

Trademark Right	Date	January 31, 2023	Court	Intellectual Property High Court, Fourth Division
	Case number	2022 (Gyo-Ke) 10089		
<p>- A case in which, concerning a trademark that consists solely of a red color (PANTONE 18-1663TP) placed on the soles of women's high heels, the court determined that it cannot be said that the trademark falls under a trademark which, "as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person" as stipulated in Article 3, paragraph (2) of the Trademark Act.</p>				

Case type: Rescission of Appeal Decision

Result: Dismissed

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

Related rights, etc.: Appeal against Examiner's Decision No. 2019-14379; Trademark Application No. 2015-29921

Summary of the Judgment

No. 1 Outline of the case, etc.

The present case is one in which the Plaintiff, who filed an application for registration of a trademark that consists solely of a red color (PANTONE 18-1663TP) placed on the soles of women's high heels (Applied Trademark) (for details, refer to Exhibit 1 of Judgment) with the designated goods of "women's high heels" in Class 25 and received a notice of decision of refusal from the JPO, and who filed an appeal against an examiner's decision of refusal but received from the JPO a decision dismissing the request for a trial (JPO Decision), sought the rescission of the JPO Decision.

The ground for rescission of the JPO Decision, as asserted by the Plaintiff, is an erroneous determination as to the applicability of the Applied Trademark to Article 3, paragraph (2) of the Trademark Act.

No. 2 Outline of the court's determinations

1. Applicability of a trademark, which consists solely of a single color, to Article 3, paragraph (2) of the Trademark Act

The court's interpretation of the purport of the provision, which states that the trademark listed in Article 3, paragraph (1), item (iii) of the Trademark Act lacks the requirements for trademark registration, is as follows: Such trademark is a mark indicating the place of origin, place of sale, quality, or other features, and it is something which any person would desire to use as a necessary or appropriate indication during transactions; as such, granting exclusive use thereof to a specific

person should not be appropriate from the viewpoint of public interests, and furthermore, such mark is widely used and often lacks distinctiveness, so that the mark cannot serve the functions as a trademark.

Next, since it can be said that the color of goods is a feature of the goods, the court's interpretation is that such color falls under the provision that reads, "in the case of goods ... [other] features" recited in the item (iii). Since the color of goods has long existed from ancient times, it should ordinarily be selected as appropriate in order to heighten the image or aesthetics of goods. In some cases, the color of goods may have occurred naturally or may be necessary to ensure the functions of goods. Given the foregoing, any person would desire to use colors as necessary or appropriate indications during transactions. As such, in principle, any person should be allowed to make selections freely when using colors. The court's interpretation is such that, especially with regard to a trademark consisting solely of a single color, the aforementioned purport of the provision of item (iii) applies strongly.

On the other hand, Article 3, paragraph (2) of the Trademark Act provides that even if a trademark falls under Article 3, paragraph (1), item (iii) of the same Act, trademark registration can be granted irrespective of the provisions of the same paragraph 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".

The purport of Article 3, paragraph (2) of the Trademark Act is as follows: Even when a trademark falls under Article 3, paragraph (1), item (iii) of the same Act, if a specific person uses the trademark for goods or services pertaining to the person's business over a long period of time, and if, as a result, the trademark comes to acquire the function as an indicator of source by establishing a close connection with the goods or service concerned, then the exclusive use, by the specific person, of the trademark concerned shall be approved as a case of exception although such exclusive use had originally been considered inappropriate from the viewpoint of public interests.

In light of the purport of Article 3, paragraph (2) of the Trademark Act as described above, the following is true: In order for a trademark, which consists solely of a single color and with respect to which it is acknowledged that the need for serving public interests is particularly strong for reasons such as the demand for the freedom to make selections, to be considered as falling under a trademark which, "as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person" as stipulated in the same Article and paragraph, it is necessary to interpret that said trademark has

acquired, as a result of its use, a level of distinctiveness or the like (applicability of exclusive use) which is as high as to be acknowledged as a case of exception from the viewpoint of public interests.

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

The court acknowledges that sales records, advertisement, and the record of winning awards and the like concerning the Plaintiff's high heels for women, which use the Applied Trademark, show that the women's high heels, which use the Applied Trademark, were recognized as goods indicating the Plaintiff's brand among certain customers, mostly of whom consist of women interested in luxury brands. However, when comprehensively considering the following factors; namely, that the configuration mode of the Applied Trademark is not unique, and that there is a logo of "Christian Louboutin" (with some of the letters designed) on the insoles of women's high heels handled by the Plaintiff and that it cannot be denied that the source of the Plaintiff's high heels for women is recognized or likely to be recognized from the indication of these letters, and that in addition to various circumstances, including multiple business operators other than the Plaintiff selling women's high heels using red colors of the same type as the color of the Applied Trademark, the level of recognition of the Trademark, which can be presumed from the result of the Survey, is limited, it is clear that the Applied Trademark cannot be acknowledged as having acquired a level of distinctiveness (having the applicability of exclusive use) which is as high as to be acknowledged as a case of exception from the viewpoint of public interests.

Based on the above, since it cannot be acknowledged that the Applied Trademark has acquired a level of distinctiveness (having the applicability of exclusive use) as high as to be acknowledged as a case of exception from the viewpoint of public interests, it cannot be said that the Applied Trademark falls under a trademark which can be recognized as a trademark which, "as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person" as stipulated in Article 3, paragraph (2) of the Trademark Act.

Judgment rendered on January 31, 2023

2022 (Gyo-Ke) 10089 Case of seeking rescission of JPO decision

Date of conclusion of oral argument: November 30, 2022

Judgment

Plaintiff: X

Defendant: Commissioner of JPO

Main text

1. The Plaintiff's claims shall be dismissed.
2. Court costs shall be borne by the Plaintiff.
3. An additional period of 30 days shall be set for the filing of a final appeal or a petition for acceptance of a final appeal against this judgment.

Facts and reasons

No. 1 Claims

The decision rendered by the JPO on May 10, 2022 for Case of Appeal against Examiner's Decision 2019-14379 shall be rescinded.

