

Date	September 10, 1998	Court	Osaka District Court
Case number	1995 (Wa) 10247		
– A case in which the court found that the towel set named "DECOT BEAR'S COLLECTION" has been produced by imitating the configuration of a towel set named "BEAR'S CLUB."			

Reference: Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act  
Number of related rights, etc.:

#### Summary of the Judgment

1. In this case, the plaintiff alleged that the configuration of the towel set named "DECOT BEAR'S COLLECTION" sold by the defendant (hereinafter referred to as the "defendant's goods") is a counterfeit of the towel set named "BEAR'S CLUB" sold by the plaintiff (hereinafter referred to as the "plaintiff's goods"), and thus the act of selling the defendant's goods is an act of unfair competition as prescribed in Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act. Based on this allegation, the plaintiff claimed against the defendant compensation for damages suffered as a result of the abovementioned act of selling.
2. In this judgment, the court held that, under the following circumstances, it is reasonable to find that the defendant's goods are identical with the plaintiff's goods as a whole in terms of configuration in substance and thus the defendant's goods can be considered to have imitated the configuration of the plaintiff's goods.
  - (1) When the plaintiff's goods contained in a package box are observed from the front, the most distinctive characteristic of the configuration lies in the facts that a stuffed bear cub and towels carrying illustrations of bear cubs form large blocks in the container respectively and that a combination of those blocks forms the overall configuration of the goods.
  - (2) The stuffed bear cub contained in the plaintiff's goods and the one contained in the defendant's goods are almost identical with each other in terms of size, color, and facial expression. In addition, the two bear cubs are identical in terms of such characteristics as wearing a red triangular pyramid-shaped, white pompon-attached hat on the left ear and carrying a circular towel hanger on the chest part. These characteristics make each stuffed bear cub distinctive and appealing to viewers. Thus, as a whole, the two stuffed bear cubs are identical in terms of configuration.
  - (3) When it comes to the towel carrying the illustrations of bear cubs, the towels included in the plaintiff's goods and those included in the defendant's goods have such commonalities: [i] both are white towels carrying illustrations of several cute

bear cubs, [ii] the bear cubs are brown, [iii] the clothes and hats of those bear cubs are in any combination of red, blue, green and yellow, and [iv] a logo mainly consisting of the word "BEAR" is placed in the space between the bears. These commonalities should be considered to be the basic parts of the designs of the towels and the parts that give a strong impression in terms of configuration. Therefore, the towels themselves can also be considered to be extremely similar in terms of configuration.

- (4) Regarding the combination of a stuffed bear cub and towels, the defendant's goods are identical with the plaintiff's goods in terms of the composition of the goods and are almost the same in terms of size. Regarding outer packaging, the plaintiff's goods and the defendant's goods are identical in that three colors, namely, red, white, and blue are used in both package boxes. In the case of the goods sold together with a wicker basket, the plaintiff's goods and the defendant's goods are identical in that the upper side and front side of the package box had been removed and replaced with transparent plastic sheets.

Judgment rendered on September 10, 1998  
1995 (Wa) 10247

### Judgment

The indications of the parties concerned are omitted.

### Main text

1. The defendant shall pay the plaintiff 2,041,117 yen and delay damages accrued thereon at a rate of 5% per annum from February 1, 1996 until the date of full payment.
2. Any other claims of the plaintiff shall be dismissed.
3. The court costs shall be divided into five portions, four of which shall be borne by the plaintiff with the remaining one borne by the defendant.
4. Paragraph 1 of this judgment may be provisionally executed.

### Facts and reasons

#### No. 1 Claims

The defendant shall pay the plaintiff 12,418,000 yen and delay damages accrued thereon at a rate of 5% per annum from February 1, 1996 until the date of full payment.

#### No. 2 Outline of the case

##### I. Basic facts (the branch numbers of the evidential documents are hereinafter omitted)

##### 1. Plaintiff's act of selling the plaintiff's goods.

In around June 1994, the plaintiff started selling towel sets named "BEAR'S CLUB" shown in 1 to 6 of the attached Plaintiff's Goods List ("Plaintiff's Goods 1" to "Plaintiff's Goods 6"; collectively referred to as "the plaintiff's goods") (Exhibit Ko 22 and the entire import of the oral argument).

