

Decided on	May 29, 2008	Court	Intellectual Property High Court, Third Division
Case number	2007 (Gyo-Ke) 10215		
<p>- A case, with respect to a trademark application for mark consisting of steric shape of cola drinks containers, in which the JPO trial decision rejecting the said trademark was cancelled on the grounds that the product in question fell under the following description in the applicable law: “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”</p>			

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

On July 2, 2003, the plaintiff filed a trademark application for the sterically shaped trademark shown in the two photos below (hereinafter “the Trademark;” designated product is “Cola drinks” in Class 32). Since the Japan Patent Office (JPO) issued a trial decision to reject the application on February 6, 2007, the plaintiff sought cancellation of the trial decision.



JPO rejected the registration of the Trademark because ① the Trademark fell under the description in Article 3, paragraph (1), item (iii) of the Trademark Act because it consisted only of a mark using regular methods to show the shape of goods; and ② the Trademark could not be considered as properly making the relevant product distinguishable from others and therefore did not satisfy the requirements specified in Article 3, paragraph (2) of the Act.

The plaintiff insisted that both of the above reasons in the trial decision were flawed.

As explained below, the court cancelled the trial decision on the grounds that the reason ② mentioned above had a flaw although ① did not.

1 Discussion on whether the Trademark falls under the description in Article 3, paragraph (1), item (iii) of the Trademark Act

Viewed objectively as of the time of the trial decision, the steric shape of the Trademark may be deemed as being designed to functionally or aesthetically improve cola drinks containers. It may also be considered as not going beyond what a consumer expects a cola drinks container to look like. For this reason, the trial decision that the Trademark falls under the description in Article 3, paragraph (1), item (iii) of the Trademark Act because it consists only of a mark using, in a common manner, the shape of the goods is not flawed.

2 Discussion on whether the Trademark falls under the description in Article 3, paragraph (2) of the Trademark Act

(1) The Trademark falls under the description in Article 3, paragraph (1), item (iii) of the Trademark Act. As explained below, however, it can be construed as falling under the following statement: 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. For this reason, the Trademark may be registered in accordance with Article 3, paragraph (2) of the Trademark Act.

(2) The following facts are recognizable concerning “Coca-Cola” (hereinafter “the Plaintiff’s product”), a cola drinks product pertaining to the plaintiff’s business.

① Containers (bottles) of the Plaintiff’s product are divided into those collected and reused (“Returnable bottles”) and those not designed for reuse (“One-way bottles”). Using bottles that are shaped almost identically to the current Returnable bottles, the Plaintiff’s product went on sale in the United States in 1916. Shortly after its launch, the unique and characteristic shape of the bottle gained a reputation. Furthermore, in Japan the Plaintiff’s product has kept the same shape for its Returnable bottles since its launch in 1957.

② The Plaintiff’s product contained in Returnable bottles had sold tremendously since its launch. In particular, more than 2.38 billion bottles were sold in 1971. As the ratio of sales of canned and plastic bottle-contained cola drinks rose, 96 million bottles have been sold annually despite a decline in sales of these products.

③ For media expenses alone, since 1997 an average of three billion yen has annually been appropriated to the advertisements, including those of the Plaintiff’s product

contained in Returnable bottles. Advertisements of the Plaintiff's product contained in Returnable bottles on TV, newspapers, magazines and other media have been designed to impress consumers with the shape of their bottles.

After cola drinks in cans and plastic bottles were launched and began to account for a higher percentage of sales, the shape of the Plaintiff's product contained in Returnable bottles appeared on broadcasting and other advertising media, apparently for the purpose of making the shape function as an identifier of the origin of the cola drinks pertaining to marketing activities of the plaintiff.

④ In a survey in which respondents are given a colorless container of the same steric shape as that of the Trademark, 60-80% of the respondents said it contained coca cola.

⑤ A considerable number of specialists say that the shape of the Returnable bottles is a typical example of an element distinguishing between different products. Furthermore, numerous books on the history, episodes, specificity of shape and other elements of the Plaintiff's product contained in Returnable bottles have been published.

⑥ No beverage using containers with the steric shape characteristic of the Trademark currently exists in the market. Furthermore, the plaintiff has taken a stern attitude whenever it found a third party using containers of a similar shape as that of the Returnable bottles or using a design of a container having the characteristics of the Returnable bottles. The plaintiff was successful in stopping the use of such containers.

⑦ The shape of the Plaintiff's product contained in Returnable bottles is designed to be recognized as the brand symbol.

The Plaintiff's product contained in Returnable bottles has sold tremendously since its launch in Japan in 1957. Since then it has been marketed for a long time without changes being made to the bottle shape. Advertisements of the product have consistently been designed to impress the target with the bottle shape. Until the time of the trial decision, the steric shape of the Plaintiff's product contained in Returnable bottles could be considered as being recognized by consumers as distinguishing the Plaintiff's product from other companies' products.

(3) The Returnable bottles and the Trademark differ in the flatness of the surface marked with the "Coca-Cola" logo etc. and in the shape of their mouths. As explained below, however, the above difference cannot be grounds to deny that the Trademark falls under Article 3, paragraph (2) of the Trademark Act.

A) The Plaintiff's product contained in Returnable bottles and the

advertisements featuring the product carry indications such as “Coca-Cola.” Considering the facts explained in ① or ⑦ in (2) above, however, the steric shape of the Returnable bottles has become very distinctive compared with other products. This fact is not deemed as denying an acknowledgment that the shape of the Trademark functions sufficiently in distinguishing between the Plaintiff’s product and other products.

