

Unfair Competition	Date	November 9, 2023	Court	Intellectual Property High Court, Fourth Division
	Case number	2023 (Ne) 10048		
<p>- The entire form of the Appellee's products, which includes all of forms (a) to (h), falls under the indication of well-known goods or business according to Article 2, paragraph (1), item (i) of the Unfair Competition Act.</p> <p>- It is recognized that the form of each of the Appellant's products is similar to the form of the Appellee's products, and causes confusion and false recognition.</p>				

Case type: Injunction, etc.

Result: Appeal dismissed

References: Article 2, paragraph (1), item (i), Article 3, paragraph (1), paragraph (2) of the Unfair Competition Prevention Act

Judgment of the prior instance: Tokyo District Court 2020 (Wa) 31524

Summary of the Judgment

1 Background

The present case is one, in which the Appellee (the Plaintiff of the first trial), who develops footwear products and the like under the brand "Dr. Martens", alleges that boots (each of the Appellant's products) sold by the Appellant (the Defendant of the first trial) violates each of the Appellee's trademark rights and configures unfair competition causing confusion with boots (the Appellee's products) whose form is well-known as the indication of goods or business of the Appellee.

2 Regarding applicability of the indication of well-known goods or business of the form of the Appellee's products

(1) It is recognized that "1460 8-hole boots" (boots made of leather) sold in Japan as a product of the Appellee's brand "Mr. Martens," in most models, includes characteristics on the form which are a yellow welt stitch (form (a)), a sole edge (form (b)), a heel loop (form (c)), a sole pattern (form (d)), inclination of an out sole heel part (form (e)), a rounded shoe front portion (form (f)), a puritan stitch (form (g)), and 8-hole (form (h)).

It is recognized that the Appellee's products have a distinguishing feature different from other products of the same type, especially in three points of the form (a) (yellow welt stitch), the form (b) (sole edge), and the form (c) (heel loop), and show strong capability to distinguish the source. Furthermore, it can be said that if observed as a whole in combination with the forms (d) to (h) which cannot be said to be very distinctive when viewed individually, it has a distinguishing feature which cannot be found in other products of the same type (boots).

The Appellee's products including all of the forms (a) to (h) above are recognized to have so-called special distinctiveness.

(2) Considering the history of sales and advertisement in Japan of the Appellee's products or questionnaire results submitted as evidence, it is obviously recognized that the form of the Appellee's products including the features of the forms (a) to (c) is well-known between consumers, and corresponds to the indication of well-known goods or business.

3 Regarding similarity between the forms of the Appellee's products and each of the Appellant's products

(1) Although the Appellee's products are recognized to have the applicability of the indication of well-known goods or business as one including all of the features of the forms (a) to (h), even if suspected infringing products do not include all of the features, regardless of identity, similarity cannot be denied as a matter of course. At the determination of the similarity, although the form (a) (yellow welt stitch) that is the most significant feature of the form of the Appellee's products becomes a primary part and should be given the most importance, it is understood that comprehensive determination including the other forms is required.

(2) Appellant's Product 1 is recognized to have all of the features of the forms (a) to (h) of the Appellee's products, and it must be said that it is equivalent to a dead copy of the Appellee's products, so that it is obvious that the forms of the two are similar to each other.

(3) Although Appellant's Product 2 is similar to Appellant's Product 1 in parts other than the heel loop (form (c)) of the Appellee's products, the Appellee's mark is woven like embroidery on the heel loop of the Appellee's products, whereas a heel loop of Appellant's Product 2 is made of a plain black material and is about half the length of the Appellee's products. The two are different in these points.

However, despite this difference, the two are common in the basic feature that a heel loop rising upward is provided on a heel side of a boot opening, and it is understood that among consumers, the difference might be recognized as a difference in design details of products with different model numbers in the same series.

Then, in addition to the difference above, comprehensively examining while considering the matters that Appellant's Product 2 has all of the features of the forms (a) to (h) of the Appellee's products, especially has the common feature in the yellow welt stitch (form (a)) that is thought to be the most significant feature of the Appellee's products, it is recognized that the form of Appellant's Product 2 is similar to the form of the Appellee's product.

4 Regarding applicability of causing confusion relating to each of the Appellant's products

In light of publicity of the indication of goods or business relating to the form of the Appellee's products and the similarity between the form of the Appellee's products and each of the Appellant's products, it is recognized that if the Appellant sells the Appellant's products, confusion and false recognition with the Appellee's products are caused.

