

JAPAN

## First preliminary injunction in a store appearance case

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Recently, many disputes regarding store appearances have occurred relating to businesses, such as sushi or ramen stores. Unlike the US where the trade dress theory exists, rules for protecting store appearance in Japan are not set and no case law has ever granted an injunction. This is the first case granting an injunction in a store appearance case.

### Summary of the case

Komeda runs Komeda Coffee store. The appearance of the suburban-type store was designed with bricks and wood, focusing on producing a soft space where the customers visiting the store can relax just like in a living room at home.

Minosuke wanted to be a franchisee of Komeda but was rejected. Thereafter, Minosuke constructed a building of the first store of Masaki Coffee within 30 minutes distance by car from Komeda's store and started a business.

Komeda received many enquiries and reports regarding the relationship between the first store of Masaki Coffee and Komeda Coffee store as soon as the first store of Masaki Coffee was opened. Komeda released an announcement on its website stating that there was no relationship.

Komeda filed a preliminary injunction and a main lawsuit at the Tokyo District Court. Thereafter, Minosuke opened the second store of Masaki Coffee which had the same appearance as the first store of Masaki Coffee.

### Decision of December 19 2016, Tokyo District Court

The Tokyo District Court (Presiding



Komeda coffee store



Masaki coffee store

Source: Komeda Holdings Co Ltd

Judge Shimasue) granted a preliminary injunction against the use of store appearance, holding as follows.

### Right to be preserved

#### 1. Whether the store appearance of KOMEDA coffee store falls under an indication of goods etc.

##### 1.1 Case when the store appearance falls under an indication of goods etc.

The store appearance (exterior of the store, structure of the store and interior decoration) itself is not generally chosen for the purpose of having the nature of the business recognised (indication of the origin of business). However, in some cases, it is selected for the purpose of embodying the image of the business.

The whole appearance of the store indicates the business, distinguishing the specific subject of business (indicating the origin), and falls under an indication of goods prescribed in Article 2(1)(i) and (ii) of the Unfair Competition Prevention Act, if the following criteria are fulfilled:

- i) the store appearance has a remarkable feature objectively different from the store appearance of other stores of the same kind;
- ii) it is recognised that the store appearance has come to be well-known among consumers as the one indicating the origin of the specific proprietor, based on the duration of the period in which the store appearance has been used continuously and exclusively by the specific proprietor and advertisements regarding the business including the store appearance.

##### 1.2 Remarkable feature of the store appearance of Komeda Coffee store

The store appearance of Komeda Coffee store is recognised by a combination of

several features, and this forms the unified visual impression. Thus, it cannot be said that the appearance that resulted from the combination of all of these features was adopted only as a result of the architecture. The appearance was selected as an image of a suburban-type store with the intention of signifying a soft space where the customers visiting the store can relax just like in a living room at home.

The exterior selected in the above-mentioned way, formed by the combination of features, including the bay window brick wall projecting under a gable roof from top to bottom, is distinctive. When adding to the combination, the structure of the store and the interior decoration, with the feature of the partition with a semi-circular arch-shaped edge, the exterior is more and more distinctive. Therefore, the store appearance combining the above-mentioned features has a remarkable feature which is objectively different from the store appearance of other stores of the same kind, even in comparison with the store appearance of the suburban-type stores of other coffee shops

Therefore, the store appearance of Komeda Coffee store objectively has a remarkable feature different from the store appearance of other stores of the same kind.

##### 1.3 Exclusivity of the store appearance of Komeda Coffee store

Minosuke argued that since the gable roof, bay window and brick wall are a commonly used style of architecture, the general appearance of the architecture illustrated by the store appearance of Komeda Coffee store should not be exclusively used by Komeda.

However, the store appearance of Komeda Coffee store which Komeda claimed fell under an indication of goods in this case is limited to it having a busi-

ness indication generated only by combining all of the exterior, the structure of the store and the interior decoration. The store appearance of Komeda Coffee store is an indication including many decorative elements to embody the store image, rather than just a configuration to fulfil the function and effect of the architecture, and is also well-known among consumers. In addition, in this case, the above-mentioned limitations are added and the conditions are narrowed down a great deal. As a result, appearances will be prohibited by reason of similarity only in cases where the store appearance was imitated despite the fact that there was no real necessity to do so in terms of the architecture. Considering this, exclusive use of store appearance having a harmful influence is extremely low.

### Practical tips

In this case, the right to be preserved was easy to fulfil because of the extreme similarity of the store appearances, and the necessity for preservation was easily fulfilled because of the action of Minosuke in building the first and second store of Masaki Coffee. This decision seems to have cautiously limited the scenario where a store appearance is protected by confining an indication of goods to a circumstance where the exterior, the structure of the store and the interior decoration are combined so that exclusivity of the indication does not occur. Accordingly, when seeking protection of store appearance and relying on this decision, one should carefully review the resemblance of the facts to this case. However, one can have a more aggressive attitude to the accused infringer than before as there is a decision granting an injunction now. In addition, like Komeda, it is recommended businesses obtain a three-dimensional trade mark.