and the letter part of Defendant's Mark 1-3 can be recognized in a clearly distinctive manner, and that the letter part of Defendant's Mark 1-3 is easily noticeable because of the use of letters, the letter part of Defendant's Mark 1-3 is the essential part in the mark, and since ".jp" in "MariCar.jp" lacks distinctiveness or is not distinctive, the essential part of "MariCar.jp" is "MariCar".

## B. MariCAR Shops

### (A) Shinagawa Shop 1

#### a. Use of Defendant's Mark 1 on websites

(a) Shinagawa Shop 1 used Domain Name 1 to run Shinagawa Shop 1 Website 1, and as of February 23, 2017, the same site had indications such as [i] "What's MariCAR?" [in Japanese], "MariCAR is Japan's largest provider of rental & tour service by public road go-karts" [in Japanese], and "Let's enjoy Japan's best public road go-kart, 'MariCAR'! Please come and visit Japan's largest-scale MariCAR!" [in Japanese], which contained Defendant's Mark 1-1, and [ii] also indicated the Logo (Exhibit Ko 6-1).

(b) Shinagawa Shop 1 also runs Shinagawa Shop 1 Website 2 by using Domain Name 4.

As of August 10, 2017 and November 14 of the same year, Shinagawa Shop 1 Website 2 had indications such as [i] "We at MariCar is providing our service as usual. MariCar is fully complied through local governing laws in Japan", and "We have all the optional gear to make you private or group karting a tailored one", which contain Defendant's Mark 1-1, and [ii] indicated the Logo (Exhibit Ko 74, Exhibit Ko 102-1).

(c) After the prior instance judgment, Shinagawa Shop 1 Websites 1 and 2 no longer have writings in Japanese, and these websites now consist of writings in foreign languages such as English and Chinese, but as of November 12, 2018 and November 29 of the same year, the Logo was indicated at the beginning (Exhibit Ko 143-1, Exhibit Otsu 93-1, entire import of the oral argument).

#### b. Use of Defendant's Mark 1 in Leaflets

The Leaflets which were distributed at Shinagawa Shop 1 as of November 15, 2016 were available in two versions, Japanese and English, and the Japanese version indicated [i] "MariCAR is a provider of one-person public road go-karts

rental & tour service, and you can drive it with your driver's license" [in Japanese], "MariCAR is an activity that requires a driver's license (AT driver's license OK)!" [in Japanese], and contained Defendant's Mark 1-1, and both the Japanese and English versions had [ii] the Logo indicated in the upper left corner, and [iii] there was an indication, "maricar.com", in the upper right corner (Exhibits Ko 3, 4).

Since ".com" of "maricar.com" lacks distinctiveness or is not very distinctive, the essential part of "maricar.com" is "maricar".

c. Use of Defendant's Mark 1 in Business Cards

At Shinagawa Shop 1, at the time of November 15, 2016, Business Cards on which the Logo was printed were distributed (Exhibits Ko 4, 57).

d. Rental Activity

Shinagawa Shop 1 has carried out Rental Activity since around January 11, 2016, if not earlier, until the present (Exhibits Ko 6-1, 6-4, Exhibit Ko 39, Exhibit Ko 42-13, Exhibit Ko 43-13, Exhibit Ko 75-1, Exhibit Ko 105-1, Exhibits Ko 106-5, 106-8, Exhibit Otsu 92-1, entire import of the oral argument).

e. Act of using Mario Doll (Defendant's Mark 2-11)

At Shinagawa Shop 1, from around June 4, 2016, if not earlier, until around February 24, 2017, Mario Doll, which is about 120 cm tall, was placed near the shop's entrance, with its back facing the entrance (Exhibits Ko 4, 84, Exhibits Ko 108-1, 108-2), but Mario Doll was removed by June 16 of the same year, if not earlier (entire import of the oral argument).

(B) Akihabara Shop 1

a. Use of Defendant's Mark 1 on websites

(a) Akihabara Shop 1 used Domain Names 1 and 4 to run two websites, and at the time of October 2, 2017, Akihabara Shop 1 Website 2 had indications which are the same as the indications on Shinagawa Shop 1 Website 2, as described in the above (A) a (b), and at the time of May 7, 2018, Akihabara Shop 1 Websites 1 and 2 had the same indications (Exhibits Ko 132-1, 132-2, Exhibit Otsu 41-6).

(b) After the prior instance judgment, Akihabara Shop 1 Website 2 no longer had writings in Japanese, as was the case with Shinagawa Shop 1 Website 2 of the aforementioned (A) a (c), but at the time of October 10, 2018, and at the time of November 12 and November 29 of the same year, the Logo was indicated on Akihabara Shop 1 Website 2 (Exhibit Ko 143-2, Exhibit Ko 144-1, Exhibit Otsu 93-2, entire import of the oral argument).

b. Rental Activity

At Akihabara Shop 1, Rental Activity is still carried out to this day (Exhibit Ko 137, Exhibit Otsu 92-1, entire import of the oral argument).

(C) Shibuya Shop

a. Use of Defendant's Mark 1 on website

Shibuya Shop used Domain Name 4 to run Shibuya Shop Website, and at the time of October 2, 2017, the website had the same indications as Shinagawa Shop 1 Website 2 as described above in (A) a (b) (Exhibit Otsu 41-7).

After the prior instance judgment, Shibuya Shop Website no longer used writings in Japanese, as was the case with Shinagawa Shop 1 Website 2, as described in the above (A) a (c), but as of November 12, 2018 and November 29 of the same year, the Logo was indicated on Shibuya Shop Website (Exhibit Ko 143-3, Exhibit Otsu 41-7, Exhibit Otsu 93-3).

b. Rental Activity

At Shibuya Shop, Rental Activity is still carried out to this day (Exhibit Otsu 92-1, entire import of the oral argument).

(D) Osaka Shop

a. Use of Defendant's Mark 1 on website

Osaka Shop used Domain Name 4 to run Osaka Shop Website, and at the time of October 2, 2017, the website had the same indications as Shinagawa Shop 1 Website 2 as described in the above (A) a (b) (Exhibit Otsu 41-8).

After the prior instance judgment, Osaka Shop Website no longer used writings in Japanese, as was the case with Shinagawa Shop 1 Website 2, as described in the above (A) a (c), but as of October 12, 2018, and as of November 12 and November 29 of the same year, the Logo was indicated on Osaka Shop Website (Exhibit Ko 143-4, Exhibit Ko 144-3, Exhibit Otsu 93-4).

b. Rental Activity

At Osaka Shop, Rental Activity has been carried out since around May 27, 2017, if not earlier, until the present (Exhibit Ko 105-3, Exhibit Ko 106-7, Exhibit Otsu 92-2, entire import of the oral argument).

(E) Okinawa Shop

a. Okinawa Shop used Domain Name 4 to run Okinawa Shop Website, and at the time of October 2, 2017, the website had the same indications as Shinagawa Shop 1 Website 2, as described in the above (A) a (b) (Exhibit Otsu 41-9).

After the prior instance judgment, Okinawa Shop no longer had writings in Japanese, as was the case with Shinagawa Shop 1 Website 2, as described in the above (A) a (c), but as of October 12, 2018, and as of November 12 and November

29 of the same year, the Logo was indicated on Okinawa Shop Website (Exhibit Ko 143-5, Exhibit Ko 144-4, Exhibit Otsu 93-5).

b. Rental Activity

At Okinawa Shop, Rental Activity is still carried out to this day (Exhibit Ko 145, Exhibit Otsu 92-3, entire import of the oral argument).

C. Fuji-Kawaguchiko Shop

(A) Use of Defendant's Mark 1 on website

At the time of February 23, 2017, Fuji-Kawaguchiko Shop used Domain Name 3 to run Kawaguchiko Shop Website, and the website indicated [i] "What's MariCAR?" [in Japanese], "MariCAR is Japan's largest provider of rental & tour service by public road go-karts" [in Japanese], "Please come and visit Japan's largest-scale MariCAR!" [in Japanese], and contained Defendant's Mark 1-1, and [ii] indicated the Logo (Exhibit Ko 6-2).

(B) Rental Activity

At Fuji-Kawaguchiko Shop, Rental Activity was carried out from around February 23, 2017, if not earlier, until around November 15 of the same year (Exhibit Ko 6-2, Exhibit Ko 102-2, Exhibit Ko 105-2, entire import of the oral argument).

(C) Posting of Photographs 2 and 3

Photographs 2 and 3 were posted on Kawaguchiko Shop Website by February 23, 2017, if not earlier, but were deleted by June 16 of the same year, if not earlier (Exhibit Ko 6-2, entire import of the oral argument).

D. Use of Defendant's Mark 1 on public road go-karts

Some of the public road go-karts which are used at MariCAR Shops and Fuji-Kawaguchiko Shop [i] indicated, in yellow or white letters, "MariCar.com" or "MariCar.jp", containing Defendant's Mark 1-2, or "fuji-maricar.jp", containing Defendant's Mark 1-4, from around November 15, 2016 until around November 15, 2018, at the front and on the sides, and [ii] indicated the Logo from around November 15, 2016 until November 29, 2018 at the front and on the sides (Exhibit Ko 4, Exhibits Ko 6-1 to 6-4, Exhibit Ko 74, Exhibit Ko 85-3, Exhibit Ko 102-1, Exhibits Ko 105-1 to 105-3, Exhibits Ko 106-1, 106-6 to 106-8, Exhibits Ko 132-1, 132-2, Exhibit Ko 134-2, Exhibits Ko 143-1 to 143-5, Exhibit Otsu 85, Exhibits Otsu 92-1, 92-3, Exhibits Otsu 93-1 to 93-3, entire import of the oral argument).

Since ".com" of "MariCar.com" lacks distinctiveness or is not very distinctive, the essential part of "MariCar.com" is "MariCar", and since ".jp" of "fuji-maricar.jp" lacks distinctiveness or is not very distinctive, and "fuji" and "maricar" are connected

with "-", and there is no relevance in concept between "fuji" and "maricar", the essential part of "fuji-maricar.jp" is "maricar".

E. Act by employees of wearing costumes

The Rental Business provided a tour in which customers to whom public road go-karts are rented out drive around Tokyo by being led by a tour guide. From around June 4, 2015 until around June 16, 2017, employees wearing costumes of "Mario", "Luigi", "Yoshi", and "King Bowser Koopa" served as guides and rode public road go-karts to lead the customers (Exhibit Ko 4, Exhibits Ko 42-13, 42-16, Exhibits Ko 43-13, 43-16, Exhibit Otsu 63, entire import of the oral argument).

(5) Posting of Videos

A. The following videos were uploaded on YouTube, a video sharing site, on the Internet on the following dates, respectively: Video 1 on November 2, 2015; Video 2 on November 3 of the same year; Videos 3 and 4 on November 4 of the same year; Video 5 on November 22 of the same year; Video 6 on November 23 of the same year, Video 7 on December 5 of the same year; Video 8 on December 22 of the same year; Videos 9 and 10 on December 26 of the same year; Video 11 on January 6, 2016; Video 12 on January 10 of the same year; Video 13 on January 11 of the same year; Video 14 on January 26 of the same year; Video 15 on August 15 of the same year, and Video 16 on January 12, 2017 (entire import of the oral argument).

Of the Videos, Videos 1 to 12 and 16 were created by filming customers of the Rental Business who wear costumes and ride public road go-karts to drive around Tokyo, and Videos 13 to 15 were created by recording TV programs which were broadcasted by featuring the Rental Business (Exhibits Ko 42-1 to 42-16, Exhibits Ko 43-1 to 43-16).

B. Videos were deleted from YouTube by June 16, 2017, if not earlier (entire import of the oral argument).

(6) Acquisition, etc. of Domain Names

A. First Instance Defendant Company was granted registration for Domain Name 2 by a domain name registrar on May 26, 2015, and was using Domain Name 2 on Defendant Company Website, as described above in (4) (Exhibit Ko 6-3, Exhibit Ko 55-2, Exhibit Ko 209-1).

B. Since June 17, 2015, First Instance Defendant Company had kept Domain Name 4, but by January 31, 2018, if not earlier, transferred Domain Name 4 to a third party (Exhibit Ko 55-4, Exhibits Ko 209-2, 209-3, Exhibit Otsu 56, entire import of the oral argument).

As described above in (4), Domain Name 4 is used on websites run by MariCAR Shops, and even after Domain Name 4 was transferred to a third party, MariCAR Shops continue to use Domain Name 4.

C. Zent Co. was granted registration for Domain Name 1 on April 9, 2015, and for Domain Name 3 on June 1, 2016, respectively by a domain name registrar (Exhibits Ko 55-1, 55-3, Exhibit Ko 209-1).

As described in above (4), Domain Name 1 was used at Shinagawa Shop 1 and Akihabara Shop 1, and Domain Name 3 was used at Fuji-Kawaguchiko Shop.

#### (7) Registered trademarks

With regards to the Trademark which consists of the standard characters, "マリーカー", for which Zent Co. filed an application for trademark registration on May 13, 2015, First Instance Defendant Company received the right, which generated from the filing of the trademark application, by transfer from Zent Co. by October 13 of the same year, if not earlier, and holds the following trademark right for the Trademark to this day (Exhibits Ko 66-1 to 66-3, Exhibit Otsu 21).

Registration No.: 5860284

Filing date: May 13, 2015

Registration date: June 24, 2016

Registered trademark: マリーカー (standard characters)

Designated goods and services, and classification of goods and services:

Class 39 Rental of vessels, airplanes, vehicles, automobiles, motorcycles, bicycles, pushchairs, rickshaws, sleds, hand barrows, wagons, carriages, and carts, and provision of information concerning the above

#### 3. Points of contention

- (1) Whether or not Rental Business is carried out at STREET KART Shops, and whether or not costumes bearing Defendant's Mark 1 and Costumes Bearing Defendant's Mark 2 are used (Issue 1).
- (2) Whether or not costumes bearing Defendant's Mark 1 and Costumes Bearing Defendant's Mark 2 are currently used at Fuji-Kawaguchiko Shop and Roppongi Shop (Issue 2).
- (3) Whether or not First Instance Company carried out Rental Business at Shops from the time of its foundation on June 4, 2015 until the present, either singularly or jointly with Related Groups, and engaged in the act of using Defendant's Mark 1, Creating Activity, Advertising Activity, the act of using Domain Names, and Rental Activity (Issue 3).

- (4) Claims based on Unfair Competition Prevention Act
  - A. Matters related to Defendant's Mark 1
    - (A) Whether or not the act of using Defendant's Mark 1 in business and the act of using the same as a trade name fall under acts of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act (Issue 4).
    - (B) Whether or not the defense of a registered trademark can be established (Issue 5).
    - (C) Whether or not it is possible to file an injunction against the use and to demand deletion, and if so, to what extent (Issue 6).
  - B. Matters related to Defendant's Mark 2
    - (A) Whether or not Advertising Activity and Rental Activity fall under acts of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act (Issue 7).
    - (B) Whether or not it is possible to file an injunction against the use and to demand deletion, and if so, to what extent (Issue 8).
  - C. Matters related to Domain Names
    - (A) Whether or not the act of using Domain Names falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act (Issue 9).
    - (B) Whether or not it is possible to file an injunction against the use and to demand deletion, and if so, to what extent (Issue 10).
- (5) Claims based on copyright
  - A. Whether or not Photographs 2 and 3 and Videos fall under reproductions or adaptations of Plaintiff's Representations, and whether or not Creating Activity and Uploading Activity infringe on First Instance Plaintiff's right of reproduction, adaptation right, right of automatic public transmission, and the right to make available for transmission (Issue 11).
  - B. Whether or not Costumes fall under reproductions or adaptations of Plaintiff's Representations, and whether or not Rental Activity infringes on First Instance Plaintiff's right of rental (Issue 12).
- (6) Whether or not a claim for compensation may be made against First Instance Defendant Y (Issue 13).
- (7) The amount of damages suffered by First Instance Plaintiff (Issue 14).
- (8) Whether or not it is possible to file a counterclaim (Issue 15).

