

JAPAN

First 3D trade mark infringement case

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More than 2,000 three-dimensional trade marks have been registered since April 1 1997 when the registration of such marks became possible. Among them were Coca-Cola's bottle and Jean Paul Gaultier's perfume bottle. Now the Tokyo District Court has made the first decision on whether a three-dimensional trade mark was infringed.

Background

Hermès has a three-dimensional trade mark for a configuration of a high class handbag called Birkin (see photo 1). Hermès sued DHS at the Tokyo District Court alleging that a handbag imported and sold on the internet shopping site by DHS (see photo 2) infringed Hermès' trade mark right and that it is similar to the configuration of Birkin that is well-known or famous as an indication of goods or business of Hermès and is likely to mislead or cause confusion among consumers. Based on this allegation, Hermès sought an injunction against the import, etc of DHS's product under the Trade Mark Act or the Unfair Competition Prevention Act, as well as the payment of ¥3,823,000.

Tokyo District Court

In the judgment of May 21 2014, the Tokyo District Court (Presiding Judge Shoji) held that the following criterion adopted by the Supreme Court regarding the similarity of other types of trade mark should be applied to a three-dimensional trade mark:

- The court should consider the general criterion of the trade mark's appearance, idea and pronunciation as well as actual market conditions for goods or services.
- Even if the similarity of appearance, idea and pronunciation exists, if there

Photo: 1



Source: Trade mark No. 5438059

is a remarkable difference in the actual market conditions from the registered trade mark and it is likely to cause no confusion, the similarity to the trade mark will be denied.

Furthermore, the Court set out the following method for judging the similarity of a three-dimensional trade mark's appearance considering the mark's characteristics:

- A three-dimensional trade mark, which is composed of a three-dimensional configuration or a combination of a three-dimensional configuration and a flat mark, is created so that the trade mark could have distinctiveness when seen from one or two specific directions (predetermined directions) from which those who see it are supposed to mainly look when they observe the trade mark.
- When a visual image seen from a predetermined direction is identical or closely similar to a specific flat mark, it should be, in principle, concluded that the three-dimensional trade mark in question and the flat mark in question are similar in appearance.
- If a visual image seen from one of more than two predetermined directions is identical or closely similar to a specific flat mark, the three-dimensional trade mark in question and the flat mark in question are similar in appearance.
- A visual image seen from a direction other than predetermined directions should not be considered when considering the similarity in appearance.
- The direction to be used as a predetermined direction should be determined individually and objectively based on the structural details of the three-dimensional trade mark in question.

In this case, the Court found that the

Photo: 2



Source: Nobuhide Otomo, WLJ column 29, P6

front part (the wide, trapezoidal face where the top flap and fixing parts are present) is at least one of the predetermined directions because it draws consumers' attention and that the visual image of the two products are at least highly similar when seen from the front and thus their appearance is similar. The Court denied DHS's assertion that consumers could distinguish DHS's product from that of Hermès by material and price despite the similarity in the photo.

In addition, the Court found that there is a ground for the claim under the Unfair Competition Prevention Act since the Hermès trade mark has acquired distinctiveness through sales and promotion and is well-known and famous and therefore DHS's mark which is similar to Hermès' trade mark is likely to cause confusion.

In conclusion, the Court upheld an injunction against the import, etc of DHS's product. The Court further determined the amount of damages to be ¥658,400 (an amount equivalent to DHS's profits to be compensated by DHS, that is 80% of the sales amount), and ordered DHS to pay a total of ¥2,358,400, which includes ¥1,500,000 for damaging Hermès' credit and ¥200,000 in attorney fees, in addition to the damages.

Practical tips

The judgment clarified that the three-dimensional trade mark in question and the flat mark in question are similar in appearance when a visual image seen from a predetermined direction is identical or closely similar to the flat mark. This judgment is in accordance with Examination Guidelines for Trade Marks and the Tokyo High Court judgment of January 31 2001 (Presiding judge Shinohara) in litigation rescinding the trial decision. As

the criterion regarding the similarity in registering a three-dimensional trade mark applies to an infringement case for such marks, the predictability will be secured for trade mark owners. A three-dimensional configuration could be protected by a design registration within a limited period of 20 years from the date of registration of its establishment. However, trade mark registration is quite effective to maintain companies' brands because the trade mark owner may renew the right repeatedly and continue it permanently.

DHS did not attend the oral hearing. DHS only alleged no similarity between Hermès' trade mark and DHS's mark in its answer, and did not allege that DHS used Hermès' trade mark in the way consumers can recognise the goods or services as those pertaining to a business of a trade mark owner and that Hermès' trade mark consists solely of a three-dimensional shape of goods or their packaging which is indispensable for such goods or their packaging to properly function. The Tokyo District Court was silent in these regards and therefore, despite this judgment, it is still possible for the alleged infringers to dispute an infringement of a three-dimensional trade mark using these defences.

It is remarkable that this judgment found the violation of the Unfair Competition Prevention Act. A trade mark owner such as Hermès owning a famous mark should allege the violation of the Act in case the court finds no infringement of the trade mark right.