

# Kao Corporation

## **Kao Settles Infringement Lawsuit against Hoyu regarding Foam Type Hair Color Products (Hair Dyes)**

July 3, 2013

Kao Corporation (President and CEO: Michitaka Sawada; Headquarters: Tokyo, Japan, *Ticker Code:4452*) settled an infringement lawsuit with Hoyu Co., Ltd. (Headquarters: Nagoya City, Aichi Prefecture, Japan) on June 28, 2013. Hoyu manufactures and sells consumer products including hair color products.

Kao filed an infringement lawsuit seeking a preliminary injunction with the Tokyo District Court in July 2011 to stop the manufacture and sale of Hoyu's foam type hair color product *Bigen Hair Color DX Creamy Foam*, alleging infringement of Kao's Patent No. 4762362. In February 2012, the court issued a preliminary injunction order upholding Kao's allegation, and Kao promptly filed a lawsuit against Hoyu claiming compensation for damages suffered from the patent infringement. Meanwhile, in September 2011, Hoyu requested a trial for Kao's patent invalidation to the Japan Patent Office. In September 2012, the Patent Office rendered a trial decision to the effect that Kao's patent is to be invalidated. Dissatisfied with that, Kao filed a lawsuit to overturn the trial decision with the Intellectual Property High Court.

Kao and Hoyu held discussions on this issue, upholding the spirit that avoiding unnecessarily prolonged disputes and focusing on competing to provide consumers with highly functional products will lead to healthy development of the industry. Based on the discussions, both parties agreed to certain future conditions for Hoyu products which relate to Kao's patent family. This agreement includes consideration from Hoyu to Kao. As a result, Kao will withdraw its infringement lawsuit and Hoyu will withdraw its trial for patent invalidation. Due to contractual obligations, the details of the agreement are confidential.

Kao values its intellectual properties including patents as its core critical management asset. In cases where Kao recognizes its patents are infringed, Kao will continue to take a firm position on enforcing its rights.

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