No. 2 Outline of the case

1. Background to the procedures, etc. of JPO (no dispute between the parties)
 - (1) On April 1, 2015, the Plaintiff filed an application for trademark registration (Trademark Application No. 2015-29921; hereinafter referred to as "Application") for a trademark which consists of color only and which is identified from the descriptions of Exhibit 1 (1) "Trademark Seeking Trademark Registration" and Exhibit 1 (2) "Detailed Explanation of Trademark" with the designated goods of "women's high heels" in Class 25 (hereinafter referred to as "Applied Trademark"), but received a decision of rejection on July 29, 2019, and filed an appeal against the examiner's decision of refusal on October 29 of the same year.
 - (2) The JPO examined the above case as Case of Appeal against Examiner's Decision No. 2019-14379 and on May 10, 2022, rendered the decision that "the request for the trial of the present case has no grounds" (hereinafter referred to as "JPO Decision"), and a copy of the decision was delivered to the Plaintiff on June 7 of

the same year (by establishing an additional time frame of 90 days).

(3) On August 17, 2022, the Plaintiff filed the lawsuit of the present case seeking rescission of the JPO Decision.

2. Summary of the JPO Decision

(1) Applicability to Article 3, paragraph (1), item (iii)

The Applied Trademark is a trademark consisting only of a red color (PANTONE 18-1663TP) placed on the sole part of women's high heels (hereinafter referred to as "Color"), and while the Color is indicated on a designated place (sole), the Color is not a combination of letters or figures but consists only of a single color (red color) with no outline.

The red color is widely favored and adopted for use, in commercial transactions in general, particularly in the field of fashion, to give color to goods and their packaging, as well as in advertisement and the like, so that it is a common color. In the field of shoes, given the reality that a large number of business operators manufacture and sell products (shoes) whose soles are colored in red, it can be said that using a red color for the soles is a design technique that is commonly adopted in transactions and used for the purpose of improving the aesthetics of goods.

In that case, the Applied Trademark is a trademark indicating a common, single color (red color) that is placed at a specific position (sole) within the scope of a design technique that is commonly adopted and used in transactions for the purpose of improving the aesthetics of goods, so that consumers and business operators relating to the designated goods only recognize and understand the Applied Trademark as consisting merely of an indication of the color of the goods.

Accordingly, the Applied Trademark is a trademark consisting only of a mark indicating, in a common manner, a feature of the goods (color of the goods), so that the Applied Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act.

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

A. Since the color of goods has long existed from ancient times, it should ordinarily be selected as is appropriate in order to heighten the image or aesthetics of goods. In some cases, the color of goods may have occurred naturally or may be necessary to ensure the functions of goods. Given the foregoing, any person would desire to use colors as necessary or appropriate indications during transactions. As such, in principle, any person should be allowed to make selections freely when using colors. This purport applies especially to a trademark consisting solely of a single color.

Next, in order for a trademark, which consists solely of a single color as stipulated in Article 3, paragraph (1), item (iii) of the Trademark Act, to fall under Article 3, paragraph (2) of the same Act, it is necessary for said trademark to be widely recognized among consumers, as a result of the use of the trademark, as an indication for the goods or services pertaining to a business of a particular person, and the trademark must have acquired, as a result of its use, distinctiveness with regard to the goods or services, and furthermore, in light of the purport of Article 3, paragraph (1), item (iii) of the Trademark Act, it is necessary that granting the exclusive use of said trademark by a specific person is considered permissible even from the viewpoint of public interest.

B. (A) The goods pertaining to "Christian Louboutin", a brand established by the Plaintiff (hereinafter referred to as "Plaintiff's Brand") (such goods include high heels whose soles are colored in red; hereinafter referred to as "Plaintiff's Product") have been imported and sold in Japan for more than 25 years since 1996, and have made sales of around seven billion yen per year (approximately three billion yen or more for women's shoes, and approximately two billion yen or more for high heels alone) at shops and department stores located throughout Japan. In magazines and books and on the Internet, various information and topics about the Plaintiff's Brand (including a considerable number of articles that stress the features (sole, red color) that correspond to the Applied Trademark) are introduced and mentioned. On the other hand, according to a survey carried out by a third party at the Plaintiff's request (hereinafter referred to as "Survey"), approximately less than 50% of women were able to recognize the Plaintiff's Brand from the Applied Trademark even though they live in Tokyo, Osaka, and Nagoya, where shops of the Plaintiff's Brand are located, and the rest of the women, who constitute at least half of the respondents, could not relate the Applied Trademark to the Plaintiff's Brand.

In that case, although the Applied Trademark is recognized to a certain degree as an indication for the goods pertaining to the business of a specific person among a certain percentage of consumers (women) related to the designated goods, it cannot be acknowledged that the Applied Trademark has become widely recognized among consumers in Japan.

(B) In addition, given the reality of transactions in which the goods (shoes) whose soles are colored in red and thus have the same feature as the Applied Trademark are manufactured and sold by a large number of business operators, granting exclusive and monopolistic use to a specific person for a trademark consisting of a single color like the Applied Trademark (sole, red color) means unjustly restricting the use by a

third party of the color (red color) which could be used freely to improve the aesthetics of goods. As such, there is disadvantage from the viewpoint of public interest as well (monopoly adaptability).

Furthermore, from among the consumers for the designated goods of the Applied Trademark, even with regard to those who can recall the relationship between the Applied Trademark and the designated goods, it is virtually impossible to distinguish the source of goods only from some features (color, position) pertaining to the Applied Trademark without relying on the brand name and product name attached to the Plaintiff's Product, in a market where a large number of goods that are equipped with similar features (sole, red color) are distributed.

C. Based on the above, the Applied Trademark has not become widely recognized among consumers for the designated goods as an indication that the goods pertain to the business of a specific person (Plaintiff), and when taking into consideration the reality that the goods, which are equipped with similar features, are manufactured and sold by a large number of business operators, granting exclusive and monopolistic use to a specific person (Plaintiff) is not only disadvantageous from the viewpoint of public interest (monopoly adaptability) but it is difficult, practically speaking, for the Applied Trademark to function as an indicator of source with regard to the specific person's goods or other persons' goods. As such, the Applied Trademark cannot function as an indicator of source for the Plaintiff's Product or other persons' goods.

Accordingly, it cannot be acknowledged that the Applied Trademark, as a result of the use of the trademark in relation to its designated goods, came to be recognized as goods pertaining to a business of a particular person, so that it does not meet the requirement of Article 3, paragraph (2) of the Trademark Act.

3. Cause for rescission

Error in the determination of the applicability of the Applied Trademark to Article 3, paragraph (2) of the Trademark Act.