(omitted)

No. 3 Judgment of this court

1. Issue 1 (Whether or not Rental Business is carried out at STREET KART Shops, and whether or not costumes bearing Defendant's Mark 1 and Costumes Bearing Defendant's Mark 2 are used.)

(1) Basic facts

According to the evidence described later and the entire import of the oral argument, the following facts can be acknowledged.

A. Circumstances shared by all STREET KART Shops

- (A) On websites of STREET KART Shops, at the time of November 27, 2018, there is a following indication: "Our each shop provide the original course (different from each other). If you are the repeater and want to go another course, try to visit another shop". Each shop provides its original course. If you feel like taking a ride on a different course, how about contacting other shops?" By clicking a button for "Other Shops" on the website, MariCAR Shops; namely, Shinagawa Shop 1, Akihabara Shop 1, Shibuya Shop, Osaka Shop, and Okinawa Shop, as well as STREET KART Shops; namely, Shinagawa Shop 2, Akihabara Shop 2, Tokyo Bay BBQ Shop, Yokohama Shop, Kyoto Shop, and Asakusa Shop, were introduced as "Other Shops" without any specific distinction being made among the shops (Exhibits Ko 143-6 to 143-11, Exhibit Ko 155, entire import of the oral argument).
- (B) Websites of MariCAR Shops and websites of STREET KART Shops are different, with the former (websites of MariCAR Shops) having writings only in foreign languages and the latter (websites of STREET KART Shops) having writings in Japanese as well, but basic designs and content of websites are generally the same and closely resemble one another, and in both the websites of MariCAR Shops and the websites of STREET KART Shops, there is an indication concerning provision of a cosplaying service on a rental basis (Exhibits Ko 143-1 to 143-11, Exhibits Otsu 93-1 to 93-5, Exhibit Otsu 113-1 to 113-6).
- (C) The logo which is mainly used in STREET KART Shops, other than Asakusa Shop, is a version of the Logo with the part, "MARICAR", changed to "STREETKART" (Exhibits Ko 143-6 to 143-8, 143-10, 143-11, Exhibits Otsu 113-1 to 113-3, 113-5, 113-6; hereinafter referred to as "STREET KART Shop Logo"). Also, the trademark holder for the figure of a go-kart, which is commonly used in the Logo and STREET KART Shop Logo, is First Instance Defendant Company (Exhibit Ko 214).

#### B. Akihabara Shop 2

(A) According to a report based on an on-site investigation carried out on October 17, 2018 (Exhibit Ko 157), towels and the like with the Logo placed thereon were sold at Akihabara Shop 2 on the same day, and the Logo was also placed on the stickers given to customers, and there was also a rental service for costumes of Mario, Luigi, Yoshi, and King Bowser Koopa.

Also, at a parking space near Akihabara Shop 2, there were parked go-karts with the letters, "MariCar.com", indicated in white and yellow at the front and on wing parts, and the Logo placed at the front.

(B) On TripAdvisor, on November 20, 2018, a photograph of a customer wearing a T-shirt and cap with the Logo placed thereon was posted (Exhibit Ko 216-1, entire import of the oral argument).

(C) Photographs posted by customers of Akihabara Shop 2 on November 20, 2018 and November 23 of the same year show persons wearing costumes of Mario and Luigi (Exhibits Ko 216-1, 216-2).

#### C. Shinagawa Shop 2

(A) A customer of Shinagawa Shop 2 posted on TripAdvisor, on November 21, 2018, a photograph which shows customers wearing costumes of Luigi and Yoshi and driving public road go-karts (Exhibit Ko 218-1).

(B) A photograph posted on TripAdvisor on October 28, 2018 by a customer of Shinagawa Shop 2 shows a person wearing the costume of Mario and riding a public road go-kart with the Logo placed thereon (Exhibit Ko 218-2).

(C) A representative of Shinagawa Shop 2 by the name of "MariCARJAPAN" responded to a question, which was posted on TripAdvisor on September 24, 2018 concerning Shinagawa Shop 2, to the effect that the service requested by the inquirer is available at Okinawa Shop of the same group (Exhibit Ko 210-8, Exhibit Ko 218-3, entire import of the oral argument).

#### D. Tokyo Bay BBQ Shop

(A) On November 11, 2018 and December 28 of the same year, a customer of Tokyo Bay BBQ Shop posted a photograph on TripAdvisor showing customers wearing costumes of Mario, Luigi, and Yoshi and driving public road go-karts (Exhibits Ko 219-1, 219-2).

(B) In a photograph posted by a customer of Tokyo Bay BBQ Shop on April 19, 2018, one can confirm a public road go-kart with the letters, "maricar.com" indicated in yellow on the sides and the same letters indicated in yellow at the back of the seat (Exhibit Ko 219-3).

(C) In a photograph posted by a customer of Tokyo Bay BBQ Shop on February 16, 2018, one can confirm customers wearing costumes of Mario, Luigi, and Yoshi and driving public road go-karts with the letters, "MariCar.com", indicated in yellow and white at the front (Exhibit Ko 219-4).

#### E. Kyoto Shop

(A) A video posted by Kyoto Shop on Facebook for advertisement purposes shows public road go-karts with the letters, "maricar.com", indicated in yellow on the sides, and the letters, "maricar", indicated in black at the back of the seat, and the video also shows public road go-karts with the Logo placed at the front and on the sides as well as persons wearing costumes of Mario and Luigi and driving public road go-karts (Exhibits Ko 200-1, 200-2).

(B) On a website titled "Attractive Japan", the reservation page for Kyoto Shop shows photographs of persons wearing costumes of Luigi and Yoshi (Exhibit Ko 220).

(C) Some of the public road go-karts used by Kyoto Shop have the letters, "maricar.com", indicated in white on the rear wing, with the Logo placed at the front (Exhibit Ko 222).

(D) There is a post on TripAdvisor about a customer of Osaka Shop who was given a 50% discount for use at Kyoto Shop (Exhibit Ko 221, entire import of the oral argument).

#### F. Yokohama Shop

(A) A customer of Yokohama Shop in August 2018 posted a photograph on the fifteenth of the same month on TripAdvisor showing the customer wearing the costume of Mario and driving a public road go-kart (Exhibit Ko 223-1).

(B) A representative of Yokohama Shop by the name of "MariCARJAPAN" responded to a question which was posted on TripAdvisor on September 24, 2018 concerning Yokohama Shop, to the effect that the service requested by the inquirer is available at Osaka Shop or Okinawa Shop of the same group (Exhibit Ko 210-12, Exhibit Ko 223-2, entire import of the oral argument).

#### G. Asakusa Shop

(A) In a tweet posted by Asakusa Shop on August 27, 2017, there is a photograph showing that costumes of Mario, Luigi, and Yoshi are available for rental in as many a number as that of other costumes (Exhibit Ko 158-3), and in the tweets posted by Asakusa Shop on February 18, 2018 and September 27 of the same year, there are photographs of persons wearing costumes of Mario, Luigi, Yoshi, and King Bowser Koopa (Exhibits Ko 158-2, 158-4), and a tweet posted by Asakusa

Shop on February 3 of the same year shows a customer riding a public road go-kart with the letters, "MariCar.com", indicated in yellow on the sides (Exhibit Ko 158-1, entire import of the oral argument).

- (B) In a video posted on YouTube by a customer of Asakusa Shop on March 7, 2018, a person wearing the costume of Mario and driving a public road go-kart is shown along with the indication of the letters, "Mario Kart" (Exhibits Ko 201-1, 201-2).
- (C) A photograph posted on TripAdvisor for introduction of Asakusa Shop shows a person wearing the costume of Mario and driving a public road go-kart (Exhibit Ko 210-11).
- (D) On January 19, 2019, a question was posted on TripAdvisor by a person considering the use of Asakusa Shop, asking whether "マリカー" and "侍カート" ["SAMURAI KART" written in Japanese] are different companies, and a representative of Asakusa Shop by the name of "MariCAR JAPAN" responded that Samurai Kart is a name used for Asakusa Branch of the same group (Exhibit Ko 210-11, Exhibit Ko 217-1, entire import of the oral argument).

Also, to a question posted on September 24, 2018 on TripAdvisor, the aforementioned representative of Asakusa Shop by the name of "MariCAR JAPAN" responded that the service requested by the inquirer is available at Osaka Shop and Okinawa Shop of the same group (Exhibit Ko 217-2).

## (2) Judgment

- A. In light of the findings of the above (1) A (A) to (C), B (B), C (C), D (B) (C), E (A) (C) (D), F (B), and G (A) (D), it can be said that externally, STREET KART Shops and MariCAR Shops use indications which suggest that both groups constitute a single group as a whole, and in fact, First Instance Defendants acknowledge that some of STREET KART Shops and MariCAR Shops (Shinagawa Shop 1, Shinagawa Shop 2, and Shibuya Shop, as well as Akihabara Shop 1 and Akihabara Shop 2) have the same operators. Given these circumstances, it can be presumed that STREET KART Shops operate Rental Business in the same manner as MariCAR Shops.

In addition to the above, as per the finding of No. 2, 2 (4) B above, Rental Activity is carried out at MariCAR Shops, and as per the findings of the above (1) B (A), C (A) (B), D (A) (C), E (A), F (A), and G (A) to (C), there are facts which support that a rental service of Costumes was provided at all of STREET KART Shops. In light of these circumstances, it is acknowledged that Rental Activity was carried out by STREET KART Shops as was the case with MariCAR Shops.

B. From the finding of the above (1) B (A), it is acknowledged that the Logo was placed on the towels and the like which were sold at Akihabara Shop 2 as well as on the stickers which were distributed to customers. Also, given the findings of the above (1) B (A), D (B) (C), E (A) (C), and G (A), it is acknowledged that [i] some of the public road go-karts used at Akihabara Shop 2 have the Logo and the letters, "MariCar.com", placed on the body, [ii] some of the public road go-karts used at Asakusa Shop have the letters, "MariCar.com", placed on the body, [iii] some of the public road go-karts used at Tokyo Bay BBQ Shop have the letters, "maricar.com" and "MariCar.com", placed on the body, and [iv] some of the public road go-karts used at Kyoto Shop have the Logo and the letters, "maricar.com", placed on the body.

In light of these facts, it is acknowledged that Defendant's Marks 1-2 to 1-4 were used at STREET KART Shops, except for Shinagawa Shop 2 and Yokohama Shop, and considering the unified nature of STREET KART Shops and MariCAR Shops as per the finding of the above A, it can be presumed that these marks were used at Shinagawa Shop 2 and Yokohama Shop as well.

C. First Instance Defendants assert that [i] Kyoto Shop has not carried out Rental Activity since the start of its operation (Exhibit Otsu 118), [ii] the percentage of use of the Costumes at STREET KART Shops is neither asserted nor supported by evidence, [iii] it is unclear whether or not the public road go-karts parked at a parking space near Akihabara Shop 2 are the ones used at Akihabara Shop 2, [iv] the indication of the letters, "MariCar.com", on public road go-karts at Asakusa Shop is small, so that it does not constitute use as an indication of goods or business, and [v] sale and the like of goods do not constitute use as an indication of goods or business.

However, in regards to the above [i], the statement of Exhibit Otsu 118 is not reliable in light of the circumstances; namely, as per the finding of the above (1) E (A), Kyoto Shop posted videos showing persons wearing costumes of Mario and Luigi, and as per the finding of the above (1) E (B), the photograph on the reservation page for Kyoto Shop shows persons wearing costumes of Mario, Luigi, and Yoshi.

With regards to the above [ii], what is described below in 6 (2) D shall apply.

With regards to the above [iii], evidence (Exhibit Ko 157) shows that the parking space where the public road go-karts were kept was near Akihabara Shop 2, and that the public road go-karts parked in the same parking space had the letters, "Street Kart Tour", which remind one of Akihabara Shop 2, which is a

STREET KART Shop, placed thereon. Given the fact that First Instance Defendants have not actively asserted or provided evidence to support that the parking space used by Akihabara Shop 2 is located in a place different from that shown in Exhibit Ko 157, it can be presumed that the public road go-karts which were kept at the parking space of Exhibit Ko 157 were those which were used at Akihabara Shop 2.

With regards to the above [iv], evidence (Exhibit Ko 158-1) shows that it is acknowledged that the indication of the letters, "MariCar.com", on public road go-karts at Asakusa Shop are large enough to be clearly recognizable by customers and other persons nearby when the go-karts are parked, so that First Instance Defendants cannot assert that said indication, because of its size, does not fall under an indication of goods or business.

With regard to the above [v], it can be acknowledged that the sale of towels and the like and the distribution of stickers at Akihabara Shop 2 constitute part of Rental Business, so that it is acknowledged that the use of the indication therein falls under the use as an indication of goods or business for said business.

Accordingly, the claims made by First Instance Defendants in the above [i] to [v] cannot be accepted.

2. Issue 2 (Whether or not costumes bearing Defendant's Mark 1 and Costumes Bearing Defendant's Mark 2 are currently used at Fuji-Kawaguchiko Shop and Roppongi Shop)

- (1) Fuji-Kawaguchiko Shop

- A. Evidence (Exhibit Ko 212-1) shows it is acknowledged that a photograph taken on August 31, 2018 of customers of Fuji-Kawaguchiko Shop wearing costumes of Yoshi and King Bowser Koopa was posted on a tweet, so that it is acknowledged that at Fuji-Kawaguchiko Shop, the Rental Activity has continued even after November 2017, as per the finding of No. 2, 2, C (B) above.
- B. Evidence (Exhibit Ko 102-2, Exhibits Ko 212-1, 212-2) shows that it is respectively acknowledged, at the time of November 2017 and August 31, 2018, that some of the public road go-karts used at Fuji-Kawaguchiko Shop indicated "fuji-maricar.jp" and "富士 MARICAR" ["Fuji MARICAR" written using Japanese] in white and black letters, at the front and on the sides, and that the Facebook pages run by Fuji-Kawaguchiko Shop contained the indication of "富士 MARICAR". Also, as described in No. 2, 2 (4) D above, it is possible to extract the "maricar" part, which is Defendant's Mark 1-4, from "fuji-maricar.jp" as the essential part, and since "富士 MARICAR" is written using kanji characters and

alphabet letters and there is no relevance in concept between "富士" and "MARICAR", it is possible to extract the "MARICAR" part, which is Defendant's Mark 1-3, as the essential part. Accordingly, it is acknowledged that Fuji-Kawaguchiko Shop uses Defendant's Marks 1-3 and 1-4.

C. Exhibits Otsu 94 and 116 do not influence the findings of the above A and B.

(2) Roppongi Shop

A. First Instance Defendants admits, in the Third Brief dated October 6, 2017 and submitted in the first instance, that Roppongi Shop was carrying out Rental Business of public road go-karts by using the trade name of "MariCAR" as was the case with "MariCAR Shop", and it can be presumed that the Rental Business, which has the same business format as MariCAR Shops as per the finding of No. 2, 2 (4) B above, was carried out at Roppongi Shop as well. Furthermore, evidence (Exhibits Ko 213-1 to 213-3, Exhibit Otsu 117) shows that it is acknowledged that Rental Activity was carried out at Roppongi Shop even afterwards.

B. Also, as shown below, Roppongi Shop Website (Exhibit Otsu 117) indicated the mark, which shows the letters, "maricar" and "Garage", in two tiers next to the "R" that is designed and written in a large size on the homepage. Given such configurations, it is possible to extract the letters, "maricar", which is Defendant's Mark 1-4, from said mark as the essential part thereof, so that it can be said that Roppongi Shop uses Defendant's Mark 1-4.



C. First Instance Defendants assert that Roppongi Shop is currently closed. Exhibit Otsu 92-1 indicates that when a notary public visited Roppongi Shop on November 15, 2018, the shop was not in operation, but according to evidence (Exhibit Ko 165) and the entire import of the oral argument, it is acknowledged that Roppongi Shop was in operation from January 1, 2019 until January 3 of the same year, so that it cannot be acknowledged that Roppongi Shop is closed.

