

Trademark Right	Date	March 11, 2024	Court	Intellectual Property High Court, Fourth Division
	Case number	2023 (Gyo-Ke) 10095		
<p>- A case in which regarding a trademark in the application concerned (the "Application"), which consists solely of colors, orange and brown, the court ruled that the trademark cannot be found to have acquired a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use and ruled that the JPO decision contains no error in the determination that the trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act in relation to the designated goods but that paragraph (2) of the same Article is not applicable, and the determination that the trademark falls under paragraph (1), item (vi) of the same Article in relation to the designated services.</p>				

Case type: Rescission of Appeal Decision of Refusal

Result: Dismissed

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

Related rights, etc.: Trademark Application No. 2018-133223

Decision of the JPO: Appeal against Examiner's Decision of Refusal No. 2021-13743

Summary of the Judgment

1. This case is a lawsuit to seek rescission of a JPO decision that dismissed a request for an appeal against an examiner's decision of refusal regarding the trademark in the Application (the "Trademark in the Application"), which consists solely of a combination of colors, orange and brown, specifies "perfumes" in Class 3 and other goods as the designated goods, and specifies "retail services or wholesale services" for each of the designated goods in Class 35 as the designated services.

The JPO decision first ruled that the Trademark in the Application falls under Article 3, paragraph (1), item (iii) of the Trademark Act in relation to the designated goods and then denied application of paragraph (2) of the same Article, and also determined that the Trademark in the Application falls under paragraph (1), item (vi) of the same Article in relation to the designated services.

As grounds for rescission of the JPO decision, the Plaintiff alleged that the Trademark in the Application has acquired a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use, and then alleged that the determination in the JPO decision is erroneous.

2. This judgment dismissed the Plaintiff's claim based on the reasons as outlined below.

(1) In light of the fact that behind the fact that trademarks consisting solely of colors came to be recognized as the subject of protection under the Trademark Act owing to Act No. 36 of 2014, there was the perspective of supporting companies' various brand strategies, it is considered that interpretation and application that do not impair such legislative purport are required.

Then, the Trademark in the Application consists of a combination of colors, orange and brown, and has a structure in which the entire box is in orange and the upper periphery is in brown. In terms of classification, it falls under the category of "trademarks consisting solely of a combination of colors." However, it is necessary to make a determination in light of the fact that the Trademark in the Application not only differs from color trademarks consisting of a single color, which are considered to be more difficult to be registered as a trademark, but also has a feature of including an element similar to a "trademark of combination of a three-dimensional shape and colors."

(2) The packaging boxes affixed with the Trademark in the Application (the "Packaging Boxes"), and furthermore the Trademark in the Application, are found to be used as the symbols of "Hermes," which are clearly positioned in the Plaintiff's brand strategy. Therefore, it is found that, through such use of the Packaging Boxes and advertisement and promotion, the Packaging Boxes affixed with the Trademark in the Application have become widely recognized as those pertaining to the "Hermes" brand developed by the Plaintiff at least among persons who purchase the goods of high-fashion brands, such as "Hermes," and consumers who are interested in such goods.

However, the designated goods and designated services of the Application are wide-ranging and include items that are often traded as inexpensive daily goods. Therefore, it is reasonable to consider that consumers of the designated goods and designated services are a wide range of consumers in general.

When considering the situation based on such general consumers, although the "Hermes" brand itself is well-known, specific marks that make people recognize the brand may be the famous character trademark "HERMES" and a figure trademark that consists of drawings of a horse-drawn carriage and a person. Therefore, it cannot be immediately found that general consumers have already become able to recognize the "Hermes" brand from the Trademark in the Application itself, which is a color trademark, separately from these character trademark and figure trademark.

(3) Regarding the questionnaire surveys in question (the "Questionnaire Surveys"), the targets are limited to persons aged 30 to 59 for both surveys, and are also limited to persons "whose household income is 10,000,000 yen or more" or persons "who are

interested in any of bags, accessories/watches, and cosmetics/perfumes and purchased any of those items within the last six months." Therefore, the major targets of the questionnaire surveys are persons who purchase the goods of high-fashion brands, such as "Hermes," and those who are considered to be interested in such goods. Thus, the questionnaire surveys cannot be considered to have targeted a wide range of consumers in general.

Consequently, the results of the Questionnaire Surveys cannot be considered to accurately show recognition among general consumers who should be assumed as consumers.

(4) Even leaving aside the points mentioned above, regarding flavor materials in Class 3 and paperboard boxes, etc. in Class 16, out of the designated goods of the Application, the Plaintiff is neither found to be manufacturing and selling them as goods nor found to be providing retail sale or other services in Class 35 pertaining to these goods. Therefore, there is no room to find that the Trademark in the Application has acquired a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use in relation to these designated goods and designated services.

(5) Therefore, the grounds for rescission alleged by the Plaintiff are not acceptable.

Judgment rendered on March 11, 2024

2023 (Gyo-Ke) 10095, Case of seeking rescission of the JPO decision

Date of conclusion of oral argument: January 17, 2024

Judgment

Plaintiff: Hermès International

Defendant: Commissioner of the Japan Patent Office

Main text

1. The Plaintiff's claim shall be dismissed.
2. The Plaintiff shall bear the court costs.
3. The additional time frame for final appeal and for petition for acceptance of final appeal against this judgment shall be thirty days.

Facts and reasons

[Abbreviations]

The following abbreviations are used in this judgment.

