

Date	November 8, 2012	Court	Osaka District Court, 21st Civil Division
Case number	2011 (Wa) 3361		
– A case wherein, with respect to a design related to a cubic face mask, the court partially upheld the claims for an injunction and compensation for damages filed based on infringement of a design right.			

In this case, the plaintiff, who holds design rights for the designs whose article to the design is "cubic face mask" (the "Design" and its "Related Design") and is engaged in the manufacture and sale of the plaintiff's goods 1 and 2 (both of which are cubic face masks), alleged that the act of importing and selling the defendant's product (cubic face mask) by Defendants A and B infringes the abovementioned design rights and constitutes the act of unfair competition prescribed in Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act. Based on these allegations, the plaintiff claimed against Defendants A and B an injunction against the manufacture and sale, etc. of the defendant's goods as well as the destruction thereof and payment of damages.

The issues related to the infringement of the design rights in this case are [i] whether or not the design of the defendant's goods is similar to the Design and its Related Design; [ii] whether or not Defendant B may be found to have conducted an act of infringement and joint tort; and [iii] damages.

In this judgment, with respect to Issue [i], the court took into consideration the mode of use of the goods, publicly known designs and related designs and found that the essential part of the plaintiff's Design can be found in the specific shape of the right side outline corresponding to the midline of the face. Based on such finding, the court compared the plaintiff's Design and the design of the defendant's goods and determined that the two designs are similar. With respect to Issue [ii], the defendants alleged that Defendant B could not be found to have conducted an act of infringement or joint tort due to the fact that Defendant B is an importer or exporter in form only. However, the court found that although Defendant B did not directly conduct the act of import and sale of the defendant's goods, it conducted essential procedures therefor at the request of Defendant A and such Defendant B's involvement in the import and sale of the defendant's goods was well-known among general consumers. Based on this finding, the court determined that Defendant B may be found to have jointly conducted infringement of the Design Right with Defendant A.

Furthermore, with respect to Issue [iii], the court found that the appropriate royalty rate in this case is 15% by taking into account the following facts in addition to the

average royalty rate for textile products: [i] the plaintiff invested time and work for development of the Design; [ii] the plaintiff's goods and the defendant's goods are in a competitive relationship; and [iii] the design had made a considerable contribution to the sales of the goods. In addition, the court determined the amount of damages based on Article 39, paragraph (3) of the Design Act and partially upheld the claims for an injunction and compensation for damages (the court dismissed the claims for destruction on the grounds that the defendants could not be found to be holding stock of the defendant's goods).