

ENFORCEMENT OF TRADEMARK RIGHTS IN JAPAN

April 14, 2017


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Judicial System

- District Courts (47)
 - Special Divisions for IP in Tokyo & Osaka
 - Exclusive Jurisdiction to Tokyo and Osaka 
 - Patent Infringement Case (including Utility Model, Mask Work and Software Copyright)
 - Additional Jurisdiction to Tokyo and Osaka for Trademark Infringement case as well as Design, Copyright and Unfair Competition Prevention Law case

- High Courts (8) 
 - 4 Special Divisions for IP in Tokyo High Court
 - Exclusive Jurisdiction for the appeal case from JPO
 - Exclusive Jurisdiction for the appeal case from Tokyo or Osaka District Court's judgment on the Patent infringement case (Effective as of April. 1st, 2004)
- As of April 1st, 2005 (IP High Court)
 - Nos. 1 to 4 Divisions and Special Division, a kind of grand bench of 5 judges
 - Special Branch of Tokyo High Court for IP cases was created. The judges of the former special divisions were assigned to the new branch.
 - Review of the lower courts' judgment in infringement cases and JPO's decision in patentability and validity.
- Supreme Court (1)
 - Limited Cause of Action for Appeal



Protection of marks

- Trademark Law
 - Registration required
- Unfair Competition Prevention Act
 - No formality required
 - Famous or well known
 - Dead copy of shape of product
 - Only three years
 - Design law and 3 dimensional TM
 - Copyright protection (applied arts: individuality)?
- No common law type protection is available

IP cases in 2015

Number of Cases disposed

District Courts

- Patent 156 (29.3%)
- UMR 9 (1.7)
- Design 21 (3.9)
- **TM 85 (15.9)**
- Copyright 119 (22.3)
- Software 11 (2.1)
- UCPA 119 (22.3)

High Courts

- Patent 91 (47.2%)
- UMR 3 (1.6)
- Design 4 (2.1)
- **TM 18 (9.3)**
- Copyright 30 (15.5)
- Software 8 (4.1)
- UCPA 24 (12.4)

How to Enforce Trademark Right

- Cease and Desist Letter
- Civil Action
 - Injunction
 - Damage
- Actual Enforcement
 - Injunction Order
 - Indirect enforcement
 - Criminal penalty
 - Preliminary Injunction Order
 - Custody of Shikkokan (Bailiff)
 - Monetary Judgment
- Criminal Procedure
 - Police and Public Prosecutor
 - Mandatory Investigation
 - Criminal Complaint – request for accusation
 - Opinion from Patent Office on the infringement
- Custom House Proceeding
 - Request for monitoring
 - Quasi-judicial proceeding
 - Voluntary disposal by importer
 - confiscate and destroy



Remedies and Proceedings before the Courts

- Preliminary Injunction
 - Quick: No witness
 - subject to deposit: Cash or Bank Bond
- Main Law Suit
 - Permanent Injunction
 - Compensation for Damages
 - Statute of Limitation – 3 Years
 - Unjust Enrichment – 10 Years
 - Provisional Enforcement Order
 - Suspension Order only with appeal and deposit



Challenge against TM Registration

➤ Before JPO

➤ Invalidation (Art. 46)

- Statute of limitation for 5 Years (Art. 47)
- Deemed to have not existed from the beginning (Patent Law Art. 125)
- “res judicata” bar to the re-try based on the same facts and the same evidence (Art. 56, Patent Law Art. 167)

➤ Cancellation

➤ Non-Use (Art. 50)

- No use for 3 years or more

➤ Unjust use (Arts. 51, 53)

- Fraudulent use of Registered or similar mark
- By registrant or licensee
- IP High Court Decision April 9, 2008: *Bear USA vs. Saint-Laurent*

➤ Deemed not to exist from the cancellation decision becoming conclusive (Art. 54)

➤ Exception: Date of registration of petition for cancellation in case of non-use cancellation

Plaintiff's Mark

Registration at issue



Cancellation

JPO
Similarity affirmed



IPHC
Denied License
Found a License

License



Licensee's Mark



USABEAR
アズエーベ



Infringement of Trademark Right

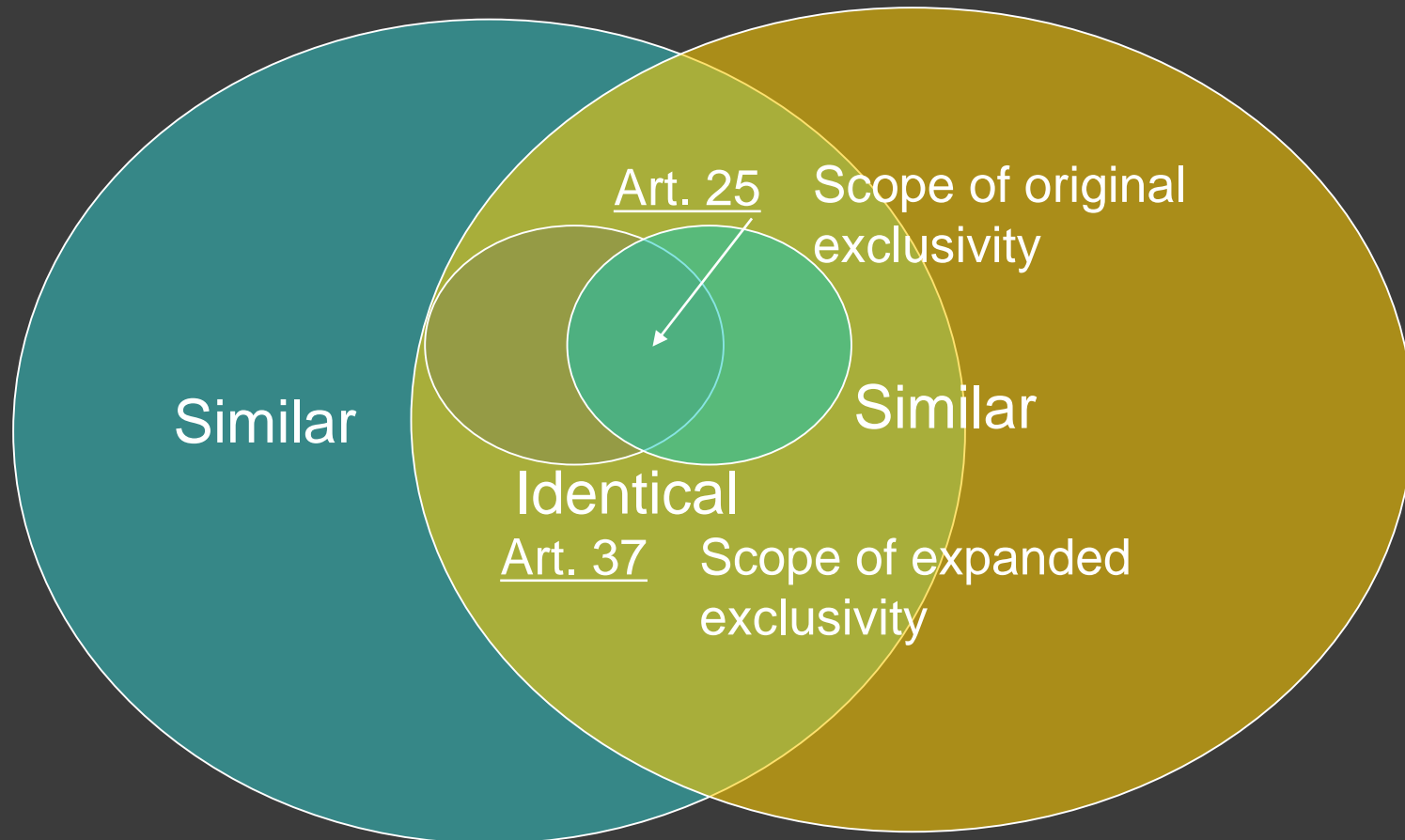
- Exclusive use right (Art. 25)
 - use the registered trademark
 - with respect to the designated goods or designated services
- Acts deemed to be infringement (Art. 37)
 - Use of similar trademark
 - Use of trademark or similar trademark with respect to similar good or services
- Registered Exclusive Licensee (Art. 30)