(Abbreviation)

(Meaning)

- Trademark in the Application: Trademark stated in Attachment 1 "Trademark List" (a trademark consisting solely of a combination of orange and brown colors)
- Packaging Box(es): Packaging box affixed with the Trademark in the Application (however, the Plaintiff uses the term "orange box" as the box is called "orange box" by consumers; therefore, the term "orange box" is used in the Plaintiff's allegations in some cases)
- Questionnaire Survey 1: Questionnaire survey on whether the Trademark in the Application has a function for distinguishing the source of the goods or services, which was commissioned by the Plaintiff and was conducted in April 2000 (Exhibit Ko 63). The following result was obtained: 36.9% (unaided recall) or 43.1% (aided recall) of the respondents could recall "Hermes" from the Packaging Boxes.
- Questionnaire Survey 2: Questionnaire survey on whether the Trademark in the Application has a function for distinguishing the source of the goods or services, which was commissioned by the Plaintiff and was conducted in August 2003 (after the JPO decision in question (the "JPO Decision") (Exhibit Ko 169). The following result was obtained: 39.2% (unaided recall) or 44.4% (aided recall) of the respondents could recall "Hermes" from the Packaging Boxes. (Incidentally, Questionnaire Surveys 1 and 2 are collectively referred to as the "Questionnaire Surveys".)

· Examples presented by the Defendant: Examples stated in Attachment 2 "Examples of Colors of Packaging Boxes, etc. of Goods" (individual examples are referred to as "Example Presented by the Defendant A(A)" or merely "Example A(A)," etc.)

No. 1 Claim

The decision made by the JPO on April 6, 2023, for the case of Appeal against Examiner's Decision of Refusal No. 2021-13743 shall be rescinded.

No. 2 Outline of the case

1. History of procedures at the JPO, etc. (undisputed facts)

(1) The Plaintiff filed an application for trademark registration for the Trademark in the Application on October 25, 2018 (Trademark Application No. 2018-133223). Incidentally, the designated goods and designated services stated in Attachment 1 "Trademark List" are those after the amendment made on June 30, 2020.

(2) As the Plaintiff received an examiner's decision of refusal on June 30, 2021, it filed a request for an appeal against an examiner's decision of refusal on October 8, 2021.

The JPO examined the aforementioned request as Appeal against Examiner's Decision of Refusal No. 2021-13743 and rendered a decision to the effect that "The request for a trial is groundless" (the JPO Decision) on April 6, 2023 (90 days was added as a statute of limitations for filing an action). The certified copy of the JPO Decision was served to the Plaintiff on April 26, 2023.

(3) On August 23, 2023, the Plaintiff filed a lawsuit to seek rescission of the JPO Decision (the "Lawsuit").

2. Summary of reasons for the JPO Decision

(1) Regarding Article 3, paragraph (1), items (iii) and (vi) of the Trademark Act

The Trademark in the Application consists solely of colors. Therefore, it should be said that even if the Trademark in the Application is used in connection with the designated goods or designated services thereof, traders and consumers who see it only recognize it as an indication of colors that are ordinarily used or can be used in order to contribute to enhancement, etc. of the appeal of the goods or services, including improvement of the image and aesthetic sense of the goods or services, and do not recognize the colors as those that indicate the source of the goods or services or a sign to distinguish the Plaintiff's goods and services and other persons' goods and services.

Therefore, the Trademark in the Application falls under Article 3, paragraph (1), item (iii) of the Trademark Act in relation to the designated goods as it is a trademark which consists solely of a mark indicating, in a common manner, features (colors) of goods. In addition, the Trademark in the Application falls under item (vi) of the same paragraph in relation to the designated services as it should be considered as a trademark

by which consumers are not able to recognize the services as those pertaining to a business of a particular person.

(2) Regarding acquisition of a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use of the Trademark in the Application

A. The Plaintiff has continuously sold or otherwise handled goods of the Hernes brand (including goods pertaining to the designated goods or designated services of the Application) in Japan for a long period of about 60 years. It thus can be said that the characters "HERMES" and a figure that consists of drawings of a horse-drawn carriage and a person, both of which are used for the goods, are considerably well-known among consumers in Japan as trademarks that indicate the goods pertaining to the Plaintiff's business. Moreover, packaging boxes affixed with the Trademark in the Application (the Packaging Boxes) are used when selling these goods. In addition, the fact is found that the Trademark in the Application or patterns and structures using colors that constitute the Trademark in the Application (referred to as the "Patterns, etc." in B. below) are often used in the advertisement and promotion of the brand as a whole or individual goods.

B. However, [i] the number of the Packaging Boxes used is unclear, and it cannot be found that the Patterns, etc. have been continuously used in advertising and promotion for a long period of time on par with the aforementioned trademarks, including "HERMES." [ii] Regarding the Patterns, etc., the number of accesses is unclear for their use on the website, etc., and the area of use is considerably limited for their use in advertising materials and at events and stores, etc. In addition, [iii] when using the Trademark in the Application or colors that constitute it, the Plaintiff often uses the characters "HERMES" and the figure that consists of drawings of a horse-drawn carriage and a person, etc. to strongly attract consumers' attention, and it is not deniable that the source of the goods, etc. is or can be recognized from these characters, etc.

C. Consumers of many of the designated goods and designated services of the Trademark in the Application include general consumers across Japan. However, the targets of Questionnaire Survey 1 submitted by the Plaintiff are limited to persons who are "male/female aged 30 to 59" in the area of nine prefectures out of prefectures where the Plaintiff has directly managed stores and whose "household income is 10,000,000 yen or more," and thus there is a problem in setting the scope of survey targets. In addition, the percentage of respondents who answered correctly was only 36.9% to 43.1%. Therefore, it is hard to determine based on the results of Questionnaire Survey 1 that the Trademark in the Application is well-known among consumers as an

indication of goods or services pertaining to the Plaintiff's business.