(omitted)

No. 4 Judgment of this court

1. Findings

In addition to the facts over which the parties are not in dispute, according to the evidence (Exhibits Ko 6 through 10, 14, 16, 49 through 51, 53 through 63, 82, 83, 85 through 103, 120 through 123, 131 through 133, 167, 168, 191, 193, 195, 200, 206, 207, 209, 214, 215, 220, 246 through 252, 254, 255, 257, 259, 272 through 275, 277,

280, 281, 284 through 287, 289, 290, 293, 304, 305, 325, 329, 344, 345, 351, 353, 364, 366, 369, 372 through 380, 383 through 392, 404, 421, 449, 495 through 504, 507, 513, 514 through 518, 525, 527, 529, 530, 532 through 539, 541 through 548, 563, 567, 577 through 584, 591, 594, 599, 608, 614 through 617, 646, 647, 675, 681, 694, 695, 696, Exhibits Otsu 4 through 31, 39 through 42) and the entire import of the oral argument, the following facts are acknowledged.

(1) Establishment of the Plaintiff's Brand and its business development, etc.

A. The Plaintiff is the representative of the Plaintiff's French corporation, which was founded in the latter part of 1991 and which operates the business of designing and planning high-class shoes for women by using the brand name of the Plaintiff's Brand, as well as men's shoes, handbags, wallets, and various other accessories, and manufactures and sells these goods, and in November 1991, opened a directly-managed store in Paris, and today, operates at least 170 shops worldwide, including those in major cities in Japan (Tokyo, Yokohama, Nagoya, Osaka, Kyoto, Fukuoka).

B. The goods handled by the Plaintiff's Brand include women's high heels (Plaintiff's Product) with lacquered red soles (the color identified as the color sample "PANTONE 18-1663TP" provided by Pantone LLC (Color)), and there is a logo of "Christian Louboutin" (with some of the letters designed) on the insole. The Plaintiff's Product, which constitutes women's high heels whose soles are lacquer-finished in red, is called by the name "Red Sole", and is recognized as the representative product of the Plaintiff's Brand. All of women's shoes other than high heels, as well as men's shoes, have soles that are unified by the Color.

C. As of 2018, the Plaintiff's Brand ranked ninth in the category of luxury brands by the number of account followers on Instagram. As of June 13, 2022, the number of followers totaled 15,430,000.

(2) Sales records, etc. of the Plaintiff Brand in Japan

A. The Plaintiff's Product began to be imported and sold in Japan from around 1996. The Plaintiff's Product is sold at roadside shops (Ginza Shop, Aoyama Shop), in upscale department stores (Isetan Shinjuku, Matsuya Ginza, Seibu Shibuya, Seibu Ikebukuro, Sogo Yokohama, JR Nagoya Takashimaya, Daimaru Shinsaibashi, Hankyu Umeda, Daimaru Fukuoka Tenjin), and at specialty boutiques which mainly handle luxury brand goods, and it is sold at the price of around hundred thousand yen per pair.

B. In 2009, the Plaintiff established the Plaintiff's Japanese corporation to be in charge of import and sale of goods in Japan as well as management of directly-managed stores in Japan.

The gross sales of the Plaintiff's Brand since the start of import and sale in

Japan is as shown in Exhibit 2, and in recent years, totaled around 6.5 billion yen per year for 2015 (from 2015 to 2016), around 7.6 billion yen per year for 2016 (from 2016 to 2017), and around 7.6 billion yen for 2017 (from 2017 to 2018). Of the foregoing, the amount of total sales for women's shoes was around 3.2 billion yen in 2015, 3.3 billion yen in 2016, and around 3.1 billion yen in 2017, and the sales amount of high heels (shoes with heels that are at least around 3.5 cm) totaled around 2.3 billion yen in 2015, around 2.4 billion yen in 2016, and around 2.1 billion yen in 2017, and the sales of women's high heels comprised 70% to 80% of the entire sales for women's shoes.

(3) Coverage of the Plaintiff's Product in magazines, etc., TV dramas and movies, etc., and advertisement and awards, etc. pertaining to the Plaintiff's Product

A. Coverage in magazines and media, etc.

(A) The Plaintiff's Product is covered in many articles in various magazines, books, and on websites, etc., between 1992 and 2017 (with regard to the coverage, etc., as asserted by the Plaintiff, those earlier than 2000 and those in 2017 are attached to Exhibit 3 as examples; the numbers of articles in 2011, 2012, and 2014 are high, each exceeding 20). In these articles, photographs, which are taken from angles that show the red color of the soles, by turning over the shoes to the side or by suspending the soles, are commonly used when introducing the shoes. Also, in many magazines and media as well as fashion-related news sites, etc., the Plaintiff's Product is described as being characterized by the "Red Sole".

(B) The Plaintiff's Product was used in various TV dramas and movies, as asserted by the Plaintiff, for costumes of characters.

(C) The Plaintiff's Product, as asserted by the Plaintiff, is worn in public settings by celebrities worldwide, not just celebrities and TV personalities in Japan, and their appearances are covered in various magazines, etc.

B. Advertisement

In advertisement, the Plaintiff does not employ the method of publishing ads on TV and in magazines, etc. by payment of publication fees. Instead, the Plaintiff advertises by a method called "sample trafficking" (advertisement method by way of renting out the Plaintiff's Product, as may be requested by magazine editors, stylists, and celebrities, etc., so that they can use the Plaintiff's Product in magazine articles and in media shoots, etc.).

The amount of sales of products sold by the Plaintiff's French corporation to the Plaintiff's Japanese corporation for each year between 2010 and 2017 as products for sample trafficking is approximately 116,000,000 yen.

C. Awards, etc. won overseas

The Plaintiff has won a number of awards overseas for the high heels handled by the Plaintiff, and recently won the 2019 Couture Council Award for Artistry of Fashion, which is awarded by the Couture Council of The Museum at FIT (MFIT) each year.

D. Contents of posts on blogs and Twitter pertaining to the Plaintiff's Product

In blogs and on Twitter, there are many articles and posts that suggest that women's high heels or shoes with red soles indicate that they are shoes of the "Louboutin" brand, including the following: "Is the brand for shoes with red soles 'Louboutin'?" and "If shoes have red soles, their brand is 'Christian Louboutin'".