Trademark Infringement

Trademark

Good or Service



Use of Trademark (Art. 2)

- Trademark(Para.1)
 - Any Mark perceptible by human being (characters, figures, signs, three-dimensional shapes, color or any combination thereof, or sound or any other mark stipulated in the Cabinet order)
 - Moving marks, hologram marks, position marks
 - To be used in respect of goods by a person who produces, certifies or assigns such goods in the course of trade; or
 - used in respect of services by a person who provides or certifies such services in the course of trade



- Use (Para. 3)
 - applying the mark on the goods or their packaging;
 - assigning, delivering, displaying for the purpose of assignment or delivery, exporting, importing or providing through electric transmission lines the goods on which or on the packaging of which a mark has been applied;
 - when providing services, applying a mark to articles, providing services using articles bearing a mark, or displaying such articles
 - when providing services, displaying a mark on the image made by electromagnetic method
 - display or distribute the advertisement, price lists or business papers, on which a mark is applied or providing information on said documents through electromagnetic method.
 - Make a sound of mark for the purpose of assigning goods etc.
- Similarity between goods and services (Para. 6)



Amendments in 2006 and 2014

- Retailing and Wholesale are deemed as “Service”
 - “Export” is added to the “Use” of mark
 - Criminal penalty became severer; up to 10 years (imprisonment: previously 5 years); up to 10 million yen (penalty: previously 5 million)
-
- Introduction of new types of trademarks




Cause of Action

- Registration of mark
- Defendant is using a mark without approval of the owner of mark
- The defendant's mark is identical or similar to the registered mark
- The goods or service on or in connection with which defendant is using a mark is identical or similar to the goods or service of the registered mark



Defense

- Similarity – Mark or Goods/Services: not identical nor similar
- Exemption – Art. 26 (generic name etc.) 
 - Used in such form that it does not indicate the source, in other words, does not function as trademark (added in 2014)
- Validity – Abuse of Right
 - Argument of Invalidity: Available?
 - Principle: JOP is the first instance
 - Preliminary Injunction Case before the Court
 - Denial of Necessity of Preservation of Rights
 - Application of abuse of right theory in infringement action (Supreme Court Decision in 2000)



Defense

- Amendment in 2005
 - Invalidity became a good defense under the statute.
 - In case that the registration shall be nullified through the nullity action, the owner of the right is not allowed to enforce his or her right against the infringer.
 - The amendment covers the Patent Law, Utility Model Right Law and Design Right Law as well as Trademark Law.
 - The amendment became effective on April 1st, 2005.
 - Trademark Law Art. 39
 - Application of Patent Law Art. 104ter



5 year limitation and Enforcement

- There was a reason of invalidity
 - Anyone can start a nullity action (Art.46)...but
- No one filed a nullity action and 5 years elapsed after registration
- Then no way to invalidate the subject TM registration (Art. 47 except for public interest)
- Enforcement of such trademark right should be allowed or not?
- In 2017, Supreme Court clarified that the defense of the abuse of right theory based on the invalidity is valid even if more than 5 year elapsed after registration (eemax case)



Eemax Case

- Supreme Court stated that the abuse of right is a valid defense based on the fact that the defendant's mark has been famous as of the application of the subject TM.
- Judge Yamazaki provided a supplemental opinion in which he stated that the various factors such as the defendant was the authorized distributor and the plaintiff once purchased the goods at issue from the defendant as well as existence of settlement in the past should be taken into consideration (other issues than causes of invalidity).

Main issues before the courts

- Similarity of mark
 - Trade practice
- Similarity of goods
 - Same manufacturer
- Use as trademark

Similarity of mark

- Test of Similarity
 - Appearance, Pronunciation and Concept
 - One more element: Actual situation of trade
- 氷山(hyouzan) Case
 - *Supreme court Judgment on Feb. 22, 1978*



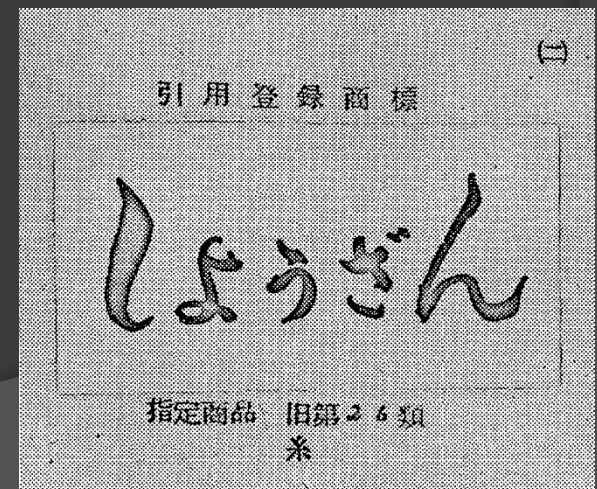
Fact

- ◆ Applicant's trademark:

- ◆ “冰山” (appearance)
- ◆ “Hi- y o-u-zan” (sound)
- ◆ Iceburg (concept)
- ◆ Glass fiber thread (goods)

- ◆ Cited mark:

- ◆ “しょうざん” (appearance)
- ◆ “Shi-yo-u-zan”
- ◆ No concept
- ◆ Thread (goods)



JPO and High Court findings

- ◆ JPO rejected the application, reasoning the sound is similar (“Hi-yo-u-zan” vs. “Shi-yo-u-zan”) since the difference in sound between “hi” and “shi” is a very small one.
- ◆ THC reversed JPO’s decision, stating that
 - ◆ whether confusion of goods occur should be determined in view of the actual situation of trade
 - ◆ In actual situation of trade of glass fiber thread business, the glass fiber thread is order-made goods and never sold at retail shops so that no body acknowledge the source of products with the sound of trademark
 - ◆ In view of such actual situation of trade, regardless somewhat similar sound, these trademark should be found dissimilar

Supreme Court Judgment in 1968

- ◆ The similarity of mark should be determined by
 - ◆ whether confusion on the source of product is caused or not
 - ◆ when the marks are used on the same or similar goods.
- ◆ Tokyo HC judgment should be affirmed
 - ◆ It is not inadequate to find two marks dissimilar, taking into consideration the actual situation of trade of glass fiber thread and to conclude that there is no possibility of confusion by considering the similarity in sound less important
 - ◆ Even if two marks are similar in one of the elements of appearance, sound and concept, these marks should be found dissimilar in case that since these marks are substantially dissimilar on other two elements and/or in view of actual situation of trade, there is no possibility of confusion on the source of goods



Choop case

CHOOP
シュープ

Shoop

- Issue was what is actual situation of trade
- JPO opined Shoop registration should be nullified.
- In 2011, IPHC revoked JPO decision, invalidating Shoop based on the well-known CHOOP
- IPHC denied the similarity stating
 - Sound is identical but
 - “Choop” became famous as a brand for teenage girls
 - “Shoop” is a brand targeting customers who like a sexy fashion
 - The preference is different between the costumers of these two brands
 - There is no possibility of confusion



Similarity of mark

- 大林森 (Dai-shin-rin) Case

- *Tokyo District Court Judgment
on June 22, 1990*

- *Tokyo High Court Judgment
on July 30, 1991*

- *Supreme Court Judgment
on Sep. 22, 1992*



大森林Case

- Plaintiff has a trademark registration for Class 4 to cover cosmetics
- Defendant used accused marks for the hair grower
- Plaintiff sued Defendant seeking for injunction
- Marks are
- “大森林” v s “木林森”



What do these marks mean?