D. Therefore, it cannot be found that the Trademark in the Application has come to enable consumers to recognize the designated goods and designated services thereof as goods or services pertaining to a business of a particular person as a result of use.

3. Grounds for rescission of the JPO Decision

Error in the determination that the Trademark in the Application has not acquired a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use

(omitted)

No. 4 Judgment of this court

1. The Plaintiff alleges as follows: The Trademark in the Application has become a trademark that enables consumers to recognize goods or services as those pertaining to a business of a particular person as a result of long-term, exclusive, and continuous use by the Plaintiff as colors of the Plaintiff's packaging boxes; and monopoly adaptability is also not denied. This allegation is considered to mean that even if the Trademark in the Application falls under Article 3, paragraph (1), item (iii) of the Trademark Act in relation to the designated goods, it falls under paragraph (2) of the same Article and that in relation to the designated services, it does not fall under paragraph (1), item (vi) of the same Article. Therefore, in what follows, we consider the case on that premise (the Plaintiff does not consider the portion of the determination in the JPO Decision that the Trademark in the Application falls under Article 3, paragraph (1), item (iii) of the Trademark Act in relation to the designated goods, as a ground for rescission of the JPO Decision).

2. Regarding a trademark consisting solely of colors and Article 3, paragraph (2), etc. of the Trademark Act

(1) Article 2, paragraph (1) of the Trademark Act prior to amendment by Act No. 36 of 2014 (hereinafter referred to as the "2014 Amendment") defined "trademark" as any character, figure, sign or three-dimensional shape, or any combination thereof, or any combination thereof with colors, and trademarks consisting solely of colors without being combined with any character, figure, etc. were out of the scope of protection under the Trademark Act. However, due to the circumstances of other countries where "new types of trademarks," such as trademarks consisting solely of colors or sound, were made subject to protection, the needs for protection of such "new types of trademarks" have also increased in Japan with the ongoing diversification of companies'

brand strategies. By the 2014 Amendment, trademarks consisting solely of colors came to be recognized as the subject of protection under the Trademark Act.

However, color inevitably has an aspect as a property naturally incidental to goods, etc. Therefore, in order to say that a color, which constitutes nothing more than such property of goods, has a function for distinguishing one's goods and services from other persons' goods and services, it is normally considered necessary that the color has acquired such function as a result of use or there are other special circumstances. The 2024 Amendment did not mention this point at all and left it to interpretation and application of Article 3, paragraph (1), items (iii) and (vi) of the Trademark Act and paragraph (2) of the same Article (that is, discussion on an equal footing with properties of goods other than color). In that sense, the 2014 Amendment does not provide for exceptional handling for acquisition of a distinguishing function in relation to color trademarks, but behind the same amendment, there was the perspective of supporting companies' various brand strategies. In light of this, it is considered that interpretation and application that do not impair such legislative purport is required.

(2) Specifically considering the features of the Trademark in the Application from such perspective, as stated in the Trademark List attached to this judgment, the Trademark in the Application consists of a combination of orange (combination of RGB: R221, G103, and B44) and brown (combination of RGB: R94, G55, and B45), and consists of a structure wherein the entire box is in orange and the upper periphery thereof is in brown.

In light of the statement of the detailed description of the trademark in the application, the Trademark in the Application is understood as one that consists of a structure that is assumed to be a "box"-shaped item of which the entirety is in orange and whose outline of "upper periphery" (this is understood to refer to lines where the top surface and a side surface are joined) is colored brown. In that sense, the Trademark in the Application can be considered to include an element similar to a trademark of combination of a three-dimensional shape and colors. Needless to say, the Trademark in the Application is not a trademark of combination of a three-dimensional shape and colors in the original meaning but is considered to remain to be a "trademark consisting solely of a combination of colors" in terms of classification because the detailed description of the trademark in the application clearly states as follows: "broken lines in the specimen of the trademark indicate an example of a shape of the box and are not elements that constitute the trademark." However, it should be said that it is necessary to correctly understand that the Trademark in the Application has the feature of a "trademark 'consisting solely of a combination of colors,' which includes an element

similar to a 'trademark of combination of a three-dimensional shape and colors'" and to make a determination in line with that feature.

(3) The Defendant alleges, for example, as follows: orange and brown colors of the Trademark in the Application, combination thereof, and positions of the colors are all common, and it is difficult to distinguish indications quite similar to the Trademark in the Application in general from the Trademark in the Application; colors quite similar to the Trademark in the Application are actually being used for the packaging boxes of various goods by many companies (examples presented by the Defendant regarding colors of packaging boxes, etc.).

Certainly, orange and brown are like colors, and it is found that brown is considered to be a color that is compatible with and is easy to combine with orange in the field of fashion (Exhibit Otsu 16). In addition, it is sometimes difficult to distinguish quite similar colors if the colors differ only slightly. These facts are as alleged by the Defendant.

However, the Trademark in the Application not only differs from color trademarks consisting of a single color, which are considered to be more difficult to be registered as a trademark, but also is not specified by a mere combination of orange and brown. As mentioned in (2) above, the Trademark in the Application has a particular structure consisting of a combination of orange color of the entire box and brown color along the outline of the upper part of the box. Combined with a fine balance of the RGB ratio, such structure emphasizes the brilliance of the orange color through contrast between the bright orange color and subdued brown color, and the brown edging gives an impression of sharpness of the outline of the box. In particular, it can be said that the Trademark in the Application has a structure that makes people feel elegance within simplicity as a result of using the brown color only in the upper periphery. Considering this structure as a simple "common combination of colors" is not an appropriate understanding.