B) The steric shape of the Returnable bottles and the Trademark differ in that the former has the mouth for the crown while the latter has the mouth for a screw cap. However, the shape of the mouth is directly linked to the function of the product and is quite common. So it cannot be considered to be a characteristic part of the Trademark or having any particular aspect that would make consumers distinguish between the Plaintiff’s product and other products. As mentioned above, the steric shape of the Returnable bottles has become very distinctive compared with other products. Therefore, an acknowledgment that the shape of the Trademark functions sufficiently in distinguishing between the Plaintiff’s product and other products cannot be denied.

(4) As explained above, the Trademark should be deemed as successfully achieving distinction from other products because of the use of Returnable bottles in the Plaintiff’s product. So it should be construed as deserving to become a registered trademark in accordance with Article 3, paragraph (2) of the Trademark Act. Therefore, the trial decision that the Trademark does not fall under Article 3, paragraph (2) of the Trademark Act is flawed.

Judgment rendered on May 29, 2008

2007 (Gyo-Ke) 10215 Case of Seeking Rescission of JPO Decision

Date of conclusion of oral argument: March 13, 2008

Judgment

Plaintiff: The Coca-Cola Company

Defendant: Commissioner of the Japan Patent Office

Main text

1. The JPO decision made on February 6, 2007, concerning Trial against Examiner's Decision of Refusal No. 2005-1651 shall be rescinded.
2. The defendant shall bear the court costs.

Facts and reasons

No. 1 Claims

The same as stated in paragraph 1 of the main text above.

No. 2 Facts undisputed by the parties

1. Developments in procedures at the JPO

On July 2, 2003, the plaintiff filed a trademark registration application (Trademark Application No. 2003-55134; the "Application") for a three-dimensional trademark (the "Trademark") having such configuration as shown in the attached Trademark List for the designated goods, Class 32 "Beer, carbonated drinks [refreshing beverages], fruit juices, extracts of hops for making beer, whey beverages, vegetable juices [beverages]." However, the Plaintiff received an examiner's decision of refusal dated October 22, 2004. Dissatisfied with this decision, the plaintiff requested a trial (Trial against Examiner's Decision of Refusal No. 2005-1651) and made an amendment of procedures by changing the designated goods to Class 32 "Cola drinks." On February 6, 2007, the JPO made a decision that "This request for a trial is unacceptable" (Additional 90-day period was granted; the "JPO decision"). A certified copy of the JPO decision was served on the plaintiff on February 20, 2007.

2. Grounds for the JPO decision

The grounds for the JPO decision are as stated in the attached copy of the JPO decision. In short, the Trademark should be considered to be a trademark consisting solely of a mark that has a shape commonly used for goods, packages of goods, or articles used for the purpose of providing services (collectively referred to as "goods, etc." in some cases). Thus, the Trademark can be considered to fall under Article 3, paragraph (1), item (iii) of

the Trademark Act. Moreover, since the Trademark itself cannot be considered to have acquired the function to distinguish one's goods from those of others, the Trademark cannot be considered to have satisfied the requirement specified in Article 3, paragraph (2) of said Act.

(omitted)

No. 4 Court decision

1. Grounds for Rescission 1 (Error in the determination about the applicability of Article 3, paragraph (1), item (iii) of the Trademark Act)

(1) Shape of goods in the case of a three-dimensional trademark

A. The Trademark Act specifies that a three-dimensional shape (including characters, figures, signs or colors or any combination thereof) can be registered as a trademark as long as it satisfies the necessary requirements (Article 2, paragraph (1) and Article 5, paragraph (2) of the Trademark Act).

Article 3, paragraph (1), item (iii) of the Trademark Act specifies that any trademark that "consists solely of a mark indicating, in a regular manner, in the case of goods, the place of origin, place of sale, quality, raw materials, efficacy, intended purpose, quantity, shape (including shape of packages), price, or the method or features including 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, modes, price, or the method or features including time, quantity or price of provision" cannot be registered. Paragraph (2) of said Article 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 any trademark that "consists solely of a three-dimensional shape that is the shape of goods or a package of goods and is indispensable for ensuring the function of the goods or the package of goods" cannot be registered as a trademark notwithstanding Article 3 of said Act. Article 26, paragraph (1), item (v) of said Act specifies that a trademark right shall have no effect on any trademark that "consists solely of a three-dimensional shape of goods or package of goods that is indispensable for ensuring the function of the goods or the package of goods."

In this way, the Trademark Act uses, without any modification, the general principle applicable to two-dimensional trademarks in order to determine the registrability of a three-dimensional shape of goods, etc. In light of the fact that Article 4, paragraph (1),

item (xviii) of said Act specifies that any trademark that consists solely of a three-dimensional shape of goods or package of goods that is indispensable for ensuring the function of the goods or the package cannot be registered and precludes the application of Article 3, paragraph (2) of said Act, it can be interpreted that the provisions of the Trademark Act concerning the three-dimensional shapes of goods, etc. prohibit any person from monopolizing a three-dimensional shape that is indispensable for ensuring the function of goods, etc.

Therefore, in the case of a shape that cannot be considered to be indispensable for ensuring the function of goods, etc., even if such shape has been chosen to facilitate the execution of the function of the goods, etc. or enhance the aesthetic quality of the goods, etc., as long as the shape is used as a mark to indicate the source of goods or services and distinguish one's goods or services from those of others, the registrability of the shape as a three-dimensional trademark should not be denied completely (As mentioned in B below, in order to recognize that the shape has the source-identifying function, the shape must fulfill strict criteria). As a result of use of a three-dimensional trademark, if the shape of the trademark has acquired the function to distinguish one's goods from those of others, there should be no problem in recognizing the registrability of the shape as a trademark.

B. Based on the facts mentioned above, the next section examines the applicability of Article 3, paragraph (1), item (iii) of the Trademark Act to a three-dimensional shape of goods, etc. in the case of three-dimensional trademarks.

