

Judgment rendered on January 28,1999
1998(Wa)13395

Judgment

(Indication of the parties is omitted)

Main text

1. All of the plaintiff's claims shall be dismissed.
2. The court costs shall be borne by the plaintiff.

Facts and reasons

No. 1 Claims

1. The defendant shall not sell the caddie bag stated in the attached list.
2. The defendant shall pay to the plaintiff 7,500,000 yen and money accrued thereon at the rate of 5% per annum for the period from February 25, 1998 to the date of completion of the payment.

No. 2 Outline of the case

1. In this case, the plaintiff alleged against the defendant as follows: the caddie bag stated in the attached list that is imported and sold by the defendant (hereinafter referred to as "Defendant's Goods"; However, the defendant alleges that the caddie bag shown in the drawing stated in the attached list should be drawn with a shoulder belt attached) is a product that imitated the configuration of the super-wrap caddie bag (hereinafter referred to as "super-wrap caddie bag"), which the plaintiff sells by importing from Caro Deporte Inc. (hereinafter referred to as "Caro"), a company based in the United States (hereinafter referred to as "U.S."), while also having a third party manufacture the caddie bag and selling it by obtaining authorization from Caro. Thus the defendant's act of selling the Defendant's Goods falls under unfair competition as prescribed in Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act. Based on these allegations, the plaintiff claimed an injunction against the sale of the Defendant's Goods (Article 3, paragraph (1) of said Act) and compensation for damages (Article 4 of said Act).

2. Issues

- (1) Whether or not the plaintiff can be the actor that holds the right to claim an injunction and right to claim damages based on Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act against the sale of goods that imitate the configuration of the super-wrap caddie bag.
- (2) Whether or not authorization was obtained from Caro or the plaintiff with respect to the manufacture and sale of the Defendant's Goods.
- (3) Amount of damages sustained by the plaintiff.

(omitted)

No. 3 Court decision

1. Regarding Issue 1

(1) Regarding the actor that holds the right to claim an injunction and right to claim damages based on Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act

(i) According to the Unfair Competition Prevention Act, a person whose business interests have been infringed or are likely to be infringed due to unfair competition may make a demand to suspend or prevent that infringement (Article 3, paragraph (1) of said Act), and a person whose business interests have been infringed may demand compensation for damages resulting therefrom (Article 4 of said Act). The actor that holds the right to demand an injunction and the right to demand damages with respect to the unfair competition, as prescribed in Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act, is the person who has the "business interests" protected by the provision of said item.

(ii) Taking into consideration the gist of Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act, the act of imitating the configuration of goods that have been developed and commercialized by another person's funds and labor and putting such imitation goods on the market as one's own despite the existence of other options should be regarded as an act of getting a free ride from the development results achieved by an antecessor and an unfair act under competition. In addition, if the imitator is allowed to compete with the antecessor in the market without using any costs or labor for the development of a configuration of goods by the abovementioned acts, social motivation for development of new goods will be diminished. Based on this standpoint, it is appropriate to construe that the gist of the abovementioned provision is to protect the development interests of the antecessor from an imitator by regulating the imitator's abovementioned acts as unfair competition.

(iii) Based on the abovementioned findings, the only person who can demand an injunction or damages with respect to the act of unfair competition as prescribed in Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act should be the person who developed, commercialized, and put on the market by him/herself the goods whose configuration was imitated.

(2) Whether or not the plaintiff can be the actor who holds the right to demand an injunction and the right to claim damages based on Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act.

(i) According to the plaintiff's allegations stated in No. 2, 3(1)(i)(a) through (c) above, it was in 1995 that the U.S.-based golf goods manufacturer Caro devised the configuration of the

super-wrap caddie bag, which the plaintiff alleged to be the goods whose configuration was imitated. The plaintiff has been importing the super-wrap caddie bag manufactured by Caro based on an exclusive distributorship in Japan under an agreement with Caro, while also having a Korean manufacturer manufacture the super-wrap caddie bag under Caro's authorization and selling the bag in Japan. Based on the facts alleged by the plaintiff as mentioned above, it should be said that the super-wrap caddie bag was developed and commercialized and further put on the market in the U.S. by Caro. Meanwhile, the plaintiff imported from Caro the super-wrap caddie bag developed and commercialized by Caro or had a third party manufacture the bag under Caro's authorization and sold it in Japan. Thus, it is obvious that the plaintiff was involved merely in the distribution of the super-wrap caddie bag as an importer or was only authorized to manufacture the same kind of goods as a licensee and that the plaintiff cannot be found to have developed or commercialized the configuration of the super-wrap caddie bag by itself.

Accordingly, even if the facts alleged by the plaintiff were used as a premise, the plaintiff cannot be the actor who holds the right to demand an injunction or the right to demand compensation for damages based on Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act against the act of imitating the configuration of the super-wrap caddie bag.

(ii) The plaintiff alleges as follows: The plaintiff was the first to introduce the super-wrap caddie bag to Japan and has been exclusively selling it in Japan thereafter. It exploited and expanded the market by investing a large amount of promotion and advertising costs and a great deal of labor. Thus, the plaintiff can be regarded as having borne a risk by investing a large amount of funds and labor to commercialize the super-wrap caddie bag in the Japanese market, and the plaintiff's business interests should be protected by Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act. However, the investment of funds and labor and bearing of risk as alleged by the plaintiff were not conducted in relation to the development and commercialization of the configuration of the super-wrap caddie bag but were rather conducted in relation to the exploitation and expansion of the market in selling by itself in Japan the super-wrap caddie bag developed and commercialized by Caro. As described in (1) above, the gist of Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act is to protect the business interests related to the development and commercialization of the configuration of goods. Since, based on the abovementioned findings, it cannot be found that the plaintiff has the interests mentioned above, the plaintiff's allegation cannot be accepted.

(omitted)

2. Conclusion

Based on the abovementioned findings, all of the plaintiff's claims made in this action are found to be groundless without the need for making determinations on other issues, and thus the judgment shall be rendered in the form of the main text.

Tokyo District Court, 46th Civil Division

Presiding judge: MIMURA Ryoichi

Judge: HASEGAWA Koji

Judge: ONISHI Katsushige

(Attached list is omitted)