- “大” means “big” or “large”.
- “森” means a forest.
- “林” means woods or grove.
- “木” means a tree.

大 森 林



- Differences are
 - “木” in place of “大”
 - Order of “森” and “林”

木
林
森

木林森

木林森

What do these marks mean?

➤ Sounds

➤ Die-Shin-Lynn

“大森林”

➤ Moke-Lynn-Shin

“木林森”



Question

- Are these two marks similar or not?
- Appearance
- Concept
- Sound
- Any other element?
 - Actual situation of trade



Findings by Courts

- District Court dismissed the plaintiff's claim
- High Court affirmed District Court's findings
- Supreme Court disagreed with the lower courts' opinion.
- Case was remanded to High Court



Tokyo District Court Judgment on June 22, 1990

- Dismissed
- Reasoning
 - The appearance of two marks is apparently dissimilar from their construction of letters and order
 - “大森林” is an idiom and pronounced integrally, and to give a sound of “Die-Shin-Lynn”.
 - “木林森” does not include an idiom and does give a sound of “Moke-Lynn-Shin”.
 - Two marks have apparently different sounds.



Tokyo District Judgment on June 22, 1992

- “大森林” gives a concept of “big forest”
- “木林森” is made by adding the part of “木” one by one to have “林” and “森” and gives no concept
- Even taking into the consideration the package design of plaintiff’s and defendant’s products, two marks have no identical concept



Tokyo High Court Judgment on July 30, 1991

- Affirmed TDC's decision
- Commenting
 - Two marks are consisting of the words which are very common to and not confused by the consumers
 - The prospective customers are men who strongly wish to grow the hair so that they are very careful in selecting the products



Supreme Court Judgment on Sep. 22, 1992

- Remanded to Tokyo High Court
- Reasoning
 - Two marks has two common letters of “林” and “森”, and the remaining letters of “大” and “木” can be confusing due to the way of writing *
 - Both of two mark suggests the image of forest which further suggests the image of rich hair.
 - Thus two marks can be confusing in the sense of appearance and concept



Supreme Court Judgment on Sep. 22, 1992

- There is a room to find two marks similar when the actual situation of trade may cause the consumers to confuse one with the other.
- Tokyo High Court's finding that the prospective customers are men who strongly wish to grow the hair so that they are very careful in selecting the products is not necessarily correct .



Supreme Court Judgment on Sep. 22, 1992

- The facts found by the lower court are not enough to conclude that two marks are not similar
- Tokyo High Court failed to evaluate the situation of sales such as door-to-door sales or sales at shop, and how the products are displayed at sales etc.
- Tokyo High Court is erroneous in interpretation of laws or lacking the reason for conclusion



“Dai Shin Lynn” Marks



Registered Mark



(Dai Shin Lynn)



Defendant's Marks



(Moke Lynn Shin)



Similarity of mark (combination mark)

- つつみのおひなっこや(Tsutsumi-no-Ohinakko-ya) Case
 - *Supreme Court Sep. 8, 2008*

つつみのおひなっこや (Tutsumi-no-Ohinakko-ya Case)



- Nullity Action against TMR “つつみのおひなっこや” for goods of dolls
- TM owner is making traditional dolls (clay figure) in Tutsumi cho, Sendai city.
- Petitioner is also making traditional dolls in Tutsumi cho and requests to nullify the subject TMR based on its own TMR for “つゝみ” and “堤” (tsu-tsu-mi)



つつみのおひなっこや (Tsutsumi-no-Ohinakko-ya Case)

- IPHC found that the subject TM is similar to the petitioner's registration.
- Supreme Court reversed IPHC judgment, stating that
 - The combined TM should not be disassembled when the similarity is examined
 - Unless the subject segment is so dominant as an indication of source or other segment does not function as an indication of source.



Similarity of mark フランク三浦

- “フランク三浦” Case (Frank Miura)
 - Invalidation case
 - TM holder (FMTM) of “Franck Muller” and “フランク・ミュラー” for watches tried to invalidate Dinks’ subject TM registration for goods of watches. Dinks is selling its original watches.
 - JPO affirmed FMTM’s claim due to that the subject registration is similar to the FMTM’s registration.
 - IPHC revised JPO’s decision, stating that even though the sound of these marks are similar, these marks are different in appearance and concept so that they are easily distinguished and there is no evidence to show that the source of goods is identified only with the sound of mark in the relevant trade, referring to the difference of price.



Similarity of goods (service)

- Criteria in finding similarity
 - *Supreme Court Judgment on June 27, 1961 re Tachibana Case*
 - Similarity should be determined on whether the goods at issue are usually manufactured and sold by the same entity so that when the same or similar mark is used on such goods, it is likely to cause confusion among the consumers as to the source of goods.
 - Issue in this case is similarity between Sake and Shochu*

*Sake is a rice wine and Shochu is a liquor distilled from of potatoes, rice etc.



Similarity of goods (service)

- SUMCO case
- IPHC Judgment in 2004 in appeal case from JPO BOA's rejection
- Plaintiff applied "SUMCO" mark for the goods of semi-conductor wafers (Class 9).
- JPO rejected based on the existence of registration of "THERMCO" for the goods of electric machines and apparatus (Class 9), stating that the goods are similar since the wafer is used to manufacture the merchandises included in the goods of cited registration and both goods are manufacture by the companies among the same group.

SUMCO case

- IPHC reversed JPO's decision, stating that the semi-conductor wafer is used to produce the IC tips but: (1) 6 SC wafer manufacturing companies hold more than 90% of share; (2) more than 80% of SC wafers are manufactured by the companies other than IC manufactures; (3) 100% SC wafers are sold to IC manufactures;(4) SC wafers manufactured by exceptional companies are not of monocrystal silicon, which is the main product in the market, and thus it is not found that SC wafer and IC tips are usually made by the same entity.

Not used as Trademark

- Trademark which is used in such form that it does not function as trademark is out of scope of TM rights (added in 2014)
- Popeye case
 - *Osaka District Court Feb. 24, 1976* ([1st case](#))
 - *Supreme Court Jul. 20, 1989* ([2nd case](#))
- [PITAVA case \(Kyowa vs. Maiji Seika Pharma\)](#)
 - *Tokyo District Court Aug. 28, 2014*
 - *IP High Court Jul. 16, 2015*



POPEYE (Case 1)

- Registration for “POPEYE” mark and Device for Clothing (Mark)



- King Features Syndicate → Licensee → (printed garment) → Ox k.k. (Defendant)



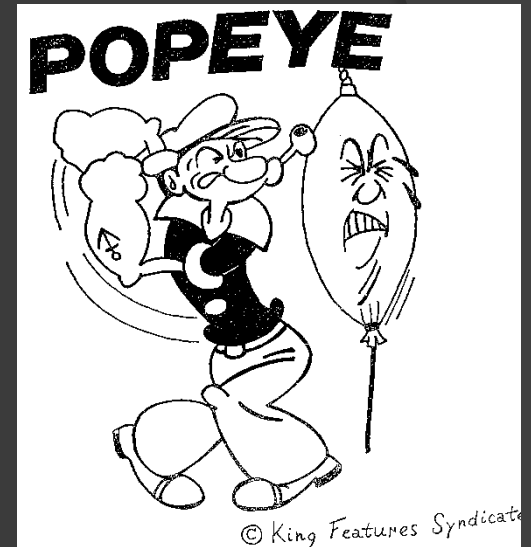
- Issues

- Design and mark is as a whole or separately a trademark?