In addition, the Defendant cites the examples it presented regarding colors of packaging boxes, etc. as one of the grounds for considering the Trademark in the Application as a "common combination of colors." However, this allegation of the Defendant is not acceptable as described in detail in 5. (1) below.

3. Facts found regarding the use of the Trademark in the Application and recognition among consumers

According to evidence cited below and the entire import of oral arguments, the following facts are found.

(1) Regarding the "Hermes" brand

The Plaintiff has continuously sold goods of the "Hermes" brand (including goods pertaining to the designated goods of the Application) in Japan, at its specialized stores in department stores and independent stores across the country (29 stores in total as of June 2000) and on its official website, for about 60 years. The annual sales of the goods was about ●●●● yen in 2014 and about ●●●● yen in 2018. Of which, the annual sales of goods included in the designated goods of the Application (perfumes in Class 3, wristwatches, jewellery, etc. in Class 14, stationery, etc. in Class 16, and handbags, travelling bags, saddlery, etc. in Class 18) was about ●●●● yen in 2014 and about ●●●● in 2018 (Exhibits Ko 1 and 5 to 7).

Moreover, the Plaintiff's trademark consisting of the characters "HERMES" and the trademarks of a figure that consists of drawings of a horse-drawn carriage and a person, etc. have been widespread among general consumers as famous trademarks (there is no dispute on this point between the parties).

(2) Status of use of the Trademark in the Application

A. The Plaintiff has used the Packaging Boxes affixed with the colors of the Trademark in the Application (commonly called "orange boxes") over the years as the packaging boxes of goods of the "Hermes" brand (perfumes, cosmetics, necklaces and other jewellery, wristwatches, fountain pens, diaries, photograph stands, passport holders, bags, wallets, card cases, briefcases, key cases of leather, vanity cases, saddlery, etc.). The number of the boxes used in Japan for all the goods sold was about ●●● in 2018. Regarding the goods included in the designated goods of the Application (according to the table submitted by the Plaintiff [Exhibit Ko 159], perfumes, etc. in Class 3, clocks and watches, jewellery, etc. in Class 14, photograph stands in Class 16, and handbags, saddlery, etc. in Class 18), the number of the boxes used was about ●●● in 2018. In 2022, the number of the boxes used for all the goods sold was about ●●●●, and that for the aforementioned goods was about ●●● (Exhibits Ko 20 to 24, 158, and 159).

B. However, out of the designated goods of the Application, regarding "flavor materials" in Class 3 and "paperboard boxes, paper bags and sacks, paper bags and sacks for packaging, and wrapping paper" (hereinafter referred to as "paperboard boxes, etc.") in Class 16, the Plaintiff is neither found to be manufacturing and selling them as goods nor found to be providing retail sale or other services in Class 35 pertaining to these goods (this point is described in detail in 4. (4) below).

(3) Advertisement and promotion, etc. by the Plaintiff

A. The Plaintiff has continuously conducted advertisement and promotion of the "Hermes" brand by using the Packaging Boxes and patterns created by making color

combination of the Packaging Boxes into design on its official website and video distribution site "Noel," as well as via social media, in and after 2012 (Exhibits Ko 25, 27, 28, 32, 33, 35 to 38, 40, 41, and 66 to 71), in newspaper advertisements in national newspapers in and after 2011 (Exhibits Ko 72 to 100, 162, and 163), in digital advertisements on more than 10 websites, including "Yahoo! Japan," during the Christmas season in 2022 (Exhibits Ko 162 and 163), on outdoor bulletin boards in station yards and at department stores in Tokyo and Osaka in and after 2017 (Exhibits Ko 43 and 107 to 110), in the book authorized by the Plaintiff which was published in 1997 and other books, etc. (Exhibits Ko 17, 44, 45, 111, and 161), on temporary walls, etc. at Ginza Store in 1998 and at its stores in department stores in and after 2012 (Exhibits Ko 46, 164, and 165), and in displays, etc. in its stores and at event sites.

B. In many of the aforementioned advertisements and promotions, the Plaintiff's famous trademark consisting of the characters "HERMES" and trademarks of a figure that consists of drawings of a horse-drawn carriage and a person, etc. were affixed to the upper central part, etc. of the Packaging Boxes. On the other hand, for example, in newspaper advertisements, the Packaging Boxes were used to resemble decorations for a Christmas tree and a Christmas tree itself (Exhibit Ko 72), and the pattern of the Packaging Box was used for advertisements, temporary walls, and the entire display (Exhibits Ko 46, 72, and 164, etc.). The existence of the Packaging Box was emphasized by placing it at the center of an advertisement to make the Packaging Box stand out in the entire color (Exhibit Ko 87, etc.). In this manner, many of the advertisements and promotions are also found to make an impression of the Packaging Box and its color combination. Moreover, most of the aforementioned advertisements and promotions are found to advertise and promote not specific goods but the "Hermes" brand itself.

(4) Circumstances concerning recognition among consumers

A. There are many articles about the goods of the "Hermes" brand in fashion magazines, etc. in which the Packaging Boxes are placed together with the goods (Exhibits Ko 52 to 55). Moreover, there are many examples in which a photograph of the Packaging Box is placed together with the goods on a website, etc. selling used goods of the "Hermes" brand (Exhibits Ko 57 to 60, 116, and 117). Furthermore, on the websites of third parties, such as persons who purchased the goods, and in social media posts by them, the Packaging Box alone is often posted, and there are many articles about the Packaging Box and its colors (Exhibits Ko 18, 19, 61, 62, 118 to 122, and 135 to 144). Such persons say that "Speaking of Hermes, this orange box

comes to mind."

