

Date	June 29, 2011	Court	Intellectual Property High Court, Third Division
Case number	2010 (Gyo-Ke) 10253 and 2010 (Gyo-Ke) 10321		
– A case in which, with regard to a three-dimensional trademark selecting "armchairs" as designated goods, the court found that the trademark is one for which "as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person" (Article 3, paragraph (2) of the Trademark Act), and rescinded a JPO decision to the effect that the application for registration of the trademark should be refused.			

References: Article 3, paragraph (1), item (iii) and paragraph (2) of the Trademark Act

Summary of the Judgment

1. This is an action to seek rescission of a JPO decision (Trial against Examiner's Decision No. 2009-12366) to the effect that an application for registration of a three-dimensional trademark (the "Trademark") having a structure as shown below with "armchairs" selected as designated goods should be refused.



2. The reasons for the JPO decision are in short as follows. [i] The Trademark can easily be recognized as a mark indicating an "armchair" in three dimensions, and even if the Trademark was used in connection with its designated goods, traders and consumers would recognize it as merely indicating a form of the goods and would not recognize it as a sign to distinguish the plaintiff's goods from others; therefore, the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act. [ii] It could not be found that the use of the Trademark has resulted in consumers being able to recognize the

goods as those pertaining to a business of a particular person; therefore, the Trademark does not fulfill the requirement set forth in paragraph (2) of said Article.

The plaintiff asserted that the JPO decision erred in both determinations [i] and [ii] above.

3. In this judgment, the court ruled, as shown below, that the JPO decision contains no error in its determination [i] above but contains an error in its determination [ii] above, and rescinded the JPO decision.

(1) Whether the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act

The Trademark has a distinctive shape in the following points: [a] a single piece of semicircular steam-bent wood that combines the top rail located on the upper side of the back support and the armrests is used; [b] the seat is made of woven thin strings; [c] the "backboard" (back support part) supporting the aforementioned combined top rail and armrests part from behind is shaped into the character "Y" or "V"; [d] the hind legs extending beyond the seat are shaped into an elongated "S" character. The shape of the Trademark would give consumers an impression that the goods are excellent products having both functionality as an armchair and aesthetic appeal. However, it cannot be said that the shape of the Trademark is necessarily recognized as a sign to distinguish the source of goods based on the characteristics thereof. Therefore, the JPO decision contains no error in its determination to the effect that the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act as a trademark consisting solely of a mark indicating, in a common manner, the shape of goods, etc.

(2) Whether the Trademark falls under Article 3, paragraph (2) of the Trademark Act

Although the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act, it is recognized as a trademark for which "as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person," as mentioned below. Therefore, the Trademark is registrable pursuant to Article 3, paragraph (2) of the Trademark Act.

The following facts are recognized in relation to the Trademark and the plaintiff's product with the distinctive shape thereof.

[i] The Trademark was designed by Hans J. Wegner, who is called a master of contemporary furniture design. The plaintiff's product with the distinctive shape of the Trademark is known as "Y Chair," etc., and is evaluated as one of the biggest-selling chairs in the world.

[ii] The plaintiff's product has been continuously sold with no change made to the distinctive parts of the shape since it was put on sale by the intervenor in 1950 though

there have been variations in the quality of material and color.

[iii] The plaintiff's product has also been sold in Japan since around 1962. In the available records, 97,548 in total were sold during the period from July 1994 to June 2010. The number of sales is remarkably large for one kind of chair.

[iv] The plaintiff's product has been featured in magazine articles, etc. in Japan since the 1960s, and is evaluated as one of the top-selling imported chairs in Japan. In addition, the plaintiff's product has been placed in books for those in the furniture industry and fine arts textbooks for junior high school students. Furthermore, the plaintiff has carried out many advertising activities at considerable cost.

[v] It is possible to say that the plaintiff's product has come to be known not only among some furniture lovers but also among general consumers owing to such continuous advertising activities, etc.

According to these facts, it is reasonable to recognize: [i] that the plaintiff's product has a distinctive shape as mentioned (1) above; [ii] that the plaintiff's product has maintained almost the same shape since start of its sale in 1950 (in 1962 in Japan), and it has been featured in magazine articles, etc. and many advertisement campaigns have been made over a long period, resulting in a large number of sales; and [iii] that as a result of the abovementioned activities and due to the characteristics in the shape of the Trademark or the plaintiff's product, the plaintiff's product has acquired the status where consumers are able to recognize and understand the goods as those pertaining to a business of a particular person.

Judgment rendered on June 29, 2011

2010 (Gyo-Ke) 10253 Case of Seeking Rescission of a JPO Decision

2010 (Gyo-Ke) 10321 Case Concerning Participation by Succession

Date of conclusion of oral argument: April 25, 2011

Judgment

Plaintiff: Carl Hansen & Son Japan K.K.

Intervener as a successor of the plaintiff: Carl Hansen & Son Mobelfabrik
A/S

Defendant: JPO Commissioner

Main text

1. The court rescinded the JPO decision rendered regarding Trial against Examiner's Decision of Refusal No. 2009-12366 on June 23, 2010.
2. The defendant shall bear the court costs.