(A) The shape of goods is often used to facilitate the execution of the function that the goods, etc. is expected to perform or to enhance the aesthetic quality of the goods. It is rather rare to use the shape of goods, etc. as a mark to indicate the source of goods or services and distinguish one's goods or services from those of others. In short, in many cases, from the perspective of the producers and suppliers of goods, etc., it is usually unlikely to choose the shape of the goods, etc. that has the source-indicating function or the function to distinguish one's goods from those of others, in other words, the function as a trademark. From the perspective of consumers, who look at the shape of goods, etc., they are likely to interpret that, unlike two-dimensional marks consisting of characters, figures, signs, etc., the shape of the goods, etc. was chosen not to indicate the source of the goods, etc., but to enhance the function and aesthetic quality of the goods, etc.

Thus, it can be said that the shape of goods, etc. is chosen for the purpose of enhancing the function and aesthetic quality of the goods, etc. in many cases. It is reasonable to interpret that any shape that is chosen for such purpose, objectively speaking, should be considered to fall under said item as a trademark consisting solely of a mark that uses the shape of goods, etc. in a regular manner and falls under said item unless there are special

circumstances.

(B) While the specific shape of goods, etc. is chosen for the purpose of enhancing the function and aesthetic quality of the goods, etc., there is usually a certain range of options to choose from despite the limitations imposed in light of the purpose, nature, etc. of the goods. However, if the chosen shape is one of the options that could be chosen for similar goods, etc. for the purpose of enhancing the function or aesthetic quality of the goods, etc., such shape should be considered to have been chosen for the purpose of enhancing the function or aesthetic quality of the goods, etc. and should therefore be considered to fall under said item even if the shape has certain characteristics.

However, such shape chosen for the purpose of enhancing the function or aesthetic quality of goods, etc. is likely to be preferred by other persons who are engaged in the business of handling similar goods, etc. Thus, from the perspective of public interest, it is inappropriate to allow a certain person to monopolize said shape just because that person was the first to file a trademark application.

(C) Even in the case of an innovative shape of goods, etc. that is beyond expectation of consumers, if such shape was chosen solely for the purpose of enhancing the function of the goods, etc., such shape should be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act in consideration of the objective of Article 4, paragraph (1), item (xviii) of the Trademark Act.

If a shape of goods, etc. is unique and cannot be found among similar goods, etc., for example, if the shape satisfies the requirements specified in the Patent Act or the Utility Model Act, it could be protected by an exclusive right as an invention or a device from the perspective of the function of the goods, etc., and if the shape satisfies the requirements specified in the Design Act, it could be protected by an exclusive right as a design from the perspective of the aesthetic quality of the goods, etc. In the case of a shape of goods, etc. that could be protected under any of these Acts, if the shape is protected by a trademark right, it would allow a certain person to monopolize the shape semi-permanently, in other words, after the expiration of the protection period specified in the Patent Act, the Design Act, etc. This is because a trademark right can be renewed repeatedly and held semi-permanently. Such semi-permanent monopolization would impose an unreasonable restriction on fair competition and would be against the public interest.

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

A. Composition of the Trademark

(A) Three-dimensional shape

The Trademark has such composition as presented in the attached "Trademark List" (Exhibit Ko 70). According to this list, the Trademark consists of a three-dimensional shape of the container (packaging container) of the designated goods "Cola drinks" as specified in the Application. The shape has the following characteristics (these characteristics shall be individually referred to as "Characteristic (a)," etc.).

- (a) A container having a vertically long shape with a round bottom and a narrow mouth part on top with the screw cap off;
- (b) A container having a rather long neck below the mouth part and that gradually gets thicker from the top part to the bottom part, while forming a narrowed portion at the level elevated from the bottom by about one fifth of the entire length of the shape;
- (c) The part below the narrowed portion has a trapezoidal shape extending toward the bottom;
- (d) Around the middle part of the shape, a flat label section is made, occupying about one fifth of the entire length of the bottle;
- (e) Ten bulging columns are vertically aligned in parallel from around the label area toward the bottom excluding the label part;
- (f) Above the label part, ten bulging columns are vertically aligned in parallel as described above in such way that those bulging columns gradually disappear as they extend toward the top.

(B) Color

In the JPO decision, the JPO found the Trademark as having "greenish translucent" color (JPO decision, line 7, page 3). The defendant alleged that the Trademark has "greenish white translucent" color.

According to the two photographs (image data) presented in the application form of the Application (Exhibit Ko 70), the container may look slightly greenish.

However, based on a comprehensive evaluation of the facts that, in general, an edge of transparent, colorless glass sometimes looks greenish depending on the lighting, that the subject of the photographs presented in the application form of the Application can be considered to be transparent and colorless (the entire import of the oral argument), and that the aforementioned photographs show some parts of the container greener than other parts, more specifically, the edge of the container such as the bottom (thick part) looks relatively greener, while some other parts such as bulging columns look white, the aforementioned photographs can be considered to express the three-dimensional shape of a transparent, colorless container as clearly as possible by using a black background and adjusting brightness and lighting in order to enhance the contrast. In other words, it should be said that the aforementioned photographs do not try to specify the color of the container

as green, but, rather, try to specify the configuration (three-dimensional shape) of the Trademark.

B. Facts found by the court

According to the evidence (Exhibits Ko 2, Otsu 2-1 to 2-17) and the entire import of the oral argument, it can be found that the containers used for drinks such as soft drinks including the designated goods "Cola drinks" stated in the Application, tea beverages, coffee beverages, and mineral water tend to [i] have a mouth that is narrower than other parts of the container, a round bottom, and a vertically long shape, [ii] carry a label showing characters, etc., [iii] have a narrow or bulging part or show a pattern on the surface, and [iv] have a mouth that is shaped in accordance to the cap type (screw cap, crown cork, etc.).

