

## Latest Court Decisions

**2013:**

**[November]**

• **RITEA Case** (Damage Suit)

**Tokyo District Court 2013.11.26 H23(Wa)10933**

**[SUMMARY／INTRODUCTION]**

Information Equipment Reuse and Recycle Association (Plaintiff) conducts inspection and approval business for data erasing software of hard disc drives in personal computers. These services are provided to the members of the Association.

The Defendant was a member of the Association and obtained an approval from the Association on the software and the Defendant sold the software bearing the Association's trademark after they withdrew from the Association.

Then, the Association demanded a payment from the ex-member (Defendant) in compensation for the trademark infringement. The Tokyo District Court partially accepted the plaintiff's demands and ordered payment as damages.

**[CASE]**

The plaintiff, Information Equipment Reuse and Recycle Association (IERRA), is the proprietor of the Japanese trademark registrations for the word "RITEA with hard disc device" (right) for the goods and services in Classes 9 and 42.

IERRA gives an approval to its members for the use of registered trademarks on data erasing software after IERRA inspects the quality of the software.

The Defendant sold two kinds of data erasing software, one (Software 1) was approved by the IERRA and another (Software 2) was not approved, using the IERRA's registered trademarks after they withdrew from the membership of IERRA.

The Plaintiff IERRA asked the Tokyo District Court for issuing an order of the payment of 8,150,000 Yen to the Defendant in compensation of the trademark right infringement by using the registered trademarks even after the withdrawal of IERRA.

The Tokyo District Court denied the infringement as to the Software 1 that was approved by IERRA when the Defendant was the member thereof.

As to the Software 2 that was not approved by IERRA, the Defendant insisted that the Software 2 was identical to the Software 1. However, the Defendant failed to prove the identity of the Software 1 with 2. As the result, the Court admitted that the Software 2 infringed the Plaintiff's trademark rights.



The next point of issue of the case was as to how much was the compensation for the infringement.

The Plaintiff demanded the payment of 5,960,000 Yen according to Article 38-(2) of the Trademark Law that their damages were the amount of the profits that the Defendant earned by the infringement by selling the Software 2.

However, the Court rejected this Plaintiff's allegation because the Plaintiff had never sold Software by themselves and they only conducted the quality inspection of the members' software.

**[Article 38] Presumption of amount of damage, etc.**

(2) Where the holder of trademark right or of exclusive right to use claims against an infringer compensation for damage sustained as a result of the intentional or negligent infringement of the trademark right or the exclusive right to use, and the infringer earned profits from the act of infringement, the amount of profits earned by the infringer shall be presumed to be the amount of damage sustained by the holder of trademark right or of exclusive right to use.

(3) The holder of trademark right or of exclusive right to use may claim against an infringer compensation for damage sustained as a result of the intentional or negligent infringement of the trademark right or the exclusive right to use, by regarding the amount the holder of trademark right or of exclusive right to use would have been entitled to receive for the use of the registered trademark as the amount of damage sustained.

Secondly, the Plaintiff demanded the payment of 2,770,000 Yen including 1,220,000 Yen for the inspection fee for the Software 2 according to Article 38-(3) of the Trademark Law.

The Court accepted the Plaintiff's allegation and issued the order of payment of 1,220,000 Yen only for the inspection fee. However, the Court rejected the plaintiff's allegation that their credit was damaged by the trademark infringement.