| Date | May 14, 2010 | Court | Tokyo District Court, |
|-------------|-----------------|-------|-----------------------|
| Case number | 2008 (Wa) 36851 | | 40th Civil Division |

 A case in which the court dismissed demands for an injunction and destruction based on the infringement of a design right pertaining to a false eyelash case and under the Unfair Competition Prevention Act as well as a claim for damages.

The plaintiff alleged that [i] the goods manufactured and sold by the defendant infringe the plaintiff's design right and that [ii] the defendant's act of selling the aforementioned goods fall under the unfair competition set forth in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act. Based on this allegation, the plaintiff filed this action against the defendant to seek an injunction against the manufacturing, etc. of the aforementioned goods and destruction thereof as well as payment of damages (the claims based on [i] and the claims based on [ii] are in a selective joinder relationship).

The major issues of this case are whether the registered design in question (the "Registered Design") and the design of the defendant's goods are similar to each other and whether the act of selling the defendant's goods falls under Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act. In this judgment, the court held roughly as follows and dismissed all of the plaintiff's claims.

The Registered Design and Defendant's Design 1 (design of the defendant's goods as a case) differ in their basic constitutions in the following points: [a] the case and top cover of the Registered Design are in the shape of a symmetrical heart while the inner case and inner cover of Defendant's Design 1 are in the shape of a heart in which the right side of a straight line, which leads from the arc-like part in the upper right part of the heart to the left side of the lower apical part of the heart, is chopped off; [b] the top surface of the case of the Registered Design is multilevel while the inner case of Defendant's Design 1 is smooth; [c] a part to store an adhesive tube is formed in the case of the Registered Design while such a part is not formed in the inner case of Defendant's Design 1. Therefore, these designs prominently differ in their basic constitutions. Consequently, it is obvious that these designs give different aesthetic appeal to those who see them. Defendant's Design 1 is thus not similar to the Registered Design.

The Registered Design and Defendant's Design 2 (design of the defendant's goods in the state of being distributed in the market) clearly differ from each other in the essential features that attract consumers' attention. Specifically, [d] in the Registered Design, two arc-like projections (elevated parts to store false eyelashes) formed on the

top surface of the case are arranged at different angles, i.e., one is arranged on a left downward angle and the other is arranged on a right downward angle, and this point is recognized as one of the essential features that attract customers' attention. On the other hand, in Defendant's Design 2, both arc-like projections formed on the top surface of the case are arranged nearly parallel both on a left downward angle. Therefore, Defendant's Design 2 can be regarded as giving a different aesthetic appeal from that of the Registered Design to those who see it. Moreover, [e] in the Registered Design, a nearly inverted slender trapezoid-shaped concave groove is formed for storing an adhesive tube on the raised flat surface on the right side of the top surface of the case, and this point is recognized as one of the essential features that attract customers' attention. On the other hand, in Defendant's Design 2, no part to store an adhesive tube is formed in the inner case, and it should be considered obvious that Defendant's Design 2 gives a different aesthetic appeal from that of the Registered Design to those who see it. Out of common features between the Registered Design and Defendant's Design 2, the points that the containers consist of a transparent case and a transparent cover and that the containers have a three-dimensional shape that is even in height when viewed from the side are also recognized in prior designs. In light of this, these common features cannot be regarded as overwhelming the aforementioned differences and having a stronger effect on those who see them. Therefore, Defendant's Design 2 cannot be regarded as similar to the Registered Design.

The plaintiff's goods are recognized as having unique features in the container and packaging but the period of sale and advertisement is relatively short, and the sales volume, the total amount of retail sales, the amount of promotion and advertising costs, and the status of distribution of catalog, etc. of the plaintiff's goods are unclear. In addition, the photographs of the plaintiff's goods had been placed only in a few magazines annually. Taking these facts into account, it is difficult to find, as alleged by the plaintiff, that the container and packaging of the plaintiff's goods had become widely recognized among consumers as an indication of the plaintiff's goods and had acquired the function to distinguish the plaintiff's goods from other persons' goods and the source indicating function during the period from around May 2008, when the sale of the defendant's goods started, to the time when the oral argument on this case was concluded. Therefore, the container and packaging of the plaintiff's goods cannot be recognized as falling under an "indication of goods or business" set forth in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act, as alleged by the plaintiff.