(4) Women's high heels, etc. whose soles are in a red color other than the Color

A. Red colors that are similar to the Color have long been employed for various fashion-related products in and outside Japan. Even only with regard to the women's high heels whose soles are in a red color similar to the Color, books and catalogues prior to 1993, as asserted by the Defendant, indicate the following photographs.

(A) In a catalogue for "TELLUS", in the issues of "Tellus collection 'Autumn Winter 88 89'" and "AUTUMN WINTER COLLECTION 91/92 TELLUS", there are photographs of women's high heels whose soles are in a red color similar to the Plaintiff's red color.

(B) In a book titled "Shoe, Shoe PARADISE" (first edition published on February 20, 1991) written by Kisa Takada, a shoe designer, there is a photograph of women's high heels whose soles are in a red color similar to the Plaintiff's red color as "1985 Christmas Product".

(C) In the catalogue "CHARLES JORDAN 1991-2004", there is a photograph of women's red high heels with red soles under "1993".

B. As of September 2022, the following women's high heels with soles of a red color similar to the Color are sold or were sold at the following places: [i] Takashimaya online shopping site (brand name "ESPERANZA"); [ii] Washington Shoe's online shopping site (brand name "INDIVIDUAL"); [iii] Online shopping site called "I Need More Shoes"; [iv] Online shopping site for shoes called "LOCONDO" (brand names "attagirl", "ITALICO", "DEMETER", "maison de LATIR", "MELMO", "repetto"); [v] Online shopping site for "PayPay Mall" (brand names "EIZO", "menue"); [vi] Online shopping site for "SHOPLIST.com" (brand names "welleg", "aquagrage", "Marilyn Monroe"); [vii] Online shopping site for "SHOES in KOBE" (brand name "7 styles"); [viii] Online shopping site operated by Marui Co., Ltd. (brand name "METAL ROUGE"); [ix] Online shopping site operated by "BUYMA"

(brand name "CHARLES JOURDAN"); [x] Online shopping site of "Sugar" (brand name "an"); [xi] Online shopping site of "SHINfULIFE" (brand name "Sergio Rossi"); [xii] Online shopping site of "LOCOLET" (brand name "Ferragamo"); [xiii] Online shopping site of "LA VITA FELICE" (brand name "CHANEL"); and [xiv] Online shopping site operated by "Salvatore Ferragamo".

(5) Results of the Survey

The Survey ("Survey on Fashion") was carried out by NERA Economic Consulting at the request of the Plaintiff, to verify whether the Applied Trademark is recognized by consumers as the goods or services pertaining to any person, or is widely recognized by consumers as a result of use. The method by which the survey was carried out, and the results are as follows.

A. Research subjects

The subjects consist, from among the online monitor members maintained by GMO Research, Inc., of women who are aged 20 to 50, who live in Tokyo, Osaka, and Aichi, and who purchased fashion items or goods in certain shopping areas ([i] in the case of Tokyo, Ginza, Yurakucho, Marunouchi, Aoyama, Harajuku, Omotesando, Roppongi, Daikanyama, Shibuya, Shinjuku, Ikebukuro, Futakotamagawa, Jiyugaoka, Kichijoji, [ii] in the case of Osaka, Umeda, Shinsaibashi, Namba, and [iii] in the case of Aichi, Nagoya Station and its surroundings, the area around Sakae/Osu area, Nagoya Port area), and who are in the habit of wearing high heels. They are divided into groups for the respective prefectures of Tokyo, Osaka, and Aichi, and adjustments are made so that each group has 1,000 individuals. Next, each group is divided into three subgroups that separate the women between 20 and 50 years old into age groups by decades, and adjustments are made so that each subgroup has an equal number of individuals. Samples of respondents are extracted, and collected with the aim of exceeding 1,000 individuals for each of the aforementioned prefectures, thereby gathering responses from 1,055 individuals for Tokyo, 1,041 individuals for Osaka, and 1,053 individuals for Aichi.

B. Contents of the questions

The questions comprised the following: [i] (By showing the image of the Applied Trademark), ask if they know of a fashion brand that sells high heels with red soles as shown in the image (Q5); [ii] To those who responded "No" or "Undecided" in Q5, ask if they have ever seen high heels with red soles as shown in the image (Q5-1); [iii] To those who responded "Yes" for Q5 and Q5-1, ask which brand comes to their mind when looking at high heels with red soles (free response) (Q6); To those who responded that they cannot recall any brand name in Q6, ask them to select one

from a list of brand names (Q7). In Q7, the Plaintiff's Brand logo consists of the brand name outlined in white inside a red circle, and only one brand out of the seven brand names, which are available for selection, uses red letters.

C. Research results

(A) In Q5 (above [i]), those who responded "Yes" comprised 69.86% (average ratio for the three prefectures; the same applies hereinafter), and those who responded "No" comprised 23.72%, and those who responded "Undecided" comprised 6.41%.

(B) In Q5-1 (above [ii]), those who responded "Yes" comprised 32.56%, and those who responded "No" comprised 67.44%.

(C) In Q6 (above [iii]), those who correctly recalled Louboutin and responded accordingly comprised 42.43% (43.46% if including the responses in which Louboutin was recalled with minor errors, and the responses in which Louboutin was recalled albeit with errors, and the responses in which Louboutin was recalled along with other brands), and those who recalled brands other than Louboutin comprised 4.48%, and those who responded that they cannot recall the brand name comprised 24.2%, and those who responded that they do not know the brand name comprised 7.56%, and those who responded that they have never seen such shoes comprised 20.32%.

(D) In Q7 (above [iv]), the percentage of those who gave the answer "Louboutin" comprised 43.96%, and the percentage of those who selected a brand name other than Louboutin comprised 34.78%, and the percentage of those who responded they cannot recall the brand name comprised 21.26%.

(E) As a result of amending the responses given in free response and multiple-choice, the degree of recognition of Louboutin in Tokyo, Osaka, and Aichi comprised 51.6% of the entire samples, and 64.77% when confined to those who have seen high heels with red soles that are not limited to the Plaintiff's products.

2. Applicability of a trademark consisting solely of a single color to Article 3, paragraph (2) of the Trademark Act

(1) The Applied Trademark consists solely of the color identified in the descriptions of Exhibits 1 (1) and (2), and has the composition of a red color (PANTONE 18-1663TP) placed on the soles of women's high heels.

As described above, the Applied Trademark is a trademark consisting only of a single color, with the position to place color being identified as the aforementioned part.