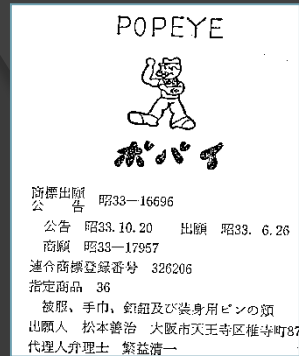


POPEYE (Case 1) Page 2

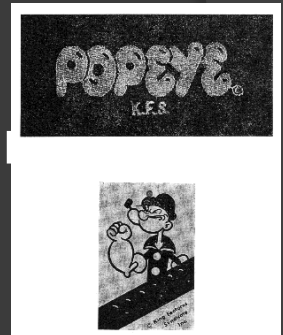
- Findings by Osaka District Court
 - The mark is merely ornamental.
 - Purchase due to “POPEYE” there
 - Not due to the source of product:
 - Do not care who the supplier is
 - Not trademark
 - The word “POPEYE” is an integrated part of the whole design: unable to separate
- The case became conclusive due to no appeal taken



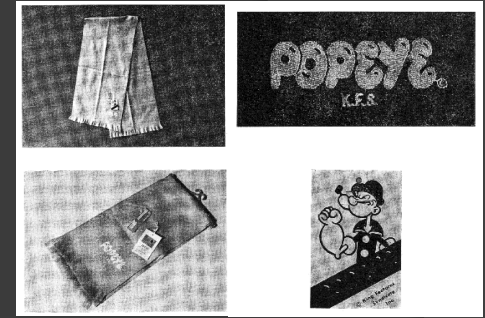
POPEYE (Case 2)



- Same Mark as Case 1 against Muffler (same plaintiff and 10 years later)
- King Features Syndicate → Licensee → (Muffler) → Kawamura Trading k.k. (Defendant)
- Issues
 - Is Design and mark as a whole or separately a trademark?
 - Doesn't word mark constitute a trademark infringement?



POPEYE (Case 2) Page 2



➤ Findings by Osaka District Court

- The word mark is not only decorative but also function as a trademark
- Tags are used to indicate the source of product so that the appearance of POPEYE does function as a trademark
- [Article 29](#) should be understood that the trademark exclusive right does not extend to the copyright work
- Word “POPEYE” is not covered by Copyright so that it is outside of Article 29
- Injunction against the word “POPEYE” was granted (damage in sum of 1.4 million yen)



POPEYE (Case 2) Page 3

- Osaka High Court changed DC decision
 - Dismissed injunction: granted 1.08 million damage
 - Defendant's marks function as trademark and are similar to the registered trademark
 - Affirmed infringement by the word "POPEYE"
 - Article 29 shall apply to the design on the tag
 - The word "POPEYE" on the tag is associated with the figure of POPEYE so that the design at issue as a whole does not constitute a trademark infringement
 - Denied the abuse of right argument as long as the trademark registration exists
 - Since the defendant discontinued the sales of the muffler at issue due to the bankruptcy of supplier, injunction claim was dismissed
- Both parties appealed to Supreme Court



POPEYE (Case 2) Page 4

- Supreme Court ruled
 - the lower court's ruling as to the abuse of right argument should be revoked
 - POPEYE had become famous as of the application of the registered trademark
 - Name of Popeye is an integrated part of character of Popeye
 - Character of POPEYE" is so famous that the word "POPEYE" means nothing else but Popeye.
 - The registered trademark at issue is to free ride on the fame of the character "POPEYE".
 - Enforcing the Trademark Rights is to disturb fair trade practice so that it should be deemed as Abuse of Right.



PITAVA Case

- Kowa (Plaintiff) has a TM registration for PITAVA in goods of drugs.
- Meiji (Defendant) manufactured and sold the pharmaceutical products in the form of tablet.
- The tables bear the word “ピタバ” (Pi-ta-ba).
- The active ingredient is Pitavastatin.

1



2



3



PITAVA Case

- TDC found that the source of product is indicated by the term “明治” (me-i-ji) and the consumers understand that the term “ピタバ” (pi-ta-ba) is used as an abbreviation of active ingredient to meet the requirement of law, and thus the subject term is not used as trademark.
- IPHC reached the same conclusion, applying the new sub-para 6 in Article 26, Para 1.



Article 29 of TML

- Where the use in a given manner of a registered trademark *** conflicts with *** another person's copyright taking effect prior to that date (application date), the owner of the trademark right *** shall not use the registered trademark in such a manner ***.



Compensation for damages

- Assumption of damages Article 38
 - ① P' s profit per unit x D' s number of products
 - ② D' s profit
 - ③ Royalty
- Amendment of Statute in 1998
 - Reasonable Royalty Limitation was deleted.



02/25/02	op	¥42,099,689	②/③2.0%	Clothing
03/26/02	VIAGRA	¥99,614,359	②	Pharmaceutical Products
07/31/02	Device(Dog)	¥28,140,000	③3.5%	Clothing
03/13/03	Device(Dog)	¥48,942,899	③3.5%	Clothing
04/22/03	SUPERBASE	¥72,731,868	①	Construction Parts
08/25/03	SUN ROUTE	¥35,200,390	③2.25%	Name of Hotel
12/18/03	PUMA	¥15,095,000	②	Bags
11/30/04	DUNLOP	¥9,000,000	②	Golf clubs, bags
05/05/07	Achilles	¥89,230,000	②	Industrial machines
10/11/05	GEROVITAL H3	¥11,189,000	①(②3%)	Cosmetic Goods
12/01/05	GUCCI	¥67,130,000	②	Bages, Wallets,
12/20/05	CALTIER	¥34,980,000	②	Watches
10/01/07	Love	¥16,000,000	②8% (③2%)	Cosmetic Goods
11/21/07	EPI	¥90,000,000	③2%	Beauty-Treatment Clinic
9/17/09	SWIVEL SWEEPER	¥56,208,723	②	Cleaner&Battery
4/27/10	CONVERSE	¥1,169,140,000	①②③	Shoes
10/14/10	S-cut	¥47,280,000	②(40%)	Floor heating system
11/10/10	Champion	¥10,607,215	②	Clothing
12/15/11	mine marine	¥17,420,000	②	Water Purification Device
4/25/12	shibuyagirlscollection	¥11,000,000	N/A	Fashion Event Promotion
06/30/13	MONCHOUCHOU	¥51,408,555	②	Cake
3/25/13	NAN ANI NA	¥19,004,894	②(1.5%)	Tape for eyelid with a fold
1/31/14	Pierarejeunne	¥84,707,677	③(1.5%)	Cosmetic Goods

Limitation on recovery of damage

- KOZO/小僧寿し Case

- In case of no-use, Royalty equivalent assumption applies?