C. Determination

According to the information presented in A and B above, regarding the three-dimensional shape of the Trademark described in A (A) above, the following can be found. Characteristic (a) is a basic shape of a container for holding and releasing liquid Cola drinks. The shape of the mouth part is designed to allow the execution of the function of screwing the cap on and off. Characteristics (b) and (c) make it easy to hold the container and give an aesthetic quality to the outline of the container. Characteristic (d) maintains the aesthetic quality of the container and makes it easier to affix a label. Characteristics (e) and (f) give an aesthetic quality to the outline of the container. The three-dimensional shape of the Trademark cannot be considered to significantly go beyond possible combinations of such characteristics as described in B [i] to [iv] above, which are commonly adopted for drink containers.

Thus, as of the time of the JPO decision (February 6, 2007), the three-dimensional shape of the Trademark can be objectively considered to have been chosen for the purpose of effectively enhancing the function and aesthetic quality of the container of Cola drinks. The three-dimensional shape of the Trademark should be considered to be within the scope of options predictable for consumers.

D. Plaintiff's allegations

(A) The plaintiff alleged that the distinctive shape of the Trademark is an innovative shape developed and adopted by the plaintiff not only to enhance the function and aesthetic quality, but also to give the shape the function to distinguish one's goods from those of others and that, from the technical perspective and the functional perspective, the shape should not be easily adopted by competitors.

However, even if the plaintiff adopted the shape of the Trademark, subjectively speaking, not for the purpose of enhancing the function and aesthetic quality but with the

aim of giving the shape the function to distinguish one's goods from those of others, it would not affect the court determination concerning the objective characteristics of the three-dimensional shape of the Trademark. A determination as to whether the shape is innovative and beyond the prediction of consumers should be made not as of the time of the adoption of the shape by the plaintiff but as of the time of the JPO decision. Even if none of the plaintiff's competitors actually adopted the shape, it does not necessarily mean that the shape is beyond the scope of predictable options. Therefore, the aforementioned plaintiff's allegation is unreasonable.

(B) The plaintiff also alleged that the competitors allow the plaintiff to monopolize the three-dimensional shape of the Trademark in practice.

However, even if there are no third parties other than the plaintiff who want to use the three-dimensional shape of the Trademark as of today, it doesn't necessarily mean that the monopolization of the shape does not go against the public interest. Thus, the aforementioned plaintiff's allegation is unreasonable.

(3) Summary

On these grounds, it can be said that there is no error in the JPO's determination to the effect that the Trademark can be considered to consist solely of a mark using the shape of goods, etc. in a regular manner and can be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act. Thus, Grounds for Rescission 1 alleged by the plaintiff are groundless.

2. Grounds for Rescission 2 (Error in the determination about the applicability of Article 3, paragraph (2) of the Trademark Act)

(1) Function of the three-dimensional trademark to distinguish one's goods from those of others acquired through use

As described in 1, (1), A above, Article 3, paragraph (2) of the Trademark Act specifies that, even in the case of a trademark that falls under paragraph (1), item (iii) of said Article as a trademark that consists solely of a mark using the shape of goods, etc. in a regular manner, if the trademark has acquired the function to distinguish one's goods from those of others, the trademark would be registrable (excluding any trademark that consists solely of a three-dimensional shape that is indispensable to ensure the execution of the function of goods or a package of goods; Article 4, paragraph (1), item (xviii) of said Act).

A determination as to whether a trademark having a three-dimensional shape has acquired the function to distinguish one's goods from those of others should be made based on a comprehensive evaluation of various factors such as the shape of the trademark or the goods, etc., the use commencement date and the use period, the use area, the sales

volume of the goods, the period, area, and scale of advertisement, and the existence or nonexistence of other goods, etc. that have a similar shape.

In principle, the shape of the trademark claimed in the application should be identical, in substance, with the shape of the trademark or goods, etc. in use. The designated goods claimed in the application should cover the goods in use.

Needless to say, goods, etc. in the case of goods, etc. that have been manufactured, sold, or otherwise handled continuously, it is common for the goods, etc. to carry the name of the manufacturing company, etc., or a mark consisting of signs or characters, etc. It is also common to change the shape of the goods, etc. in order to maintain the quality or functions to reflect the technical advancement and the changes in social environment and business practices. Under these circumstances, it would be unreasonable to simplistically conclude that a trademark in use cannot acquire the function to distinguish one's goods from those of others just because a three-dimensional shape of goods, etc. in use carries the name of the company, etc., signs, or characters or underwent a slight change of the shape. In order to determine whether a three-dimensional shape has independently acquired the function to distinguish one's goods from those of others, it is necessary to make a comprehensive evaluation as to whether the three-dimensional shape attracts consumers' attention and gives a strong impression despite the facts that the trademark or goods, etc. in use carry the name of the company or the mark and that there are slight differences in the shape.

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

From the perspective mentioned above, the following section determines whether the Trademark has acquired the function to distinguish one's goods from those of others through use. An examination and determination are made below, first, concerning "Manner of use of the trademark in use" and then concerning "Comparison between the trademark in use and the Trademark."

A. Facts found by the court

(A) Adoption of the shape of the returnable bottle

In 1915, in the U.S., the plaintiff devised a bottle that is almost identical with the current returnable bottle in terms of shape and started selling the plaintiff's goods by use of the bottle from 1916 (Exhibits Ko 33, 35, 36 to 40, 71 to 73).

While the origin of the shape of the bottle of the plaintiff's goods is not necessarily clear, it is anecdotally said that the shape emulates the shape of a "hobble skirt," which was very popular in the 1910s (the shape of a dress or skirt that is tight around the waist and extremely narrow around the knees) and that this shape was created with the intention of making Coca-Cola distinguishable by touch even in the darkness.