B. Questionnaire Survey 1 (Exhibit Ko 63)

In April 2020, the Plaintiff conducted Questionnaire Survey 1 as described below by means of internet survey through commission to Intage Inc..

(A) Survey targets

The target area covered the following prefectures: Hokkaido, Saitama, Chiba, Tokyo, Kanagawa, Aichi, Hyogo, Osaka, and Fukuoka. The age of the targets ranged from 30 to 59. Regarding gender, the targets are 700 males and 1,300 females (2,000 in total) in terms of the standard design, and they are those with the household income of 10,000,000 yen or more.

(B) Construction of questions

Q1 Gender

Q2 Age

Q3 Present three illustrations, specifically, the same illustration as the Trademark in the Application, an illustration of a thick cuboid box with the same colors as the Trademark in Application, and an illustration of a cylindrical shape with the aforementioned colors, and ask the following question: "These illustrations show the colors of packaging boxes used by a certain fashion brand for packaging its goods. Please freely write a brand name you recall as the fashion brand using these colors."

(unaided recall)

Q4 Present the same illustrations as those in Q3, and ask the following question while showing GUCCI, HERMES, CHANEL, and 10 other brand names and "Not applicable" as options: "These illustrations show the colors of packaging boxes used by a certain fashion brand for packaging its goods. Please choose a brand name you recall as the fashion brand using these colors from the following options." (aided recall)

(C) Status of collection

Number of requests: 13,296; number of valid responses: 2,082

(D) Results

Q3 769 respondents (36.9%) could identify the brand name as "Hermes," 704 (33.8%) answered different brand names, and 609 (29.3%) answered "Don't know/no idea." The total number of respondents was 2,082.

Q4 43.1% of the respondents chose "HERMES." Out of other answers, 436 respondents (20.9%) chose "LOUIS VUITTON," and 451 (21.7%) chose "Not applicable." The total number of respondents was 2,082.

Incidentally, in terms of "combined aggregation," the sum of 769 respondents who

correctly answered Q3 and 171 respondents who incorrectly answered Q3 but correctly answered Q4 was 940 (45.1%).

C. Questionnaire Survey 2 (Exhibit Ko 169)

In August 2023, the Plaintiff conducted Questionnaire Survey 2 as described below by means of internet survey through commission to Macromill, Inc.

(A) Survey targets

Persons who are interested in any of bags, accessories/watches, and cosmetics/perfumes and purchased any of those items within the last six months (no household income requirement)

The target area and the age and gender (standard design) of the targets are the same as those for Questionnaire Survey 1.

(B) Construction of questions

Q1 Same as Q3 of Questionnaire Survey 1

Q2 Same as Q4 of Questionnaire Survey 1

(C) Results

Q1 808 respondents (39.2%) could identify the brand name as "Hermes," 880 (42.7%) answered different brand names, and 372 (18.1%) answered "Don't know/no idea. The total number of respondents was 2,060.

Q2 915 respondents (44.4%) chose "HERMES." Out of other answers, 561 (27.2%) chose "LOUIS VUITTON," and 275 (13.3%) chose "Not applicable." The total number of respondents was 2,060.

Incidentally, in terms of "combined aggregation," the sum of respondents who correctly answered Q1 and those who incorrectly answered Q1 but correctly answered Q2 accounted for 46.2% (population parameter: 2060).

(5) Regarding examples of use of similar colors

The examples presented by the Defendant regarding colors of packaging boxes are as shown in Attachment 2 "Examples of Colors of Packaging Boxes, etc. of Goods," and the following packaging boxes, etc. are used by companies other than the Plaintiff.

[Example A: Packaging boxes in the fields of the designated goods or designated services of the Application]

(A) to (D) Perfume (Exhibits Otsu 18 to 21)

(E) to (G) Beauty cream and beauty gel (Exhibits Otsu 22 to 24)

(H) Watch (Exhibit Otsu 25)

(I) and (J) Ink (Exhibits Otsu 26 and 27)

(K) Card case (Exhibit Otsu 28)

(L) Long wallet (Exhibit Otsu 29)

(M) and (N) Necklace and box (Exhibits Otsu 30 and 31)

(O) and (P) Watch case (Exhibits Otsu 32 and 33)

(Q) Pen case (Exhibit Otsu 34)

[Example B: Paperboard boxes and other items for packaging which are the designated goods in Class 16]

(A) Box for western confectionery (Exhibit Otsu 38)

(B) Box for gift packaging for perfume, cosmetics, and wallet (Exhibit Otsu 39)

However, the price of the box is 6,515 yen, and the box may be a product sold in combination with perfume, etc.

(C) to (K) Gift box (Exhibits Otsu 40 to 48)

(L) Paper bag (Exhibit Otsu 49)

[Example C: Packaging boxes for goods in the fields of various goods]

(A) Confectionery (Exhibits Otsu 50 and 51)

(B) to (D) Chocolate (Exhibits 52 to 54)

(E) Confectionery (Exhibit 55)

(F) to (J) Other (Exhibits Otsu 56 to 60)

4. Regarding acquisition of a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use of the Trademark in the Application

(1) According to the facts found in 3. above, the "Hermes" brand developed by the Plaintiff is also found to have been famous in Japan owing to the sale of goods at directly managed stores, etc. for a considerably long period of time and advertisement and promotion on the official website and other websites, in national newspapers, on outdoor bulletin boards in station yards and at department stores, and in displays, etc. inside and outside the Plaintiff's stores. In terms of famousness, the Plaintiff is considered to be at a top-level position among various fashion brands owing to its long history of sales in Japan, overwhelming sales performance, and active advertisement and promotion through many exposures targeting general consumers, etc.