3. Issue 3 (Whether or not First Instance Company carried out Rental Business at Shops from the time of its foundation on June 4, 2015 until the present, either singularly or jointly with Related Groups, and engaged in the act of using Defendant's Mark 1, Creating Activity, Advertising Activity, the act of using Domain Names, and Rental Activity)

(1) Basic facts

According to the evidence described later and the entire import of the oral argument, the following facts can be acknowledged in addition to the facts of No. 2, 2 above.

- A. First Instance Defendant Y, who is the representative of First Instance Defendant Company, drove a public road go-kart wearing the costume of Mario to promote Rental Business when he was interviewed in an NHK TV program as the owner of Shinagawa Shop 1 around January 2016 (Exhibit Ko 42-13, Exhibit Ko 43-13, entire import of the oral argument).
- B. On February 1, 2016, First Instance Defendant Company prepared "Terms of Use for MariCAR" ("Terms"; Exhibit Ko 5), which are written in Japanese and are applied to the rental of public road go-karts. The Terms of Use indicate that customers renting public road go-karts borrow vehicles and accessories from First Instance Defendant Company, which is defined as the business operator, and the Terms of Use were posted on the glass of the entrance of Shinagawa Shop 1 as of November 15, 2016 (Exhibit Ko 4).
- C. On June 24, 2016, the effect of a partnership agreement for Shinagawa Kumiai came into effect, and the partners of the partnership consisted of two companies; namely, First Instance Defendant Company and X-Kart Kabushiki Kaisha (Exhibits Ko 62-1, 62-5).
- First Instance Defendant Company opted out of Shinagawa Kumiai on October 23, 2017, and later, Shinagawa Kumiai changed its name to Tokyo Kanko LLP on December 6 of the same year, which was then dissolved on the 20th of the same month. On the same day, the partnership of Shinagawa Kanko LLP came into effect (Exhibit Ko 121-1, Exhibit Ko 122).
- D. On September 28, 2016, First Instance Defendant Company filed an application for trademark registration for the Logo (Exhibit Otsu 29).
- E. On September 28, 2016, a website on travel information titled "Find Travel" run by DeNA Co., Ltd. posted an article titled, "Did you know that you can rent a Mario Kart and drive on a public road? It's actually a casual and fun experience!" [in Japanese], and in the article, introduced Shinagawa Shop 1 as "Shinagawa shop of MariCar Inc. (authorized dealer of X-Kart) as a shop where one can rent real life Mario Karts" (Exhibit Ko 39, entire import of the oral argument).
- F. Around October 4, 2016, First Instance Defendant Company advertised a job opening for managers and the like for shops which carry out Rental Business. In

the advertisement, First Instance Defendant Company described the company's operation as "Rental of one-person public road go-karts which can be driven with a driver's license" [in Japanese] and the like, and wrote "MariCar Inc., which attracts attention in Japan and overseas as Japan's largest-scale rental & tour service of public road go-karts, will open more shops in Tokyo in addition to opening new shops in Osaka, Yamanashi, and Okinawa, and seeks 'managers' and 'maintenance staff'" [in Japanese] and "Our company has established our business during the past year and has achieved significant results, and we are planning on explosive expansion of business scale" [in Japanese], indicating the places of work as "MariCar Inc. shops in Toyo, Okinawa, etc.; global working environment; OJT in Tokyo after employment" (Exhibit Ko 59-1, entire import of the oral argument).

- G. At Shinagawa Shop 1, as of November 15, 2016, the Terms of Use prepared by First Instance Defendant Company, as described in the above B, were posted, and Business Cards with First Instance Defendant Company's company name (MariCar Inc.) indicated thereon were distributed, and the Business Cards indicated "Rental of vehicles, sale of vehicles, customized maintenance, advertising and planning" (Exhibits Ko 4, 57).

Also, at Shinagawa Shop 1, as of November 15, 2016, a receipt was issued in First Instance Defendant Company's name for payment of rental fees pertaining to Rental Business (Exhibits Ko 4, 57, 58).

- H. As of February 23, 2017, First Instance Defendant Company introduced its company on its website as "MariCar Inc. provides integrated services of public road go-karts" [in Japanese], "Japan's largest-scale public road go-karts! Rental/sale/maintenance and customization/advertising and promotion" [in Japanese], and listed "rental business/advertising and promotion business" and "sales business, and maintenance and land transportation business" as its businesses. Concerning "rental business", First Instance Defendant Company wrote that it "has rental partners all across Japan" [in Japanese] and "provides maintenance services for the rental business by using our strength of the ability to manufacture and sell public road go-karts", and concerning "sales business", wrote that it "sells public road go-karts at minimum guarantee prices by raising awareness about public road go-karts through our rental business" [in Japanese] (Exhibit Ko 6-3).
- I. On June 13, 2017, the effect of a partnership agreement for Akihabara Kumiai came into effect, and the initial partners of Akihabara Kumiai consisted of the two companies, First Instance Defendant Company and X-Kart Kabushiki Kaisha, but

First Instance Defendant Company opted out of Akihabara Kumiai on October 24 of the same year (Exhibit Ko 121-3, Exhibit Otsu 48-1).

- J. On June 19, 2017, a partnership agreement for Shinkiba Kumiai came into effect, and the initial partners of Shinkiba Kumiai consisted of the two companies, First Instance Defendant Company and X-Kart Kabushiki Kaisha, but First Instance Defendant Company opted out of Shinkiba Kumiai on November 1 of the same year (Exhibit Otsu 112).
- K. On June 26, 2017, a partnership agreement for Okinawa Kumiai came into effect, and the initial partners of Okinawa Kumiai consisted of First Instance Defendant Company and X-Kart Kabushiki Kaisha, but First Instance Defendant Company opted out of Okinawa Kumiai on November 6 of the same year (Exhibit Ko 121-4, Exhibit Otsu 48-4).
- L. Concerning MariCAR Shops and Fuji-Kawaguchiko Shop, as of February 23, 2017, Shinagawa Shop 1 Website 1 and Fuji-Kawaguchiko Shop Website had generally the same design and descriptions, including the explanation about the Rental Business (Exhibits Ko 6-1, 6-2). Likewise, as of October 2, 2017, Shinagawa Shop 1 Website 2, Akihabara Shop 1 Website 2, Shibuya Shop Website, Osaka Shop Website, and Okinawa Shop Website were run by using Domain Name 4, and they had generally the same descriptions (Exhibits Otsu 41-1 to 41-9).  
Even after the prior instance judgment, websites of MariCAR Shops which were run by using Domain Name 4 have had generally the same designs and descriptions (Exhibits Ko 143-1 to 143-5, Exhibits Otsu 93-1 to 93-5).
- M. On December 5, 2018, EcoKART, which First Instance Defendants claim to be the business operator of Roppongi Shop, advertised a job opening by explaining the company as a "group of companies providing the service of Japan's largest-scale public road rental go-karts, operating in four shops in Tokyo alone, with other shops located in Osaka, Okinawa, and Fuji" [in Japanese] (Exhibit Ko 198).
- N. At the time of February 2019, Fuji-Kawaguchiko Shop wrote "Fuji MARICAR" and "富士マリカー" ["FUJI MARICAR" written in Japanese] on its Facebook, and posted previous posts indicating letters such as "Street Kart Tour thru Tokyo, mt.fuji. Osaka, Okinawa.", "#maricar", and "#マリカー" (Exhibits Ko 212-2, 212-3).
- O. As of December 26, 2018, the official website of Shibuya-Maruyama-chokai indicated that First Instance Defendant Company is the business operator of Shibuya Shop (Exhibit Ko 197).
- (2) On the premise of the above, the implementation of Rental Business by First

Instance Defendant Company from the time of its foundation until the present, and the accompanying use of Defendant's Marks 1 and 2 shall be considered below.

A. From the time of foundation of First Instance Defendant Company until June 23, 2016

As described above in No. 2, 2 (3), First Instance Defendant Company operated its Rental Business by using the trade name of "MariCAR" from June 4, 2015 until June 23, 2016.

In addition to the above, in light of the circumstances such as that, as described in the above (1) A, First Instance Defendant Y wore the costume of Mario when he was interviewed in an NHK TV program as the owner of Shinagawa Shop 1 around January 2016, and Related Groups were founded around the time indicated in No. 2, 2 (3) above, and the entire import of the oral argument, it is acknowledged that First Instance Defendant Company, from the time of its foundation until June 23 of the same year, operated the Shops which existed at the time and engaged, in connection with the operation, in the act of using Defendant's Mark 1, acts of creating and uploading Videos 1 to 14, and the act of using Defendant's Mark 2, including Rental Activity.

B. After June 24, 2016

(A) As described in No. 2, 2 (4) A above, even after June 24, 2016, First Instance Defendant Company continued using the trade name, "MariCar Inc.", and used Defendant's Mark 1-1, and indicated Defendant's Marks 1-1 and 1-2 on Defendant Company Website which was run using Domain Name 2, and used Defendant's Mark 1-3 by posting the Logo on Defendant Company Website.

(B) Next, whether or not First Instance Defendant Company, either personally or jointly with Related Groups, carried out Rental Business through Shops after June 24, 2016, and by doing so, engaged in acts which First Instance Plaintiff claims fall under an act of unfair competition and an act of copyright infringement shall be considered further.

a. As per the findings of No. 2, 2 (4) B and C above, and in No. 3, 1 and 2 above, all Shops carry out the Rental Business consisting of Rental Activity and the like, which is similar to what was carried out by First Instance Defendant Company up to June 23, 2016.

b. At MariCAR Shop, the trade name of "MariCAR" used by First Instance Defendant Company is still used as-is today, and even at other STREET KART Shops, Fuji-Kawaguchiko Shop, and Roppongi Shop, as per the findings of the above 1 and 2, there is a representative who calls him/herself "MariCARJAPAN",

and indications which contain the letters, "MariCar", "MARICAR", and "maricar" are used, so that it can be said that the very trademark used by First Instance Defendant Company or other similar indications are used in a unified manner at the Shops.

- c. As per the finding of the above (1) L, the websites of MariCAR Shops are run with generally the same content and by using Domain Name 4, and as per the finding of the above 1, the design of and the descriptions on websites of MariCAR Shops and STREET KART Shops are very similar. As such, the websites use indications which externally give the impression that MariCAR Shops and STREET KART Shops collectively comprise a single group, and in fact, some of MariCAR Shops and STREET KART Shops (Shinagawa Shop 1 and Shinagawa Shop 2, and Shibuya Shop, Akihabara Shop 1, and Akihabara Shop 2) are operated by the same operator, also as asserted by First Instance Defendants.

Also, in regards to Fuji-Kawaguchiko Shop and Roppongi Shop as well, as per the findings of the above (1) M and N, the shops used indications as if they belong to the same group as MariCAR Shops, and the content of websites of MariCAR Shops and Fuji-Kawaguchiko Shop were generally the same as per the finding of the above (1) L.

- d. As per the finding of the above (1), there were following circumstances even after June 24, 2016; namely, [i] First Instance Defendant Company described itself by indicating on Defendant Company Website "MariCar Inc. provides integrated services of public road go-karts" [in Japanese], and wrote that its operation includes Rental Business which involves rental partners nationwide, and described Rental Business as something which can be operated by "using our strength of the ability to manufacture and sell public road go-karts" [in Japanese] (above (1) H), [ii] First Instance Defendant Company wrote in a job advertisement that it is planning on explosively expanding the business scale, and indicated as if it is the employer looking for managers and other employees to engage in the same business at the shops to be newly opened, such as Osaka Shop, Fuji-Kawaguchiko Shop, and Okinawa Shop (above (1) F), [iii] First Instance Defendant Company launched four limited liability partnerships, which operate Rental Business, and became a partner of each partnership (above (1) C, I to K), [iv] Shinagawa Shop 1 posted the Terms of Use, under which First Instance Defendant Company is the operating company, and there were Business Cards and receipts indicating First Instance Defendant Company's company name (above (1) G), and [v] it was recognized that the business operator of Shinagawa Shop 1 and Shibuya Shop is

First Instance Defendant Company (above (1) E and O). Furthermore, as shown by evidence (Exhibit Ko 214, Exhibit Otsu 29) and the entire import of the oral argument, it is acknowledged that First Instance Defendant Company filed applications for trademark registration of the Logo (filing date: September 28, 2016) and of a figure commonly found in the Logo and STREET KART Shop Logo (filing date: March 4, 2017), and the same trademarks were used at MariCAR Shops and STREET KART Shops, but it can be said that these circumstances strongly lead to the presumption that First Instance Defendant Company was actively involved in the operation of Rental Business and was deeply involved in the operation of the Shops even after said date.

e. When what is described in the above a to d are considered together, it is acknowledged that First Instance Defendant Company carried out the Rental Business, either personally or at least jointly with Related Groups, and engaged in an act of unfair competition, as per the finding below, either personally or jointly with Related Groups even after June 24, 2016.

(3) First Instance Defendants submit statements (Exhibits Otsu 106, 107) by First Instance Defendant Y and the representative of MariCAR Osaka in connection with the following claim to the effect that [i] that First Instance Defendant Company has not carried out Rental Business since June 24, 2016, based on factors such as that the sales by First Instance Defendant Company for the period after January 1, 2017 do not include the sales pertaining to Rental Business, whereas most of the sales by Shinagawa Kumiai for the same period derive from Rental Business (Exhibits Otsu 2, 6), and that Shinagawa Kumiai owns public road go-karts for use in Rental Business and hired part-time employees to engage in the business (Exhibits Otsu 4-1 to 4-3, Exhibits Otsu 5-1 to 5-3), or that [ii] First Instance Defendant Company has not carried out Rental Business at least since November 6, 2017, which is when First Instance Defendant Company opted out from all partnerships and cut all ties with Related Groups.

However, facts such as the above sales and the hiring of part-time employees, as claimed by First Instance Defendants, may also apply to the case where First Instance Defendant Company operates Rental Business jointly with Related Groups, so that it cannot be said that these facts are incongruous with the finding of the above (2).

Also, even after November 6, 2017, which is when First Instance Defendant Company opted out from all partnerships, it cannot be acknowledged that there was any meaningful change to the circumstances on which the finding of the

above (2) is based, so that the mere fact of having opted out from all partnerships as a matter of form shall not overturn the finding of the above (2).

As for the aforementioned statements, they are not reliable given the circumstances considered in the above (2), such as that First Instance Defendant Company described itself as if it is the employer and looked for employees to work at a new shop which was to open in Osaka, so that the statements shall not influence the finding of the above (2).

Accordingly, the above claim made by First Instance Defendants is groundless.

4. Issue 4 (Whether or not the act of using Defendant's Mark 1 in business and the act of using the same as a trade name fall under an act of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act)

(1) Consumers

First, Consumers shall be the subject of consideration.

- A. Circumstances surrounding Rental Business, which was carried out by First Instance Defendant Company, either singularly or jointly with Related Groups, prior to the conclusion of oral argument of the prior instance judgment
- (A) MariCAR Shops and Fuji-Kawaguchiko Shop have websites which are written in Japanese, English, Chinese, French, and Korean, and all websites provide description of the Rental Business and its fees, and explain the reservation process involved in the use of public road go-karts, including confirmation of vacancy, and the specific method of use. The maps of the shops (all of which are located in Japan) were shown along with the direction to each shop from the nearest station, among other information. The website in Japanese indicated, "Unforgettable experience on public road go-karts", "MariCAR provides a rental service of one-person public road go-karts, which can be driven with a driver's license, and sightseeing tour on the go-karts", and "MariCAR offers a sightseeing tour on one-person public road go-karts, which can be driven with an international driver's license, to visitors to Japan. (omitted) Enjoy riding public road go-karts, "MariCAR", and create the greatest fun memory which is only available here!", among other writings, aimed at soliciting customers (Exhibits Ko 6-1 to 6-4, Exhibits Otsu 41-1 to 41-9).
- (B) The Leaflets which were distributed at Shinagawa Shop 1 were printed in Japanese and English on both sides, and the parts written in Japanese indicated fees and shops' locations and the like as well as the indication, "MariCAR is a provider of one-person public road go-karts rental & tour service, and you can

drive it with your driver's license" [in Japanese]", among other information (Exhibit Ko 3).