As mentioned above, in 1916, the plaintiff started selling the plaintiff's goods in the U.S. by use of a bottle that is identical with the returnable bottle in terms of shape. At that time, the aforementioned shape of the bottle of the plaintiff's goods was considered to be unique and distinctive, and became a topic of discussions (Exhibits Ko 36 to 40, 71 to 73). Subsequently, the aforementioned shape of the bottles of the plaintiff's goods was called "contour bottle," "hobble skirt bottle," etc. (Exhibits Ko 1, 4, 6, 36 to 40).

(B) Sales of the plaintiff's goods in Japan

In Japan, Coca-Cola (Japan) Company, Limited, which is a 100% subsidiary of the plaintiff, started making preparations for manufacturing and selling the plaintiff's goods in 1957. Said company started to have a bottler, Tokyo Coca-Cola Bottling Co., Ltd., manufacture and sell the plaintiff's goods packaged in the returnable bottle in Tokyo in 1957 (Exhibits Ko 71, 86). In 1960, two companies were established, namely Kinki Inryo Kabushiki Kaisha in charge of Osaka-fu, Kyoto-fu, and Hyogo Prefecture and Nichibeï Inryo Co., Ltd. in charge of Fukuoka Prefecture, Saga Prefecture, and Nagasaki Prefecture. These companies started selling the plaintiff's goods in the aforementioned prefectures. Subsequently, more bottlers were established in other regions. By 1963, the sale of the plaintiff's goods packaged in the returnable bottle had spread throughout Japan. Since the commencement of manufacturing and sale of the plaintiff's goods packaged in the returnable bottle in 1957, those products have been on sale until today for half a century. The returnable bottle exhibits all of the characteristics of the Trademark, namely, Characteristic (a) (except for the fact that the mouth part with the screw cap off was formed) to Characteristic (f).

(C) Sales volume, etc. of the plaintiff's goods packaged in the returnable bottle

The plaintiff's goods packaged in the returnable bottle achieved record sales in the field of soft drinks. When the manufacturing and sale of the plaintiff's goods were commenced in Japan in 1957, the annual sales volume was only 400,000 cases. The sales volume exceeded one million cases (24 million bottles) in 1961 and 99.51 million cases (2.38833 billion bottles) in 1971. Subsequently, with an increase in the ratio of the plaintiff's goods packaged in an aluminum or steel can or plastic bottle, the sales volume of the plaintiff's goods packaged in the returnable bottle decreased gradually. However, the annual sales volumes of the plaintiff's goods packaged in the returnable bottle stayed at around four million cases (96 million bottles) (Exhibits Ko 8, 41, 86).

(D) Advertisement of the plaintiff's goods packaged in the returnable bottle

The plaintiff and Coca-Cola (Japan) Company, Limited started large scale advertisement activities for the plaintiff's goods packaged in the returnable bottle in 1961. Since then, the two companies have invested a large amount of money in advertisement

and repeatedly placed advertisements in newspapers and magazines and broadcast commercials on TV and radio over a long period of time. In this way, the two companies continued their advertisement activities in order to give consumers a strong impression about the shape of the returnable bottle.

In other words, when they started large scale advertisement activities, they also started using catchphrases, placing advertisements in newspapers and magazines, and broadcasting commercials on TV, etc. repeatedly. In each year for ten years from 1997, as much as three billion yen was spent to cover the advertisement production costs and the so-called medium costs, i.e., the costs for broadcasting commercials on TV and the costs of placing advertisements in newspapers, magazines, etc. excluding the costs for using entertainers in advertisements (Exhibit Ko 91). In these activities, advertisements were designed to give consumers a strong impression about the shape of the plaintiff's goods packaged in the returnable bottle. For example, the plaintiff's goods packaged in the returnable bottles were held by the persons appearing in some advertisements, and the images of the plaintiff's goods packaged in the returnable bottle were broadcast or published in other advertisements (Exhibits Ko 9, 43, 64).

With an increase in the ratio of the plaintiff's goods packaged in an aluminum or steel can or plastic bottle, the sales volume of the plaintiff's goods packaged in the returnable bottle decreased gradually. Despite this tendency, the plaintiff continued placing advertisements designed to give consumers a strong impression about the shape of the returnable bottle by showing those bottles in the advertisements (Exhibits Ko 91, 92, 96).

Since the plaintiff continued placing advertisements designed to use the shape of the plaintiff's goods packaged in the returnable bottle as an identifier of the source of the goods, the shape of the plaintiff's goods packaged in the returnable bottle came to be recognized as a "brand symbol" itself (Exhibit Ko 77). It became widely recognized and interpreted that "Since it is closely related to the identity of the brand, the shape of the bottle alone is enough for consumers to recognize the goods as Coca-Cola around the world (even without the product name)" (Exhibit Ko 79) and "The bottle is always associated with the content of the drink 'Coca-Cola,' guaranteeing the consistency and the source of the product" (Exhibit Ko 87) (Exhibits Ko 9, 43 to 55, 64, 85, 91 to 94, 96, 114).