Facts and Reasons

No. 1 Claims

The same as stated in the main text above.

No. 2 Facts undisputed by the parties

1. Developments in procedures at the JPO

Regarding the three-dimensional trademark (the "Trademark") having such composition as presented in the attached Trademark List, the plaintiff filed an application (Trademark Application No. 2008-11532) for registration of the trademark on February 19, 2008 for the designated goods, Class 20 "furniture," and received an examiner's decision of refusal dated April 1, 2009. Dissatisfied with the decision, the plaintiff filed a request for a trial against the examiner's decision of refusal (Trial against Examiner's Decision of Refusal No. 2009-12366).

The plaintiff made an amendment titled "chairs" as of August 27, 2009 with regard to the designated goods and made another amendment titled "armchairs" as of October 28, 2009. The JPO made a decision that "the request for a trial is groundless" (simply referred to as the "JPO decision") on June 23, 2010. A certified copy of the JPO decision was served to the plaintiff on July 6, 2010.

The plaintiff assigned a part of its right for the Trademark to the intervener and changed the name of the registered applicant concerning the Trademark on October 6, 2010 (Exhibit Hei 1).

2. Reasons for the JPO decision

The reasons for the JPO decision are as stated in the attached copy of the JPO decision. In sum, the Trademark could be easily associated with a three-dimensional shape of an armchair. Thus, even if the Trademark is used for its designated goods, traders and consumers would interpret the Trademark merely as an indication of a certain configuration of goods and would not recognize it as a sign with the function of distinguishing one's goods from others. On these grounds, the Trademark can be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act. Moreover, the Trademark cannot be considered to have acquired the capability to inform consumers as to whose business the goods carrying the Trademark pertains to as a result of the nationwide use of the Trademark for the designated goods, "armchairs." For this reason, the Trademark cannot also be considered to be registrable under paragraph (2) of said Article.

No. 3 Allegation of the plaintiff, etc. concerning the grounds for rescission of the JPO decision

As described below, the Trademark has an inherent capability to distinguish one's goods from others and has acquired a strong capability to distinguish one's goods from others as a result of long-term use. Consumers and traders can recognize that the goods carrying the Trademark come from a certain source and distinguish those goods from others. Therefore, the JPO decision contains an error in its determination to the effect that the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act and that the Trademark does not satisfy the requirements specified in paragraph (2) of said Article.

(omitted)

No. 5 Court Decision

The Court examined the JPO decision and found that, while there is no error in the JPO's determination to the effect that the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act, there is an error in the determination to the effect that the Trademark is not registrable under paragraph (2) of said Article on the following grounds.

1. Grounds for Rescission 1 (the error in the JPO's determination concerning the applicability under Article 3, paragraph (1), item (iii) of the Trademark Act)

(1) Shape of goods, etc. embodying a three-dimensional trademark

A. The Trademark Act specifies that any person who desires to register a trademark can

have it registered even if it consists of a three-dimensional shape (including those combined with character(s), figure(s), sign(s) or color(s) or any combination thereof) as long as the specified requirements are satisfied (Article 2, paragraph (1) and Article 5, paragraph (2) of the Trademark Act).

Meanwhile, Article 3, paragraph (1), item (iii) of the Trademark Act specifies that a trademark cannot be registered if it "consists solely of a mark indicating, in a common manner, in the case of goods, the place of origin, place of sale, quality, raw materials, efficacy, intended purpose, quantity, shape (including shape of packaging), price, the method or time of production or use, or, in the case of services, the location of provision, quality, articles to be used in such provision, efficacy, intended purpose, quantity, mode, price or method or time of provision." Article 3, paragraph (2) of said Act specifies that "Notwithstanding the preceding paragraph, a trademark that falls under any of items (iii) to (v) of the preceding paragraph may be registered if, as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person." Article 4, paragraph (1), item (xviii) of said Act specifies that, notwithstanding Article 3 of said Act, any trademark cannot be registered if it "consists solely of a three-dimensional shape of goods or their packaging which is indispensable for such goods or their packaging to properly function." Article 26, paragraph (1), item (v) of said Act specifies that a trademark right shall have no effect on any "trademark consisting solely of a three-dimensional shape of goods or their packaging which is indispensable for such goods or their packaging to properly function."

As described above, the Trademark Act applies the general principles concerning two-dimensional marks, without any change thereto, to the cases where the registrability of three-dimensional shapes of goods, etc. is examined. However, it can be interpreted that Article 4, paragraph (1), item (xviii) of the Act prohibits registration of any trademark that consists solely of a three-dimensional shape of goods or their packaging which is indispensable for such goods or their packaging to properly function and thereby prevents any person from monopolizing such shape.