- *Kochi District Court Mar.23, 1992*

- *Takamatsu High Court Mar. 28, 1994*

- *Supreme Court Mar. 11, 1997*



KOZO Case

- “小僧” Registration for food [\(Mark\)](#)
 - “小” means small and “僧” means Buddhist priest
 - “小僧” also means a kid or a small boy who works for a merchant’s shop
- Sued marks “小僧寿司” , ” KOZOSUSHI” , “KOZO” and the device for take-out sushi which were shown on the vehicles and inside and outside of shops in Shikoku.
- Trademark owner has not used its registered trademark in [Shikoku](#)
- Plaintiff asked for injunction and damage in sum of 60 million yen
- Issues
 - Are accused marks similar to the registration?
 - Does Article 26 apply to this case? 
 - Is Plaintiff entitled to the compensation for damage? 

KOZO Case Page 2

- Kochi District Court's Findings
 - All accused marks are similar to the registration.
 - Device generates the concept of Kozo due to the long-run use of "KOZOZUSHI" together with the device
 - Article 26 should apply to "KOZOSUSHI" and "小僧寿し"
 - Plaintiff's right does not extend to the use of a registered device mark
 - No compensation for damage caused by use of the mark "KOZO" even though the use constitutes a trademark infringement
 - "KOZO" was used for a very limited extent.
 - Has no influence on sales by Defendant
 - No damage is found on Plaintiff
 - Granted a permanent injunction only against "KOZO"
 - Plaintiff appealed and expanded damage claim to 200 million yen

別格
第 1138
小僧

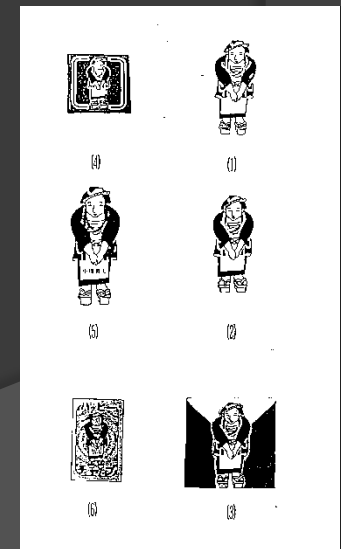
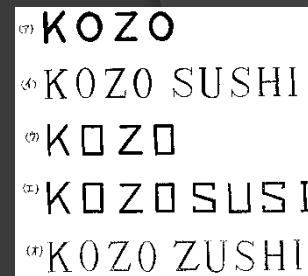
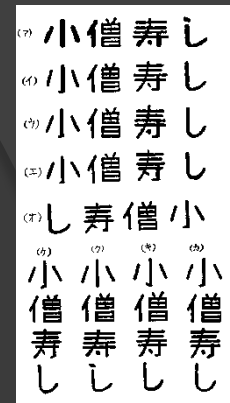


(7) 小僧寿し
(8) 小僧寿し
(9) 小僧寿し
(10) 小僧寿し
(11) し寿僧小
(12) 小僧寿し
(13) 小僧寿し
(14) 小僧寿し
(15) 小僧寿し

(16) KOZO
(17) KOZO SUSHI
(18) K□Z□
(19) K□Z□SUSI
(20) KOZO ZUSHI

KOZO Case Page 3

- Takamatsu High Court's Findings
 - Plaintiff added device marks as accused.
 - Affirmed District Court's finding that all accused marks are similar to the registration.
 - Article 26 should apply to "KOZOSUSHI" and "小僧寿し" since these marks are well-known.
 - Use of all of the accused device marks are within the scope of right under Defendant's franchiser's trademark registration for one of the device marks.
 - Thus no infringement as to device marks




KOZO Case Page 4

- No compensation for damage caused by use of the mark “KOZO”.
- Plaintiff’s mark has not acquired a good will in [Shikoku](#) due to no use.
- “KOZO” was not a main mark of Defendant.
- No damage is found on Plaintiff
- Dismissed the appeal
- Plaintiff appealed to Supreme Court



KOZO Case Page 5

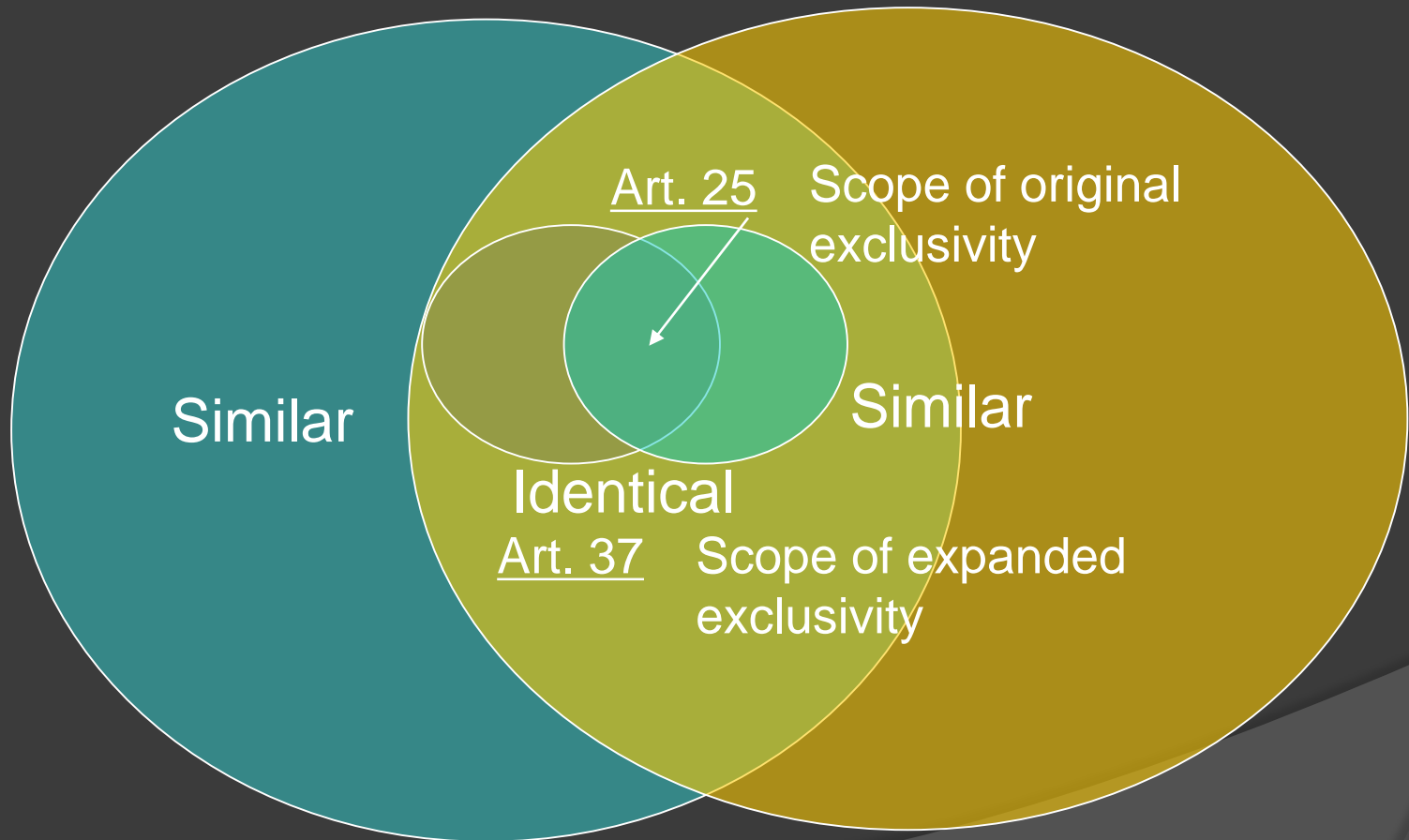
- Supreme Court's ruling
 - Affirmed application of Article 26 to the accused word marks except for “KOZO”
 - Pointed out the erroneous findings by High Court on non-infringement by accused devices
 - Exclusive use right of trademark registration does not extend to the similar mark 
 - “小僧寿し”(Kozosushi) has become famous as the name of franchise group and the “小僧” part does not generate an independent concept or sound
 - Thus the word marks are not similar to the mark “小僧”
 - Device marks do not generate any specific concept or sound and thus are not similar to the registered trademark “小僧”