5 Regarding the necessity of injunction and destruction

Since it can be said that the business interests of the Appellee have been infringed due to sales of each of the Appellant's products (unfair competition), the Appellee may make a claim, against the Appellant, for an injunction of sales and displaying for sales on the basis of Article 3, paragraph (1) of the Unfair Competition Prevention Act, and having each of the Appellant's products destroyed on the basis of Article 3, paragraph (2) of the Unfair Competition Prevention Act (Claims based on the Trademark Act which is in a selective consolidated relationship do not need to be addressed.).

Judgment rendered on November 9, 2023

2023 (Ne) 10048 Case of appeal for a claim for injunction against sale

(Prior instance: Tokyo District Court 2020 (Wa) 31524)

Date of conclusion of oral argument: September 7, 2023

Judgment

Appellant: (First Instance Defendant) Kabushiki Kaisha MD Kikaku

Appellee: (First Instance Plaintiff) Air Wear International Ltd.

Main text

1. The appeal of the present case shall be dismissed.
2. Court costs shall be borne by the Appellant.
3. Paragraph 3 of the main text of the prior instance judgment may be provisionally executed.

Facts and reasons

(Abbreviations shall follow the usage in the prior instance judgment)

No. 1 Outline of the case

The Appellee sells footwear products under the brand of "Dr. Martens". The Appellee argues that the boots sold by the Appellant (Appellant's Products) infringe on the trademark rights held by the Appellee, and that the sale constitutes unfair competition by creating confusion with the boots whose form is well-known as an indication of goods or business of the Appellee (Appellee's Product).

No. 2 Trial sought by the parties

1. Appellee's claims

- (1) The Appellant shall not sell Appellant's Product 1, which bears Appellant's mark, or exhibit the same product for sale.
- (2) The Appellant shall not sell Appellant's Product 2 or exhibit the same product for sale.
- (3) The Appellant shall dispose of the Appellant's Products.

[Legal grounds for claim]

Relevant Product	Appellant's Product 1	Appellant's Product 2
Claim (1)	[i] Based on Appellee's Trademark Right 1 Seeking injunction pursuant to Article	

	36, paragraph (1) of the Trademark Act [ii] Based on Appellee's Trademark Right 2 Seeking injunction pursuant to Article 36, paragraph (1) of the Trademark Act [iii] Seeking injunction pursuant to Article 3, paragraph (1) (Article 2, paragraph (1), item (i)) of the Unfair Competition Act ([i] to [iii] are subject to elective joinder)	
Claim (2)		Seeking injunction pursuant to Article 3, paragraph (1) (Article 2, paragraph (1), item (i)) of the Unfair Competition Act
Claim (3)	[i] Based on Appellee's Trademark Right 1 Seeking disposal pursuant to Article 36, paragraph (2) of the Trademark Act [ii] Based on Appellee's Trademark Right 2 Seeking disposal pursuant to Article 36, paragraph (2) of the Trademark Act [iii] Seeking disposal pursuant to Article 3, paragraph (2) (Article 2, paragraph (1), item (i)) of the Unfair Competition Act ([i] to [iii] are subject to elective joinder)	Seeking disposal pursuant to Article 3, paragraph (2) (Article 2, paragraph (1), item(i)) of the Unfair Competition Act

2. Decision made by the court of prior instance, and filing of appeal

The court of prior instance rendered a judgment to the effect of entirely approving the Appellee's claims (for Appellee's Product 1, approved a claim based on Appellee's Trademark Right 1, and for Appellee's Product 2, acknowledged that the Form (A) of Appellee's Product is a well-known indication of goods or business), and the Appellant, who was dissatisfied with the court's decision, filed an appeal.

[Object of the appeal]

- (1) The prior instance judgment shall be rescinded.
- (2) The Appellee's claims shall be dismissed.

No. 3 Issues, and arguments made by the parties

1. Issues of the present case are as indicated under No. 2, 3 (page 4) of the prior

instance judgment.

(omitted)

No. 4 Judgment of this court

The present court determines, on the ground that the overall form of Appellee's Product, which has the Forms (A) to (H), falls under a well-known indication of goods or business (Article 2, paragraph (1), item (i) of the Unfair Competition Act), that the claims for injunction and the claims for disposal pertaining to Appellant's Products pursuant to Article 3, paragraphs (1) and (2) of the same Act shall be entirely approved. The reasons are described below.