- (C) The questionnaire which customers of Rental Business were asked to fill out was printed in Japanese and English on both sides, and contained items such as where the customer came from, how many times the customer has ridden MariCAR, and how the customer learned about MariCAR (Exhibit Ko 4, Exhibits Otsu 14-1 and 14-2, entire import of the oral argument).

According to the above questionnaire survey, many of the customers were tourists from foreign countries, and most of them were in the age range of 20 to 49 years old, and many of them were in the demographic of relatively young adults, and there were more than a few Japanese customers as well (Exhibit Otsu 14-1).

- (D) Find Travel introduces, in Japanese, as an experience of "Sightseeing in Tokyo", the description of Rental Business by Defendant Company, location of Shinagawa Shop 1, business hours, and the map, along with indications such as "You may think that driving this go-kart requires a special skill, but here is good news! Anyone with a driver's license can ride these go-karts!" (Exhibit Ko 39).

- B. According to the finding of the above A, the Consumers consist of ordinary people who want to drive public road go-karts as a sightseeing experience or the like in Japan, and in particular, persons in the demographic of relatively young adults, and as of the time prior to the conclusion of oral argument of the prior instance judgment, it is acknowledged that consumers were not restricted to foreign tourists visiting Japan (foreign travelers, US military personnel in Japan, embassy personnel, etc.), as claimed by First Instance Defendants, but that they included Japanese as well.

- C. First Instance Defendants assert that after the prior instance judgment, all of the Consumers consisted of foreign tourists visiting Japan who do not understand Japanese.

However, [i] evidence (Exhibits Ko 140 to 142) and the entire import of the oral argument show that, of the foreign tourists visiting Japan, as referred to by First Instance Defendants, it is acknowledged that a considerable number of those who live in Japan are able to understand Japanese to a certain degree, and as for those who do not live in Japan, since they are visiting Japan because they are interested in Japan in some way, it is believed that, naturally, some of them understand Japanese. Also, [ii] as described in the above 1 (1) A (B), STREET KART Shops have websites written in Japanese, and Shinagawa Shop 1, Shibuya Shop, Akihabara Shop 1, Osaka Shop, and Fuji-Kawaguchiko Shop have websites

on which plans available at the shops are explained in Japanese (Exhibits Ko 173-1 to 173-4, Exhibit Otsu 116). Furthermore, [iii] by also taking into consideration the result of the survey by First Instance Plaintiff (Exhibits Ko 145, 157, 222), it is acknowledged that the circumstances in which Japanese can use the Shops still continue to exist even after the prior instance judgment.

Accordingly, based on the facts above, the aforementioned claim by First Instance Defendants cannot be accepted, and it is acknowledged that, even after the prior instance judgment, Consumers include persons other than the foreign tourists visiting Japan who do not understand Japanese at all.

D. Also, First Instance Defendants assert that the Consumers and consumers of games are different.

However, [i] "2017 CESA Ippan Seikatsusya Chosa Hokokusho" ["2017 Report on CESA Survey of Ordinary Citizens"] (Exhibit Ko 76) issued in March 2017 by Computer Entertainment Supplier's Association (CESA) shows that during 2014 and 2016, the number of active users of home-use game consoles in Japan (persons who play with the target home-use game consoles) has hovered around 30,000,000 of which about 80% of the males are 20 years old or older, and about 85% of the females are 20 years old or older, so that those in the range of 20 to 49 years old constitute a large percentage, [ii] in "2015 ESSENTIAL FACTS ABOUT THE COMPUTER AND VIDEO GAME INDUSTRY" (Exhibit Ko 77) published by the Entertainment Software Association, game users in the US numbered 155,000,000 in 2014, with the average age being 35, and those aged 18 and older comprising 74%. Given the foregoing, it is acknowledged that today, the consumers who are interested in games are not limited to those who prefer indoor activities, as claimed by First Instance Defendants, but that they are considerably extensive, with the demographic of relatively young adults comprising the majority.

Furthermore, given that the Consumers are ordinary people who want to ride public road go-karts as a sight-seeing experience or the like, as per the finding of the above B, and the age group of the actual customers is almost identical to the age group of the majority of consumers for games, and that, as per the ruling below in 6 (2) D, Rental Business was advertised through February 2017 by highlighting the Rental Activity of renting costumes of Mario and other characters, and that it is acknowledged that even today, Rental Activity holds an important position in Rental Business, it is clear that the Consumers and the consumers interested in games overlap to a considerable extent, and by also taking into

consideration the circumstance in which the parent population of the consumers interested in games is significantly greater than the parent population of the Consumers, it can be said that the consumers interested in games should be regarded as being the same as the Consumers.

E. To sum up the above consideration, as asserted by First Instance Defendants, it is acknowledged that Consumers certainly consist of a large number of foreign tourists visiting Japan, but that the Consumers also include Japanese nationals, and that there is also a certain number of foreign nationals who understand Japanese. Also, the Consumers and the consumers who are interested in games can be regarded as the same.

(2) Well-knownness and fame of the Plaintiff's Character Indication and the indication of "MARIO KART"

A. Basic facts

(A) On August 27, 1992, First Instance Plaintiff released "Super Mario Kart", software for a game console called Super FAMICOM, as the first of the "Mario Kart" series, followed by "Mario Kart 64", software for a game console called Nintendo 64, on December 14, 1996, and "Mario Kart Advance", software for a game console called Game Boy Advance, on July 21, 2001, and "Mario Kart Double Dash!!", software for a game console called Nintendo Game Cube, on November 7, 2003, and "Mario Kart DS", software for a game console called Nintendo DS, on December 8, 2005, and "Mario Kart Wii", software for a game console called Wii, on April 10, 2008, and "Mario Kart 7", software for a game console called Nintendo 3DS, on December 1, 2011, and "Mario Kart 8", software for a game console called Wii U, on May 29, 2014, and "Mario Kart 8 Deluxe", software for a game console called Nintendo Switch, on April 28, 2017 (Exhibit Ko 7, Exhibits Ko 8-1 to 8-9).

(B) The numbers of shipment titles for the above software games were generally as follows as of December 31, 2016 (Exhibits Ko 7, 9, 10).

Title	Domestic accumulated total Number of shipment titles	Domestic and international accumulated total Number of shipment titles
Super Mario Kart	3,820,000 copies	8,760,000 copies
Mario Kart 64	2,240,000 copies	9,870,000 copies
Mario Kart Advance	●●● copies	5,910,000 copies

Mario Kart Double Dash!!	●●● copies	6,870,000 copies
Mario Kart DS	4,020,000 copies	23,540,000 copies
Mario Kart Wii	3,830,000 copies	35,260,000 copies
Mario Kart 7	2,720,000 copies	13,030,000 copies
Mario Kart 8	1,260,000 copies	8,260,000 copies
(Total)	●●●●● copies	111,500,000 copies

- (C) Of the aforementioned software games, "Mario Kart DS" ranked 18th in the Past Domestic Million Shipment Titles in "2016 CESA Games White Paper" published by Computer Entertainment Supplier's Association (CESA) in July 2016, and "Mario Kart Wii" and "Super Mario Kart" ranked 22nd and 23rd, and "Mario Kart 7" ranked 44th. Likewise, in the Past International Million Shipment Titles (a ranking of the accumulated total of the number of shipment titles in Japan and overseas), "Mario Kart Wii" ranked 3rd, "Mario Kart DS" ranked 11th, "Mario Kart 7" ranked 23rd, "Mario Kart 64" ranked 37th, and "Super Mario Kart" ranked 43rd (Exhibit Ko 9).
- (D) "Super Mario Kart", which is the first game of the aforementioned software games, ranked 1st in the popularity ranking of a magazine featuring games, for the period from September 1992, which is right after its release, until October of the same year, and "Mario Kart 8", which is the eighth game, also ranked 1st in the popularity ranking for the period from June 2014, which is right after its release, until July of the same year, and was also introduced in an article on games in a general magazine as "eighth game of the 'Mario Kart' series, which everyone has played at least once" [in Japanese] (Exhibits Ko 11-2 to 11-5, Exhibits Ko 12-4, 12-6, Exhibit Ko 13-2).
- (E) For the period from May 2014, which is around the time of release of "Mario Kart 8", which is the eighth game of the aforementioned software games, until August of the same year, First Instance Plaintiff broadcasted TV commercials at least 84 times through major terrestrial TV broadcasters, and the total number of TV commercials broadcasted in Japan by First Instance Plaintiff in connection with the "Mario Kart" series was 583 times as of July 2015 (Exhibits Ko 14, 15).
- (F) When games of "Mario Kart" series were sold overseas, all titles used the writing of "MARIOKART", and sometimes TV commercials were broadcasted

overseas (Exhibits Ko 8-1 to 8-5, Exhibit Ko 95-4, entire import of the oral argument).

"SUPER MARIO KART" ranked 1st in the category of Software for Home-Use Game Consoles in the "Guinness World Records 2009 GAMER'S EDITION" published in February 2009 (Exhibit Ko 147). In the "Guinness World Records 2018 GAMER'S EDITION" published in July 2017, "MARIO KART" was introduced as the longest-lasting go-kart series and as a "legend" (Exhibit Ko 148).

(G) Between 2007 and 2016, First Instance Plaintiff concluded license agreements for "Mario Kart" series with Tomy Company, Ltd., Bandai Namco Entertainment Inc., Sun Art Corporation, McDonald's Company (Japan), Ltd., Mercedes-Benz Japan Co., Ltd., Chubu Branch of Japan Highway Public Corporation, and Nagoya Expressway Public Corporation, and these companies sold licensed products related to "Mario Kart", such as toys, stationery, and arcade games, and used Mario and other characters, who appear in the "Mario Kart" series, in TV commercials for sales promotion activities and for announcing road closures on national roads (Exhibits Ko 16-1-1 to 16-1-6, Exhibits Ko 16-2-1 to 16-2-3, Exhibit Ko 16-3, Exhibits Ko 16-4-1, 16-4-2, Exhibit Ko 16-5, Exhibits Ko 16-6-1 to 16-6-7, entire import of the oral argument).

(H) By December 13, 1996, if not earlier, which is when a magazine featuring games and titled "Family Computer Magazine 64" was published, "マリカー" was used as an abbreviation for "Mario Kart" in ways such as "A complete guide for fans waiting impatiently and standing ready for 'マリカー'" [in Japanese] and "Here is an exposé for all you need to know about 'マリカー' to play the game" [in Japanese]. Also, in a magazine featuring games and published on October 1, 2001 under the title, "Dengeki GB Advance", the abbreviation was used by way of "Considering the manner in which the games of 'マリカー' series have been sold so far, by gradually increasing the number of copies sold ..." [in Japanese], and in a magazine featuring games and published on November 1, 2003 under the title, "Dengeki Game Cube", the abbreviation was used by way of "The one-person vehicle underwent a significant change in 'マリカーDD' by turning into a two-person vehicle" [in Japanese] (Exhibits Ko 17 to 19).

(I) Of the three cartoon works published between 2010 and 2016, "マリカー" was used as an abbreviation for "Mario Kart" without any explanatory note being required, and was used in dialogues such as "Training for マリカー ...", "I get a high score on マリカー each time I receive the house rent from those two ...", "Unbelievably, I ended up doing 10 rounds of race on マリカー ...", and "That's

like playing the killer on マリカー!!" [all in Japanese] (Exhibits Ko 21-1, 21-2, Exhibit Ko 22, Exhibits Ko 23-1, 23-2).

- (J) On Twitter, on June 3, 2015, which is the day before the foundation of First Instance Defendant Company, at least 600 tweets were posted using "マリカー" as an abbreviation for "Mario Kart" (Exhibit Ko 24).

In addition, on January 13, 2017, which is when the release of "Mario Kart 8 Deluxe" was announced, similar tweets increased to approximately 3,000 posts (Exhibit Ko 25).

- (K) In a TV program in which First Instance Defendant Y was interviewed and which was broadcasted on June 4, 2016, a talent who appeared on the program said, "We all used to play with Mario Kart games and asked each other, 'Did you play with マリカー?', 'Did you play with マリカー?'" [in Japanese] (Exhibits Ko 108-1 and 108-2).

- (L) Between February 23, 2017 and February 26 of the same year, during which time reports on the filing of the present lawsuit were broadcasted, multiple unknown ordinary people posted tweets concerning First Instance Defendant Company as follows: "The very name of the company is just a pure copy"; "Even the company name is 'マリカー', so I thought they had some kind of permission"; "In any case, the company name in itself is an infringement, (omitted) and they must obtain permission from Nintendo"; "Unbelievably, they call themselves 'マリカー' and they haven't obtained permission from Nintendo"; "I thought they were operating with the permission of Nintendo. They weren't? In that case, the company name itself is unacceptable"; "In a way it's incredible how they used 'マリカー' in their company name and still got away with various other things without any permission"; and "They called themselves 'マリカー', rented out Mario costumes to customers and let them drive around in go-karts on public roads without the permission of Nintendo... That's simply out of question" [all in Japanese] (Exhibits Ko 81-1, 81-3 to 81-7, 81-9).

- B. First of all, upon considering about well-knownness and fame of Plaintiff's Character Indication of "マリオカート", the following must be taken into consideration; namely, [i] the accumulated total of domestic shipment titles for software of "Mario Kart" series is approximately ●●●●●, and multiple games from the same series appeared in the ranking of past domestic shipment titles and were featured multiple times in magazines as popular games, [ii] a considerable number of TV commercials about "Mario Kart" series have been broadcasted multiple times, and [iii] concerning "Mario Kart" series, multiple licensed

products are sold and used in promotional sales activities and the like, including products which have little relevance to games and which are related to automobile sales and roads. Given the foregoing, it is acknowledged that, as of May 13, 2015, which is when the application for registration of Trademark was filed, Plaintiff's Character Indication of "マリオカート" had become a "famous indication of goods or business" (Article 2, paragraph (1), item (ii) of Unfair Competition Prevention Act) in Japan as an indication of First Instance Plaintiff's popular series of go-kart racing games, in which Mario and other characters appear, and that this trend has continued to this day.

C. (A) As for the indication of "MARIO KART", given the circumstances in which First Instance Plaintiff's indication of "マリオカート" was famous in Japan as described in the above B, and there being many cases of Plaintiff's Character Indication of "マリオカート" being shown together with indications of "MARIO KART" and "MARIOKART" in Japan (Exhibits Ko 8-1 to 8-9, Exhibit Ko 11-4, Exhibits Ko 16-1-2 to 16-1-5, Exhibit Ko 16-2-2, Exhibits Ko 16-4-1, 16-4-2, Exhibits Ko 16-6-1 to 16-6-7), and "MARIO KART" being simple English words which can be easily understood by anyone as an English translation of "マリオカート", it is acknowledged that, by the aforementioned May 13, 2015, the indication of "MARIO KART" had become a "famous indication of goods or business" in Japan as an indication of a popular series of go-kart racing games by First Instance Plaintiff, and that this trend has continued to this day.

(B) Also, in light of the circumstances; namely, [i] the accumulated total of domestic and international shipment titles for the "マリオカート (MARIO KART)" series has numbered 111,500,000 copies as described above in A (B), [ii] the accumulated total of domestic and international shipment titles for "MARIO KART Wii", which became the greatest hit among the "マリオカート (MARIO KART)" series and, with its 35,260,000 copies sold, ranked third in the Past International Million Shipment Titles, [iii] "スーパーマリオカート (SUPER MARIO KART)" ranked 1st in the category of Software for Home-Use Game Consoles in the Guinness World Records, and the "マリオカート (MARIO KART)" series was introduced as a legendary game, and [iv] TV commercials of "マリオカート (MARIO KART)" series were sometimes broadcasted overseas, it is acknowledged that, as of the aforementioned May 13, 2015, the indication of "MARIO KART" had become a "famous indication of goods or business" even among consumers overseas who are interested in games, or in other words, the Consumers overseas (including foreign tourists visiting Japan as claimed by First

Instance Defendants; the same applies hereinafter), as an indication of First Instance Plaintiff's popular series of go-kart racing games, and that this trend has continued to this day.

