

Effectiveness Verification Implementation Method

This effectiveness verification is conducted to find out the effectiveness of infringement prevention measures taken in the CtoC (consumer-to-consumer) markets on the Internet such as auction and flea markets (from here on referred to as “CtoC markets”) by numerically measuring how many infringing goods and infringements currently exist in the CtoC markets.

Description

Date and Frequency of Verification: Any one day during the period from February 27 to March 23, 2017 regardless of time and day of the week. This will not preclude those who verify from conducting the verification more than once during the period.

Services: Auction

- Yahuoku!
- Mobaoku!

Flea markets

- Mercari
- Rakuma
- Shoppies
- Frill
- Yahuoku! (flea market mode)

This will not preclude those who verify from conducting a voluntary fact-finding survey on any services in the CtoC markets, shopping malls and the BtoB (business-to-business) marketplaces.

Verification Items: As to which goods will be verified, this will be up to those who verify such as organizations and companies. However, they are to select the goods with which a fixed-point, long-term

verification is possible. This is because the same goods have to be verified in all CtoC markets and similar verification is necessary in the future as well. This will not prevent them from choosing goods which are different from those in the previous fiscal year.

In addition, the popularity of the item in the market shall be taken into account when choosing the goods for verification.

Attention: Names of companies or brands which are related to the goods chosen do not have to be made public. However, it is unavoidable to release some information such as “a well-known U.S. maker of spreadsheet business software” etc. Therefore, it is better to get consent from relevant companies/brands beforehand.

Methodology:

The effectiveness rate will be calculated by dividing the number of infringing goods and items involved in infringements by the verification parameter.

Example: If 10 infringing goods are found among 100 items, the infringement rate will be 10%.

If the number of offered goods exceeds 100, the verification parameter will be 100. In this case, the top 100 items in a search list (such as a list ranked, for example, by remaining time or a randomly created list) will be verified. However, making conditions equal, those who verify should try to use a list ranked by timing of the offer made with the oldest one coming as near to the top as they possibly can and to verify the first 100 items from the list. Notwithstanding the foregoing, if the number of verification items at CtoC markets exceeds 100, verifying more than 100 items will not be precluded.

Judgment Criteria:

Any items that should be counted as infringing goods / infringements are **those which are deemed to be infringing**

copyrights and/or trademarks based on on-screen texts or images and allowing CtoC market operators and right holders to make suspension requests to platform providers.

Information on screen includes not only those listed in searches but also information on individual good's screens.

If a selected item infringes both a copyright and a trademark, it will be counted as an infringement of either of them.

The nature of the infringement will be indicated in the attached spreadsheet.

Note: Any items which may violate the Unfair Competition Prevention Act will not be counted because we cannot make a definitive judgment due to the nature of the Act.

However, the following goods' data will be counted separately from the above data. **These are the goods that have no direct grounds for infringement in the provided information (when checked against the Guidelines, etc.) that would allow CtoC operators to remove them as infringing goods but have characteristics as in the following: (1) Goods which are deemed to be have infringed a copyright or trademark as a result of appraisal of on-screen texts and images by a right holder and if the right holder makes a request for removal. And CtoC operators can take action for removal ("Infringing Goods Without Notice"), or (2) goods which are deemed as without doubt being infringing goods as a result of purchase and appraisal based on various pieces of information by the right holder ("Goods having a high probability of Infringement").**

If any issues of concern arise in the course of verification, it can be indicated in the margin by using a special note.

For example, there are some goods for which removal requests

may not be issued as infringing goods when checked against the Guidelines. Therefore, they may not be the ones with a high probability of infringement but it is assumed that illegal acts or rights-infringement acts have been committed.

Recording Method: It is up to those who verify as to the method of recording the findings. However, it is required to keep a record deemed as a reasonable proof showing to third parties that the verification results are based on actual work done.

Remark: Proofs showing that the verification is implemented should be kept at hand by the verifier.

Reporting Method: Fill out the attached spreadsheet and submit it to the chief of the right holders' side of the committee by March 24, 2017