(2) Article 3, paragraph (1) of the Trademark Act stipulates that any trademark used in connection with goods or services pertaining to the business of an applicant

may be registered, unless the trademark falls under the following, and in item (iii) of the same paragraph, refers to a trademark that "consists solely of a mark indicating, in a common manner", "in the case of goods, the place of origin, place of sale, quality, raw materials, efficacy, intended purpose, shape (including shape of packaging), the method or features including time of production or use, quantity, price".

The purport of the provision stipulating that the trademark listed in the above item lacks the requirement for trademark registration is understood to be as follows. Such trademark is a mark indicating the place of origin, place of sale, quality, and other characteristics, and any person would desire to use such mark as a necessary and appropriate indication in transactions, so that it is not appropriate in terms of public interest to grant the exclusive use thereof to a specific person, and furthermore, such mark being commonly used, it oftentimes lacks distinctiveness and cannot perform the function as a trademark (Supreme Court Judgment 1978 (Gyo-Tsu) 129; Judgment rendered by the Third Petty Bench on April 10, 1979; Refer to Court Cases, Minji No. 126, page 507).

Next, since it can be said that the color of a product is a product feature, it is understood as falling under "in the case of goods ... [other] features" as stipulated in item (iii). Since the color of goods has long existed from ancient times, it should ordinarily be selected as is appropriate in order to heighten the image or aesthetics of goods. In some cases, the color of goods may have occurred naturally or may be necessary to ensure the functions of goods. Given the foregoing, any person would desire to use colors as necessary or appropriate indications during transactions. As such, in principle, any person should be allowed to make selections freely when using colors. This purport applies especially appropriately to a trademark consisting solely of a single color.

On the other hand, Article 3, paragraph (2) of the Trademark Act stipulates that even in the case of a trademark that falls under Article 3, paragraph (1), item (iii) of the Trademark Act, "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", such trademark shall be granted trademark registration notwithstanding the provisions of the same paragraph.

The purport of Article 3, paragraph (2) of the Trademark Act is that even in the case of a trademark that falls under Article 3, paragraph (1), item (iii) of the same Act, if a specific person uses the trademark for goods or services for a long time in connection with its business, and as a result, the trademark comes to have the function as an indicator of source by being closely connected to the goods or service, the

exclusive use of such trademark by a specific person, which was deemed inappropriate from the viewpoint of public interest, shall be approved as a case of exception.

In light of such purport of Article 3, paragraph (2) of the Trademark Act, in order for a trademark, which consists solely of a single color with respect to which it is acknowledged that the demand for public interests on the basis of the need for the freedom to choose is particularly strong, to fall under the case of "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" as stipulated in the above provision, it should be understood that such trademark, as a result of its use, must have obtained distinctiveness, etc. (monopoly adaptability) of a level that is as high as to acknowledge that granting exclusive use for such trademark to a specific person should be allowed as a case of exception from the viewpoint of public interest.

Article 5, paragraph (3) of the Supplementary Provisions for Revision of Act No. 36 of 2014, which protects the trademark registration of trademarks such as a trademark consisting only of color, stipulates that a person who has been using the registered trademark, or a similar trademark, without the purpose of unfair competition shall be granted the right to continued use. However, the foregoing is only applicable to a case wherein the person is "currently using the trademark at the time of enforcement of the law and conducting business within a scope pertaining to the goods", and the right is only granted for the use of the trademark pertaining to said goods, etc. As such, the fact that there is such provision in the Supplementary Provision for Revision should not constitute grounds for not giving consideration to the monopoly applicability of a color to a specific person in trademark registration of a trademark which consists only of color.

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

(1) Acquisition of distinctiveness by the use of the Applied Trademark

A. Composition of the Applied Trademark

(A) The Applied Trademark has the composition described above in 2 (1), and the color is a single color, placed in a position specified as the sole part, but is not limited to the figure that has the shape and outline indicated, in color, in Exhibit 1 (1).

The "red color", which is the color of the Applied Trademark, has long been used as a "color showing power and vitality" (Exhibit Otsu 3), in addition to being widely used not just in women's shoes but also in clothes and other items in the field of fashion (Exhibits Otsu 4 to Otsu 8). The color of the Applied Trademark is

identified as "PANTONE 18-1663TP", from among the color samples provided by Pantone LLC, but it is a "red color", which is one of the basic colors (Exhibit Otsu 2), and is very common as a color, so that it cannot be considered a unique color. In addition, the "red color" is one of the basic colors as described above, and as shown by the hues of "purplish red" and "yellowish red" being regarded as "red colors" (Exhibits Otsu 1 and 2), it is impossible to strictly distinguish the red color, which is identified as "PANTONE 18-1663TP", from similar red colors (Exhibit Otsu 33).

Furthermore, while the position of placing the color that is identified by the Applied Trademark is the sole part of women's high heels, when considering that at least from before the latter part of 1991, which is when the Plaintiff launched the Plaintiff's Brand, a multiple number of photographs were posted showing women's high heels with red soles (above 1 (4) A (A) and (B)). In addition, it seems unlikely that there is some kind of hinderance to the very act of giving color to the soles. As such, it cannot be said that the soles constitute a unique position wherein to place color.

As described above in No. 3-1 (2) A (C) b, the Plaintiff argues that there were only three or four pairs of women's high heel shoes with soles that are colored in red, which the Defendant was able to point out, prior to the time when women's high heel shoes bearing the Applied Trademark gained popularity, so that the composition of the Applied Trademark is not a common design technique. However, upon determining the uniqueness in design technique, the number of publications is not something that should be an issue, and as indicated above, there does not seem to be any hindrance to the very act of placing a color on soles. Furthermore, although the Plaintiff's Product had begun import and sale in Japan in 1996, if not earlier (above 1 (2) A (B)), the sales volume in Japan (for the entire women's shoes) exceeded 100 million yen at the wholesale price and rose drastically from around 2004 or 2005 (refer to Exhibit 2). When the foregoing is taken into consideration, it cannot be declared absolutely that products that are similar to the Plaintiff's Product were hardly distributed in the market earlier, or that products that are similar to the Plaintiff's Product that were distributed at the time of the JPO Decision are products which attempted to gain profit by taking advantage of the popularity of the Plaintiff's Product (the women's high heels with red colors as indicated above in 1 (4) B are diverse in terms of the sales price range and sales method, etc., and bear their own brand names, so that they cannot be considered, at a glance, so-called counterfeit products). At the same time, it should be said that, when a trademark that falls under Article 3, paragraph (1), item (iii) of the Trademark Act has acquired distinctiveness

as a result of use of said trademark, the burden of proof to show that the trademark acquired distinctiveness lies with the Applicant, whereas the burden of proof to show such reality of distribution lies with the Plaintiff. As such, it is invalid to criticize the sales volume, etc. of the case presented by the Defendant.