(E) Results of the surveys on the source-identifying function of a three-dimensional transparent bottle that is identical with the Trademark

According to the results of multiple surveys conducted by specialized companies upon request of the plaintiff, as described below, about 90% of the respondents (91% of the respondents in the first survey as described below, 93.7% of the respondents [CLT survey], or 89.4% [web survey] in the second survey as described below) who were

presented with the three-dimensional transparent container that is identical with the Trademark (without any two-dimensional marks such as characters) answered that "They have seen the container." About 60 to 80% of the respondents (81% of the respondents in the first survey as described below, 73.3% of the respondents [CLT survey] or 60.3% [web survey] in the second survey as described below) answered that its product name is "Coca-Cola."

a. First survey

In January 2003, the plaintiff asked a company specialized in social surveys to conduct a brand association survey (First survey) by using a bottle that is identical with the Trademark in terms of shape. More specifically, it was a CLT survey (a survey in which randomly chosen respondents fill out a questionnaire in a booth established in a city). In the survey, the respondents were presented with three types of containers in the order as follows: [a] a transparent container that has a three-dimensional shape identical with the Trademark, [b] a colored container that has a three-dimensional shape identical with the Trademark (except for the mouth part), and [c] a container carrying a trademark consisting of characters, specifically, a container that has a three-dimensional shape identical with the Trademark carrying a trademark consisting of horizontally written characters "Coca-Cola." The respondents were asked two questions: [i] whether they have seen any drink product that has the same shape as the container that is presented to them (Question 1) and [ii] whether they know the product name of that drink (Question 2) (Survey period: January 26 to 28, 2003; Venue: Questionnaire survey conducted in Tokyo and Osaka; Respondents: 200 men and women in total from the age of 20 to 59 [100 respondents in Tokyo and Osaka respectively]) (Exhibit Ko 26).

The results of the first survey are as follows. In response to Question 1, 91% of the respondents who were presented with a transparent container said "I have seen it," while 98% of the respondents who were presented with a container carrying a trademark consisting of characters said "I have seen it." In response to Question 2, 81% of the respondents who were presented with a transparent container answered "Coca-Cola," while 97.5% of the respondents who were presented with a container carrying a trademark consisting of characters answered "Coca-Cola." The difference between the container with and without a trademark consisting of characters was 7% for Question 1 and 16.5% for Question 2.

b. Second survey

In April 2003, the plaintiff asked another company specialized in social surveys to conduct a brand association survey (Second survey) that is larger than the first survey in scale, etc. by using a bottle that has a shape identical with the shape of the Trademark.

This survey consisted of [a] a CLT survey (on a total of 300 men and women aged 15 or older) conducted in Tokyo and Osaka and [b] an online survey (on a total of 1,200 men and women aged 15 or older throughout Japan who had been registered as candidate respondents and received email with a link to the URL of a website where they were requested to answer questions) (Exhibits Ko 102, 103).

In the CLT survey, the respondents were presented with a container that has the same shape as the shape of the Trademark and were asked whether they have seen any goods that have the same shape (Question 1'). 93.7% of the respondents said "I have seen it." Then, the respondents were asked whether they know the name of the product that has such shape (Question 2'), 73.3% of the respondents said "Coca-Cola" (Exhibit Ko 102). In the online survey, the respondents were presented with an image of a container that has the shape identical with the shape of the Trademark. In response to Question 1', 89.4% of them answered "I have seen it." In response to Question 2', 60.3% of them answered "Coca-Cola" (Exhibit Ko 103).

c. Regarding this point, the defendant alleged that the first survey conducted by the plaintiff was inappropriate because no people aged sixty or older or younger than twenty were included in the respondents. However, in light of the facts that, in the case of the designated goods stated in the Application "Cola drinks," the ratio of the number of the consumers aged 60 or older to the total number of consumers cannot be considered to be particularly high and that, according to the results of the second survey, while the ratio of the number of respondents in their teens who answered that the product name is "Coca-Cola" is slightly lower than the overall average, 60 to 70% of the respondents answered that the product name is "Coca-Cola," the selection of the respondents of the first survey cannot be considered to be inappropriate.

d. The aforementioned results indicate the following. The three-dimensional shape of the Trademark functions as a source identifier regardless of the fact that the three-dimensional shape of the Trademark is different from the shape of the returnable bottle in terms of the shape of the mouth part. It cannot go so far as to say that the flat part to carry a mark containing characters "Coca-Cola," etc. is indispensable for indicating the source of the goods, in addition to the three-dimensional shape. The distinctive parts of the three-dimensional shape of the Trademark give a strong, unforgettable impression to consumers.

(F) Recognition of the shape of the returnable bottle

Many specialized books, general books, etc. refer to the shape of the returnable bottle as a typical case where a three-dimensional shape of goods has the function to distinguish one's goods from those of others. Those books, etc. include [i] a booklet titled "Shouhyouhou no kaisei ni tsuite" (Regarding amendments to the Trademark Act)

prepared and distributed by the Japan Patent Attorneys Association that contains a statement that "a three-dimensional shape of a trademark such as the bottle of a soft drink (Photograph 2) sufficiently functions as a source identifier" accompanied by a photograph to show the shape of the returnable bottle in the section titled "Introduction to three-dimensional trademarks," [ii] "Shin chukai 'Fusei kyousou boushi hou'" (New annotated Unfair Competition Prevention Act) (edited by Shoen Ono, published by Seirin Shoin) that contains a statement that "If a configuration of goods such as the Coca-Cola bottle has acquired a secondary meaning and started functioning as a source identifier, such shape should be protected ... under Article 1, paragraph (1), item (i) of the former Unfair Competition Prevention Act as a widely known indication specified in said Act against an act of imitating such widely known configuration of goods" and [iii] The 12th edition of "Pari jouyaku kouwa" (Lectures on the Paris Convention) (authored by Haruo Goto, published by the Japan Institute of Invention and Innovation) contains a statement that "One of the typical three-dimensional trademarks is the widely known Coca-Cola bottle" (Exhibits Ko 17 to 24, 106, 108).

Many books, magazines, etc. that explain the history, episodes, the characteristics of the shape, etc. of the returnable bottle of the plaintiff's goods have been published and introduced. It can be said that the shape of the returnable bottle of the plaintiff's goods has become widely known in society in general through such media as an indicator of the plaintiff as the source of the goods (Exhibits Ko 37 to 40, 79, 80, 107).

Furthermore, other soft drink makers in Japan have accepted and respected the fact that the plaintiff is entitled to exclusively use the Trademark (Exhibits Ko 82 to 84).