(C) First Instance Defendants assert that the "number of shipment titles" and the "number of copies sold" are different, and that even the number of shipment titles constitutes a very small percentage from the perspective of ratio in terms of the world population, which exceeds 7,000,000,000 so that the indication of "MARIO KART" is neither well-known nor famous.

However, it is unlikely that a very large quantity of products would be supplied to the market without the demand for such products, and thus it is acknowledged that the number of shipment titles and the number of copies sold are correlative. Also, since it is believed that consumers of home-use games are few in number compared to the world population, and even the largest number of shipment titles for individual software games totals approximately 80,000,000 copies (Exhibit Ko 9), the above claim by Defendant shall not influence the finding of the above (B).

D. The well-knownness of Plaintiff's Character Indication of "マーカー" shall be considered below. Plaintiff's Character Indication of "マーカー" is not something that was personally used by First Instance Plaintiff to refer to the "Mario Kart" series. However, the following facts are acknowledged; namely, that [i] Plaintiff's Character Indication of "マーカー" came to be used in magazines featuring games as an abbreviation for the software game, "Mario Kart" by around 1996, if not earlier, [ii] by around 2010, it was sometimes used in cartoon works which have little relevance to games without any explanatory note being required, and [iii] on June 3, 2015, which is the day before the foundation of First Instance Defendant Company, it is acknowledged that at least 600 tweets were posted on that day alone, referring to "Mario Kart" by the abbreviation of "マーカー". Even after the foundation of First Instance Defendant Company, a talent made a comment in a TV program about using "マーカー" as an abbreviation for "Mario Kart", which is First Instance Plaintiff's game series, and after reports on the present lawsuit were broadcasted, multiple ordinary people made posts showing surprise about the use of "マーカー", which is the company name of First Instance Defendant Company and which refers to the "Mario Kart" game series of First Instance Plaintiff, by First Instance Defendant Company without obtaining permission from First Instance Plaintiff.

In light of the above facts, it is acknowledged that Plaintiff's Character

Indication of "マーカー" was widely known among consumers who are interested in games in Japan, or in other words, the Consumers in Japan, by around 2010, if not earlier, as an indication of the "Mario Kart" series, which is a series of go-kart racing games by First Instance Plaintiff.

E. As described above, it is acknowledged that the indication of "MARIO KART" was famous among Consumers in Japan and overseas, and the Plaintiff's Character Indication of "マリオカート" was famous among Consumers in Japan.

(3) Similarity between Plaintiff's Character Indication of "マリオカート" and the indication of "MARIO KART"

A. As described in the above (2), Plaintiff's Character Indication of "マリオカート" and the indication of "MARIO KART" have become famous as an indication of First Instance Plaintiff's popular series of go-kart racing games, in which Mario and other characters appear.

On the other hand, as per the findings of the above No. 2, 2 (4), and of No. 3, 1 and 2, Defendant's Mark 1 is used in the Rental Business, which consists of rental and the like of public road go-karts.

Accordingly, upon determining similarity in the present case, it is reasonable to take into consideration the actual circumstances of transactions as described above.

B. Plaintiff's Character Indication of "マリオカート" and Defendant's Mark 1-1 (マーカー)

(A) Appearance

Plaintiff's Character Indication of "マリオカート" consists of six characters, whereas Defendant's Mark 1-1 (マーカー) consists of four characters.

However, all of the four constituent characters of Defendant's Mark 1-1 are also found in Plaintiff's Character Indication of "マリオカート", and the order of the characters is also the same.

Also, it can be understood that Plaintiff's Character Indication of "マリオカート" is a combination of "マリオ" ["Mario" written in Japanese] and "カート" ["Cart" or "Kart" written in Japanese]. Defendant's Mark 1-1 is also a coined word and is used in connection with public road go-karts, which are a type of automobile, so that it can be understood that the word is a combination of "マリ" ["Mari" written in Japanese] and "カー" ["Car" written in Japanese], which is an English word for automobile. As such, in regards to Plaintiff's Character Indication of "マリオカート" and Defendant's Mark 1-1, as described above, it is understood that the first half and the second half are respectively similar in the

two marks, with the first half being "マリオ" and "マリ", and the second half being "カート" and "カー".

Accordingly, it can be said that Plaintiff's Character Indication of "マリオカート" and Defendant's Mark 1-1 have a certain degree of similarity in appearance.

(B) Pronunciation

As for pronunciation, Plaintiff's Character Indication of "マリオカート" has the pronunciation consisting of six sounds of "*ma-ri-o-ka-r-t*", and Defendant's Mark 1-1 produces the pronunciation consisting of four sounds of "*ma-ri-ka-r*". The two marks share the sounds of "*ma-ri*", which tend to make an impression, at the beginning of each word, in addition to sharing the sounds of "*ka-r*", so that it can be said that the two marks have a certain degree of similarity in pronunciation.

(C) Concept

Plaintiff's Character Indication of "マリオカート" generates the concept of "Mario's kart" and the concept of First Instance Plaintiff's popular series of go-kart racing games, as considered above in (2). On the other hand, Defendant's Mark 1-1 is well-known as an indication of the aforementioned game series, "Mario Kart", so that among the Consumers in Japan, Defendant's Mark 1-1 generates the impression of "Mario's car" and the same concept as Plaintiff's Character Indication of "マリオカート", which is First Instance Plaintiff's popular series of go-kart racing games.

(D) Upon consideration as described above, Plaintiff's Character Indication of "マリオカート" and Defendant's Letter Indication 1-1 (マリカー) are similar in terms of their relationship with the Consumers in Japan.

C. Similarity between the indication of "MARIO KART" and Defendant's Mark 1

(A) Appearance

The indication of "MARIO KART" consists of nine alphabet letters and a space, and Defendant's Marks 1-2 to 1-4 (MariCar, MARICAR, maricar) all consist of seven alphabet letters.

Naturally, given the circumstances in which the indication of "MARIO KART" may be shown successively as "MARIOKART", and may be shown in capital and small letters as "Mario Kart" and the like (Exhibits Ko 8-1 to 8-9, Exhibit Ko 9), it cannot be said that there would be significant difference in terms of presence or lack of a space and the use of capital or small letters. Rather, the indication of "MARIO KART" and Defendant's Marks 1-2 to 1-4 share the six letters of "MARI" and "AR", and the order of letters is also the same.

Also, as is the case with the above B (A), it is understood that the indication

of "MARIO KART" and Defendant's Marks 1-2 to 1-4 (MariCar, MARICAR, maricar) are combinations of "MARIO" and "KART", "Mari" and "Car", "MARI" and "CAR", and "mari" and "car", respectively, so that the two marks have similarity in appearance with regards to the first half and the second half, respectively.

Accordingly, it can be said that the indication of "MARIO KART" and Defendant's Marks 1-2 to 1-4 (MariCar, MARICAR, maricar) have a certain degree of similarity in appearance.

(B) Pronunciation

As per the consideration that the indication of "MARIO KART" produces the pronunciation consisting of sounds of "*ma-ri-o-ka-r-t*", and Defendant's Marks 1-2 to 1-4 produce the pronunciation consisting of sounds of "*ma-ri-ka-r*", it can be said that the two marks have a certain degree of similarity in pronunciation, as considered above in B(B).

(C) Concept

- a. The indication of "MARIO KART" generates the concept of "Mario's kart" and the concept of First Instance Plaintiff's popular series of go-kart racing games.

On the other hand, with regards to Defendant's Marks 1-2 to 1-4, as is described above in B (C), "マリーカー" is well-known as an indication of the aforementioned game series "マリオカート" in terms of its relationship with the Consumers in Japan. Accordingly, in addition to the concept of "Mario's car", the marks also generate the concept of First Instance Plaintiff's popular series of go-kart racing games, and they generate the same concept as the indication of "MARIO KART".

- b. Next, how the marks are related to the Consumers overseas shall be considered below. Given the circumstances in which, [i] as described in the above A, considering that Defendant's Marks 1-2 to 1-4 are all used for the Rental Business, which is a rental business of public road go-karts, it is interpreted that they are combinations of "Mari" and "Car", "MARI" and "CAR", and "mari" and "car", respectively, and [ii] the indication of "MARIO KART" is famous in Japan and overseas as indications of a go-kart racing game in which Mario and other characters appear, and [iii] the orders of the letters in "Mari", "MARI", and "mari" are the same as the order of the letters in "MARIO", and the only difference is the presence or lack of "O" at the end, it is acknowledged that Consumers overseas coming into contact with Defendant's Marks 1-2 to 1-4, which are used for Rental Business, conjure the concept of "MARIO" from "Mari", "MARI", and "mari", and

that Defendant's Marks 1-2 to 1-4 generate the concept of "Mario's car". Furthermore, considering that the indication of "MARIO KART" generates the concept of "Mario's kart", and the word, "car", is a broader concept that includes the word, "kart", it can be said that the indication of "MARIO KART" and Defendant's Marks 1-2 to 1-4 (MariCar, MARICAR, maricar) are similar in concept in terms of how they are related to Consumers overseas as well.

(D) From what is considered above, the indication of "MARIO KART" and Defendant's Marks 1-2 to 1-4 are similar in terms of how they are related to all Consumers in Japan and overseas.

D. In the questionnaire of Exhibit Otsu 54, First Instance Defendants assert that the number of persons who conjured First Instance Plaintiff's video games from Defendant's Mark 1 remained small, but the questionnaire is premised on the actual circumstances of transactions, which include Defendant's Mark 1 being used in connection with Rental Business, and the questionnaire does not address whether or not Plaintiff's Character Indication of "マリオカート" and the indication of "MARIO KART" are similar to Defendant's Mark 1, so that the result of the questionnaire shall not influence the determination of the above B and C.

#### (4) Summary

As per the consideration above, Plaintiff's Character Indication of "マリオカート" is famous and is similar to Defendant's Mark 1-1 in terms of how it is related to the Consumers in Japan, who are consumers of Defendant's Mark 1-1, and the indication of "MARIO KART" is famous and is similar to Defendant's Marks 1-2 to 1-4 in terms of how it is related to the Consumers in Japan and overseas, who are consumers of Defendant's Marks 1-2 to 1-4.

Also, it can be said that the act of using Defendant's Mark 1, which is carried out by First Instance Defendant Company, either singularly or jointly with Related Groups, as per the findings of No. 2, 2 (4) and No. 3, 1 to 3 above, constitutes the use of Defendant's Mark 1 as an indication for the service of its Rental Business.

Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act was established for the protection of famous indications from free riding and dilution, and the risk of confusion is not a requirement under this Article. Accordingly, the circumstances in which the presence of the fine print as asserted by First Instance Defendants and the small percentage as to the use of Costumes (provided, however, that the decision as to not being able to accept the claim by First Instance Defendants regarding this point is as described later in 6 (2) D) shall not in any way prevent the court from determining that there is an act of unfair competition.

Accordingly, without having to consider other points, the act by First Instance Defendant Company of using Defendant's Mark 1, as per the findings of the aforementioned No. 2, 2 (4) and No. 3, 1 to 3, either personally or jointly with Related Groups, falls under an act of unfair competition, including the use of the mark on websites and the like which are written only in foreign languages.

5. Issue 5 (Whether or not the defense of a registered trademark can be established)

First Instance Defendants assert that First Instance Defendant Company owns the Trademark which consists of the standard characters, "マリーカー", and that it is duly authorized to use the mark of "マリーカー", so that even if the act of using Defendant's Mark 1 falls under an act of unfair competition, the demand for an injunction against such use or the demand for compensation due to such use should not be approved.

However, the application for registration of the Trademark was filed on May 13, 2015, and as described above in 4 (2), Plaintiff's Character Indication of "マリオカート" and the indication of "MARIO KART" had become famous in Japan by that time, and Plaintiff's Character Indication of "マリーカー" had also become well-known among Consumers in Japan as an indication of "Mario Kart", so that, as described later in 8, it is acknowledged that First Instance Defendant Y, who is the representative of First Instance Defendant Company, was aware of this fact.

In addition, when the following circumstances are taken into consideration; namely, [i] First Instance Defendant Company had purposefully used "MariCar Inc." as its first trade name at the time of its foundation, [ii] the Leaflets which were distributed at Shinagawa Shop 1 at the time of November 15, 2016 indicated, "Wear Mario's costume to ride the go-kart, and enjoy real life MariKarting!" [in Japanese] (Exhibits Ko 3, 4), [iii] at the time of August 12, 2016, Shinagawa Shop 1 Website 1 indicated "Ride with everyone in cosplay costumes, and it will be twice as fun in real life MariKarting" [in Japanese] along with a photograph of a person wearing Mario's costume, and at the time of February 23, 2017, Shinagawa Shop 1 Website 1 indicated, "Ride with everyone in cosplay costumes, and it will be twice as fun in real life MariKarting" [in Japanese] (Exhibit Ko 6-1, Exhibit Ko 35), [iv] at the time of February 23, 2017, Kawaguchiko Shop Website indicated, "Ride in the cosplay costume of Super Mario, and it will really be like real life Mario Karting!!" [in Japanese] (Exhibit Ko 6-2), and [v] as per the finding of 6 below, there was Advertising Activity, in which the costume of Defendant's Mark 2 resembling the Plaintiff's Indication, which is First Instance Plaintiff's famous indication of goods or business, was used, and there was Rental Activity, in which the Costumes were used, and in particular, in Video 1 (Exhibit Ko 42-1, Exhibit Ko 43-1) which was uploaded

on November 2, 2015, at the time point of 0:05, there was a voice recording of "MARIOKART" in English, and the sound of the voice was accompanied with a Japanese subtitle of "マリオカート", it is presumed that First Instance Defendant Company acquired from Zent Co. the right for the Trademark with the intention of illicitly using the goodwill of the well-known or famous Plaintiff's Character Indication and the indication of "MARIO KART".

Accordingly, it should be said that First Instance Defendant Company shall not be allowed to assert against First Instance Plaintiff that First Instance Defendant Company has the right for the Trademark, because such claim constitutes abuse of right, and thus the above claim by First Instance Defendants is groundless.

First Instance Defendants assert that Plaintiff's Character Indication of "マリオ" is not well-known among foreign tourists visiting Japan, who are the Consumers, but according to what has been considered so far, the Consumers are not limited to foreign tourists visiting Japan, so that the claim by First Instance Defendants lacks its premise and cannot be accepted.

6. Issue 7 (Whether or not Advertising Activity and Rental Activity fall under acts of unfair competition as prescribed in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act)

(1) Whether Plaintiff's Representations are famous

A. Basic facts

(A) Plaintiff's Representations (Plaintiff's Representation of Mario, Plaintiff's Representation of Luigi, Plaintiff's Representation of Yoshi, and Plaintiff's Representation of King Bowser Koopa) are illustrations of persons or animals. It can be said that Plaintiff's Representations represent the characteristics of expression, as persons or animals, of "Mario", "Luigi", "Yoshi", and "King Bowser Koopa", who are characters appearing in the "Mario" series and the like, which constitute a series of games created by First Instance Plaintiff, including "Super Mario Brothers".

(B) Mario is the main character in "Mario Brothers", which is the software game released by First Instance Plaintiff on September 9, 1983. Starting with "Donky Kong", which is an arcade game released in 1981, First Instance Plaintiff introduced many games of the "Mario" series, including "Super Mario Brothers" which became a big hit worldwide, as well as other games in which "Mario" appears, and the accumulated total worldwide numbered at least 320,000,000 copies at the time of August 2016 (Exhibits Ko 9, 45, 46, 48, Exhibits Ko 94-1 to 94-10, Exhibit Otsu 35).

In addition, in the "2016 CESA Games White Paper" published by Computer Entertainment Supplier's Association (CESA) in July 2016, the following games from the aforementioned "Mario" series appeared in the ranking. In the category of Past Domestic Million Shipment Titles, "Super Mario Brothers" ranked 1st (6,810,000 copies), "New Super Mario Brothers" ranked 2nd (6,490,000 copies), "New Super Mario Brothers Wii" ranked 11th (4,670,000 copies), "Super Mario Land" ranked 15th (4,190,000 copies), "Super Mario Brothers 3" ranked 21st (3,840,000 copies), "Super Mario World" ranked 30th (3,550,000 copies), "Super Mario Land 2: 6 Golden Coins" ranked 45th (2,700,000 copies), and "Super Mario Brothers 2 [rewritten on DiskWriter]" ranked 48th (2,650,000 copies) (Exhibit Ko 9).