Trademark Infringement

Trademark

Good or Service



KOZO Case Page 6

Supreme Court's ruling

- Article 38 does not exclude a possibility for the defendant to be relieved from liability by proving that damage is never suffered by Plaintiff
- When good will has not been acquired and use of the marks does not contribute to the sale, no damage should be found
- Plaintiff's mark has not acquired good will in Shikoku due to no business there.
- Extent of use of "KOZO" is very slight
 - Defendant put the "KOZO" marks on the side window of entrance at 2 shops among 21 shops
 - Defendant use other marks extensively
- "KOZO" did not contribute to the sales of Defendant's products.
- No damage to Plaintiff is found.
- "Reasonable royalty" clause does not apply to the present case.


Limitation on recovery of damage

- ASUKA Case
 - SPC ruling applies when use of mark is
 - *Osaka District Court, April 11, 2000*




ASUKA Case


➤ Issues:

- Scope of the Supreme Court judgment on KOZO case.
- Trademark owner is entitled to compensation for damage based on the royalty equivalent provision, when Defendant extensively use the mark? 

➤ Judgment:

- Defendant extensively used the mark on the packages of soaps and on the advertisement media, as an integral mark for its business
- Supreme Court judgment is not a good defense when Defendant extensively use the mark. 

Limitation on Scope of Trademark Rights

- Parallel Import 
- Article 26
 - Exemption from infringement

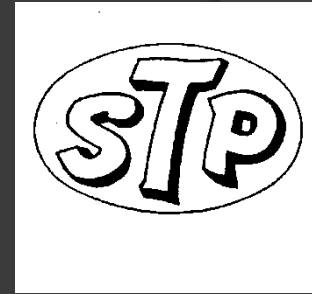


Parallel Import

- FRED PERRY Case
 - *Supreme Court Feb. 27, 2003*
- CONVERSE Case
 - Tokyo District Court judgment
 - July 23, 2009
 - IP High Court judgment
 - April 27, 2010



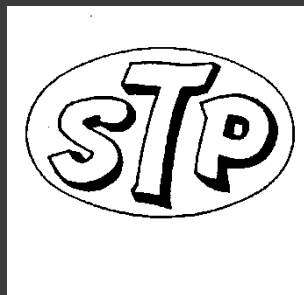
Repackaging



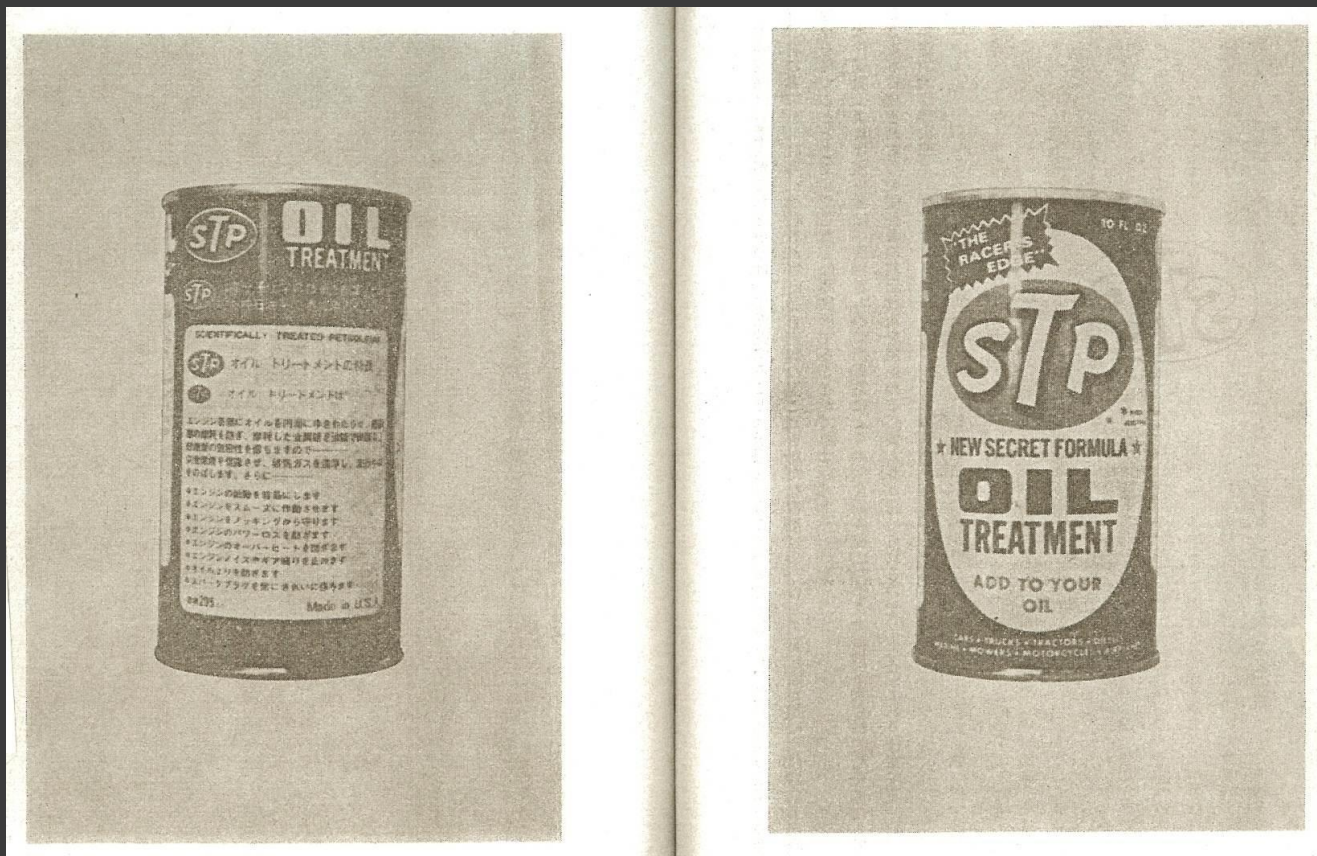
- STP Case (Repackaging)
 - *Osaka District Court Aug. 4, 1976*
 - Defendant purchased genuine motor oil in a drum and repackaged it into 10oz cans bearing the mark STP without approval from the TM owner and sold them in Japan.
 - Trademark owner sought a preliminary injunction.
 - Judge issued a preliminary injunction, stating that even though repackaging can be expected, to allow a third party to use the trademark will jeopardize the trust on trademark.



STP



Registration





Modification to products

- Nintendo Case
 - Tokyo District Court May 27, 1988
 - Nintendo has a TM registration for “Nintendo” for toys among other things.
 - Defendant made substantial modification to Family Computer, bearing the mark “NINTENDO” and sold them under the mark of “HACKER JUNIOR”.
 - Nintendo sought compensation for damage.
 - Court found trademark infringement, stating that the original product and the defendant product are not the same since the modification is substantial.