##### 2. Defendant's act of selling the defendant's goods

(1) From around May to around August 1995, the defendant sold towel sets named "DECOT BEAR'S COLLECTION" shown in 1 to 6 of the attached Defendant's Goods List 1 ("Defendant's Former Goods 1" to "Defendant's Former Goods 6"; collectively referred to as the "defendant's former goods").

(2) From around August 1995 to around January 1996, the defendant sold new towel sets shown in 1 to 6 of the attached Defendant's Goods List 2 ("Defendant's New Goods 1" to "Defendant's New Goods 6"; collectively referred to as "the defendant's new goods"; the defendant's former goods and the defendant's new goods shall be hereinafter collectively referred to as the "defendant's goods") (Exhibits Otsu 3 to 6, Otsu 21 and 24,

and the entire import of the oral argument).

## II. Plaintiff's claims

In this case, the plaintiff alleged that Defendant's Former Goods 1 to 6 and Defendant's New Goods 1 to 6 sold by the defendant are counterfeits of Plaintiff's Goods 1 to 6 and therefore that the defendant's act of selling the aforementioned defendant's goods constitutes an act of unfair competition (configuration imitation) specified in Article 2, paragraph (1), item (iii) of the Unfair Competition Prevention Act (the "Item"). The plaintiff demanded that the defendant shall pay damages for the aforementioned act under Article 4 of said Act.

## III. Issues

1. Whether the defendant's goods can be considered to be counterfeits of the plaintiff's goods
2. Whether the configuration of the plaintiff's goods infringes a third party's trademark right and, even so, the configuration of the plaintiff's goods should be protected under the Item
3. Whether the plaintiff suffered any damage
4. The amount of damages that the plaintiff is entitled to demand from the defendant

(omitted)

## No. 4. Court decision on the issues

I. Issue 1 (Whether the defendant's goods can be considered to be counterfeits of the plaintiff's goods)

(I) According to Exhibits Ko 1 and 2, Otsu 12 to 20, Objects of Observation Ko 1 to 12, Objects of Observation Otsu 1 and 2, and the entire import of the oral argument, the details of the configurations of the plaintiff's goods and the defendant's goods, when they are contained in a package box or wicker basket, are found to be as shown in the attached Plaintiff's Goods/Defendant's Goods Comparison Table 2. Since these goods are displayed and purchased as a set of goods contained in a package box or wicker basket (Exhibits Ko 1 and 2), it is reasonable to mainly consider the configuration of the goods as the aforementioned configuration in the form of a set of goods packed in a container.

(II) The commonalities found above between the plaintiff's goods and the defendant's goods in terms of configuration are as follows.

(1) When the plaintiff's goods contained in a package box are observed from the front, the most distinctive characteristic of the configuration lies in the facts that a stuffed bear

cub and towels carrying illustrations of bear cubs form large blocks in the container respectively and that a combination of those blocks forms the overall configuration of the goods.

A. The stuffed bear cub contained in the plaintiff's goods is almost identical with the one contained in the defendant's goods in terms of size, color, and facial expression. In addition, the two bear cubs are identical in terms of such characteristics as wearing a red triangular pyramid-shaped, white pompon-attached hat on the left ear and carrying a circular towel hanger on the chest part. These characteristics make each stuffed bear cub distinctive and appealing to viewers. Thus, as a whole, the two stuffed bear cubs are identical in terms of configuration.

The defendant alleged that the two bear cubs are different in terms of the accessory attached to each bear cub and the color of the towel hanger. First, let's examine the accessory. The accessory of the plaintiff's goods has a cane-like structure, whereas that of the defendant has a sac-like structure. In both cases, the accessory was placed in such a way that the bear cub looks like it is holding it in both hands, and two colors, namely red and white, are used in both of them. In light of the fact that both stuffed bear cubs are identical as a whole as mentioned above, such difference should be considered to be minor. When it comes to the towel hanger, the two towel hangers are different in color. The towel hanger of the plaintiff's goods is reddish-brown, whereas that of the defendant's goods is brownish yellow. However, the two hangers are identical in terms of shape, size, and area to which each is attached. In light of the aforementioned identicalness between the two stuffed bear cubs as a whole, this difference should also be considered to be minor.