(B) Based on the above, the color of the Applied Trademark and the position to place the color are both common or ordinary, and there is no uniqueness about the composition of the Applied Trademark.

B. Mode of use, etc. of the Applied Trademark by the Plaintiff

(A) According to the findings of the above 1 (2) and (3), the Plaintiff founded the Plaintiff's Brand in the latter part of the 1991, and ever since establishing the Plaintiff's French corporation which engages in the manufacture and sale of high-class women's shoes, etc. that use the Plaintiff's Brand, has operated shops worldwide and sold high-priced women's high heels (Plaintiff's Product) that have the Applied Trademark placed on the soles, and have been favored by a number of celebrities and TV personalities. In Japan, the Plaintiff's Product began to be imported and sold in Japan since around 1996, and it has been sold at roadside shops and in upscale department stores. Even if confined to high heels, the sales exceeded two billion yen in 2015 and thereafter, and photographs taken from angles that show the red color of the soles, by turning over the shoes to the side or by suspending the soles, are commonly used when introducing the shoes in a number of magazines and media, etc., wherein the Plaintiff's Product is described as "Red Sole", and the Plaintiff's Product has also won awards, etc. overseas. There are also blog posts, etc. mentioning that the brand of the shoes with red heels is the Plaintiff's Brand. As such, it can be said that certain consumers, most of whom are women who are interested in luxury brands, are aware that women's high heels with "red soles" indicate the Plaintiff's Brand.

(B) On the other hand, the Plaintiff's Product has the logo of "Christian Louboutin" (with some of the letters designed) on the insoles of women's high heels handled by the Plaintiff (above 1 (1) B), and it cannot be denied that such indication of these letters causes one to actually recognize, or makes it possible to recognize, the source of the women's high heels of the Plaintiff.

In addition, in Japan, women's high heels with red soles, other than the Plaintiff's Product, are more or less distributed (above 1 (4) B), so that it cannot be acknowledged that the shape of goods with a red color placed on the soles has been used exclusively by the Plaintiff.

As described above in No. 3-1 (1) B above, the Plaintiff argues that it is not appropriate to give consideration to the demand for public interest, given the "reality

of transactions" pertaining to similar goods other than the Plaintiff's Product. However, at least as indicated above in 2 (2), in order to determine whether or not a trademark has acquired the level of distinctiveness that is as high as to be applicable to a case of exception from the viewpoint of public interest (as having monopoly adaptability), it can be said that it is a matter of course to consider the existence of transactions pertaining to similar goods other than the Plaintiff's Product and the conditions of such transactions as factors for consideration, and the fact that it cannot be acknowledged that there are special circumstances, as suggested by the Plaintiff, to the reality of transactions of such similar goods, is as explained above in A. As such, the Plaintiff's above argument cannot be adopted.

C. Results of the Survey

As described above in 1 (5), the Survey targeted women who live in Tokyo, Osaka, and Aichi, and who purchase fashion items or goods in certain shopping areas, and who are in the habit of wearing high heels and are in the ages of 20 to 50. According to the Survey results, only around 51.6% of all respondents, after the free responses and multiple choice were amended, could recall that the Applied Trademark is the Plaintiff's Brand, including those who have never seen high heels with red soles.

It can be said that the demographic of the consumers of women's high heels are mostly women in the ages of 20 to 50 nationwide. Although the Survey targeted women who are reasonably interested in fashion and who live in major cities, and who purchase fashion items, etc. in certain areas, only around half of the entire respondents recognized the Applied Trademark. If the target demographic is extended to all consumers nationwide, it is easily presumable that the level of recognition of the Applied Trademark would fall below the level.

In that case, without having to determine other matters relating to whether or not it is appropriate to objectively measure the level of recognition pertaining to the Applied Trademark based on the Survey results, it must be said that the level of recognition of the Applied Trademark by consumers, as can be found from the Survey results, is limited.

D. Summary

As described above, according to the sales records, advertisement, and awards, etc. pertaining to the women's high heels of the Plaintiff that use the Applied Trademark, it is acknowledged that certain consumers, most of whom are women interested in luxury brands, recognize women's high heels using the Applied Trademark as indicating the Plaintiff's Brand. However, upon comprehensively taking into consideration factors such as that it cannot be said that the composition of

the Applied Trademark is unique, and that the insole of the women's high heels handled by the Plaintiff bears the logo of "Christian Louboutin" (with some of the letters designed), and that it cannot be denied that the source of the Plaintiff's high heels for women is recognized or likely to be recognized from the indication of these letters, and that there are multiple business operators other than the Plaintiff who were selling women's high heels that use the red color, which is the same color as the color of the Applied Trademark, and that it is presumed from the Survey results that the level of recognition of the Applied Trademark among the consumers is limited, it is clear, as indicated above in 2 (2), that the Applied Trademark cannot be acknowledged as having acquired distinctiveness that is as high as to be applicable to a case of exception from the viewpoint of public interests (as having monopoly adaptability).

(2) Based on the above, since it cannot be acknowledged that the Applied Trademark, as indicated above in 2 (2), has acquired distinctiveness that is as high as to be applicable to a case of exception from the viewpoint of public interest (as having monopoly adaptability), it cannot be said that the Applied Trademark falls under a trademark which can be recognized as constituting, "as a result of the use of the trademark, an indication for the goods or services pertaining to a business of a particular person" as stipulated in Article 3, paragraph (2) of the Trademark Act.

None of the Plaintiff's arguments, based on what is explained so far, is such that it affects the conclusion described above.

4. Conclusion

In conclusion, without having to determine other matters, the cause of rescission as asserted by the Plaintiff has no grounds, and it cannot be acknowledged that the JPO Decision has any illegality due to which the JPO Decision must be rescinded. As such, the Plaintiff's request shall be dismissed.

Accordingly, the Court renders a judgment as per the main text.