Moreover, the Packaging Boxes affixed with the Trademark in the Application (commonly called "orange boxes") are used when selling the goods of the "Hermes" brand, and the Packaging Boxes and those created by making color combination of the Packaging Boxes into design are intentionally and strategically used in the advertisement and promotion of the "Hermes" brand.

Considering the findings mentioned above together with the entire import of oral arguments, the Packaging Boxes, and furthermore the Trademark in the Application,

are found to be used as the symbols of "Hermes," which are clearly positioned in the Plaintiff's brand strategy. Therefore, it is found that, through such use of the Packaging Boxes and advertisement and promotion, the Packaging Boxes affixed with the Trademark in the Application (orange boxes) have become widely recognized as those pertaining to the "Hermes" brand developed by the Plaintiff at least among persons who purchase the goods of high-fashion brands, such as "Hermes," and consumers who are interested in such goods.

(2) However, the designated goods and designated services of the Application are wide-ranging as indicated in the Trademark List attached to this judgment. The designated goods and designated services include items that are often traded as inexpensive daily goods, such as creams for leather in Class 3, clocks and watches and key rings in Class 14, paperboard boxes, etc., stationery, diaries, and photograph stands in Class 16, and rucksacks, card cases, and umbrellas in Class 18. Therefore, it is reasonable to consider that consumers of those goods are a wide range of consumers in general, and such consumers should be considered not to be limited to persons who purchase the goods of high-fashion brands, such as Hermes, and consumers who are interested in those goods.

When considering the situation based on such general consumers, although the "Hermes" brand itself is well-known, specific marks that make people recognize the brand may be the famous character trademark "HERMES" and a figure trademark that consists of drawings of a horse-drawn carriage and a person. Therefore, it cannot be immediately found that general consumers have already become able to recognize the "Hermes" brand from the Trademark in the Application itself, which is a color trademark, separately from these character trademark and figure trademark.

In such case, a questionnaire survey on recognition is often useful as material to be used to eliminate the influence of the character trademark, etc. used in combination with the Trademark in the Application and to make clear whether the Trademark in the Application has a function for distinguishing the Plaintiff's goods and services from other persons' goods and services, as well as the level of the function, with a focus only on the Trademark in the Application. In this case, the Plaintiff also submitted the results of the Questionnaire Surveys. Therefore, next, we consider the questionnaire results.

(3) The details and results of the Questionnaire Surveys are as mentioned in 3. (4) B. and C. above. As far as recognition in the Questionnaire Surveys goes, the results can be considered to indicate that the Trademark in the Application has acquired a function for distinguishing the Plaintiff's goods and services from other persons' goods and services (the Defendant alleges that the percentage of respondents who answered

correctly cannot be considered to be high, but this allegation cannot be considered to be a fair evaluation).

However, looking at the settings of the targets of the Questionnaire Surveys, the targets are limited to persons aged 30 to 59 for both surveys. In addition, the targets of Questionnaire Survey 1 are limited to persons "whose household income is 10,000,000 yen or more," and those of Questionnaire Survey 2 are limited to persons "who are interested in any of bags, accessories/watches, and cosmetics/perfumes and purchased any of those items within the last six months." Therefore, the major targets of the Questionnaire Surveys are persons who purchase the goods of high-fashion brands, such as "Hermes," and those who are considered to be interested in such goods. Thus, the Questionnaire Surveys cannot be considered to have targeted a wide range of consumers in general.

The Plaintiff alleges as follows: It is reasonable to exclude age brackets that include students who cannot purchase the designated goods of the Application or elderly persons after mandatory retirement, in terms of income and age, etc.; as the designated goods of the Application include many luxury goods, major consumers thereof are considered to be persons in the upper income bracket. However, these points do not apply to the designated goods and designated services of the Application as a whole, though they present the features of the goods of the "Hermes" brand. Therefore, the Plaintiff's allegation is groundless.

Furthermore, the questions of the aforementioned questionnaires include part of the correct answer, "packaging boxes used by a certain fashion brand," in the phrase "These illustrations show the colors of the packaging boxes used by a certain fashion brand for packaging its goods." Therefore, neither Q3 of Questionnaire Survey 1 nor Q1 of Questionnaire Survey 2 can be strictly considered to be a question for evaluating "unaided recall."

For the reasons described above, the results of the Questionnaire Surveys cannot be considered to accurately show recognition among general consumers, who should be assumed as consumers of the Trademarks in the Application, and must be considered inappropriate as evidence to find that the Trademark in the Application has a function for distinguishing the Plaintiff's goods and services from other persons' goods and services. There is no other evidence sufficient to find that general consumers have become able to recognize the "Hermes" brand from the Trademark in the Application itself separately from the famous character trademark and figure trademark of "Hermes."

(4) Even leaving aside the points mentioned above, regarding [perfume and] flavor

materials in Class 3 and paperboard boxes, etc. in Class 16, out of the designated goods of the Application, the Plaintiff is neither found to be manufacturing and selling them as goods nor found to be providing retail sale or other services in Class 35 pertaining to these goods. Therefore, there is no room to find that the Trademark in the Application has acquired a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use in relation to these designated goods and designated services.

The Plaintiff alleges that the sale of a box for handkerchiefs (Exhibit Ko 41) falls under use of the Trademark in the Application in connection with paperboard boxes in Class 16 and retail sale or other services for paperboard boxes in Class 35. However, the product name of Exhibit Ko 41 is "handkerchief box (handkerchief)," and the description of the goods is only about the handkerchief. Taking this into account, it is found that the Trademark in the Application is affixed to a packaging for goods, the "handkerchief," when selling the handkerchief, and the Trademark in the Application is not found to have been used in connection with the "paperboard box" as goods, or with retail sale or other services for the paperboard box.