Based on this interpretation, a three-dimensional trademark should not necessarily be interpreted to be, without exception, unregistrable in the case where its shape fails to be found as indispensable for the functioning of the goods, as long as the shape is used as a mark to indicate the source of goods or services and to distinguish one's goods from others even if the shape has been selected for the purpose of facilitating the performance of the functions of the goods, etc. and improving the aesthetic appearance of the goods (needless to say, the shape would be found to have such a function of distinction only if

it satisfies the strict requirements described in B. below). Furthermore, if the shape of a three-dimensional trademark claimed in the application has acquired the capability to distinguish one's goods from others as a result of use, the registration of the three-dimensional trademark would not cause any particular problem.

B. Based on this premise as described above, the court examined the applicability of Article 3, paragraph (1), item (iii) of the Trademark Act to the three-dimensional shape of goods, etc. embodying a three-dimensional trademark as follows.

(A) In many cases, the shape of goods, etc. is chosen for the purpose of facilitating the performance of the functions of the goods, etc. or improving the aesthetic appearance of the goods. It is rare to choose a certain shape for the purpose of using it as a source identifier of the goods or services or as a mark to distinguish one's goods or services from others. This shows that, in most cases, from the perspective of manufacturers and suppliers of goods, etc., the shape of the goods etc. is chosen not for the purpose of using it as a mark with the function of indicating the source of goods or the function of distinguishing one's goods from others, or in other words, as a mark with the trademark functions. Also, from the perspective of consumers who see the shape of goods, etc., the shape of goods, etc. would be considered to have been chosen for the purpose of facilitating the functions of the goods or improving the aesthetic appearance thereof, unlike a two-dimensional mark consisting of characters, figures, signs, etc. and would not be considered to have been chosen for the purpose of indicating the source.

Therefore, it would be reasonable to interpret that, in many cases, the shape of goods, etc. is chosen for the purpose of facilitating the functions of the goods, etc. or improving the aesthetic appearance thereof and that any shape that is considered to have been chosen for such purpose from an objective viewpoint can be regarded as a trademark consisting solely of a mark using the shape of goods in a common manner unless there are special circumstances and can be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act.

(B) While the specific shape of goods, etc. is chosen in order to facilitate the functions of the goods, etc. or improve the aesthetic appearance thereof, there are usually a certain range of options to choose from although the options are limited by the purpose, nature, etc. of the goods. However, as long as the shape of the same type of goods can be presumed to have been chosen for the purpose of facilitating the functions of the goods or improving the aesthetic appearance thereof, even if the shape has unique characteristics, the shape should be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act as a shape that would be chosen for the purpose of facilitating the functions of the goods or improving the aesthetic appearance thereof on

the grounds that any person involved in manufacturing the same type of goods, etc. would hope to use the shape that would be chosen for the purpose of facilitating the functions of the goods or improving the aesthetic appearance thereof and therefore that it would not be appropriate from the perspective of public interest to permit a certain person to monopolize said shape.

(C) Even in the case where goods, etc. adopt an innovative shape that is beyond the imagination of consumers, if the shape is chosen from the perspective of facilitating the functions of the goods, etc., the shape should be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act in light of the purpose of Article 4, paragraph (1), item (xviii) of said Act. The reason for this interpretation is as follows. In the case of goods, etc. having a unique shape, which is nonexistent among the same type of goods, etc., if the shape satisfies the registrability requirements specified in the Patent Act, the Utility Model Act, or the Design Act respectively, the shape could be granted an exclusive right as an invention or a device from the perspective of the functions of the goods, etc. or as a design from the perspective of the aesthetic appearance the goods, etc. within the framework of the respective Acts. However, the grant of a trademark right can be considered to be an act of imposing unlawful restrictions on free competition and an act of violating public interests in consideration of the fact that, if a shape that can be protected under any of these Acts is also protected by a trademark right, the trademark right would remain effective almost permanently if the holder continues to renew the term of the trademark right and that the holder would be permitted to have an exclusive right almost permanently even after the expiration of other rights granted to the shape under Patent Act, the Design Act, etc.

(2) Applicability of Article 3, paragraph (1), item (iii) of the Trademark Act to the Trademark

A. Composition of the Trademark

The Trademark has the composition presented in the attached "Trademark List." The shape of the Trademark has the following characteristics.

(A) Overall structure

A three-dimensional shape of an armchair consisting of four legs, seat, backboard (back support part), armrests (armrest parts), and four bars (the horizontal parts for the purpose of linking the legs).

(B) Top rail fitted on the upper part of the backboard (back support part) and the armrests (armrest parts)

The top rail, which is fitted on the upper part of the backboard, extends in the form of a semicircle towards the right and left sides and also functions as the armrests. It is

made of a single piece of cylindrical steam-bent wood. The aforementioned "part functioning as both a top rail and armrests" is supported by the "backboard" and the "stiles extending upward from the rear legs."

(C) Backboard (back support part)

The backboard (back support part) is made of one wooden board and has a unique shape that resembles the character "Y" or "V," if viewed from the front or back.

