

Unfair Competition	Date	December 19, 2024	Court	Osaka District Court, 21st Civil Division
	Case number	2023 (Wa) 12731		
- A case in which the court dismissed a claim for payment of compensation for damages, which was filed on the grounds of unfair competition (unauthorized use and disclosure of trade secrets) and non-performance and tort.				

Summary of the Judgment

In this case, the Plaintiff, who engages in the business of selling solar panels, etc., alleged that the Defendant, who was a former employee of the Plaintiff, committed acts of unauthorized use and disclosure of the Plaintiff's trade secrets (the "Information") (the relevant acts are collectively referred to below as the "Act"). Based on this allegation, the Plaintiff sought payment of compensation for damages and delay damages based on Article 2, paragraph (1), item (vii) and Article 4 of the Unfair Competition Prevention Act (referred to below as the "UCP Act") as a principal claim, and as an alternative claim, based on non-performance and tort by arguing that the Act falls under violation of confidentiality under the written confidentiality pledge against the Plaintiff or falls under an infringement of the Plaintiff's business interests (the Plaintiff also claimed compensation for damages based on non-performance or tort on the grounds of unauthorized use of the Plaintiff's company car).

The issues in this case are [i] whether the Information falls under trade secrets; [ii] whether the Act falls under unfair competition (Article 2, paragraph (1), item (vii) of the UCP Act); [iii] whether non-performance or tort is established for the Act; [iv] whether non-performance or tort is established for the unauthorized use of the Plaintiff's company car; and [v] the occurrence of damages and the amount of damages.

In this judgment, the court determined concerning Issue [i] that all the Information lacks requirements for secrecy in management and non-publicity and does not have the characteristics of trade secrets, and therefore, there are no grounds for a claim based on the UCP Act. Concerning Issue [iii], the court determined that the very existence of the Act by the Defendant is not clear, and as stated above, it is difficult to find that Information that lacks secrecy in management and non-publicity falls under "confidential information" in the written confidentiality pledge, nor are there any other circumstances to find non-performance or tort. Concerning Issue [iv], the court determined that non-performance or tort could not be found. Given these, the court dismissed all the Plaintiff's claims.