1. Findings

The findings are as described under No. 2, 2 (from page 3) and No. 3, 1 (from page 29), and are cited herein.

2. Whether or not Appellee's Product falls under a well-known indication of goods or business Part 1 (whether or not there is so-called distinctiveness)

(1) As per the above findings, it is acknowledged that most models of the product called "1460 8-Eye Boots" (leather boots) sold in Japan under the Appellee's brand "Dr. Martens" have the features of yellow welt stitches (Form (A)), sole edge (Form (B)), heel loop (Form (C)), sole pattern (Form (D)), slope in the heel area of the outsole (Form (E)), the rounded front part of the shoe (Form (F)), Puritan stitching (Form (G)), and eight holes (Form (H)).

It is acknowledged that the individual features are as described in No. 3, 3 (2) A to H (from page 41) of the prior instance judgment (however, [i] excludes the parts of subitems under "(C) Recognizability" and "(D) Summary" in each of the items of A to H; [ii] the subtitle of "(B) Distinctiveness" in each of the items of A to H shall be corrected to "(B) Distinctive features as individual factors"; [iii] the part "it is acknowledged/it can be acknowledged that there were distinctive features that are different from other products of the same type" in each (B) under A to C shall be corrected to "it is acknowledged that there were distinctive features as individual factors that provide basis for the distinctiveness of the Appellee's Product as a whole"; [iv] both of the part "not even all the evidence of the present case can provide basis for the distinctiveness to be considered a fact" in each (B) under D, and F to H, and the part "it should be said that the Form (E) of Plaintiff's Product cannot be acknowledged as having distinctive features that are different from other products of the same type, and there is no evidence to sufficiently acknowledge any fact that

provides basis for distinctiveness" in E (B) shall be corrected to "if the part alone is regarded independently, it cannot be said that the part has a form that is so distinctive, but it is understood that the combination of the part with other distinctive forms can be one of the factors that lead to the distinctiveness of the entire product").

(2) As described above, it is acknowledged that the Appellee's Product has prominent features that are different from other products of the same type, especially in the three respects of the Form (A) (yellow welt stitches), Form (B) (sole edge), and Form (C) (heel loop), and is strongly distinctive as an indicator of source. Furthermore, when these features are combined with the Forms (D) to (H), which cannot be considered as being so distinctive in form if regarded individually, and are observed as a whole, it can be said that Appellee's Product has prominent features that cannot be found at all in other products of the same type (boots).

In other words, it is acknowledged that the Appellee's Product, which has all of the above Forms (A) to (H), has so-called distinctiveness.

(3) On the other hand, the Appellant argues that there is nothing particularly individualistic or distinctive about a footwear product that produces the contrast of light and dark by the combination of dark welt, which includes black, with stitches of a light tone. Indeed, when only the form of "black welt, combined with stitches by light yellow yarn" is considered on its own, one can assume that such usage is common for parts of footwear products (welt, stitching yarn), and is merely arbitrary combination of ordinary colors. As such, granting distinctiveness based only on such factor is not reasonable, because it would mean granting excessive monopoly. Even if the contrast of black and light yellow has the effect of making welt stitches clearly visible, there are other footwear products that employ similar contrasts of light and dark, and such footwear products are common as claimed by the Appellant (Exhibits Otsu 32 and 33).

However, in the present case, the Appellee defines the Appellee's Product as "having all of the above Forms (A) through (H) that are claimed by the Appellee" ("List of Plaintiff's Products attached to the prior instance judgment"), and by arguing that the "overall form of the Appellee's Product which has all of these features is a well-known indication of goods or business" of the Appellee, builds on the claim pertaining to unfair competition as stipulated in Article 2, paragraph (1), item (i) of the Unfair Competition Act (lines 23 and 24 on page 15 of the prior instance judgment).

On the premise of this argument made by the Appellee, the present court considered whether or not the overall form of Appellee's Product, which has the

Forms (A) to (H), instead of just the yellow welt stitches (Form (A)), falls under an indication of goods or business, and, from this perspective, approved that the Appellee's Product has distinctiveness. As an argument that focuses only on the yellow welt stitches (Form (A)), the court can affirm Appellant's claim, but the Appellant's claim does not affect the aforementioned decision made by the present court.