(D) Rear legs

Each of the stiles extending upward from the rear legs is made of a single long piece of wood that has a unique shape resembling the character "S" or a mirror copy of the character "S" that is vertically elongated.

(E) Bars (horizontal parts for the purpose of linking the legs)

Four bars are fit horizontally to link two rear legs, a rear leg and a front leg on both sides, and two front legs at different heights, respectively.

(F) Seat, etc.

The seat is made of woven thin strings and fit in a rectangular wooden frame, while any parts other than the seat are made of wood.

B. Determination

An examination of the aforementioned shape has revealed that it has the following characteristics: [i] a single piece of steam-bent wood is used to create a semicircle top rail that is integrated into the armrests and is fitted on the upper side of the back support part, [ii] the seat is made of woven thin strings, [iii] the backboard (back support part), which supports the aforementioned part functioning as both a top rail and armrests in the backside, is shaped into the character "Y" or "V," and [iv] the rear legs extend further beyond the seat and have a shape similar to an elongated "S" character. Thanks to these characteristics, the Trademark impresses viewers with its simplicity, plainness, innovativeness, and sophistication.

On the other hand, these characteristics of the shape of the Trademark are chosen to improve its functions as an armchair, such as the comfortableness for users and its aesthetic appeal to viewers. Consequently, the shape of the Trademark would give consumers an impression that it is an excellent product having both functionality and aesthetic appeal as an armchair. However, consumers would not be able to instantly recognize that the shape plays an even greater role, i.e., the role as a sign to indicate the source of goods.

C. Summary

As described above, the Trademark should be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act as a trademark consisting solely of a mark

indicating, in a common manner, the shape of goods, etc.

2. Grounds for Rescission 2 (an error in the determination concerning the applicability of Article 3, paragraph (2) of the Trademark Act)

(1) Acquisition of the capability of a three-dimensional trademark to distinguish one's goods from others as a result of use

Article 3, paragraph (2) of the Trademark Act specifies that, even in the case of a trademark that falls under Article 3, paragraph (1), item (iii) of said Act as a trademark consisting solely of a mark indicating, in a common manner, the shape of goods, etc., if the trademark has acquired the capability to distinguish one's goods from others as a result of use, the trademark can be registered (excluding any trademark consisting solely of a three-dimensional shape of goods or their packaging which is indispensable for such goods or their packaging to properly function; Article 4, paragraph (1), item (xviii) of said Act).

The following section examines whether the Trademark falls under Article 3, paragraph (2) of the Trademark Act

It would be reasonable to determine whether a three-dimensional trademark has acquired the capability to distinguish one's goods from others as a result of use by comprehensively taking into consideration various factors such as the shape of the trademark or goods, etc., the time of commencement of use, the period of use, the geographical area of use, the sales volume of goods, the period, geographical area, scale of advertisement activities, or the existence or nonexistence of other goods that have a similar shape.

It should be considered, in principle, that the shape of a trademark or goods, etc. in use needs to be identical, in substance, to the trademark claimed in the application, and the goods embodying the trademark need to be those included in the designated goods.

In order to continue the manufacture and sale of goods, it is common for the manufacturer to modify the shape of the goods in consideration of technical advancement and other changes in the social environment and transactional practices, etc. Therefore, it would be unreasonable to interpret that a slight modification of the three-dimensional shape of the goods, etc. in use or a change in raw materials or colors thereof would immediately prevent the trademark or goods, etc. in use from acquiring the capability to distinguish one's goods from others. A determination as to whether a three-dimensional shape of a trademark or goods, etc. in use has acquired such capability or not should be made by comprehensively taking into consideration various factors such as whether the three-dimensional shape remains noticeable and memorable from the viewpoint of consumers even after the slight modification of the shape of the

trademark or goods, etc. in use or the change of the raw materials or colors thereof.

(2) Applicability of Article 3, paragraph (2) of the Trademark Act to the Trademark

From the aforementioned perspective, the following section examines whether the Trademark has acquired the capability to distinguish one's goods from others as a result of use.

A. Facts found by the court

(A) Historical background of the creation of the shape of goods embodying the Trademark

In around 1949, the three-dimensional shape of the armchair embodying the Trademark was designed by Hans J. Wegner, who was one of the greatest modern furniture designers, upon request of the intervener. The intervener made prototypes and completed the chair in around 1950. The characteristics of the shape of the Trademark are as described in 1.(2)A. above. The plaintiff's product embodying the Trademark is known by the name of "CH24," "Y Chair," or "decorative chair" and is considered to be one of the best-selling chairs in the world. The plaintiff registered the trademark "Y Chair" for the designated goods, Class 20 "Wooden chairs" (Trademark Registration No. 3348396) (Exhibits Ko 1-1, 1-2, Ko 2, 3, 80, 82, 86, 87, 90, 100-2, Ko 260, 261, 265, 266, 268, and 269).

