

September 9th, 2015

Notification regarding resolution of the lawsuit based on settlement

While our company has filed a lawsuit on unfair competition injection against KIMURAMED Co., Ltd. (hereinafter referred to as "KIMURAMED") demanding an injunctive order based on Article 3, Clause 1 of Unfair Competition Prevention Act and compensation for the damage caused by a tort (hereinafter referred to as "the Lawsuit") on February 12th, 2014, and the Lawsuit has been pending between the Defendant at Tokyo District Court, we have reached a judicial settlement with the Defendant on the date of July 30th, 2015 and therefore, we notify you as follows:

1. Circumstance from filing of the Lawsuit to the

(1) Contents we demanded in the Lawsuit are mainly as follows:

a. Injection demand based on item 1, Clause 1 of Article 2 of Unfair Competition Prevention Act

Since an animal artificial respirator "KIMURAMED Animal Artificial Respirator PUPYRES" (hereinafter referred to as "PUPYRES"), which had been started to be manufactured and distributed by KIMURAMED since around in November 2012, was as same in dimension, weight and external shape and in arrangement of switches and displays on the front surface of operation panel as the animal artificial respirator "Minivent-3a" currently manufactured and distributed by us in response to succession of manufacturing and distribution approval from Kimura Medical Instrument Co., Ltd. (hereinafter referred to as Kimura Medical Instrument) and similar in the color tone based on white and blue as well, we have judged the activity of manufacturing and distribution by KIMURAMED as described above to fall under a category of unfair competition (item 1, Clause 1, of Article 2 of Unfair Competition Prevention Law) and demanded the injection in the Lawsuit based on Article 3, Clause 1 of Unfair Competition Prevention Act.

Besides, KIMURAMED became to use a name "NEO" for PUPYRES in addition to the conventional brand name and voluntarily modified the color tone and design of the shapes of switches and meters of PUPYRES.

b. Compensation claim based on a tort

Regarding the following trademark which had been continuously used as the trademark of Kimura Medical Instrument (hereinafter referred to as "Kimura trademark"), we have concluded a transfer contract of Kimura trademark for value between the bankruptcy administrator of Kimura Medical Instrument during the bankruptcy proceedings of Kimura Medical Instrument and taken over the Kimura trademark.

(Kimura trademark)



On the other hand, while refusing an offer of the said trademark transfer from the bankruptcy administrator during the bankruptcy proceedings of Kimura Medical Instrument, KIMURAMED has applied for registration the following trademark (hereinafter referred to as "the Trademark") which closely resembles to Kimura trademark to the extent to be essentially the same without obtaining an approval from the bankruptcy administrator of Kimura Medical Instrument and obtained the registration of establishment.

(The Trademark)



Therefore, we have demanded compensation for the tort in the Lawsuit judging the application for registration of the Trademark and activity of registration by KIMURAMED to be an act of plagiarism and significantly lack of social validity.

Besides, it is true just as we have notified by TOPICS "Information regarding ruling for the Lawsuit" on the date February 28th in 2015 that KIMURAMED brought an action for suspension of trademark registration revocation to the Intellectual Property High Court aiming at our objection which had been raised against the registration of the Trademark and approved by the Japan Patent Office but that the KIMURAMED's request was rejected by the ruling and the ruling became final and binding.

(2) After hearing for more than a year since filing the Lawsuit, the argument was concluded on July 9th in 2015, and we decided to accept judicial settlement on 30th in the same month in response to the court's settlement recommendation at the time.

2. Opponent (Defendant) of settlement

Name: KIMURAMED Co., Ltd.

Location: 5-8-16 Kotobashi, Sumida-ku, Tokyo

Name of the representative director: Kazuto Kimura

3. Main contents of the settlement (Outline)

(1) Defendant shall give its assurance to Plaintiff not to modify the indications it had modified after filing of the Lawsuit by the Plaintiff into any form according to any of the following items and the Plaintiff shall give its assurance to the Defendant not to raise any objection for manufacturing and distribution of PUPYRES by the Defendant within the extent that the Defendant complies with the assurance:

- ① Expansion of the notation of "PUPYRES" or increase in the number of places for display;
- ② Expansion of the area of blue or light blue part; and
- ③ Limitation of the mark only for "PUPYRES."

(2) Defendant has admitted to be liable for paying the settlement money in relation to the Trademark to the Plaintiff and paid, and the Plaintiff has received the settlement money.

(3) The Plaintiff and Defendant confirm that the conflict of the case has been resolved amicably by the settlement and give assurance each other to respect the other's business without unreasonable intervention and not to perform any act of defamation or any act which may be objectively understood as defamation to the other party.

That's all.