Intellectual Property High Court, Fourth Division

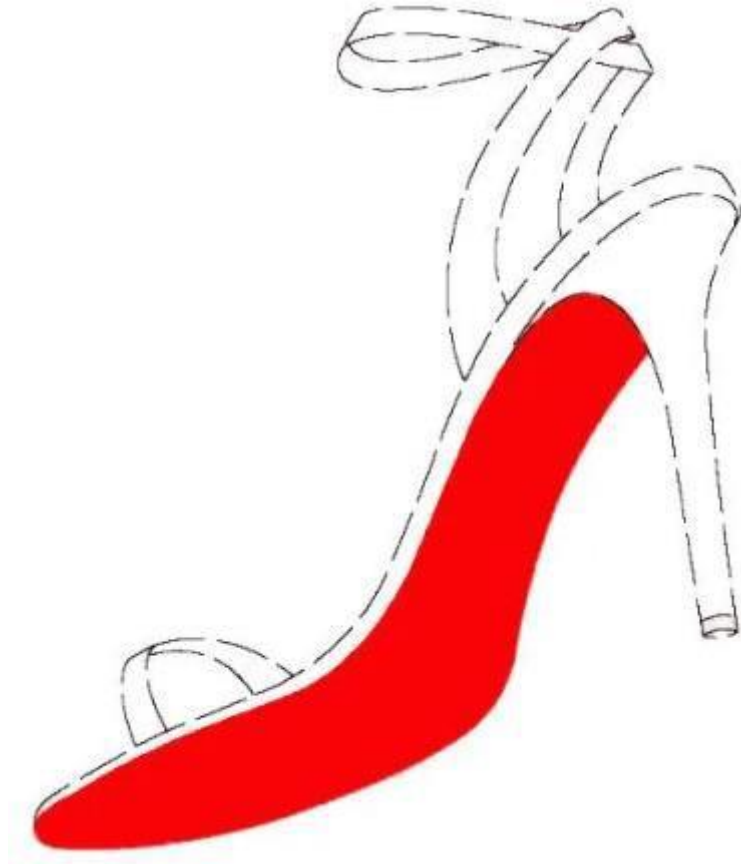
Presiding Judge: KANNO Masayuki

Judge: NAKAMURA Kyo

Judge: OKAYAMA Tadahiro

(Exhibit 1)

(1) Trademark Seeking Trademark Registration



(2) Detailed Explanation of Trademark

The trademark seeking trademark registration comprises a red color (PANTONE 18-1663TP) placed on the sole part of women's high heels. The dotted line indicates one example of how the trademark will be used, and it is not a composition factor of the trademark.

(Exhibit 2)

[i] Sales volume of women's shoes by Christian Louboutin SAS between 1996 and 2000 (wholesale price)

Season	Wholesale price (Italian lira)	Exchange rate (in units of 100 lire) (Middle price as of the end of December)	Wholesale price (yen)
1996 Spring/Summer	7,890,000	7.59	598,851
1996 Fall/Winter	27,952,000	7.59	2,121,557
		Total for 1996	2,720,408
1997 Spring/Summer	34,325,000	7.39	2,536,618
1997 Fall/Winter	21,515,000	7.39	1,589,959
		Total for 1997	4,126,576
1998 Spring/Summer	21,849,000	6.98	1,525,060
1998 Fall/Winter	68,721,830	6.98	4,796,784
		Total for 1998	6,321,844
1999 Spring/Summer	71,689,980	5.31	3,806,738
1999 Fall/Winter	119,653,220	5.31	6,353,586
		Total for 1999	10,160,324
2000 Spring/Summer	97,781,970	5.50	5,378,008
2000 Fall/Winter	159,050,270	5.50	8,747,765
		Total for 2000	14,125,773

[ii] Sales volume of women's shoes by Christian Louboutin SAS between 2001 and 2015 (wholesale price)

Season	Wholesale price (Euro)	Exchange rate (Middle price as of the end of December)	Wholesale price (yen)
--------	---------------------------	--	-----------------------

2001 Spring/Summer	127,403.78	116.51	14,843,814
2001 Fall/Winter	228,810.05	116.51	26,658,659
		Total for 2001	41,502,473
2002 Spring/Summer	180,114.20	125.08	22,528,684
2002 Fall/Winter	254,238.94	125.08	31,800,207
		Total for 2002	54,328,891
2003 Spring/Summer	270,579.43	133.74	36,187,293
2003 Fall/Winter	418,667.72	133.74	55,992,621
		Total for 2003	92,179,914
2004 Spring/Summer	405,107.01	141.61	57,367,204
2004 Fall/Winter	583,819.88	141.61	82,674,733
		Total for 2004	140,041,937
2005 Spring/Summer	1,001,034.51	139.83	139,974,656
2005 Fall/Winter	1,269,216.34	139.83	177,474,521
		Total for 2005	317,449,176
2006 Spring/Summer	1,570,992.12	156.50	245,860,267
2006 Fall/Winter	1,613,524.16	156.50	252,516,531
		Total for 2006	498,376,798
2007 Spring/Summer	2,017,118.23	166.66	336,172,924
2007 Fall/Winter	1,727,608.94	166.66	287,923,306
		Total for 2007	624,096,230
2008 Spring/Summer	2,064,052.28	127.96	264,116,130
2008 Fall/Winter	1,387,997.07	127.96	177,608,105
		Total for 2008	441,724,235
2009 Spring/Summer	1,634,478.17	132.00	215,751,118
2009 Fall/Winter	1,498,148.85	132.00	197,755,648

		Total for 2009	413,506,767
2010 Spring/Summer	1,674,794.25	107.90	180,710,300
2010 Fall/Winter	1,387,711.55	107.90	149,734,076
		Total for 2010	330,444,376
2011 Spring/Summer	1,486,184.00	100.71	149,673,591
2011 Fall/Winter	1,536,995.00	100.71	154,790,766
		Total for 2011	304,464,357
2012 Spring/Summer	1,442,368.00	114.71	165,454,033
2012 Fall/Winter	1,392,624.00	114.71	159,747,899
		Total for 2012	325,201,932
2013 Spring/Summer	1,026,866.00	145.05	148,946,913
2013 Fall/Winter	1,056,335.00	145.05	153,221,392
		Total for 2013	302,168,305
2014 Spring/Summer	1,101,546.00	146.54	161,420,551
2014 Fall/Winter	942,034.00	146.54	138,045,662
		Total for 2014	299,466,213
2015 Spring/Summer	62,560.00	131.77	8,243,531
		Total for 2015	8,243,531

The above table seems to show that the sales in and after 2010 (wholesale price) decreased or remained mostly level, but this is because Kabushiki Kaisha Christian Louboutin Japan was established in 2009 and the sale was switched to direct distribution by the company. Sales by Kabushiki Kaisha Christian Louboutin after its establishment (retail price) are as follows.