(B) The time of commencement of use and the period of use

a. The plaintiff's product, whose shape has the aforementioned characteristics, has been exclusively manufactured and sold internationally by the intervener from 1950 until today. While the plaintiff's product has increased its variations in terms of materials and colors of its wooden parts and the colors of its seat (paper cord), the shape has remained to be almost the same for more than 50 years (Exhibits Ko 1-1, 1-2, Ko 27, 39, 81, 87, 90, 100-2, 100-7, and Ko 269).

b. The plaintiff's product was first introduced to Japan in 1958 at the Finland/Denmark Exhibition held at Shirakiya (the future Tokyu Department Store). Then, from around 1962, the plaintiff's product started to be exhibited and sold at the Denmark Exhibition and the Good Design Corner at Matsuya. In 1965, Isetan started importing and selling the plaintiff's product. Since then, not only Matsuya and Isetan but also Kitchen House and Odakyu Halc, etc. had been importing and selling the plaintiff's product until around 1989.

Subsequently in 1989, Fuba International established SK Design Department and became the intervener's import agent in Japan and started importing and selling the plaintiff's product. On September 25, 1990, the intervener and Fuba International jointly financed the establishment of the plaintiff (its tradename was D Sign Kabushiki Kaisha

at that time), which became an import agent in Japan for the intervener's products and started exclusively importing and selling the plaintiff's product (Exhibits Ko 12, 16-1, Ko 26, 29, 30-1 to 30-3, Ko 31, 32, 39, 55, 58, 59, 89, 98-6-4, Ko 100-2 to 100-6, 100-8 to 100-11, and Ko 269).

(C) Geographical area of use

The plaintiff has been selling the plaintiff's product by itself or via its business partners such as famous department stores (Takashimaya, Odakyu Department Store, Isetan, Mitsukoshi, Daimaru, Hanshin Department Store, etc.), large-scale furniture shops (ACTUS, ILLUMS Japan, Yamagiwa, etc.), and large-scale house construction companies. The customers of the plaintiff's product have spread nationwide, although 60% or more of the total sales takes place in the Kanto region. The plaintiff's product can be purchased not only at shops but also via the Internet, telephone, facsimile, etc. from anywhere nationwide. Moreover, the plaintiff's product is used not only in ordinary households but also in Japanese inns, restaurants, libraries, universities (such as Mukogawa Women's University), museums (such as National Art Center, Tokyo), etc. nationwide (Exhibits Ko 10, 11, 17, 33, 34, 37, 44, 45, 93-17, Ko 100-2, Ko 101-1 to 101-11, Ko 104 to 107, Ko 273-1 to 273-11, and Ko 274-1 to 274-8).

(D) Sales of the plaintiff's product

a. It is estimated that more than 700,000 units of the plaintiff's product have been sold over more than 60 years since 1950 throughout the world. During the period from 2003 to 2010, about 240,000 units were sold. It achieved outstanding sales as one of the longtime bestsellers in the field of furniture industry (Exhibits Ko 27, 93-18, and Ko 100-2).

b. The plaintiff's product has been continuously sold in Japan as follows. As far as the sales confirmed by data are concerned, a total of 97,548 units of the plaintiff's product has been sold (Exhibits Ko 93-1 to 93-16, Ko 101-1 to 101-11, and 274-1 to 274-8).

Period	Number of units
July 1994 to December 1994	2119
January to December 1995	4342
January to December 1996	4478
January to December 1997	5268
January to December 1998	4686
January to December 1999	4704
January to December 2000	5496
January to December 2001	5608
January to December 2002	5631

January to December 2003	6212
January to December 2004	6904
January to December 2005	6936
January to December 2006	7824
January to December 2007	9018
January to December 2008	7562
January to December 2009	7414
January to June 2010	3346

(E) Advertisement activities

a. The plaintiff exhibited the plaintiff's product in the International Furniture Fair Tokyo, which is one of the biggest furniture exhibitions in Japan (1993 to 1995, 1997 to 2001, 2003, and 2007), the IFFT Interior Lifestyle Exhibition (2008), and the Interior Lifestyle Living Exhibition (2006 to 2009). Also, the plaintiff participated in the Tokyo Designer's week (1998-2001, 2003, 2004, 2006, and 2007) and held many exhibitions in its own showroom and department stores. In order to participate in exhibitions, etc., the plaintiff paid at least 32,210,131 yen during the period from 1993 to 2009 (Exhibits Ko 8, 38, 39, 96-1, 96-2, Ko 97-1 to 97-15, and Ko 102-1 to 102-4).