B. When it comes to the towel carrying the illustrations of bear cubs, the towels included in the plaintiff's goods and those included in the defendant's goods have such commonalities: (1) both are white towels carrying illustrations of several cute bear cubs, (2) the bear cubs are brown, (3) the clothes and hats of those bear cubs are in any combination of red, blue, green and yellow, and (4) a logo mainly consisting of the word "BEAR" is placed in the space between the bears. These commonalities should be considered to be the basic parts of the designs of the towels and the parts that give a strong impression in terms of configuration.

As pointed out by the defendant, it should be noted that the plaintiff's goods and the defendant's goods have some differences such as illustrations of the bear cubs, colors, posture, clothes, the number of bear cubs, and the characters included in the logo. However, these differences should be considered to be minor in light of the commonalities found in the basic parts and the identicalness of the stuffed bear cubs

mentioned in A above.

Therefore, the towels themselves can also be considered to be extremely similar in terms of configuration.

C. Regarding the combination of a stuffed bear cub and towels, Defendant's Former Goods 1 to 6 are identical with Plaintiff's Goods 1 to 6 in terms of the composition of the goods and are almost the same in terms of size. The plaintiff's goods and the defendant's goods are opposite in terms of the position of the stuffed bear cub relative to the towels. However, in consideration of the fact that the stuffed bear cub included in the plaintiff's goods and that included in the defendant's goods are almost identical and that the same combination of goods, i.e., a stuffed bear cub and towels, is contained in a package box, the fact that the defendant's goods and the plaintiff's goods are opposite in terms of the position of the stuffed bear cub relative to the towels should not be considered to be a major difference in terms of configuration.

Defendant's New Goods 1 to 6 are different from the plaintiff's goods in that Defendant's New Goods include a pink kitchen cloth carrying many small red and white heart marks in the space below the stuffed bear cub. Said kitchen cloth has colors and designs that are different from any other parts of the goods and occupies a relatively large space. Thus, it may be considered that this difference should not be ignored. However, under the circumstances where both the plaintiff's goods and the defendant's goods are a towel set featuring cute bear cubs and where almost the same stuffed bear cubs are placed in the left, right, or middle of respective package boxes in such manner that the stuffed bear cubs can be seen next to towels whose configurations are extremely similar, the importance of the kitchen cloth, which is not related to the bear cub in terms of configuration, should be considered to be relatively low. Therefore, even if the existence of the kitchen cloth is taken into consideration, the defendant's goods and the plaintiff's goods would not lose the identicalness in terms of the configuration of the goods as a whole.

Regarding outer packaging, the plaintiff's goods and the defendant's goods are identical in that three colors, namely, red, white, and blue (slightly different in design) are used in both package boxes. In the case of the goods sold together with a wicker basket, the plaintiff's goods and the defendant's goods are identical in that the upper side and front side of the package box had been removed and replaced with transparent plastic sheets.

(2) The defendant alleged that, based mostly on the color of the accessory held by the stuffed bear cub, the designs of the towels, and the existence or nonexistence of a kitchen cloth, the plaintiff's goods give an impression of an active boy as a whole, while

the defendant's goods give an impression of a cute girl as a whole. Based on a detailed examination of those goods, it can be said that such difference in impression is caused by the difference in the illustrations of bear cubs shown in the towels. However, both the plaintiff's goods and the defendant's goods give the first impression that their goods are a cute set of towels featuring bear cubs. The difference pointed out by the defendant could be noticed only if a viewer closely compares the two. Thus, the difference pointed out by the defendant cannot be considered to be important.