Similarly, in the Past International Million Shipment Titles, "Super Mario Brothers" ranked 2nd (40,240,000 copies), "New Super Mario Brothers" ranked 5th (30,720,000 copies), "New Super Mario Brothers Wii" ranked 7th (28,460,000 copies), "Super Mario World" ranked 14th (20,610,000 copies), "Super Mario Land" ranked 16th (18,140,000 copies), "Super Mario Brothers 3" ranked 18th (17,280,000 copies), "Super Mario Galaxy" ranked 25th (12,130,000 copies), "Super Mario 64" ranked 27th (11,910,000 copies), and "Super Mario Land 2: 6 Golden Coins", "Super Mario 64 DS", "Super Mario 3D Land", "Super Mario Collection", and "New Super Mario Brothers 2" ranked 31st to 35th (11,180,000 copies, 11,010,000 copies, 10,630,000 copies, 10,550,000 copies, and 10,040,000 copies, respectively), "Mario Party DS" ranked 39th (9,310,000 copies), and "Mario Party 8" ranked 42nd (8,850,000 copies) (Exhibit Ko 9).

(C) Mario ranked 1st in the "Top 50 Video Game Characters of All Time" in the "Guinness World Records" published around February 2011 (Exhibit Ko 48).

(D) In the "Mario" series, "Luigi" began appearing since "Mario Brothers", which was released on September 9, 1983, "King Bowser Koopa" began appearing since "Super Mario Brothers", which was released on September 13, 1985, and "Yoshi" began appearing since "Super Mario World", which was released on November 21, 1990 (Exhibit Ko 45).

Also, as a game in which "Luigi" plays the main character, "Luigi's Mansion" was released on September 14, 2001, and "Luigi's Mansion 2" was released on March 20, 2013. Of the two games, "Luigi's Mansion 2" ranked 173rd in the aforementioned Past Domestic Million Shipment Titles (1,180,000 copies), and ranked 96th in the Past International Shipment Titles (4,750,000 copies) (Exhibits Ko 9, 45)

As a game in which "Yoshi" plays the main character, "Super Mario Yoshi's Island" was released on August 5, 1995, and the game ranked 90th in the aforementioned Past Domestic Million Shipment Titles (1,770,000 copies), and ranked 108th in the Past International Shipment Titles (4,120,000 copies) (Exhibits Ko 9, 45).

- (E) At the closing ceremony of the Rio Olympics held in August 2016, Prime Minister Shinzo Abe made an appearance wearing Mario's costume to promote the Tokyo Olympics (Exhibits Ko 46, 47).

Also, in the "Japan Merchandising Rights Association Award for 2018", which took place in December 2018, "Super Mario" won the award in "Global Category", which the association gives in honorable recognition of "organizations and individuals who carried out policy measures to promote attractive forces for customers in Japan and overseas by use of Japan-made characters" (Exhibits Ko 184, 205).

- (F) "Yoshi" ranked 21st in the aforementioned "Top 50 Video Game Characters of All Time", which was announced by "Guinness World Records" (Exhibit Ko 48).

Also, "King Bowser Koopa" ranked 1st in the "Top 50 Video Game Villains of All Time", which was announced by "Guinness World Records" around January 2013 (Exhibit Ko 49).

- (G) The shapes of "Mario", "Luigi", and "King Bowser Koopa" have somewhat changed from the time of their first appearances until the present, and depending on the games in which they appear, their shapes may be different from the shapes of the Plaintiff's Representation of Mario, Plaintiff's Representation of Luigi, and Plaintiff's Representation of King Bowser Koopa of the present suit. However, with regards to the Plaintiff's Representation of Mario, Plaintiff's Representation of Luigi, and Plaintiff's Representation of King Bowser Koopa, the shapes having completely the same or almost the same characteristics as the persons or animals described in (2) A (A), (B), and (D) below have been continuously used over the years as the representative shapes of the characters, "Mario", "Luigi", and "King Bowser Koopa", in game screens and packages of the games, including the aforementioned "Super Mario Kart", which was released on August 27, 1992 as described above, as well as in books and magazine articles featuring said games, and in TV commercials featuring said games and having been broadcasted in Japan and overseas.

As for "Yoshi", its shape has not changed significantly since its first appearance in "Super Mario World", which was released on November 21, 1990 as

described above, and the shape which has the same or almost the same characteristics as those of Plaintiff's Representation of Yoshi, as an animal, as described later in (2) A (C), has been used repeatedly over the years in games and the like as the shape of the character, "Yoshi", in the same way as "Mario" and other characters.

(For "Mario", Exhibits Ko 8-1 to 8-9, Exhibit Ko 10, Exhibits Ko 11-1, 11-3 to 11-6, Exhibits Ko 16-1-1 to 16-1-3, 16-1-5, 16-1-6, Exhibits Ko 16-2-2, 16-2-3, Exhibit Ko 16-3, Exhibit Ko 16-4-2, Exhibit Ko 16-5, Exhibits 16-6-1 to 16-6-7, Exhibits Ko 17, 19, 20, 45, Exhibit Ko 69-2, Exhibit Ko 78, Exhibits Ko 94-1 to 94-10, Exhibits Ko 95-1 to 95-4, Exhibits Ko 110, 112, 181, Exhibits Otsu 35, 98 to 100, and the entire import of the oral argument; for "Luigi", Exhibits Ko 8-2, 8-6, 8-7, Exhibits Ko 11-3, 11-4, Exhibits Ko 16-1-1 to 16-1-3, Exhibit Ko 16-1-6, Exhibit Ko 16-3, Exhibits Ko 16-4-1, 16-4-2, Exhibit Ko 16-5, Exhibits Ko 16-6-3, 16-6-7, Exhibits Ko 18, 19, Exhibits Ko 69-4, 69-5, Exhibits Ko 94-1 to 94-8, 94-10, Exhibit Ko 95-2, Exhibits Ko 110, 113, 181, Exhibit Otsu 99, and the entire import of the oral argument; for "Yoshi", Exhibits Ko 8-2, 8-7, Exhibit Ko 11-4, Exhibits Ko 16-1-1, 16-1-3, 16-1-6, Exhibit Ko 16-3, Exhibit Ko 17, Exhibits Ko 94-1 to 94-6, Exhibits Ko 95-1 to 95-3, Exhibits Ko 110, 114, 181, and the entire import of the oral argument; for "King Bowser Koopa", Exhibits Ko 8-2, 8-7, Exhibit Ko 11-4, Exhibits Ko 16-1-1 to 16-1-3, Exhibit Ko 16-3, Exhibit 16-6-3, Exhibit Ko 17, Exhibits Ko 94-1 to 94-9, Exhibit Ko 95-3, Exhibits Ko 110, 115, 181, Exhibits Otsu 35, 100, and the entire import of the oral argument)

- B. According to the basic facts described in the above A, Plaintiff's Representation of Mario became an indication of goods or business, which indicates the source of First Instance Plaintiff's products, through long years of sale of First Instance Plaintiff's software games in which "Mario", who has the same basic characteristics of expression as those of the same person, when illustrated, appears, and through the popularity as well as the accompanying advertisement and the like, and it is acknowledged that by May 2006, if not earlier, which is when "New Super Mario Brothers", which ranked 2nd in the ranking of past domestic shipment titles and ranked 5th in the ranking of shipment titles in Japan and overseas, Mario became famous as First Instance Plaintiff's indication of goods or business in Japan, and that this trend has continued to this day. Also, it is acknowledged that, by around February 2011, if not earlier, which is when "Mario" ranked 1st in the "Top 50 Video Game Characters of All Time" in the "Guinness World Records", Plaintiff's Representation of Mario became famous

among consumers who are interested in games overseas, and that this trend has continued to this day.

As for Plaintiff's Representation of Luigi, Plaintiff's Representation of Yoshi, and Plaintiff's Representation of King Bowser Koopa, it should be said that they also became indications of goods or business, which indicate the source of First Instance Plaintiff's products, through long years of sale of First Instance Plaintiff's software games in which these characters having the same basic characteristics of expression as those of the same persons or animals, when illustrated, appears, and through the popularity as well as the accompanying advertisement and the like, and it is acknowledged that by December 2009, if not earlier, which is when "New Super Mario Brothers Wii" was released, these characters became famous as First Instance Plaintiff's indication of goods or business in Japan, and that this trend has continued to this day. Also, in light of the following circumstances; namely, [i] "Super Mario Kart" and other games of the "Mario" series and "Mario Kart" series, in which "Luigi", "Yoshi", and "King Bowser Koopa" appear with "Mario", recorded large sales not only in Japan but also overseas, [ii] games in which "Luigi" or "Yoshi" plays the main role have ranked 96th and 108th in the Past International Million Shipment Titles as well, and [iii] "Yoshi" ranked 21st in the "Top 50 Video Game Characters of All Time" announced by "Guinness World Records" around February 2011, and similarly, "King Bowser Koopa" ranked 1st in the "Top 50 Video Game Villains of All Time" announced by "Guinness World Records" around January 2013, respectively, it is acknowledged that Plaintiff's Representation of Luigi, Plaintiff's Representation of Yoshi, and Plaintiff's Representation of King Bowser Koopa also became famous by January 2013, if not earlier, which is when the aforementioned Guinness World Records made the announcement, among the consumers who are interested in games in Japan and overseas, and that this trend has continued to this day.

- C. Regarding this point, First Instance Defendants assert that Plaintiff's Representations, as a whole, cannot be acknowledged as well-known or famous because [i] in order for characters to be considered as indications of goods or business, they need to have an especially distinctive element and be well-known, but Plaintiff's Representation of Mario has distinctive characteristics only in the "face" part, and [ii] a lot of evidence shows that Plaintiff's Representations have changed shapes depending on the time and the game.
- (A) Regarding the above [i], it should be said that, unlike the configurations of goods which do not, by nature, have the function of indicating the source of goods,

in order for characters to be considered as indications of goods or business, they do not necessarily have to have an especially distinctive element because of their nature, so that the claim by First Instance Defendants lacks its premise.

Also, Plaintiff's Representation of Mario, which has the characteristics described below in (2) A, is also characterized by a combination of multiple factors; namely, a red cap, a long-sleeved shirt, the mark of the letter, "M", drawn on the cap, blue overalls, white gloves, and brown shoes, other than the "face", so that it can be said that Plaintiff's Representation of Mario is characterized in its entirety, which includes the "face", and it cannot be said, as claimed by First Instance Defendants, that the parts other than the "face" are common and do not have any characteristics. Accordingly, the claim by First Instance Defendants cannot be accepted regarding this point as well.

(B) Regarding the above [ii], even if there are different shapes of Plaintiff's Representations depending on the time and the game, in light of the circumstance, as per the finding of the above A, in which "Mario", "Luigi", "Yoshi", and "King Bowser Koopa", having the same or almost the same characteristics as those of Plaintiff's Representations, have been used repeatedly in First Instance Plaintiff's games and the like over the years, it is acknowledged that Plaintiff's Representations have become famous, and that the trend has continued to this day.

(2) Whether or not Advertising Activity and Rental Activity fall under acts of unfair competition

A. Characteristics of Plaintiff's Representations

(A) Plaintiff's Representation of Mario is listed as 1 in the List of Plaintiff's Representations Attached to Prior Instance Judgment. As the person's illustration, characteristics of expression are as follows; namely, (A) a person wearing a red cap, a red long-sleeved shirt, and blue overalls, (B) whose face is such that eyes are shown as vertically long ovals, with pupils as smaller ovals of blue and black, and eyebrows are arched in the shape of the hiragana character, "ゝ", and a big nose is shaped like a horizontally long oval, below which a mustache, with the ends looking upward and the lower part having a wavy look, is grown, (C) and whose cap has a big bulge at the front and a small bulge at the back, and a dent in-between the two bulges, and has a semi-circular brim at the front, and at the front, in the center, there is a horizontally long white oval along the edge of the brim with the lower end of the circle cut out, and the letter "M" (the shape is such that the letter looks as if it is crushed from above and widened horizontally, with the dent at the center drawn shallowly, and the sides on both

ends being made narrower in width toward the top, and wider towards the bottom) written therein in the same color of red as the cap and the long-sleeved shirt, (D) and whose red long-sleeved shirt shows, on the surface, the parts of both arms and the part that is below the neckline and that is not covered by overalls, (E) and whose overall consists of the trousers part, the front part, which is the bibbed part at the front, the back part, and suspenders connecting said front part with the back part (the part in which thick straps worn over the shoulders hold up trousers), covering the body from ankles to the shoulders, except for the parts showing the red long-sleeved shirt, with the belly bulging leisurely and protruding forward, and the bibbed part and the lower part of suspenders being drawn in such a way that they overlap each other, and circular yellow buttons whose diameters are about the same size as the width of suspenders are placed on said overlapped part, (F) and who wears white gloves and (G) wears brown shoes (Exhibit Ko 112; hereinafter these characteristics are referred to as "Characteristics (A) of Plaintiff's Representation of Mario", and the like, and other characteristics of Plaintiff's Representations may also be referred to in the same manner).

- (B) Plaintiff's Representation of Luigi is listed as 2 in the List of Plaintiff's Representations Attached to Prior Instance Judgment. As the person's illustration, characteristics of expression are as follows, namely, (A) it is a person wearing a green cap, a green long-sleeved shirt, and overalls whose blue color is more like dark blue, (B) whose face is such that eyes are shown as vertically long ovals, with pupils as smaller ovals, and eyebrows are arched in the shape of the hiragana character, "ゝ", and a big nose is shaped like a horizontally long oval, below which a mustache, with the ends looking upward and the lower part curled at the edge, is grown, (C) and whose cap has a big bulge at the front and a small bulge at the back, and a dent in-between the two bulges, with a semi-circular brim at the front in the center, having a horizontally long white oval along the edge of the brim with the lower end of the circle cut out, and the letter "L" (the shape is such that the vertical side and the horizontal side gradually get rather narrower towards the part at which the two join together, and gradually get rather wider in the opposite direction of the joint part) written therein in the same color of green as the cap and the long-sleeved shirt, (D) and whose green long-sleeved shirt shows, on the surface, the parts of both arms and the parts that is below the neckline and that is not covered by overalls, (E) and whose overall consists of the trousers part, the front part, which is the bibbed part at the front, the back part, and suspenders connecting said front part with the back part, covering the body

from ankles to the shoulders, except for the part showing the green long-sleeved shirt, with the belly bulging leisurely and protruding forward, and the bibbed part and the lower part of suspenders being drawn in such way that they overlap each other, and circular yellow buttons whose diameters are about the same size as the width of suspenders are placed on said overlapped part, (F) and who wears white gloves and (G) wears brown shoes (Exhibit Ko 113).

(C) Plaintiff's Representation of Yoshi is listed as 3 in the List of Plaintiff's Representations Attached to Prior Instance Judgment. As the animal's illustration, characteristics of expression are as follows, namely, (A) it is an animal that looks like a humorous version of a bipedal dinosaur drawn basically in green (more like greenish yellow) and white, (B) and when illustrated by being seen from the front, the head part has a nose part that is shaped like a big green ball, behind which two white vertically long circles are positioned in a way that they cover most of head part, with black eyes placed thereon, respectively, and the head part is formed in such a way as to rim said white circles in green, with the part that reaches the cheeks being colored in white and being round, looking rather plump, and the parts of the four legs and the sides being colored in green, and other parts, such as the front belly, being colored in white, and the white part of the front belly being drawn so as to broadly cover from the neck to the chest, through the belly, to the part between the legs, and (C) according to the illustrations drawn of the animal from behind and from the side, the animal has three semi-circular vermilion spines, which resemble back fins, attached to the back of the head, and on the back, it has a large red circle and a shell-like projection rimmed in white, and its tail is thick at the base and is short, having a shape like a cone, and the tail looks upward until the tip is almost level with the shell-like part on the back, and (D) the animal wears brown boots (Exhibit Ko 114).