b. Since the 1960s, various magazines ("Shitsunai" (inside a room), "Shōten kenchiku" (store architecture), "CASA BRUTUS," "Modan ribingu" (modern living), "ELLE DÉCOR," "Kurowassan" (croissant), "BRUTUS," "Misesu" (Mrs.), "VERY," "Utsukushii heya" (beautiful rooms), etc.), interior glossary dictionaries, interior coordinator workbooks, textbooks for junior high school students, newspapers, etc. have carried articles, advertisements, etc. about the plaintiff's product many times. During the period from 1989 to 2010, the plaintiff and Fuba International paid at least 120 million yen for advertisement activities (Exhibits Ko 12, 14, 14-1 to 14-4, Ko 15, 16-1 to 16-4, Ko 26, 56, 57 to 78, 79-2, Ko 87 to 92, 94, 95-1 to 95-11, Ko 98-1, Ko 98-1-1 to 98-1-6, Ko 98-2, Ko 98-2-1 to 98-2-13, Ko 98-3, Ko 98-3-1 to 98-3-35, Ko 98-4, Ko 98-4-1 to 98-4-6, Ko 98-5, Ko 98-5-1 to 98-5-15, Ko 98-6, Ko 98-6-1 to 98-6-4, Ko 98-7, Ko 98-7-1 to 98-7-19, Ko 98-8, Ko 98-8-1 to 98-8-4, Ko 98-9, Ko 98-9-1 to 98-9-5, and Ko 99-1 to 99-16)

c. When magazines, etc. publish articles about the plaintiff's product, those articles are almost always accompanied by photographs thereof, so that readers can visually recognize the characteristics of the aforementioned shape of the plaintiff's product.

Some of the articles introducing the plaintiff's product presented the following explanations: "'Y Chair' is said to be one of the best-selling chairs imported to Japan. Any person who has the slightest interest in furniture must have seen the shape of that

chair" (Exhibit Ko 12 [No. 3]), "Among many chairs designed by Wegner, 'Y Chair' is the most popular, best-selling chair in Japan. This is the bestseller among all of his works, recording the accumulated worldwide sales figure of more than 500,000." (Exhibit Ko 12 [No. 27]), "The bestseller among Wegner's works. It is particularly popular in Japan." (Exhibit Ko 12 [No. 38]), "Its oriental form and attractive wooded structure captured the mind of Japanese people. The chair is used in many households and restaurants." (Exhibit Ko 12 [No. 40]), "The most famous long-selling chair imported to Japan? Of course, Wegner's 'Wishbone Chair' (Y Chair)." (Exhibit Ko 12 [No. 44]), "Hans J. Wegner passed away in Copenhagen on January 26 (Note of the judgment: January 26, 2007) at the age of 92. He is a world-famous furniture designer, known for having designed 'Y Chair,' which was named for its 'Y' shape backboard and is very popular in Japan as well." (Exhibits Ko 12 [No. 51], and Ko 77), "Among more than 500 works of Wegner, this chair is the most-beloved and best-selling chair in Japan." (Exhibit Ko 12 [No. 61]), "Y Chair, which was designed by using a Chinese chair as a motif, is very popular in Japan as well." (Exhibit Ko 12 [No. 93]), "Since the birth of Y Chair in Copenhagen in 1950, the chair has retained its design and worldwide popularity and has also become very popular in Japan as a dining chair." (Exhibit Ko 12 [No. 96]), "Y Chair, which is sometimes called 'Wishbone Chair,' is one of the best-selling chairs designed by Wegner. Y Chair is particularly popular in Japan. (omitted) Japanese house construction magazines often used Y Chairs in the photographs of the completed houses." (Exhibit Ko 12 [No. 97]), "For example, today, if I examine photographs of the rooms of Japanese houses designed by architects in construction magazines, I would say more than 50% of the chairs in those photographs are the same, that is, Y Chairs designed by Hans J. Wegner (1949)." (Exhibit Ko 12 [No. 145]), "The most famous Wegner's chair in Japan is 'Y Chair' (1949)." (Exhibit Ko 12 [No. 202]), "Y Chair. The best-selling Wegner's chair in Japan." (Exhibit Ko 12 [No. 240]), "It has been about 50 years since Japanese people fell in love with the comfortable atmosphere radiated from Y Chair as a whole. The number of Y Chair lovers is still on the rise." (Exhibit Ko 14 [No. 370]), "According to the survey asking readers to choose a 'world-famous chair they would love to purchase' by using the attached postcard to request catalogs, Y Chair of Hans J. Wegner was ranked top, gathering votes from (omitted) both men and women, young and old. The total number of votes was 58, much larger than the second-ranked chair. Surprisingly, one in three respondents voted for the Y Chair. This indicates the great popularity of this chair." (Exhibits Ko 14 [No. 394], and Ko 57), "Y Chair (omitted) is one of the well-known and very popular Danish chairs in Japan." (Exhibit Ko 14 [No. 458]), "Two best-selling

chairs in Japan (Note of the judgment: Seven Chair designed by Arne Jacobsen and Y Chair) (omitted). In fact, these two chairs have been far ahead of other chairs as best-selling dining chairs. (omitted) Y Chair is relatively reasonably priced in comparison with other works of Wegner. This may be one of the reasons why it has been a bestseller." (Exhibits Ko 14 [No. 488], and Ko 74), "It is said to be a 'chair that boasts the largest import volume and the longest history of import among all of the chairs imported from other countries' (omitted). This indicates that Japanese people are familiar with the chair and find it suitable for Japanese-style interiors." (Exhibit Ko 14 [No. 524]), "Among all of the larger number of works of Wegner, 'Y Chair' is the most popular, best-selling chair in Japan." (Exhibit Ko 14-3), "North European furniture seems to have been widely accepted in Japan. Y Chair designed by Wegner is particularly famous." (Exhibit Ko 26 [No. 542])."