Moreover, "flavor materials" mean "substances added for the purpose of adding aroma to food, cosmetics, etc." (Exhibit Otsu 66; *Kojien*, 7th edition), and there are distributors of flavor materials that are used as raw materials for perfumes and cosmetics (Exhibit Otsu 71) and distributors of flavor materials that are used as raw materials for processed food (Exhibit Otsu 72). On the other hand, the Plaintiff and other manufacturers and distributors of perfumes and cosmetics (Exhibits Otsu 73 and 74) are not found to be manufacturing and selling flavor materials. Therefore, it is not found that traders and consumers of perfumes and flavor materials have a commonality.

Incidentally, it is found that in the appeal procedure of this case, whether the Trademark in the Application falls under Article 3, paragraph (2) of the Trademark Act is disputed, examined, and determined in relation to the designated goods of the Application, while whether the Trademark in the Application falls under paragraph (1), item (vi) of the same Article is disputed, examined, and determined in relation to the designated services of the Application (Exhibits Ko 153 to 155). Therefore, it is clear that the aforementioned points are within the scope of examination in the Lawsuit. In addition, the allegation of the Defendant does not fall under allegations or evidence presented after its time (Article 7 of the Administrative Case Litigation Act and Article 157 of the Code of Civil Procedure) as it cannot be found to have been made after the time for doing so and to be one that delays the conclusion of litigation.

(5) The Plaintiff also alleges consistency with practice in the Plaintiff's home country, France, and the United States, where a color trademark of the orange color has been registered as a trademark. However, the registered color trademark differs from the Trademark in the Application, and its designated goods and services also differ from those of the Trademark in the Application (1. and 2. in Exhibits Ko 64 and 65, respectively), and there is no premise for questioning the consistency (incidentally, also see Article 6 quiniens B(ii) of the Paris Convention for the Protection of Industrial Property).

(6) Summary

To sum up what is stated above, first, it is found that the Packaging Boxes affixed with the Trademark in the Application (orange boxes) have been widely recognized as those pertaining to a brand developed by the Plaintiff, "Hermes," at least among persons who purchase the goods of high-fashion brands, such as "Hermes," and consumers who are interested in such goods as a result of use of the Packaging Boxes and advertisement and promotion. However, in light of the designated goods and designated services of the Application, general consumers should also be assumed as consumers of the Trademark in the Application. When considering the situation based on such consumers, it cannot be immediately determined that the Trademark in the Application has come to enable them to recognize the "Hermes" brand by itself. The results of the Questionnaire Surveys are also inappropriate as evidence to find this point. Secondly, it is not found that the Trademark in the Application is used in connection with flavor materials in Class 3 and paperboard boxes, etc. in Class 16, out of the designated goods of the Application, as well as with retail sale and other services in Class 35 pertaining to these goods. Therefore, the Trademark in the Application cannot be found to have acquired a function for distinguishing the Plaintiff's goods and services from other persons' goods and services as a result of use in relation to these designated goods and designated services.

Consequently, without the need to make determinations on the remaining points, it is concluded that the grounds for rescission alleged by the Plaintiff are not acceptable. The JPO Decision contains no error in the determination that the Trademark in the Application falls under Article 3, paragraph (1), item (iii) of the Trademark Act in relation to the designated goods but that paragraph (2) of the same Article is not applicable, and the determination that the Trademark in the Application falls under paragraph (1), item (vi) of the same Article in relation to the designated services.

5. Regarding other issues

The opinions of this Court regarding the evaluation of the examples presented by the Defendant regarding colors of packaging boxes, etc. and the issue of monopoly adaptability are indicated below though they do not affect the conclusion of the Lawsuit.

(1) Regarding evaluation of the examples presented by the Defendant regarding colors of packaging boxes, etc.

A. The following is found as the actual conditions of transactions of packaging boxes, etc. of goods: The packaging boxes, etc. indicated in Attachment 2 "Examples of Colors of Packaging Boxes, etc. of Goods" are manufactured and sold by companies other than the Plaintiff.

B. Individually considering the examples presented by the Defendant, Example B(B) (Exhibit Otsu 39), Example B(C) (Exhibit Otsu 40), and Example C(A) (Exhibits Otsu 50 and 51) are considered to be relatively similar to the Trademark in the Application in terms of colors and features of color combination. Of which, Example B(C) and Example C(A) are related to packaging boxes for western confectionery (caramels and pies) that differs from the designated goods and designated services of the Application. In addition, according to evidence (Exhibits Ko 170 and 171) and the entire import of oral arguments, the following facts are found: The Plaintiff alleged that the goods indicated as Example B(C) infringe the Plaintiff's intellectual property right, and sent a written warning and negotiated with the other party company; then, the other party company discontinued the display and sale of the goods by October 2023 and delivered to the Plaintiff a written pledge saying that "We understand that the colors in question (the "Colors"; orange color of the entire box and brown color at the upper periphery) are well-known as an indication of the goods and services of Hermes and pledge that we will neither display nor sell the goods in question (a gift box affixed with colors similar to the Colors) and gift boxes affixed with colors similar to the Colors"; In addition to this case, when finding goods that have been determined to be infringing goods, the Plaintiff has taken similar measures, and there are annually around 30 to 40 cases in which the Plaintiff sends a written warning; The Plaintiff is also considering measures in relation to Example B(B).