New type of infringement

- Use of mark on a html file
- Internet search engines search for matching search word in meta tag to show the result of search 
- Such use of mark constitutes a trademark infringement? 
- Osaka District Court Judgment on Dec. 8, 2005 rendered a judgment in favor of plaintiff
- Use in “keyword” is an issue left open



```
<!DOCTYPE HTML PUBLIC "-//W3C//DTD HTML 4.0 Transitional//EN" "http://www.w3.org/TR/REC-
html/40/loose.dtd">
<html lang="JP">
<head>
<meta http-equiv="Content-Language" content="ja">
<meta http-equiv="Content-Type" content="text/html; charset=Shift_JIS">
<meta name="description" content="車検 1 1 0 番は、「車検」「車販売（中古車・新車）」「自動車
メンテナンス」のスペシャリスト達が、経営している全国の整備工場・钣金工場を検索するポータルサ
イトです。車の購入でお悩みの方、転職が多く車の修理を何処で出したら良いかお悩みの方などなどお
客様のご要望にお答できる工場様がきっと見つかるはずです。">
<meta name="keywords" content="車検 1 1 0 番,車検,自動車,整備,钣金,钣金,メンテナンス,車,工場,修
理">

<title>車検・修理・点検など自動車整備工場検索サイト 車検 1 1 0 番</title>

<meta name="robots" content="index,follow">
<script language="JavaScript">
<!--
function submitform(){
    document.frmSearch.action = './map/search.asp';
    document.frmSearch.submit();
```



Use on the internet

➤ Meta tag

- 「くるまの110番」 case
- “Dial 110 for cars”
 - “110” is the dial number for police station

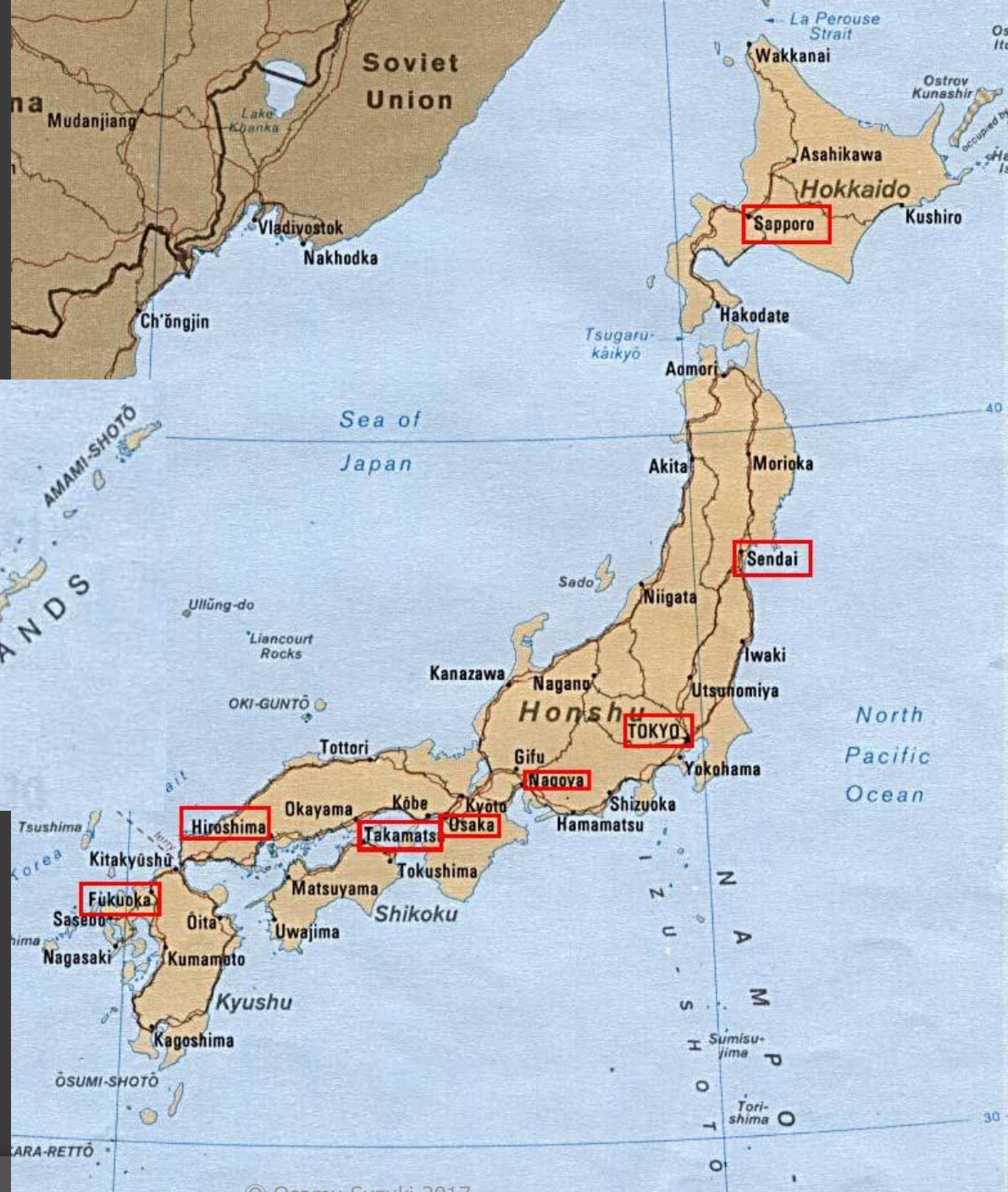
- Plaintiff’s registration : 「くるま（中古車）の110番」 for Class 37 (repair and maintenance of cars)

➤ Defendant’s use:

- 「自動車の119番」 (Dial 119 for cars” on its website
- As meta tag: 「<meta name= “description” content= “クルマの110番。”」
- The content of the “description” is displayed by the search engine as the result of search, which include the word similar to the registered mark for the same service as the registration.



Map



POPEYE REGISTRATION

POPEYE



ポパイ

商標出願
公告

昭33—16696

Application Date:

