February 28th, 2015

Notification regarding ruling of the Lawsuit

As we participated in a lawsuit on the Japan Patent Office side which was filed to the Commissioner of the Japan Patent Office by KIMURAMED Co., Ltd. (hereinafter referred to as "KIMURAMED") demanding suspension of trademark registration revocation regarding the trademark "K KIMURA" of former Kimura Medical Instrument and the demand by Kimura Medical Instrument has been rejected by a ruling of the Intellectual Property High Court on January 29th in 2015, we notify the results as follows:

1. Regarding the lawsuit demanding suspension of KIMURAMED's trademark registration revocation

We have filed an objection of a trademark registration against the trademark registration by KIMURAMED of the logo "K KIMURA" of former Kimura Medical Instrument on the date September 28th in 2011 and obtained a decision of the trademark registration revoation by the Patent Office on the date May 13th in 2014 by a reason that the said trademark registration falls under items 7 and 10 of Clause 1 in Article 4 of Trademark Act.

Summary of reasons for the trademark registration revocation

(1) In spite of the fact that the representative of KIMURAMED had known well about Kimura Medical Instrument and existence of its trademark as well as could have known the decision of commencement of bankruptcy proceedings and subsequent situations before the application for registration of a trademark which is essentially same as the Kimura Medical Instrument's trademark, the representative of KIMURAMED applied for and obtained the Trademark registration in a preoccupancy manner trying to take advantage of the trademark which had not been registered then. It is an act of plagiarism based on an intention to monopolize benefits obtained by the trademark "K KIMURA" in light of business contents of KIMURAMED. Therefore, the Trademark registration of the case falls under item 7, Clause 1 of Article 4 of Trademark Act due to its lack of social validity, interference of fair competition order and disturbance of public order.

(2) Since popularity of the trademark "K KIMURA" is not believed to be eliminated immediately by the suspension of Kimura Medical Instrument's business and the Trademark of the case is the same as or similar to the trademark widely known to traders and consumers for indicating goods and services in relation to other person's business, the Trademark falls under item 10, Clause 1 of Article 4 of Trademark Act.

Subsequently, however, KIMURAMED filed a lawsuit against the Commissioner of the Japan Patant Office with a complaint for the decision to the Intellectual Property High Court demanding suspension of the trademark registration revocation but the demand was rejected by the ruling on the date January 29th in 2015. The said ruling has become final and binding because KIMURAMED did not appeal against the ruling by the appeal deadline of February 16th in 2015. Content of the ruling is posted on information of cases on the website of Intellectual Property High Court as shown below. http://www.ip.courts.go.jp/app/hanrei_jp/detail?id=3974

2. Outline of the lawsuit plaintiff Name: KIMURAMED Co., Ltd. Location: 5-8-16 Kotobashi, Sumida-ku, Tokyo

3. Text of judgment

- 1. The Plaintiff's demand shall be rejected;
- 2. The legal costs shall be borne by the Plaintiff.

That's all.