(D) Plaintiff's Representation of King Bowser Koopa is listed as 4 in the List of Plaintiff's Representations Attached to Prior Instance Judgment. As the animal's illustration, characteristics of expression are as follows, namely, (A) it is an animal that resembles a bipedal monster with the face and the shell drawn basically in green, and that has a yellow body, and (B) according to an illustration drawn of the animal from front, (a) it has two horns (the entire horns are in beige and rimmed in brown at the base), like a cow, on the green head, and its nose is unified with lips, being thick and colored in beige, and inside the mouth are white fangs, and its eyes (the iris parts are in red which is closer to orange, and the pupil

parts are in black) are sharply tilted upward at sides, and there are red and thick eyebrows and a red and thick mane growing from the top of the head to the back of the head, and (b) in the center of the body, there is a large beige pattern of a vertically long circle drawn from the belly to the chest with multiple horizontal lines inside, and other parts; namely, the four legs and sides, are yellow, and around the neck as well as around both wrists and upper parts of the arm, there are a black collar and arm rings which are decorated with multiple silver thorn-like shapes, and (C) according to the illustrations drawn of the animal from the back and from the side, the animal has multiple thick thorns (like the head part, the thorns are all in beige and rimmed in brown at the base), and the animal carries on its back a green shell rimmed in white, has a tail that is thick at the base and is short and is shaped like a cone, and on the upper side, it has two short thorns of the same color as the tail (Exhibit Ko 115).

B. Photographs 2 and 3

(A) Content of Photographs 2 and 3

Photograph 2 shows two persons riding public road go-karts, and the person at the front is wearing a costume that at least has Characteristics (C) to (E) of Plaintiff's Representation of Mario (the costume having the same characteristics shall hereinafter be referred to as "Mario Costume"). Photograph 3 shows two persons riding public road go-karts, and the person at the front is wearing a costume that has Characteristics (A) and (B) of Plaintiff's Representation of Yoshi (the costume having the same characteristics shall hereinafter be referred to as "Yoshi Costume").

(B) Even when an indication of business consists of a character as is the case with Plaintiff's Representations, it is reasonable to determine whether or not a certain indication of business falls under a similar indication of another person's business, as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act, by taking into consideration the actual circumstances of specific transactions.

Regarding this point, indications of persons wearing Mario Costume and Yoshi Costume in Photographs 2 and 3 have some of the aforementioned characteristics of Plaintiff's Representations of Mario and Yoshi, respectively, and these indications are similar to Plaintiff's Representations of Mario and Yoshi in appearance. Also, according to what is described in the above 4 (2), it can be said that the "Mario Kart" series is famous in Japan and overseas as public road go-kart racing games by "Mario" and "Yoshi" and the like, so that it can be said that the Consumers who see indications of persons riding public road go-karts by

wearing Mario Costumes and Yoshi Costumes will conjure Plaintiff's Representations of Mario and Yoshi.

Accordingly, it can be said that the Plaintiff's Representation of Mario and Mario Costume, and Plaintiff's Representation of Yoshi and Yoshi Costume, are respectively similar to the indications of persons wearing these costumes.

(C) Given that Photographs 2 and 3 were posted on Kawaguchiko Shop Website by February 23, 2017, and that Fuji-Kawaguchiko Shop operates the Rental Business, which consists of rental of public road go-karts and Rental Activity and the like, it is acknowledged that the content of Photographs 2 and 3 is not that which merely explains the content of Rental Business, but that these photographs were used by First Instance Defendant Company as indications of its goods or business.

(D) Accordingly, it should be said that the posting of Photographs 2 and 3 on Kawaguchiko Shop Website falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act.

#### C. Videos

##### (A) Content of Videos

The Videos indicate, at least, persons wearing costumes which have at least some of the characteristics of Plaintiff's Representations as described below.

##### a. Video 1

Video 1 starts with the screen indicating the Logo, which contains the indication, "MARICAR", and the indications, "PUBLIC ROAD GO-KARTING TOKYO TOUR", "Public Road Go-Karting Tokyo Tour by MariCAR" [in Japanese]. Between the time points of 0:09 and 0:13 in Video 1, there is shown a person wearing a costume which has the characteristics of Plaintiff's Representation of King Bowser Koopa (A) to (C) (hereinafter the costume having similar characteristics shall be referred to as "King Bowser Koopa Costume") and getting on a public road go-kart. The above person is shown as a customer of a "go-kart" tour by "マリカー" (Exhibit Ko 42-1, Exhibit Ko 43-1).

##### b. Video 2

Video 2 starts with the screen showing the Logo and the indication, "Marikar Public Road Go-Karting Tokyo Tour" [in Japanese]. At the time point of 0:07 in Video 2, a person wearing the Mario Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "go-kart" tour by "マリカー" (Exhibit Ko 42-2, Exhibit Ko 43-2).

##### c. Video 3

Video 3 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". Between the time points of 0:59 and 1:09 in Video 3, there is shown a person wearing the King Bowser Koopa Costume and getting on a public road go-kart. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-3, Exhibit Ko 43-3).

d. Video 4

At the time point of 3:09 in Video 4, a person wearing the Mario Costume and getting on a public road go-kart is shown. In Video 4, there is a comment, "I drove across Shibuya in "マリカー" on Halloween, and it was more than what I had expected" [in Japanese]. The above person is shown as a customer of a public go-kart tour by "マリカー" (Exhibit Ko 42-4, Exhibit Ko 43-4).

e. Video 5

Video 5 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". At the time point of 12:57 in Video 5, a person wearing the Mario Costume and getting on a public go-kart is shown. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-5, Exhibit Ko 43-5).

f. Video 6

Video 6 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". At the time point of 1:50 in Video 6, a person wearing the Mario Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-6, Exhibit Ko 43-6).

g. Video 7

Video 7 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". At the time point of 0:09 in Video 7, a person wearing Yoshi Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-7, Exhibit Ko 43-7).

h. Video 8

Video 8 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". Between the time points of 0:19 and 0:20 in Video 8, a person wearing the King Bowser Koopa Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-8, Exhibit Ko 43-8).

i. Video 9

Video 9 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". At the time point of 0:17 in Video 9, there is shown a person wearing a costume which has at least some of the characteristics (C) to (E) of Plaintiff's Representation of Luigi (hereinafter the costume having similar characteristics shall be referred to as "Luigi Costume") and getting on a public road go-kart. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-9, Exhibit Ko 43-9).

j. Video 10

Video 10 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". At the time point of 0:16 in Video 10, a person wearing the Luigi Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-10, Exhibit Ko 43-10).

k. Video 11

Video 11 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". At the time point of 0:03 in Video 11, a person wearing the Mario Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-11, Exhibit Ko 43-11).

l. Video 12

Video 12 starts with the screen showing the Logo and the indication, "PUBLIC ROAD GO-KARTING TOKYO TOUR". At the time point of 0:03 in Video 12, a person wearing the Mario Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "KARTING" tour by "MARICAR" (Exhibit Ko 42-12, Exhibit Ko 43-12).

m. Video 13

Between the time points of 0:27 and 0:32, there is shown a person wearing the Yoshi Costume and is about to get on a public road go-kart. Video 13 was taken based on an interview about the Rental Business at Shinagawa Shop No. 1, and the above person is shown as a demonstrator of the go-kart rental service offered by the same business (Exhibit Ko 42-13, Exhibit Ko 43-13).

n. Video 14

At the time point of 1:22 in Video 14, a person wearing the King Bowser Koopa Costume and getting on a public road go-kart is shown. In Video 14, the above person is shown as a customer of the go-kart tour by "MariCAR", and an explanation of the outline of the Rental Business is provided (Exhibit Ko 42-14, Exhibit Ko 43-

14).

o. Video 15

Between the time points of 0:33 and 0:36 in Video 15, there is shown a person wearing the Yoshi Costume and getting on a public road go-kart with the Logo indicated thereon along with the explanation, "Mario Kart driver" (Exhibit Ko 42-15, Exhibit Ko 43-15).

p. Video 16

Video 16 starts with the screen showing the Logo and the indication, "Street Go-Karting Tour". At the time point of 0:14 in Video 16, a person wearing the Luigi Costume and getting on a public road go-kart is shown. The above person is shown as a customer of a "Karting" tour by "MARICAR" (Exhibit Ko 42-16, Exhibit Ko 43-16).

(B) The Videos were uploaded on YouTube, and with regards to Videos 1 to 3, 5 to 12, and 16, the Logo is indicated at the beginning, among other things, indicating that the video concerns the Rental Business carried out by First Instance Defendant Company. Also, Video 4 is a video of a customer of the Rental Business wearing a costume and driving a public road go-kart, and Videos 13 and 14 were created based on a TV program which introduces the Rental Business by taking out the part of introduction of the business from the program, and Video 15 was created based on a TV program in which a customer of Rental Business driving a public road go-kart, with the Logo and the like indicated thereon, appears, by taking out said part from the program, and thus it is acknowledged that these videos were uploaded on YouTube with the aim of widely introducing the Rental Business, either singularly by First Instance Defendant Company or jointly with Related Groups.

(C) As is the same with the above B, in light of the circumstances that, in the Videos, the indications of Mario Costume, Luigi Costume, Yoshi Costume, and King Bowser Koopa Costume, and the persons wearing these costumes all have some of the characteristics of Plaintiff's Representations, that they are similar to Plaintiff's Representations in appearance, and that the "Mario Kart" series is famous among Consumers in Japan and overseas as a go-kart racing game by "Mario" and "Yoshi" and the like, it can be said that the above indications in the Videos and the Plaintiff's Representations are similar.

(D) As is the case with the above B, in light of the circumstances; namely that First Instance Defendant Company operates the Rental Business, which consists of rental of public road go-karts and the Rental Activity, and the aforementioned

content of Videos, it is acknowledged that the Videos were used not merely to explain the content of Rental Business, but that they were used as the company's indication of goods or business.

- (E) Accordingly, it should be said that the act of uploading Videos on YouTube falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act.
- (F) First Instance Defendants assert that since most of the Videos indicate the Logo at the beginning and there is no indication from which viewers would conjure First Instance Plaintiff, the Videos do not constitute use as an indication of goods or business, but since the Logo contains Defendant's Mark 1-3 (MARICAR), which is similar to Plaintiff's Character Indication of "マリオカー" and the indication of "MARIO KART", the claim by First Instance Defendants lacks its premise, and cannot be accepted.

#### D. Rental Activity

- (A) According to the above No. 2-2 (4) B, Nos. 3-1 and 3-2, it is acknowledged that the Rental Activity is carried out at the Shops, and evidence (Exhibits Ko 110 to 115) and the entire import of the oral argument show that the Costumes which are used in Rental Activity were made under First Instance Plaintiff's licensing and supervision, having all or most of the characteristics of Plaintiff's Representations as per the finding of the above A, so that they are similar to Plaintiff's Representations.
- (B) Next, as per the finding of the above 5, Rental Business was advertised until February 2017 by emphasizing and highlighting the Rental Activity using captions such as "Ride in the cosplay costume of Super Mario, and it will be like real life Mario Karting!!" [in Japanese].

Also, given that, even after it was determined in the prior instance judgment that the Rental Activity falls under an act of unfair competition, and that the Rental Activity is still carried out at the Shops, and that, as per the finding of the above 1 (1) E (B), as of February 17, 2019, which is after the prior instance judgment, Kyoto Shop was using, on the reservation page of its website, a photograph of persons wearing costumes of Luigi and Yoshi (Exhibit Ko 220), it can be presumed that even now, the Rental Activity holds a similarly important position as before as something that characterizes the Rental Business conducted by First Instance Defendant Company.

Accordingly, it is acknowledged that the use of Costumes by First Instance Defendant Company constitutes use as indications of goods or business.

(C) From what is described above, it should be said that Rental Activity falls under the "use" as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act, and that it falls under an act of unfair competition as prescribed in the same item.

(D) Regarding this point, First Instance Defendants assert that [i] based on the result of Empirical Testing of Fact and the posts on Instagram (Exhibit Otsu 120), the Costumes comprise only a small part of a group of costumes, and are not used as indications of goods or business, [ii] "use" as prescribed in Article 2, paragraph (1), items (i) and (ii) of the Unfair Competition Prevention Act does not include rental, and [iii] based on factors such as the small percentage of Costumes and the presence of the fine print, there is no risk of confusion in the present case.

a. However, concerning the above [i], the result of Empirical Testing of Fact (Exhibits Otsu 92-1 to 92-3) does not conform with the advertisement having been provided so far or with the reality of Rental Business as per the finding of the above (B). In fact, in regards to Okinawa Shop, the conditions inside the shop at the time of the Empirical Testing of Fact and the conditions inside the shop at the time of an investigation by First Instance Plaintiff, which was carried out about three weeks before, are different, and the notarial deed which describes the Empirical Testing of Fact does not mention the costume of Yoshi which was found at the time of the above investigation by First Instance Plaintiff (Exhibit Ko 145, Exhibit Otsu 92-3). Also, it is acknowledged that, concerning the Empirical Testing of Fact, First Instance Defendant Company had been contacted regarding the matter in the morning of the day on which the testing was to be carried out, so that the testing was not a completely surprise inspection, and furthermore, the inspection of costumes worn by customers during the Empirical Testing of Fact targeted only a limited number of customers whom the notary public met during the two to three hours of his/her stay at the shop, and the percentage of the Costumes being worn by customers varies significantly according to each shop, shifting in the range of 8% to 66.7%. In light of the foregoing, it must be said that the credibility of the Empirical Testing of Fact, in its entirety, is poor.

As for Instagram (Exhibit Otsu 120), it is unclear on what standards and from what parent population the selection was made, and thus it cannot provide a basis for the presumption concerning the percentage of Costumes which are actually used.

Accordingly, the claim of the above [i] by First Instance Defendants cannot be accepted.

- b. Regarding the above [ii], First Instance Defendants assert that since Article 2, paragraph (1), items (i) and (ii) of the Unfair Competition Prevention Act distinguish "use" from "assignment" and the like, and items (iv) to (x) of the same paragraph as well as Article 10, paragraph (1) treat "use" and "disclosure" separately, and Article 2, paragraph (1), item (iii) of the same Act clearly indicates "leasing", the "use" as prescribed in Article 2, paragraph (1), items (i) and (ii) of the Unfair Competition does not include the "rental" which involves the transfer of possession or dominance relationship over goods.

However, Article 2, items (i) and (ii) of the Unfair Competition Prevention Act use the word, "use", in connection with the "indication of goods or business", and the word, "assignment", and the like in connection with "goods using an indication of goods or business", so that what is pointed out by First Instance Defendants concerns merely the difference in expression originating from the difference in targets, and this does not provide a basis for the above interpretation as claimed by First Instance Defendants.

As for Article 2, paragraph (1), items (iv) to (x), and Article 10, paragraph (1) of the Unfair Competition Prevention Act, they provide for trade secrets, which are not the subject of the present case, and they do not provide any basis for the interpretation as claimed by First Instance Defendants.

As for Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act, as is the case with what is described above, it is interpreted that the word, "leasing", is used because the target concerns "goods", and it cannot immediately lead to the interpretation that "use" includes the cases in which possession or dominance is transferred.

Accordingly, the claim of the above [ii] by First Instance Defendants cannot be accepted.

- c. Concerning the above [iii], Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act does not stipulate that there has to be a risk of confusion, so that the claim by First Instance Defendants as to there being no risk of confusion because of the fine print and the like shall not influence the decision of applicability of an act of unfair competition.

E. Act of using Mario Doll

- (A) It can be said that the act of placing Mario Doll near the entrance of the shop, as per the finding of the above No. 2-2 (4), at Shinagawa Shop 1 where the Rental Business, which includes rental of public road go-karts and the Rental Activity, was conducted, falls under use of Mario Doll as its indication of goods or

business, as is described above in B to D.

Next, it is clear that Mario Doll has the characteristics of Plaintiff's Representation of Mario, as per the finding of the above A, and that Mario Doll is similar to Plaintiff's Representation of Mario, so that the act of placement of Mario Doll falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act.