June 26, 1958

公告 昭33. 10. 20 出願 昭33. 6. 26

商願 昭33—17957

連合商標登録番号 326206

指定商品 36

被服、手巾、釦鈕及び装身用ピンの類

出願人 松本善治 大阪市天王寺区椎寺町87

代理人弁理士 繁益清一



POPEYE Accused T-Shirt 1



第四目録



第五目録



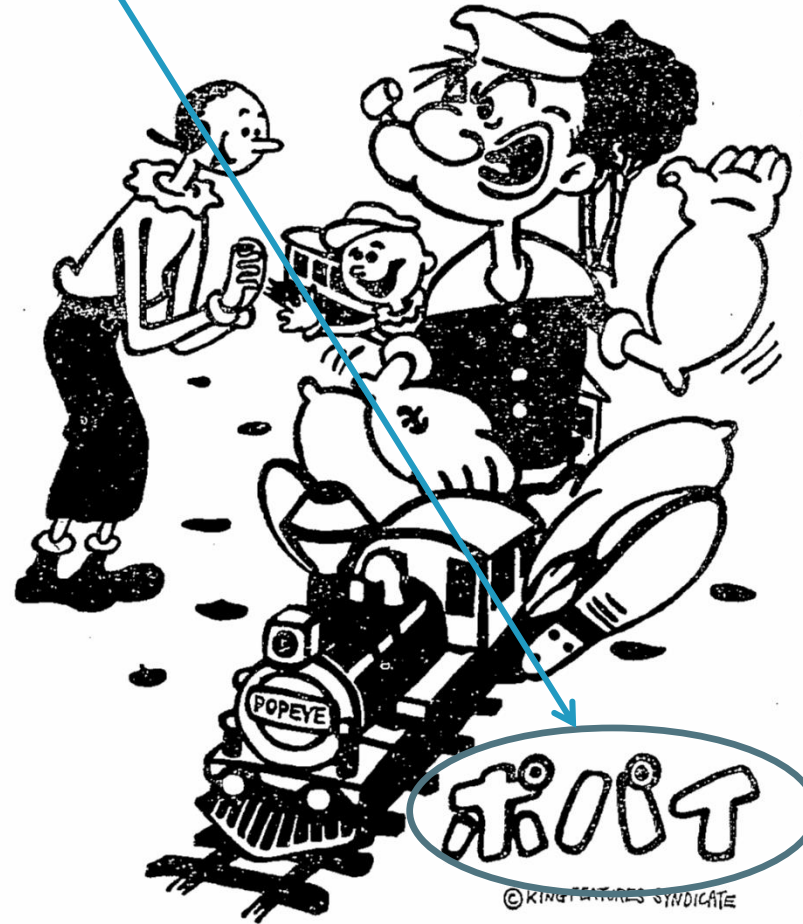
POPEYE
Accused T-Shirt 2

Word Mark

POPEYE



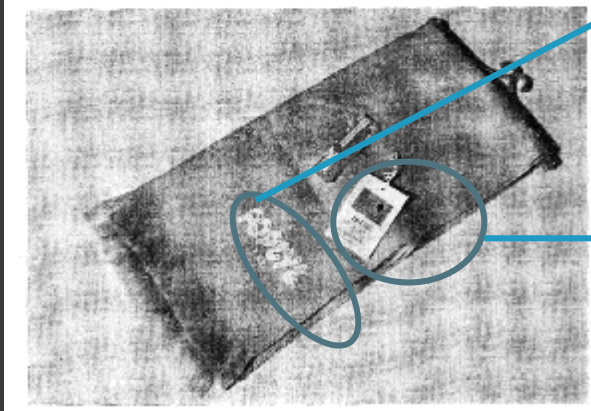
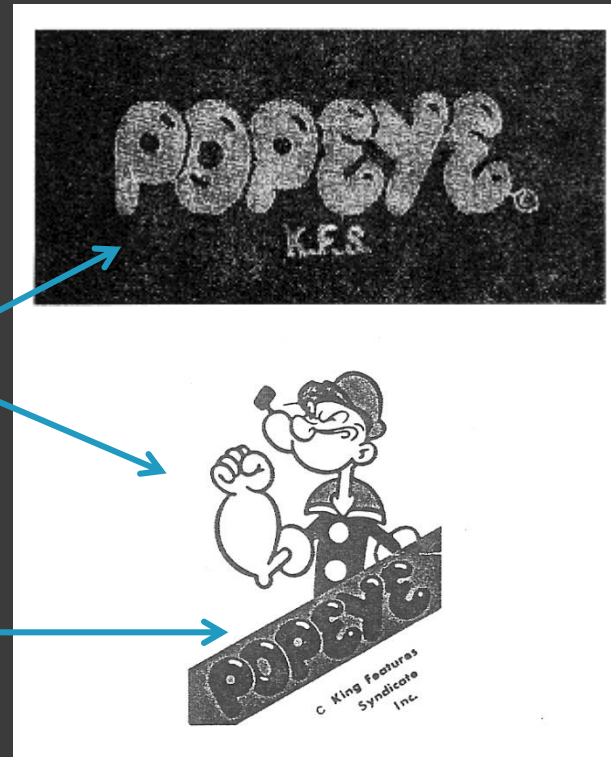
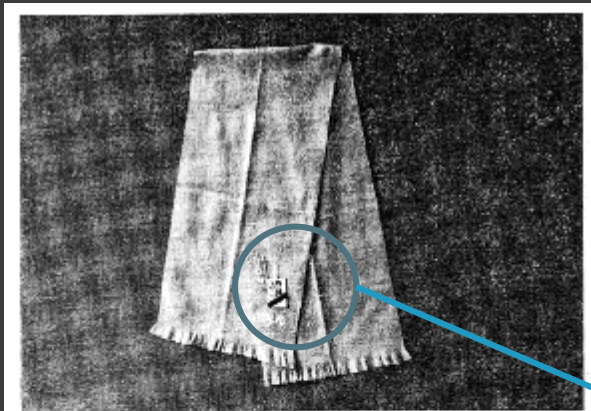
© King Features Syndicate



© KING FEATURES SYNDICATE



POPEYE Accused Muffler



KOZO 1

小僧

別紙 第一目録

(ア) 小僧 寿 し

(イ) 小僧 寿 し

(ウ) 小僧 寿 し

(エ) 小僧 寿 し

(オ) し 寿 僧 小

(ケ)	(ク)	(キ)	(カ)
小僧	小僧	小僧	小僧
寿し	寿し	寿し	寿し

別紙 第四目録



(ア) KOZO

(イ) KOZO SUSHI

(ウ) KOZO

(エ) KOZOSUSI

(オ) KOZO ZUSHI



KOZO 2



(4)



(5)



(6)



(1)



(2)



(3)



Registered Trademark

ASUKA

ASUKA

アスカ

Defendant's Marks

ASUKA

ASUKA

ASUKA

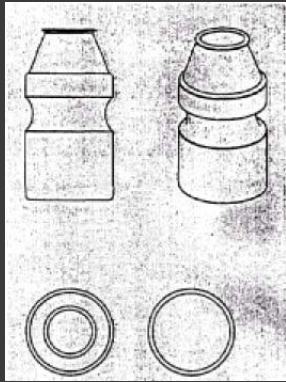
アスカ

株式会社 アスカ

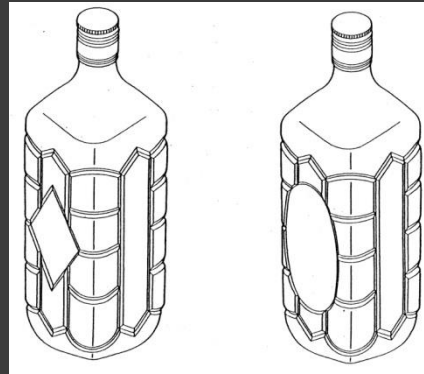
askio



3 Dimensional Trademark



YAKULT



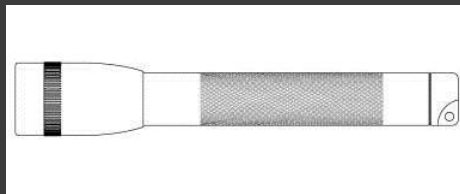
KAKUBIN



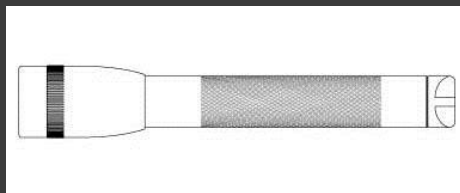
HIYOKO



Chocolate



Mini-Maglite



Coca-Cola



Y Chair

Article 3 of TML

- Trademarks not allowed to be registered
 - (1) (iii): consists of solely of a mark indicating in a common way, the origin*** of goods
 - (2): the consumers are able to recognize the goods *** as being connected with a certain person's business, trademark registration will be allowed



Article 26 of TML

- (1) The trademark right shall not extend to the following trademark:
 - (i) trademarks indicating, in a common way, one's own *** name ***.
 - (ii) trademarks indicating, in a common way *** generic name, place of origin, ***quality***.
 - (vi) trademarks not used in such form as to enable consumers to recognize the goods or services as being connected with a certain person's business
- (2) Paragraph (1) *** shall not apply to the case of use of one's own name *** with the intention of violating the rules of fair competition.



Thank you.