[iii] Sales volume of women's shoes by Christian Louboutin Japan in 2009 and thereafter (retail price)

	Gross sales by Christian Louboutin Japan	Sales of women's shoes by Kabushiki Kaisha Christian Louboutin Japan	Sales of women's high heels (*) by Kabushiki Kaisha Christian Louboutin Japan
From 2009.9.15 To 2010.8.31	199,609,062 yen	174,444,306 yen	
From 2010.9.1 To 2011.8.31	785,944,755 yen	652,049,249 yen	
From 2011.9.1 To 2012.8.31	1,410,299,346 yen	1,110,728,750 yen	
From 2012.9.1 To 2013.8.31	2,408,606,606 yen	1,895,335,700 yen	
From 2013.9.1 To 2014.8.31	3,667,278,840 yen	2,509,047,140 yen	
From 2014.9.1 To 2015.8.31	5,120,922,873 yen	3,070,954,000 yen	
From 2015.9.1 To 2016.8.31	6,498,723,817 yen	3,215,733,000 yen	2,332,638,400 yen
From 2016.9.1 To 2017.8.31	7,576,080,061 yen	3,304,954,000 yen	2,443,047,200 yen
From 2017.9.1 To 2018.8.31	7,660,885,207 yen	3,125,151,207 yen	2,097,989,100 yen

(*) "High heels" as referred to herein means those with heels of at least 3.5 cm.

(Exhibit 3)

2000 or earlier

1. In the February 1992 Issue of "Elle Japon", under the heading of "Christian Louboutin's shoes that communicate 'LOVE'", women's shoes handled by the Plaintiff are introduced.

2. In the March 1992 Issue of "VOGUE JAPON", under the heading of "Louboutin's shoes are full of humor", the Plaintiff is introduced.

3. In the June 1993 Issue of "25 ans", under the heading of "Louboutin's new shoes with fresh designs, this summer's theme is Mediterranean Sea", women's shoes handled by the Plaintiff are introduced.

4. In the September 1995 Issue of "marie claire bis", under the heading of "Imagination is the key to creativity. Shoes with playfulness that triggers women's desires", the Plaintiff's success is introduced.

5. In the Issue No. 112 (June 5, 1997) of "FIGARO japon", under the heading of "Both [A27] and [A28] are crazy for stylish shoes!", women's shoes handled by the Plaintiff are introduced with the words, "... Bright red soles being the trademark of Louboutin".

6. In the September 1997 Issue of "ZOLA", a model wearing boots with the Applied Trademark placed on the soles appears in a pose with her legs spread out in front, making the Applied Trademark noticeable".

7. In the November 1997 Issue of "SPUR", women's shoes handled by the Plaintiff are introduced with the words, "Red soles being the mark".

8. In the March 1998 Issue of "Miss Katei Gaho", the Plaintiff's second shop in Paris and women's shoes handled by the Plaintiff are introduced, with the words, "Creates dazzling feet with deep red soles", "What is attractive about Louboutin's shoes is that the soles are colored in bright red", and "Deep red soles are striking".

9. In the May 1998 Issue of "Elle japon", under the heading of "Boasts a gorgeous client list thanks to his unique shoemaking", the Plaintiff's second shop in Paris is introduced, with the words, "His shoes with the trademark crimson soles, being displayed on a shelf at the back of the shop, in sets of one or two pairs, remind us of an art gallery".

10. In the October 1998 Issue of "25 ans", women's shoes handled by the Plaintiff are introduced, and the caption for a product at the center of the fifth picture reads: "Characterized by the crimson soles".

11. In the issue of "Hanako" published on June 2, 1999, there are the words, "If you come upon Christian Louboutin's shoes, you have to see the soles. You may be

a little surprised to find that they all have bright red soles".

12. In the August 1999 Issue of "Elle japon", the Plaintiff is introduced with the caption, "I decided to pursue this path at the age of ten", and there are the words, "Adores the Red Sole because he believes beige and black are boring. He also does not forget to be witty by saying, 'When a French man looks back at a woman, the red soles can be a conversation starter'".

13. In the August 1999 Issue of "High Fashion", the Plaintiff is introduced with the words, "Customers who are enchanted by the bewitching Red Sole he creates ...".

14. In the December 1999 Issue of "Miss Katei Gaho", under the heading of "<Christian Louboutin> Shoes at the head office in Paris", women's shoes handled by the Plaintiff are introduced, with the words, "All soles being colored in bright red ..." and "Louboutin's shoes, when the wearer recrosses her legs, show the bright red soles, capturing the attention of people".

15. In the April 2000 Issue of "Vogue", women's shoes handled by the Plaintiff are introduced with the words, "The red heels and soles are the key ...".

16. In "High Fashion" (2000), there are the words, "Beautiful Christian Louboutin shoes. Turn them over, and the soles are all red".

2017

1. In the issue of "KTOUCH" published on December 15, 2017, there are the words, "The prestige of the Red Sole that invites women to a wonderful place".

2. In the January 2017 Issue of "OTONA MUSE", women's high heels of the Plaintiff bearing the Applied Trademark are introduced with the words, "Sensual Red Sole".

3. In the October 2017 Issue of "GINGER", under the heading, "Why are we attracted to Louboutin?", there are the words, "The 'woman' inside me being brought out by the Red Sole" and "And for feet, Louboutin's Red Sole".

4. In the joint issue of January/February 2017 of "Harper's BAZAR", there is a photograph of the Plaintiff accompanied by the caption, "Give me a peek of the red sole".

5. In the March 2017 Issue of "GQ", there are the words, "Christian Louboutin who captivates women with bright red soles".

6. In the February 2017 Issue of "Safari", the Plaintiff's Ginza Store is introduced, with the words, "The birth of the Red Sole established his style for shoemaking" and "The 'Red Sole' which caught the eye of [A29] is one of the signature symbols of the brand".

7. In the October 2017 Issue of "GINGER", under the heading, "Story behind the birth of the Red Sole", there are the words, "The Red Sole is the symbol of Louboutin Shoes".