d. The publicly announced circulation figure of major magazines, books, etc. that carried articles or advertisements about the plaintiff's product are as follows: "Modan libingu" (modern living) (Hachette Fujin Gahosha): 40,000 copies, "ELLE DÉCOR" (Hachette Fujin Gahosha): 70,000 copies, "Kurowassan" (croissant) (Magazine House): about 300,000 copies, "BRUTUS" (Magazine House): about 80,000 copies, "Misesu" (Mrs.) (Bunka Publishing Bureau): 110,000 copies, "VERY" (Kobunsha): about 280,000 copies, "Utsukushii heya" (beautiful rooms) (Shufu to Seikatsu Sha): about 50,000 copies (Exhibits Ko 43, 46, and 47).

(F) Measures against goods of third parties

Many chairs (made in China, etc.) that are similar to the plaintiff's product in terms of shape are being sold on the Internet. In most cases, these products were known as "generic products" or "reproductions" of Y Chair and accompanied by the explanation that the plaintiff's product is the original product. In other words, these products are sold to consumers who would like to purchase chairs that look like the plaintiff's product at a cheaper price. Against the companies that used any of the registered trademarks such as Y Chair (trademarks consisting of characters) and those that sold chairs similar to the plaintiff's product in terms of shape, the plaintiff gave a written or oral warning demanding the suspension of the use of the trademarks and the sale of similar goods as described below.

a. Kawaguchi Furniture Co., Ltd. was selling chairs made in China that are similar to the plaintiff's product in terms of shape as "generic products" of the plaintiff's product on its website titled "E-Comfort." Jointly with a famous Danish furniture manufacture, Fritz Hansen, the plaintiff sent Kawaguchi Furniture Co., Ltd. written warnings, etc. dated June 27, 2007, August 1, 2007, and October 22, 2007 respectively, demanding the

suspension of the sale of the aforementioned goods and the use of such indications as "Y Chair," "Hans J. Wegner," "Carl Hansen," etc. (Exhibits Ko 40-11, Ko 49-1 and 49-2, and Ko 110 to 118).

b. Also, the plaintiff prepared a warning stating that an act of manufacturing and selling chairs similar to the plaintiff's product in terms of shape could violate the Unfair Competition Prevention Act and sent it to Daishu Co., Ltd., Mizunokagu, and ArtChair on April 9, 2008 and also to Maki Corporation on April 18, 2008 (Exhibits Ko 133, 139, 144, and 159).

c. Based on the plaintiff's trademark rights for the trademarks consisting of characters, i.e., "Y チェア" (Y Chair) (Trademark Registration No. 3348396), "Hans J. Wegner/ハンス J. ウェグナー" (Trademark Registration No. 4767624), and "Carl Hansen & Son Japan/カール・ハンセン & サン ジャパン" (Trademark Registration No. 4767623), the plaintiff gave a warning to companies such as providers and publishers that were using any of the aforementioned trademarks on their respective websites (Exhibits Ko 129, 136, 141, 147, 150 to 152, 156, 161, 164, 169, 173, 177, 179-1, Ko 180-1, Ko 181, 184, 191, 194, 198, 202, 206, 210, and 213).

d. Under the Provider Liability Limitation Act, the plaintiff requested Yahoo Japan Corporation, Alibaba.com Japan Co., Ltd., and Rakuten, Inc. take measures to prevent the transmission of product information that infringes the trademark right for the plaintiff's product (Exhibits Ko 217-1, 217-2, Ko 218 to 237, 238-1, Ko 239-1, Ko 240, 241, 242-1, Ko 243-1, Ko 244-1, Ko 245-1, Ko 246-1, Ko 247, 248-1, Ko 249-1, Ko 250-1, Ko 251-1, Ko 252, 253-1, Ko 254-1, Ko 255-1, and Ko 256-1).

e. In Europe, the intervener has been conducting activities to prevent counterfeiting such as sending written warnings to companies manufacturing similar goods to demand the suspension of the sale thereof based on the copyright for Y Chair (Exhibits Ko 270, and 271).