(3) Based on the comprehensive evaluation of the facts mentioned above, it is reasonable to find that Defendant's Former Goods 1 to 6 and Defendant's New Goods 1 to 6 are identical with Plaintiff's Goods 1 to 6 as a whole in terms of configuration in substance.

(III) In view of the facts that the plaintiff's goods were launched about 11 months prior to the launch of the defendant's goods and that the defendant manufactured the defendant's goods by referring to goods already marketed at that time (Witness P) and that, while there were many other possible configurations to choose from for a towel set featuring bear cubs to be manufactured by the defendant, the defendant sold goods that are identical with the plaintiff's goods in substance in terms of configuration and combination of goods, it can be presumed that the defendant's goods intentionally imitated the configuration of the plaintiff's goods.

(IV) On these grounds, the defendant's goods can be considered to have imitated the configuration of the plaintiff's goods.

(omitted)

## No. 5 Conclusion

On these grounds, it can be said that the plaintiff's claim against the defendant is well grounded to the extent that the plaintiff demands payment of 2,041,117 yen and delay damages accrued thereon at a rate of 5% per annum from February 1, 1996 until the date of full payment.

Thus, the judgment shall be rendered in the form of the main text.

(Osaka District Court, Judges: KOMATSU Kazuo, TAKAMATSU Hiroyuki, KOIDE Keiko)

Attachment "Plaintiff's Goods/Defendant's Goods Comparison Table 1 (Allegations of the Parties Concerned)" and "Plaintiff's Goods/Defendant's Goods Comparison Table 2 (Judgment of the Judges)" are omitted.

(Attachment) Plaintiff's Goods List

Towel sets named "BEAR'S CLUB" consisting of the following goods (those shown in the photographs attached to this list)

1. A set of face towel 1, wash towel 1, towel hanger 1
2. A set of face towels 2, wash towel 1, towel hanger 1
3. A set of bath towel 1, wash towel 1, towel hanger 1
4. A set of bath towel 1, face towel 1, wash towel 1, towel hanger 1
5. A set of face towel 1, towel hanger 1, basket 1
6. A set of face towels 2, towel hanger 1, basket 1

[82708-001]

[82708-002]

[82708-003]

(Attachment) Defendant's Goods List 1

Towel sets named "DECOT BEAR'S COLLECTION" consisting of the following goods (those shown in the photographs attached to this list)

1. A set of face towel 1, wash towel 1, towel hanger 1
2. A set of face towels 2, wash towel 1, towel hanger 1
3. A set of bath towel 1, wash towel 1, towel hanger 1
4. A set of bath towel 1, face towel 1, wash towel 1, towel hanger 1
5. A set of face towel 1, towel hanger 1, wicker basket 1
6. A set of face towels 2, towel hanger 1, wicker basket 1

[82708-004]

[82708-005]

[82708-006]

(Attachment) Defendant's Goods List 2

Towel sets named "DECOT BEAR'S COLLECTION" consisting of the following goods (those shown in the photographs attached to this list)

1. A set of face towel 1, wash towel 1, towel hanger 1, kitchen cloth 1
2. A set of face towels 2, wash towel 1, towel hanger 1, kitchen cloth 1
3. A set of bath towel 1, wash towel 1, towel hanger 1, kitchen cloth 1
4. A set of bath towel 1, face towel 1, wash towel 1, towel hanger 1, kitchen cloth 1
5. A set of face towel 1, towel hanger 1, wicker basket 1, kitchen cloth 1



6. A set of face towels 2, towel hanger 1, wicker basket 1, kitchen cloth 1

[82708-007]

[82708-008]

[82708-009]

(Attachment) Trademark List

Application date: February 27, 1988 (Trademark Application No. 1988-21390)

