

Date	November 13, 2015	Court	Tokyo District Court, 40th Civil Division
Case number	2015 (Wa) 27		
– A case in which the court dismissed the claims for an injunction against the use of the mark made by the plaintiff against the defendant			

Summary of the Judgment

In this case, the plaintiff, who is engaged in the business of manufacturing and selling or otherwise handling cosmetics, made the following claims based on the respective allegations against the defendant, who is engaged in the business of importing and selling communications equipment, etc.: [i] based on the allegation that the marks such as "DHC-DS" used by the defendant are identical with or similar to the plaintiff's trademark, "DHC-DS", the plaintiff sought an injunction against the use, etc. of the abovementioned marks pursuant to Article 36, paragraphs (1) and (2) of the Trademark Act: [ii] based on the allegation that the indications of goods such as "DHC-DS" used by the defendant are similar to the plaintiff's famous or well-known indications of goods, etc. such as "DHC", the plaintiff sought an injunction against the use, etc. of the indication "DHC-DS" pursuant to Article 2, paragraph (1), items (i) and (ii) and Article 3, paragraphs (1) and (2) of the Unfair Competition Prevention Act; and [iii] based on the allegation that the domain name "dhc-ds.com" used by the defendant is similar to the plaintiff's indications of goods, etc. such as "DHC" and its domain name "dhc.co.jp", the plaintiff sought an injunction against the use, etc. of the domain name "dhc-ds.com" pursuant to Article 2, paragraph (1), item (xiii) and Article 3, paragraphs (1) and (2) of said Act. The marks or indications such as "DHC-DS" were used for battery testers and the related products thereof that were imported from a Taiwanese company named "DHC Specialty Corp" (hereinafter referred to as "Taiwanese DHC") and sold by the defendant.

The defendant disputed the plaintiff's claims by alleging as defense an abuse of rights with respect to the claim stated in [i] above while denying the similarity with respect to the claims stated in [ii] and [iii] above.

In this judgment, the court pointed out the following facts: [a] Taiwanese DHC is a company with a near 30 year history from its foundation and has not only acquired a trademark right for the mark "DHC" in various countries but also has a considerable sales performance with respect to battery testers, etc.; [b] in the past, the defendant attached a mark "DHC JAPAN" to the battery testers, etc. imported from Taiwanese DHC but in the process of the negotiation conducted in response to the plaintiff's request for suspension of the use of the mark, etc., the defendant changed the mark to

"DHC-DS", showing a certain consideration to the plaintiff's interests; [c] the plaintiff filed an application for trademark registration for the mark "DHC-DS" by purposely including battery testers in its designated services with sufficient knowledge that the defendant had changed the relevant mark to "DHC-DS" during the negotiation held between the plaintiff and the defendant and then exercised the acquired trademark right against the defendant immediately after the mark "DHC-DS" was registered; and [d] the plaintiff is a company engaged in the sales of goods including cosmetics, health food and apparel products and has never engaged in the manufacture and sale of battery testers, etc., nor can it be found that the plaintiff had a concrete intention to use the trademark "DHC-DS" in manufacturing and selling battery testers, etc. The court held that, in light of the abovementioned circumstances, it is impermissible for the plaintiff to claim an injunction against the defendant's use of the mark "DHC-DS" based on the trademark right held with respect to "DHC-DS" as it would be an abuse of rights and thereby dismissed the claim stated in [i] above.

Furthermore, in this judgment, the court pointed out the following facts: [1] when the plaintiff's indication "DHC" and the defendant's indication "DHC-DS" are compared, while they have common features in terms of appearance and pronunciation, it should be said that they are different as a whole; [2] in terms of the concept, all of the indications mentioned above are found to be coined words and do not generate any concept; [3] the plaintiff's advertising activities were only made in the field of cosmetics, health food and apparel products, etc. and the plaintiff has not been engaged in the business of manufacturing and selling battery testers, etc.; [4] on the other hand, Taiwanese DHC is a company with a near 30 year history from its foundation and has not only acquired a trademark right for the mark "DHC" in various countries but also has a considerable sales performance with respect to battery testers, etc.; and [5] there are other several companies that have acquired a trademark right for the trademark "DHC" and at least, the plaintiff would not be the only business entity that will be pictured from the marks such as "DHC-DS". The court then found that, in light of these circumstances, neither the similarity as prescribed in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act nor the similarity as prescribed in item (ii) of said paragraph can be found for the same reason. Based on these findings, the court dismissed the claims stated in [ii] and [iii] above.