- (B) First Instance Defendants assert that since Mario Doll was placed for a sales purpose, such use does not fall under the use as an indication of goods or business. However, there is not sufficient evidence to acknowledge that the use was for a sales purpose, and that, in light of the manner of use and the relevance to the service provided by First Instance Defendant (Rental Business) and the like, even if Mario Doll was placed with a sales purpose, it can be said that the placement and the use as an indication of goods or business can co-exist, so that the above claim by First Instance Defendants cannot be accepted.

F. Act by employees of wearing costumes

Evidence (Exhibit Ko 4, Exhibits Ko 42-13, 42-16, Exhibits Ko 43-13, 43-16, Exhibit Otsu 63) and the entire import of the oral argument show that it is acknowledged that employees were wearing the Costumes Bearing Defendant's Mark 2, and it can be said that the Costumes Bearing Defendant's Mark 2 have some of the characteristics of Plaintiff's Representations, as per the finding of the above A, and that the act of wearing these costumes, riding public road go-karts, and leading the go-kart tour causes Consumers to conjure "Mario", "Luigi", "Yoshi", and "King Bowser Koopa" who appear in the game series, "Mario Kart", so that it can be said that Plaintiff's Representations, the aforementioned costumes, and the indications by employees of wearing the costumes and leading the tour are all similar.

In addition, it can be said that the act of having employees wear Costumes Bearing Defendant's Mark 2 as described above constitutes use of the same as one's indication of goods or business, so that the act of having employees wear Costumes Bearing Defendant's Mark 2 and guiding go-kart tours constitutes an act of unfair competition as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act.

- G. First Instance Plaintiff asserts that [i] in terms of its relationship with the Plaintiff's Three-Dimensional Figure, the Advertising Activity and Rental Activity fall under acts of unfair competition, [ii] the Creating Activity and Uploading Activity infringe on the right of reproduction, adaptation right, right of automatic

public transmission, and the right to make available for transmission, and [iii] the Rental Activity infringes on the right of rental of Plaintiff's Representations.

However, the claims of the above [i] to [iii] are premised on the relationship of selective joinder with the claim that the Advertising Activity and Rental Activity fall under acts of unfair competition in terms of how they are related to Plaintiff's Representations, so that no judgment shall be made in regards to the claims of the above [i] to [iii].

First Instance Defendants assert that the requirements under Unfair Competition Prevention Act and the requirements under the Copyright Act are different, but whether or not selective joinder applies is determined on the object of the demand (main text), so that as long as there is overlap in the object of the demand (main text), application of selective joinder cannot be prevented.

7. Issue 9 (Whether or not the act of using Domain Names falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act)

(1) Similarity between Domain Names and Plaintiff's Character Indication

- A. Of the Domain Names, it is acknowledged that the parts of ".jp", ".co.jp", and ".com" are commonly used in many domain names, so that the part having the function of indicating the source concerns "maricar" or "fuji-maricar", which constitutes the essential part of Domain Names. Of the foregoing, the part of "maricar" in Domain Names 1, 2, and 4 are, as described above in 4 (3), similar to the indication of "MARIO KART", which is First Instance Plaintiff's specific indication of goods or business.

Also, "maricar" of Domain Names 1, 2, and 4 produces the pronunciation consisting of sounds of "*ma-ri-ka-r*", which are the same as the pronunciation produced by Plaintiff's Character Indication of "マリーカー", which is First Instance Plaintiff's specific indication of goods or business. Also, "maricar" generates the concept of "Mario's car" as described in the above 4 (3), and since said concept is the same as the concept generating from Plaintiff's Character Indication of "マリーカー", the "maricar" of Domain Names 1, 2, and 4 is also similar to Plaintiff's Character Indication of "マリーカー".

- B. As for Domain Name 3 "fuji-maricar", "fuji" and "maricar" are joined together by "-" as described above in No. 2-2 (4) D, and there is no relevance in concept between "fuji" and "maricar", so that it is possible to extract the "maricar" part as an essential part, and as described above in A, it can be said that Domain Name 3, or "fuji-maricar", is also similar to Plaintiff's Character Indication of "マリーカー"

and the indication of "MARIO KART".

(2) Whether or not there is a profit-making or damage-causing purpose

As per the finding of the above 5 and the consideration of the above 6, considering that First Instance Defendant Company still continues, up to this day, the act of rental of the Costumes, which are similar to Plaintiff's Representations, or First Instance Plaintiff's famous indications of goods or business which appear in the "Mario Kart" series, it is acknowledged, as described above in 5, that First Instance Defendant Company is using Domain Names for the "purpose of illicitly increasing gain", as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act, by taking advantage of the high level of goodwill of the well-known or famous Plaintiff's Character Indication of "マリオカート", Plaintiff's Character Indication of "マリオカー", and the indication of "MARIO KART", so that it can be acknowledged that First Instance Defendant Company had the "purpose of wrongful gain", as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act.

(3) Claims by First Instance Defendants

First Instance Defendants assert that since Consumers are foreign tourists visiting Japan who do not understand Japanese, and writings in Japanese were deleted from the website after the prior instance judgment, and the indications on the website, which the prior instance judgment used in connection with recognizing the "purpose of wrongful gain", as per Exhibits Ko 6-1 to 6-3, as well as the photographs on the website, the deletion of the Videos, and the presence of the fine print, Plaintiff's Character Indication, and the indication of "MARIO KART", and the Domain Names are not similar, so that the "purpose of wrongful gain" cannot be acknowledged.

However, as per the ruling already given, since Consumers include those who understand Japanese, and as described in the above (1), the Domain Names are similar to the indication of "MARIO KART" which is famous in Japan and overseas, the above claim by First Instance Defendants, which is premised on the Consumers being foreign tourists visiting Japan who do not understand Japanese, lacks its premise. Also, the fact that the indications and photographs, which were used as grounds for the finding of the prior instance judgment, no longer exist, does not lead to the acknowledgment that there is no longer the above intention by First Instance Defendant Company of taking advantage of the high goodwill of Plaintiff's Character Indication and the indication of "MARIO KART". Furthermore, it is clear that the presence of the fine print shall not influence the

determination as to the findings of the above (1) and (2).

Accordingly, the above claims by First Instance Defendants cannot be accepted.

(4) Summary

As described above, it is acknowledged that First Instance Defendant Company used the Domain Names, which are similar to Plaintiff's Character Indication and the indication of "MARIO KART", which are First Instance Plaintiff's specific indication of goods or business, for the purpose of wrongful gain, so that it can be said that the act falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (xiii) of the Unfair Competition Prevention Act, which is harmful to First Instance Plaintiff's business interests. The claim by First Instance Defendants as to there being no infringement of business interests cannot be accepted.

8. Issue 13 (Whether or not a claim for compensation may be made against First Instance Defendant Y)

- (1) As per the findings of the above 5 and 7, First Instance Defendant Company purposefully used the trade name, "マリーカー", with the intention of illicitly increasing profit by taking advantage of the high goodwill of the well-known or famous Plaintiff's Character Indication and the indication of "MARIO KART" since the time of foundation of First Instance Defendant Company, followed by acquisition of the right for the Trademark and use of the Domain Names. Also, as described above in 6, First Instance Defendant Company carried out acts of unfair competition, including rental of Costumes, which are similar to First Instance Plaintiff's famous Plaintiff's Representations, to customers of Rental Business.

As shown by evidence (Exhibit Ko 6-3) and the entire import of the oral argument, it is acknowledged that First Instance Defendant Company was originally a small-scale company, and First Instance Defendant Y was the only director and representative director of First Instance Defendant Company since the foundation of First Instance Defendant Company until the present. Given the foregoing, it can be acknowledged that First Instance Defendant Y was involved the decision-making concerning important matters, including the decision concerning First Instance Defendant Company's trade name, acquisition of the right for the Trademark, and use of Defendant's Marks 1 and 2 as well as Domain Names in the performance of Rental Business, as described above.

In addition, in light of circumstances; namely, that First Instance Defendant Y

is a relatively young adult who fits the demographic of consumers who are interested in games as described above in 4 (1), and in a TV program he admitted to playing the "Mario Kart" series in the past (Exhibit Ko 6-3, Exhibit Ko 42-13, Exhibit Ko 43-13, Exhibits Ko 108-1 and 108-2), it is acknowledged that First Instance Defendant Y was fully aware of the fact that Plaintiff's Character Indication of "マリオカート", the indication of "MARIO KART", and Plaintiff's Representations are famous, and that Plaintiff's Character Indication of "マリーカー" refers to "Mario Kart". In addition, as per the finding of the above 3 (1), First Instance Defendant Y personally wore the "Mario" costume and advertised the Rental Business.

A director has the duty to prevent the company from engaging in an act of unfair competition. However, the above consideration shows that First Instance Defendant Y had at least acted in bad faith or with gross negligence in regards to the violation of such duty, so that it should be said that First Instance Defendant Y shall be held liable pursuant to Article 429, paragraph (1) of the Companies Act.

- (2) First Instance Defendants assert that the [i] the case concerning Defendant's Mark 1 involved unclear decisions, such as the Japan Patent Office (JPO) rejecting the opposition filed by First Instance Plaintiff against the Trademark and the court of prior instance denying the applicability to an act of unfair competition, and that since there was no similar precedent concerning the act of using Defendant's Mark 2, it was difficult for First Instance Defendant Y to be aware of the illegal nature, [ii] First Instance Defendant Y was no longer involved in the operation of Shops by November 6, 2017, which is when he opted out of all partnerships, and even if there was any involvement, it does not immediately mean that he had acted in bad faith or with gross negligence, and [iii] after the filing of the present lawsuit, First Instance Defendant Y changed the trade name and deleted the Videos, among other actions taken in order to avoid unnecessary dispute, so that it cannot be acknowledged that there was bad faith or gross negligence on the part of First Instance Defendant Y.

However, it is acknowledged that First Instance Defendant Y's awareness about Plaintiff's Character Indication, the indication of "MARIO KART", and Plaintiff's Representations were as described in the above (1), and even before the prior instance judgment, it should be said that First Instance Defendant Y was able to be sufficiently aware of the possibility of legal issues concerning the use of Defendant's Marks 1 and 2 as well as the Domain Names for the Rental Business without asking First Instance Plaintiff.

Furthermore, in addition to the points which were held as illegal in the prior instance judgment, it is as per the ruling already given that the act of unfair competition still continues to this day at the Shops.

As for the decision by the JPO (Exhibit Otsu 90) as per the claim made by First Instance Defendants, said decision only determines as to the effectiveness of Trademark in February 2017, and the decision is not such that it provides a basis for the finding that the Rental Business, in general, will be lawfully carried out.

Also, even after November 6, 2017, which is when First Instance Defendant Company opted out of all partnerships, First Instance Defendant Company carried out the Rental Business at the Shops, either personally or jointly with Related Groups, as per the finding of the above 3.

In light of the above, the claim made by First Instance Defendants cannot be accepted.

9. Issue 14 (The amount of damages suffered by First Instance Plaintiff)

(1) Liability of First Instance Defendants

As per the consideration in the above 1 to 7, it can be acknowledged that First Instance Defendant Company engaged in an act of unfair competition, among which the use of Defendant's Marks 1 and 2 falls under an act of unfair competition as prescribed in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act, and the use of Domain Names falls under an act of unfair competition as prescribed in item (xiii) of the same paragraph, and that First Instance Plaintiff's business interests were infringed on due to these acts. Also, there was at least negligence on the part of First Instance Defendant Company. As such, First Instance Defendant Company is liable to First Instance Plaintiff, pursuant to Article 4 of the Unfair Competition Prevention Act, for compensation for the damage suffered by First Instance Plaintiff during the period from June 4, 2015, which is when the First Instance Defendant Company was founded, until October 31, 2018, as per the claim by First Instance Plaintiff.

Also, as for First Instance Defendant Y, it is acknowledged that there was negligence of duties due to bad faith or gross negligence, so that First Instance Defendant Y is liable for compensation of the above damage jointly with First Instance Defendant Company.

(2) Defense based on Article 15 of Limited Liability Partnership Act

First Instance Defendants assert that even if First Instance Defendant Company is liable for compensation for the act of unfair competition which was carried out by the partnerships, the scope of liability should be limited to the amount

(●●●●● yen) of contribution made by First Instance Defendant Company when it became a partner of each partnership, pursuant to Article 15 of the Limited Liability Partnership Act (LLP Act).

Regarding this point, Article 15 of the LLP Act stipulates that "a partner is able for the Partnership's obligations only to the extent of its capital contribution amount", thereby providing that, concerning the debts incurred by the partnership as a result of business activities by the limited partnership, a partner should be held liable for payment up to the amount of its contribution. However, as grounds for its claim, First Instance Plaintiff refers only to the acts by First Instance Defendant Company and does not make any claim as to each partnership being held liable for compensation due to an act by such partnership, and as to First Instance Defendant Company, which is a partner in each partnership, being held liable for payment of the partnership's debts, so that the above claim by First Instance Defendant Company cannot be asserted as a defense against the occurrence of some of the debts incurred by the company.

Accordingly, the above claim by First Instance Defendants is unreasonable without the need to determine other points, such as whether or not the claim falls under an allegation or evidence advanced outside the appropriate time.

10. Issue 15 (Whether or not it is possible to file a counterclaim)

On December 26, 2018, First Instance Defendant Company filed a counterclaim to this court, which is the court of second instance, but First Instance Plaintiff, who is the opponent, does not give its consent to the filing of the above counterclaim (Article 300, paragraph (1) of the Code of Civil Procedure).

Concerning the issue of whether or not the costumes indicated in the List of Costumes attached to the above counterclaim are reproductions of the representations indicated in the attached List of Counter-Defendant's Representations, it is interpreted that said issue is substantively the same as the issue of whether or not the Costumes, over which the parties contested in the first instance, are reproductions of Plaintiff's Representation. However, concerning the issues of [i] whether or not there are legal interests for confirmation concerning the counterclaim described above, and [ii] what kind of photographs or videos are included among those intended by First Instance Defendant Company for use in public transmission, and, if the above costumes can be called reproductions, what kind of photographs and videos, when posted, can constitute infringement of the right of reproduction and the right of public transmission, both parties have failed to make claims or provide evidence in the first instance, and it

cannot be acknowledged that the filing of the above counterclaim is harmless to the interests of appeal by First Instance Plaintiff, who is the opponent, so that it cannot be acknowledged that the consent of First Instance Plaintiff is not required.

Accordingly, the filing of the above counterclaim by First Instance Defendant Company is unlawful without the need to determine other points.

#### 11. Conclusion

Therefore, the court rendered an interlocutory judgment in the form of the main text.

Intellectual Property High Court, Second Division

Presiding judge: MORI Yoshiyuki

Judge: SANO Shin

Judge: KUMAGAI Daisuke

(Attachment)

List of Shops

No. 1 MariCAR Shops

1. Shinagawa Shop 1
2. Shibuya Shop
3. Akihabara Shop 1
4. Osaka Shop
5. Okinawa Shop

No. 2 STREET KART Shops

1. Shinagawa Shop 2
2. Akihabara Shop 2
3. Tokyo Bay BBQ Shop
4. Yokohama Shop
5. Kyoto Shop
6. Asakusa Shop

No. 3 Other Shops

1. Fuji-Kawaguchiko Shop
2. Roppongi Shop

(Attachment)

List of Counter-Defendant's Representations

Numbers Character names	Representations
1 Mario	
2 Luigi	

Numbers Character names	Representations
3 Yoshi	
4 King Bowser Koopa	

(Attachment)

List of Costumes

Numbers	Costumes	
1	<p data-bbox="667 577 767 611">[Front]</p> 	<p data-bbox="1123 577 1224 611">[Back]</p> 
2	<p data-bbox="683 1220 783 1254">[Front]</p> 	<p data-bbox="1107 1220 1208 1254">[Back]</p> 

Numbers	Costumes
3	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>[Front]</p>  </div> <div style="text-align: center;"> <p>[Back]</p>  </div> </div>
4	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>[Front]</p>  </div> <div style="text-align: center;"> <p>[Back]</p>  </div> </div>