(4) On that note, the court makes a remark on the decision made in the prior instance.

From among the forms which the Appellee's Product has, the court of prior instance addresses the yellow welt stitches (Form (A)) alone and determines that this feature falls under a well-known indication of goods or business. However, it must be said that this decision is against the adversary system, as criticized by the Appellant in the grounds of appeal. Of course, the Appellee states during the examination of the present court that the decision of prior instance is not different from the Appellee's claim, so that it is understood that such fault with the court of prior instance has been rectified, but as described above, the decision of the prior instance cannot be accepted as a substantive decision.

3. Whether or not Appellee's Product falls under a well-known indication of goods or business Part 2 (whether or not there is so-called distinctiveness)

(1) As described above in 1 "Findings", it is acknowledged that the "1460 8-Eye Boots", including the Appellee's Product, have been sold in Japan through Dr. Martens Japan, a Japanese subsidiary of the Appellee, since 1985 until the present, and that the sales channel includes 72 actual stores and an official online store operated by the company, as well as shoe retail chain, specialty boutiques, and other official stores, and that, in 2021 alone, almost 100,000 pairs of the "1460" series were sold and the sales amounted to over 1.4 billion yen, and that Dr. Martens Japan has continuously posted ads of "Dr. Martens" mostly in fashion magazines, including ads with photos of the Appellee's Product, and that the Appellee's Product has been repeatedly featured in magazines and other media, many of which contain comments such as "one look at the product tells you that the product is made by Dr. Martens because of the yellow welt stitches and the heel loop that has the company logo ... among other features" and "yellow stitches that can be called a signature design of Dr. Martens", which specifically refer to the Form (A), suggesting that this is the most prominent feature of Dr. Martens' boots.

Furthermore, a survey conducted at the request of the Appellee (Appellee's Survey) showed that, when "men and women who are aged 15 to 59 and living in Japan and who looked at leather shoes or boots at stores, on online shopping sites, and

in magazines, etc. or purchased leather shoes or boots during the past year" (response obtained from 1,019 individuals) were presented with the photograph of Appellee's Product and were asked which brand comes to their mind when they see products, which are leather shoes or boots having yellow stitches along the outer periphery of the shoes, as shown in the photograph, 30.7% (freestyle writing) to 37.6% (multiple-choice) of them responded that they recalled "Dr. Martens" (a finding pertaining to the citation mentioned earlier).

As such, the form of Appellee's Product, which has the Forms (A) to (C), has become widely recognized among consumers, and it is easily acknowledged that the form falls under a well-known indication of goods or business.

(2) On the other hand, in the Appellant's Survey, which targeted "men and women who are aged 15 to 69 and living in Japan", 5.47% of the respondents were able to recall "Dr. Martens" from the photograph that was presented in the survey (Exhibits Otsu 15 to 18). The Appellant argues that the result denies that the form of Appellee's Product is well-known, and that the result of the Appellant's Survey, which covered a wider range of general consumers of Appellant's Products and Appellee's Product as the target of the survey, should be adopted.

However, the Appellant's Survey did not present the overall form of Appellee's Product, but instead, asked questions by presenting a photograph showing a cutout of only a part that shows the welt, yellow welt stitches, and outsole (Exhibit Otsu 15-2 (page 2)). As such, it cannot be said that this is an appropriate method of questioning for the present case, in which the overall form of the Appellee's Product is at issue. As for the range of consumers, it should be said that it is appropriate to seek the affiliation of consumers as that of people who are interested in leather shoes or boots. In this regard, the Appellee's Survey seems to have narrowed down the target a little excessively (in particular, the requirement of "during the past year"), but it can be evaluated that the Appellee's Survey targeted people who are truer to the actual consumers compared to the Appellant's Survey.

Accordingly, the Appellant's claim that the court should adopt the result of the Appellant's Survey is groundless.

4. Similarity in form between Appellee's Product and Appellant's Products

(1) Appellee's Product is acknowledged as falling under a well-known indication of goods or business by having all the features of Forms (A) to (H). However, even if the suspected infringing product does not have all the aforementioned features, this does not mean that, leaving integrity aside, similarity is naturally denied. Upon determining similarity, the Form (A) (yellow welt stitches), which should be

considered the biggest feature of Appellee's Product, is a so-called "important part" and should be regarded with most emphasis. However, it is understood that the determination should be made holistically by giving consideration to other forms as well.