(G) Distribution of other companies' goods that have a shape similar to the returnable bottle

As of today, in the market, there are no containers like the returnable bottle that have all of Characteristic (a) (except for the fact that the mouth part with the screw cap off was formed) to Characteristic (f) and no soft drinks packaged in a container like a one-way bottle that has all of Characteristic (a) to Characteristic (f) other than the plaintiff's product.

When detecting a third party's act of using any container that has a shape similar to the returnable bottle or using an image of a container that has the same characteristics as those of the returnable bottle, the plaintiff took a strict stance and stopped the third party's act (Exhibits Ko 128, 129, 118, 119).

For example, [i] In 2001, the plaintiff detected a company's act of manufacturing and selling a soft drink packaged in a container that is similar to the returnable bottle of the plaintiff's goods. The plaintiff sent the company a warning dated April 4, 2001, demanding suspension of the manufacturing and sale of the product and received from

the company a written reply dated April 11, 2001 to the effect that the company would close the manufacturing factory and suspend the manufacturing and sale of the product, and promised to collect and destroy empty bottles. [ii] In 2007, the plaintiff detected a design advertising company's act of using a design that is similar to or could be associated with the returnable bottle of the plaintiff's goods and sent a warning. In response to the plaintiff's request, the advertisement company confirmed the fact that they used the design without the plaintiff's consent and prepared and publicized a document titled "Apologies" to apologize to the plaintiff.

As a result of such strict management policy of the plaintiff toward the use of a container similar to the returnable bottle of the plaintiff's goods, no soft drinks other than the plaintiff's goods have been marketed in Japan by using a container (bottle) that has the three-dimensional shape of the returnable bottle (Exhibits Ko 128, 129).

(H) Sales of the plaintiff's goods packaged in a one-way bottle

In the soft drink industry, with the decrease in the market superiority of returnable bottles due to changes in the consumers' preference and life style, the marketing style, the transportation method, the collection costs, etc., returnable bottles have been replaced with one-way bottles.

In around 1994, the plaintiff started selling the plaintiff's goods packaged in a one-way bottle. Since then, the sales volume has fluctuated drastically. The sales volume was 599,321 cases (about 14.4 million bottles) in 1994. No sales volume was recorded in 1999. The sales volume was 1,098,176 cases (about 26.36 million bottles) in 2001. Then, the sales volume gradually decreased and reached 212,458 cases (about 5.1 million bottles) in 2006 (Exhibit Ko 126).

(While the three-dimensional shape of the one-way bottle has all of Characteristic (a) to Characteristic (f) of the Trademark, it can be interpreted that, in this lawsuit, the plaintiff did not allege that the shape of the plaintiff's goods packaged in the one-way bottle is the trademark used by the plaintiff.)

As found in (D) above, even after starting the sale of the plaintiff's goods packaged in a one-way bottle, the plaintiff continued using the plaintiff's goods packaged in the returnable bottle in order to give consumers a strong impression about the shape of the returnable bottle (Exhibits Ko 91, 92, 96).

(I) Comparison between the Trademark and the shape of the plaintiff's goods packaged in the returnable bottle

The trademark used by the plaintiff (the shape of the plaintiff's goods packaged in the returnable bottle) has all of Characteristic (a) (except for the fact that the mouth part with the screw cap off was formed) to Characteristic (f) of the Trademark, more specifically,

"(a) A container having a vertically long shape with a round bottom and a narrow mouth part on top...," "(b) A container having a rather long neck below the mouth part and that gradually gets thicker from the top part to the bottom part, while forming a narrowed portion at the level higher from the bottom by about one fifth of the entire length of the shape," "(c) The part below the narrowed portion has a trapezoidal shape extending toward the bottom," "(d) Around the middle part of the shape, a flat label section is made, occupying about one fifth of the entire length of the bottle," "(e) Ten bulging columns are vertically aligned in parallel from around the label area toward the bottom excluding the label part," and "(f) Above the label part, ten bulging columns are vertically aligned in parallel as described above in such way that those bulging columns gradually disappear as they extend toward the top."

B. Determination

Based on a comprehensive evaluation of the facts found in A above, the following facts can be found.

(A) The sale of the plaintiff's goods packaged in a bottle that has almost the same shape as the shape of the returnable bottle started in the U.S. in 1916. Since the launch of the product, the shape of the bottle has been widely recognized as unique and distinctive. In Japan, the sale of the plaintiff's goods packaged in the returnable bottle started in 1957. Since then, the shape has consistently remained the same without any modifications.

(B) The sales volume of the plaintiff's goods packaged in the returnable bottle drastically increased since the launch of the product. In particular, in 1971, the sales volume reached 2.38 billion bottles. Since then, the sales decreased due to an increase in the popularity of canned and PET-bottled products. However, the recent sales volume has still been around 96 million bottles per year on average.

(C) In each year since 1997, as much as three billion yen was spent to cover the so-called medium costs to advertise various goods including the plaintiff's goods packaged in the returnable bottle. Through TV, newspapers, magazines, etc., advertisement activities have been conducted in such way that a strong impression is given to consumers about the shape of the plaintiff's goods packaged in the returnable bottle.

Since the commencement of the sale of canned and PET-bottled products, the ratio of the sales of such products has been on the rise. In order to keep the shape of the plaintiff's goods packaged in the returnable bottle functioning as the source identifier of Cola drinks sold by the plaintiff, the plaintiff has been intentionally using the shape of the plaintiff's goods packaged in the returnable bottle in TV commercials and advertisements in newspapers, magazines, etc.

(D) In a survey in which the respondents were presented with a three-dimensional

transparent container that is identical with the Trademark, 60 to 80% of the respondents answered that the product name is "Coca-Cola."