Publication date: March 29, 1990

Trademark application publication No.1990-22185

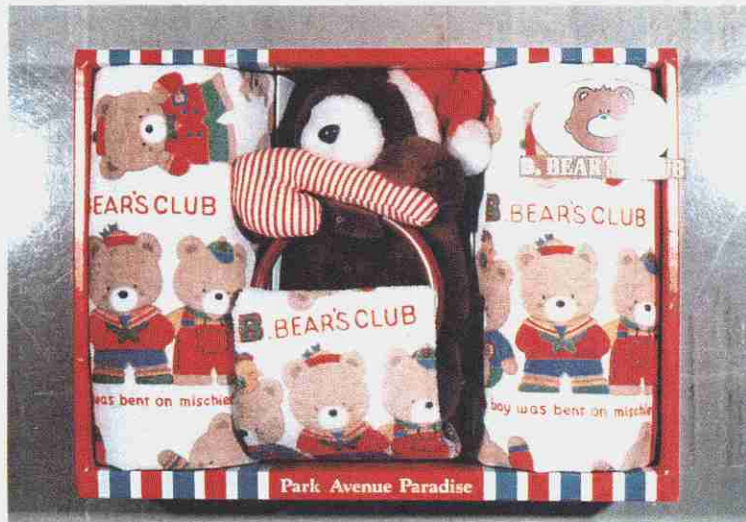
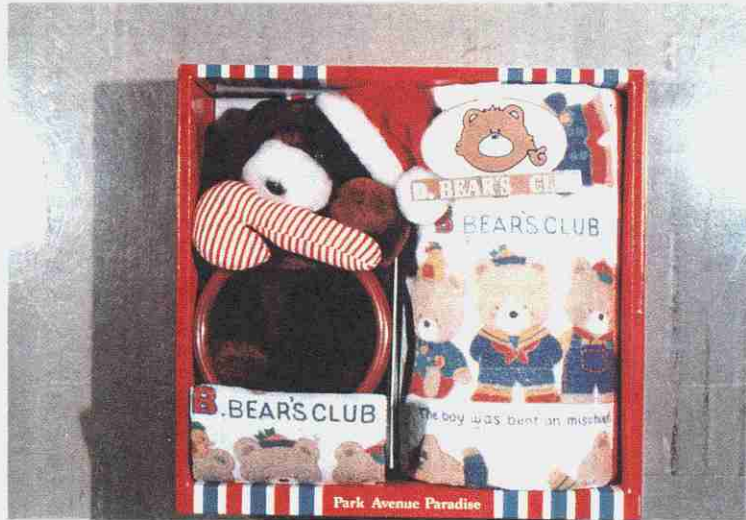
Trademark registration No. 2279047

Applicant: MARUTAKA IRYO Corporation

Designated goods: Clothing, personal articles of woven textile, and bedding

[82708-010]

[82708-011]



三、



四、



五、



六、







三、



四、



五、



六、





一、



検乙2の1 被告製品（検証物として作成）  
品番 2059-11

二、



検乙2の2 被告製品（検証物として作成）  
品番 2059-20



三、



四、



五、



検乙2の5 被告製品（検証物として作成）  
品番 2059-39

六、



検乙2の6 被告製品（検証物として作成）  
品番 2059-55

**BEAR CLUB**

(別紙) 原告商品及び被告商品の売上推移表

		原告商品	被告商品	合計
平成 6 年	6 月	2,856		
	7 月	4,707		
	8 月	6,599		
	9 月	7,578		
	10月	8,139		
	11月	7,763		
	12月	12,409		
平成 7 年	1 月	11,393		
	2 月	12,141		
	3 月	24,834		
	4 月	17,538		
	5 月	11,370	5,696	17,066
	6 月	8,314	12,754	21,068
	7 月	14,453	3,519	17,972
	8 月	8,083	6,429	14,512
	9 月	11,084	20,288	31,372
	10月	13,748	9,959	23,707
	11月	11,628	10,226	21,854
	12月	8,843	4,572	13,415
平成 8 年	1 月	5,830	0	5,830
	2 月	7,867	-3	7,864
	3 月	7,892		
	4 月	9,312		
	5 月	5,068		
	6 月	4,632		
	7 月	5,572		
	8 月	3,637		
	9 月	4,791		
	10月	5,414		
	11月	3,659		
	12月	3,752		
平成 9 年	1 月	895		
	2 月	88		
	3 月	120		
合計			73,440	