B. Decision

(A) Based on a comprehensive evaluation of various factors found above, the following points can be recognized.

a. The plaintiff's product (armchair), which has the characteristic shape of the Trademark, was released by the intervener in 1950. Since then, the plaintiff's product has been sold continuously without making any change to the characteristic parts of the shape, while some variations were made in terms of materials and colors.

b. The plaintiff's product was introduced to Japan in around 1958. During the period from around 1962 to 1989, the plaintiff's product was imported and sold by department stores, etc. In 1989, the SK Design Department of Fuba International became an import

agent in Japan, and in 1990, Fuba International and the intervener jointly financed the establishment of the plaintiff, which has been exclusively importing and selling the plaintiff's product nationwide since then. According to referential materials, the total number of units sold during the period from July 1994 to June 2010 reached 97,548. This figure is not necessarily high in light of the total sales volume of dining chairs as a whole (see Exhibit Ko 35). However, this figure is extremely high for a single type of chairs (the plaintiff's product is ready-made goods, and not custom-made goods).

c. Since the 1960s, the plaintiff's product has been considered to be one of the best-selling imported chairs in Japan thanks to magazine articles, etc. that featured the plaintiff's product. Also, articles about the plaintiff's product have been published in books for people working in the furniture industry, such as interior glossary dictionaries, interior coordinator workbooks, and also in textbooks for junior high school students. Furthermore, the plaintiff has been spending a considerable amount of money on various advertisement activities. The plaintiff exhibited the plaintiff's product in major furniture exhibitions in Japan and also held exhibitions in its own showroom, department stores, etc. In this way, the plaintiff has made continuous efforts to make the plaintiff's product well-known in Japan. Thanks to such continuous advertisement activities, etc., the plaintiff's product has become known not only to a small number of furniture lovers but also broadly to general consumers.

In light of the aforementioned facts and the facts mentioned in 1.(2)A. above, it is reasonable to find that [i] the plaintiff's product has a characteristic shape wherein the top rail is made of a single piece of steam-bent semicircle wood integrated into the armrests and is fitted on the upper side of the back support part, the seat is made of woven thin strings, the backboard (back support part), which supports the aforementioned part functioning as both a top rail and armrests in the backside, is shaped into the character "Y" or "V," and the rear legs extend further beyond the seat into a shape similar to an elongated "S" character, [ii] since its release in 1950 (1962 in Japan), the plaintiff's product has retained almost the same shape and has been featured in magazine articles, etc., and has been advertised and sold in large number, and [iii] consequently, consumers have come to realize and understand which person's business the plaintiff's product pertains to thanks to the characteristic shape of the Trademark or the plaintiff's product.

(B) On the other hand, the defendant alleged that the plaintiff's product sold by the plaintiff is almost identical to the Trademark in terms of shape but has variations in color, which would give consumers a significantly different impression and recognition of the product, and therefore that the Trademark cannot be considered to be identical to

the trademark used by the plaintiff.

However, as described above, it is reasonable to interpret that the Trademark has the capability to distinguish one's goods from others thanks to its characteristic shape. Thus, even if the plaintiff's product has variations in terms of the material and color of wood and the color of the seat (paper cord), it would not greatly change the consumers' recognition of the source of the goods and would not prevent the court from finding that the shape of the Trademark has acquired the function to distinguish one's goods from others.

(C) Moreover, the defendant alleged that, since chairs similar to the plaintiff's product in terms of shape have been sold through the Internet, traders and consumers who come across the plaintiff's product would not be able to distinguish the armchair manufactured and sold by the plaintiff from others, and also that it cannot be said that, as a result of the use of the Trademark for the designated goods "armchairs," consumers have come to be able to recognize the relevant goods as pertaining to the business of the plaintiff.

However, even though chairs similar to the plaintiff's product in terms of shape have been sold on the Internet, all of those chairs were known as "generic products" or "reproductions" of Y Chair. These products were sold to consumers who would like to purchase chairs that are similar to the plaintiff's product in terms of shape at a cheaper price on the premise that the plaintiff's product exists as the original product. In order to remove these goods from the market, the plaintiff took measures such as sending written warnings, etc. to companies, etc. selling such goods based on the registered trademarks (consisting of characters) such as "Y チェア" (Y Chair) and under the Unfair Competition Prevention Act. In light of the aforementioned fact, even if chairs similar to the plaintiff's product in terms of shape were still being sold on the Internet as of the time of the rendering of the JPO decision, it would not prevent the JPO from recognizing that the Trademark had acquired the capability to distinguish one's goods from others (It is obvious that the Trademark cannot be considered to be a trademark consisting solely of a three-dimensional shape indispensable for such goods, etc. to properly function).

C. Summary

As described above, the Trademark should be considered to have acquired the capability to distinguish one's goods from others as a result of use and to be registrable as a trademark under Article 3, paragraph (2) of the Trademark Act. Therefore, none of the defendant's allegations, which are not in line with this interpretation, is acceptable.

(3) On these grounds, the Trademark should be found registrable as a trademark under Article 3, paragraph (2) of the Trademark Act. Thus, it can be said that the JPO decision

contains an error in determining that the Trademark does not fall under said paragraph and that Grounds for Rescission 2 alleged by the plaintiff are well grounded.

3. Conclusion

On these grounds, the plaintiff's claim shall be found to be well grounded and acceptable, and the judgment shall be rendered in the form of the main text.

Intellectual Property High Court, Third Division

Presiding judge: IIMURA Toshiaki

Judge: YAGI Kimiko

Judge: CHINO Akira

(Attachment) Trademark List

Figure 1



Figure 2



Figure 3