(E) Many experts found the shape of the returnable bottle as a typical case where a three-dimensional shape has acquired the function to distinguish one's goods from those of others. Also, many books have been published about the history, episodes, distinctiveness, etc. of the shape of the plaintiff's goods packaged in the returnable bottle.

(F) There is no market distribution of soft drink products packaged in a container that has all of Characteristic (a) to Characteristic (f) of the three-dimensional shape of the Trademark. When detecting a third party's act of using a container that has a shape similar to the returnable bottle or using an image of a container that has the same characteristics as those of the returnable bottle, the plaintiff took a strict stance and stopped the third party's act.

(G) The shape of the plaintiff's goods packaged in the returnable bottle came to be recognized as a "brand symbol" itself.

In light of these facts described above, it is reasonable to find that the plaintiff's goods packaged in the returnable bottle achieved great sales records and have remained the same in terms of shape since its launch in Japan in 1957. They have been sold for a long time, during which they were repeatedly advertised in such way that the characteristics of the shape gave a strong impression to consumers. It is reasonable to find that, by the time of the rendering of the JPO judgment at the latest (February 6, 2007), the three-dimensional shape of the plaintiff's goods packaged in the returnable bottle has become recognized among consumers as an identifier to distinguish the plaintiff's goods from those of others.

C. Determination regarding other matters

(A) Relationship with the indication "Coca-Cola" affixed to the plaintiff's goods packaged in the returnable bottle

Regarding the fact the indication "Coca-Cola," etc. is affixed to the plaintiff's goods packaged in the returnable bottle and used in the advertisements for those goods, the following is found.

In the world of business, traders and consumers usually identify the source of goods by using a single mark consisting of two-dimensional characters, figures, signs, etc. The provider, etc. of goods also usually uses a single mark to distinguish one's goods from those of others. These practices can be considered to be convenient. However, the actual transactional practices are diverse. The provider, etc. of goods sometimes uses not only a single mark for the goods but also uses multiple marks to identify the source of the goods or distinguish one's goods from those of others. Furthermore, traders and consumers could sometimes identify the source of goods and distinguish one's goods from those of others

by paying attention to the characteristics (including a two-dimensional mark, three-dimensional shape, etc.) of the shape of the goods that have nothing to do with the mark affixed by the provider of the goods. In consideration of such transactional practices, the fact that some two-dimensional characters, figures, signs, etc. are affixed to goods or that such characters, etc. are registered as a trademark does not necessarily mean that other characteristics of the goods (including a two-dimensional mark, three-dimensional shape, etc.) do not have the function to distinguish one's goods from those of others (Article 2, paragraph (1), items (i) to (iii) of the Unfair Competition Prevention Act).

An examination of the shape of the plaintiff's goods packaged in the returnable bottle from this perspective has revealed that, based on the facts found in (2) A above, in view of the long-term continuous use of the shape (A (B)), the great sales volume (A (C)), the manner and frequency of advertisement activities (A (D)), the survey results that the shape of the goods has the function to identify the source of the goods as the plaintiff (A (E)), the three-dimensional shape of the returnable bottle can be considered to be extremely good at distinguishing one's goods from those of others. Thus, the fact that the indication "Coca-Cola," etc. is attached to the plaintiff's goods packaged in the returnable bottle should not be considered to prevent the court from finding that the shape of the Trademark has acquired the function to distinguish one's goods from those of others (Needless to say, the shape of the Trademark cannot be considered to consist solely of a three-dimensional shape that is indispensable to ensure the function of the goods, etc.).

(B) Shape of the mouth part of the plaintiff's goods packaged in the returnable bottle

The three-dimensional shape of the returnable bottle is different from the Trademark in terms of the type of cap. The former has a crown cork, whereas the latter has a screw cap.

The shape of a mouth part can be considered to be a shape directly related to the function of the goods. As long as such part has a common shape and there are no special circumstances, consumers would not use it as a source identifier. The mouth part of the returnable bottle cannot be considered to be a distinctive part of the Trademark, and no special circumstances exist in this case.

As described in (2) A above, based on a comprehensive evaluation of various facts about the shape of the plaintiff's goods packaged in the returnable bottle such as the long-term continuous use of the shape (A (B)), the great sales volume (A (C)), the manner and frequency of advertisement activities (A (D)), and the survey results that the shape of the goods has the function to identify the source of the goods as the plaintiff (A (E)), the three-dimensional shape of the returnable bottle can be considered to be extremely effective in distinguishing one's goods from those of others. Thus, the difference in terms

of the mouth part of the plaintiff's goods packaged in the returnable bottle should not be considered to prevent the court from finding that the shape of the Trademark has acquired the function to distinguish one's goods from those of others.

D. Summary

As described above, since the Trademark should be considered to have acquired the function to distinguish one's goods from those of others through the use of the returnable bottle for the plaintiff's goods, the Trademark should be interpreted to be registrable as a trademark under Article 3, paragraph (2) of the Trademark Act. Any allegation of the defendant against this interpretation is unacceptable.

(3) As examined above, the Trademark can be considered to be registrable under Article 3, paragraph (2) of the Trademark Act. Thus, it can be said that there is an error in the JPO decision that the Trademark does not fall under said paragraph and that the plaintiff's allegation about Grounds for Rescission 2 is well-grounded.

3. Conclusion

On these grounds, since there is an error in the JPO's determination, which affected the conclusion of the JPO, the JPO decision is illegal and should be rescinded. Thus, the judgment shall be rendered in the form of the main text.

Intellectual Property High Court, Third Division

Presiding judge: IIMURA Toshiaki

Judge: SHIMASUE Kazuhide

OTAKA Ichiro cannot sign and seal this document due to a transfer of position.

Presiding judge: IIMURA Toshiaki

Attachment

Trademark List



