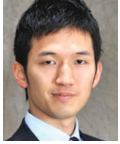


## JAPAN



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## How Crocodile won back its trade mark

Are the two trade marks below confusingly similar? The Japan Patent Office (JPO) answered yes and invalidated the newest trade mark (top) owned by Crocodile International. It



filed suit seeking cancellation of the JPO's decision. The IP High Court accepted Crocodile's arguments and rescinded the JPO's decision (on August 31 2010). The High Court's decision was made final by the Supreme Court. The case, and the arguments involved, provide some interesting points.

The battle over crocodile trade marks around the world between Crocodile and Lacoste is well known. However, in this case Yamato International, which owns the bottom trade mark, filed for invalidation of Crocodile's mark arguing that there was a likelihood of confusion.

The JPO invalidated Crocodile's mark, reasoning that it was likely to cause confusion because the crocodile figure, separated from the Cartelo word, is remarkably similar to the crocodile figure in Yamato's mark. That mark is also well known and famous.

To rescind the JPO's decision, it was necessary to show that there was no likelihood of confusion, which was not easy. In our arguments (our firm represented Crocodile) we denied both the similarity of the trade marks and the famousness found by the JPO, and therefore argued there was no likelihood of confusion.

As regards similarity, Crocodile

emphasised the integration of the Cartelo word and the crocodile figure, arguing that Cartelo attracts the attention of consumers, that consumers recognise the Cartelo word and the crocodile figure together, and that it is incorrect to extract and compare the two crocodiles separately.

The IP High Court agreed, saying: "The Cartelo figure strongly attracts the attention of consumers because its outline is largely displayed with green, blue and red colours. In contrast, the shape and the character of the crocodile figure cannot be recognised clearly because it overlaps with the blue part of the Cartelo figure and only the outline is transparent. Therefore, the distinctive feature of the trademark is the Cartelo figure which is extremely different from the cited trademark in the appearance and thus the two marks are not similar."

As regards Yamato's mark being well known and famous, Yamato tried to prove this by submitting a large amount of evidence. This included evidence that Yamato had been continuously advertising goods with that trade mark in various media such as newspapers and magazines, a TV commercial, a sign board at stations and airports, and an advertisement in various stadiums. The annual sales of the goods were ¥7 billion (\$70 million) even when they fell during the recession, larger than that of famous trade marks such as Valentino (¥5 billion) and Golden Bear (¥6 billion).

However, Yamato's evidence betrayed that although the crocodile figure had been popular at one time, the annual sales of goods with Yamato's trade mark had fallen 40% by 2001 when the trade mark was filed compared with the early 1990s, 10 years earlier.

The IP High Court took these points and said that Yamato's mark was not extremely famous, although it had been well known to consumers at the time it was filed and registered.

The High Court ruled that the two marks were very different in appearance and not similar in appellation or concept, and that Yamato's mark was not famous, and thereby concluded that there was no likelihood of confusion.

It is worth noting that the IP High Court did not view Crocodile's mark abstractly as a combination of the Cartelo word and the crocodile figure. Instead, it reviewed the degree of the overlap between Cartelo and the crocodile

figure and analysed how the crocodile would be seen in this overlap. This concrete review was a noteworthy way of recognising the trade mark in assessing its similarity to another marks.

In addition, it was interesting that the decrease of sales over the past 10 years could be considered when evaluating the famousness of the trade mark.