(2) Upon considering the matter from such point of view, it must be said that, in regard to Appellant's Product 1, it is acknowledged that evidence (Exhibit Ko 44) and the entire import of oral argument show that Appellant's Product 1 has all the features of Forms (A) to (H) of the Appellee's Product as identified above (under No. 3, 1 (1) B (from page 30) of the prior instance judgment pertaining to the citation) (refer to "Product Comparison Table 1" attached to the prior instance judgment). It must be said that Appellant's Product 1 is almost a dead copy of the Appellee's Product, and it is clear that the Appellant's Products and the Appellee's Product are similar in form.

Appellant makes various arguments as to the difference in the details in form between the Appellant's Product 1 and the Appellee's Product (such as the actual color of welt stitches being more like orange, and a part of the letters on a heel loop being unreadable due to being sewn), but what attracts the attention of consumers concerns the features of the Forms (A) to (H), as claimed by Appellee, and in particular, Form (A), so that it cannot be said that minor differences, on top of having all these features, affect the determination as to the similarity of the Appellant's Products and the Appellee's Product.

(3) Next, in regard to Appellant's Product 2, the parts other than the heel loop (Form (C)) are the same as Appellant's Product 1, but, whereas the heel loop of Appellee's Product has Appellee's mark sewn in like an embroidery, the heel loop of Appellant's Product 2 is different in that it uses a plain, blackish fabric, and that the length is approximately half of that of Appellee's Product.

However, in spite of such differences, the products have the basic form in common, with both products having a heel loop attached to the heel side of the ankle opening of the boots, with the heel loop standing upright, and the above differences are understood as being of a degree which is recognized as difference in minor designs found in products of the same series with different model numbers.

In addition to the above differences, upon comprehensively considering the matter in light of the fact that the Appellant's Product 2 has all of the features of Form (A), (B), and (D) to (H) of Appellee's Product, and that the Appellant's Product 2 and Appellee's Product have the common feature of yellow welt stitches (Form (A)), which is the most prominent feature of Appellee's Product in particular, it is acknowledged that the form of Appellant's Product 2 is also similar to the form of

Appellee's Product.

5. Whether or not confusion is caused in relation to Appellant's Products

Given that the indication of goods or business pertaining to the form of Appellee's Product, as identified above, is well-known, and that the form of such product is similar to the form of Appellant's Products, it is acknowledged that if the Appellant sells Appellant's Products, it would cause misunderstanding and confusion with the products of Appellee.

In response, the Appellant argues that [i] due to the difference in the prices of Appellant's Products and the Appellee's Product, there is a great difference in terms of buyers, and [ii] due to the difference between the Appellee's Product, which is seemingly made of good quality and good grade, and the Appellant's Products, which are made of cheap material and rough sewing, no confusion would be caused. However, since it must be said that not all consumers are aware of the difference in price as claimed by Appellant (the fact that authentic products of Appellee cannot be bought for around 5,000 yen per pair), and that consumers may not be able to accurately determine that the product (boots) which they intend to buy has the quality that is intrinsic to the Appellee's Product, the above argument made by the Appellant cannot be adopted.

6. Need for injunction and disposal

Based on what is described above, the sale of Appellant's Products by Appellant falls under unfair competition as stipulated in Article 2, paragraph (1), item(i) of the Unfair Competition Act, and it can be said that the sale resulted in the infringement of the Appellee's business interests. Accordingly, the Appellee may demand against the Appellant for an injunction against the sale, and an injunction against the exhibition for sale pursuant to Article 3, paragraph (1) of the same Act, as well as for disposal of the Appellant's Products pursuant to paragraph (2) of the same Article, respectively (the claims that are made pursuant to the Trademark Act, which are subject to elective joinder, do not require the court to make a decision).

No. 5 Conclusion

Based on the above, all claims made by the Appellee are reasonable, and the appeal of the present case, having no grounds, shall be dismissed. As such, the court renders a judgement as per the main text. Concerning the order for disposal of the Appellant's Products, the court determines that, since the case is not in the stage of the first instance, it is reasonable to issue a declaration for provisional execution at present.

Intellectual Property High Court, Fourth Division

Presiding Judge: MIYASAKA Masatoshi

Judge: IWAI Naoyuki

Judge: RAI Shinichi