On the other hand, regarding the goods of Example B(C), the Defendant alleges that reasons for discontinuation of sale are not clear and that there is no ground for considering the goods as a counterfeit product. However, piercing together the configuration of the goods and the text of the aforementioned written pledge, it can be presumptively recognized that the other party company discontinued the sale while recognizing that manufacture and sale of the goods fall under the category of unfair

competition referred to in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act.

Then, the fact of existence of such infringing products in the market does not underpin the idea that the colors and features of the color combination of the Trademark in the Application are common things but rather can be considered to suggest that the colors and features of color combination of the Packaging Boxes (Trademark in the Application) have the high ability to attract consumers.

C. Out of the examples presented by the Defendant regarding colors of paperboard boxes, etc., examples other than those mentioned in B. above are those without brown outline, which is a feature of the Trademark in the Application, or those in which such brown outline extends to parts other than "upper periphery" unlike the Trademark in the Application (as mentioned above, the brown color is purposely used only at the upper periphery in the Trademark in the Application, and this difference also significantly affects the impression of the entirety). Therefore, these examples cannot be considered to underpin the idea that colors and color combination of the Trademark in the Application are common things.

In this regard, the Defendant alleges that, taking into consideration that similarity between trademarks should be determined on the premise of observation at a distance, it is also difficult to distinguish between the Trademark in the Application and a box of which a large portion is in orange and a small portion, such as outline, is in brown. However, this allegation cannot be considered to be based on the accurate understanding of the features of the Trademark in the Application mentioned in 2. (2) above. In addition, similarity between trademarks should also be considered in light of changes in recognition among consumers as a result of use of the Trademark in the Application, as well as advertisement and promotion, etc., and it should be said that similarity between trademarks cannot be categorically determined as alleged by the Defendant.

(2) Issue of monopoly adaptability

The Defendant alleges as follows: If registration of the Trademark in the Application is accepted, modes of use that can be determined to be similar to the Trademark in the Application will be actually restricted in relation to colors widely used by many companies, and freedom to use colors will be extremely restricted mainly in the field of fashion, which will cause a significant chilling effect to other companies.

However, first, the Trademark in the Application is not specified by a mere combination of orange and brown but has a particular structure consisting of a

combination of orange color of the entire box and brown color along the outline of the upper part of the box. Even if registration of the Trademark in the Application as a trademark is accepted, it will not simply lead to monopoly of colors. In addition, there is no actual condition of transactions in which the combination of colors with such particular structure is widely used by many companies (see (1) above). Moreover, even if registration of the Trademark in the Application is accepted, it is considered that modes of use that are determined to be similar to the Trademark in the Application often fall under the category of unfair competition referred to in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act (see the history of discontinuation of sale of Example Presented by the Defendant B(C)). Therefore, the chilling effect caused by the registration should not be overcounted.

(3) As mentioned above, this Court determines in conclusion that the Plaintiff's claim should be dismissed, but makes an additional remark that it is not aligned with the Defendant's allegations regarding (1) and (2) above.

6. Conclusion

Accordingly, the Plaintiff's claim shall be dismissed, and the judgment is rendered as indicated in the main text.

Intellectual Property High Court, Fourth Division

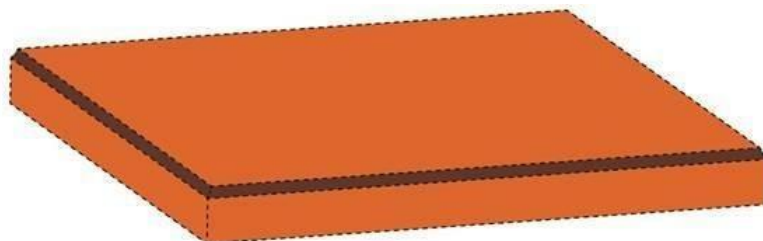
Presiding judge: MIYASAKA Masatoshi

Judge: MOTOYOSHI Hiroyuki

Judge: RAI Shinichi

Attachment 1 Trademark List

[Trademark]



[Detailed description of the trademark] The trademark for which a registration is sought consists solely of a combination of colors and has a structure in which the entire box is in orange (combination of RGB: R221, G103, and B44) and the upper periphery is in brown (combination of RGB: R94, G55, and B45). Incidentally, broken lines in the specimen of the trademark indicate an example shape of the box and are not elements that constitute the trademark.

[Class of goods and services as well as the designated goods or designated services]

Class 3 Perfumes, flavor materials, incenses and fragrances, perfumery, body lotions, deodorants for human beings, bath and shower gels, after-shave lotions, and creams for leather

Class 14 Jewellery, necklaces, bracelets, rings, earrings, pendants, jewellery charms, items for clocks and watches, wristwatches, clocks and watches, watch bands and straps, key rings, and jewellery scarfpins

Class 16 Paperboard boxes, paper bags and sacks, paper bags and sacks for packaging, wrapping paper, stationery, diaries, photograph stands, and passport holders

Class 18 Handbags, travelling bags, rucksacks, beach bags, shoulder bags, long wallets, wallets, card cases, briefcases, key cases of leather, pouches of leather, suitcases, vanity cases, small clutch bags, saddlery, riding saddles, harness, horse blankets, riding saddle covers, saddle cloths for horses, whips for horse riding, and umbrellas

Class 35 Retail services or wholesale services for perfumes, flavor materials, incenses and fragrances, perfumery, body lotions, deodorants for human beings, bath and shower gels, after-shave lotions, and creams for leather, retail services or wholesale services for jewellery, necklaces, bracelets, rings, earrings, pendants, jewellery charms, items for clocks and watches, wristwatches, clocks and watches, watch bands and straps, key rings, jewellery scarfpins, and scarfpins (excluding jewellery), retail services or wholesale services for paperboard boxes, paper bags and sacks, paper bags and sacks

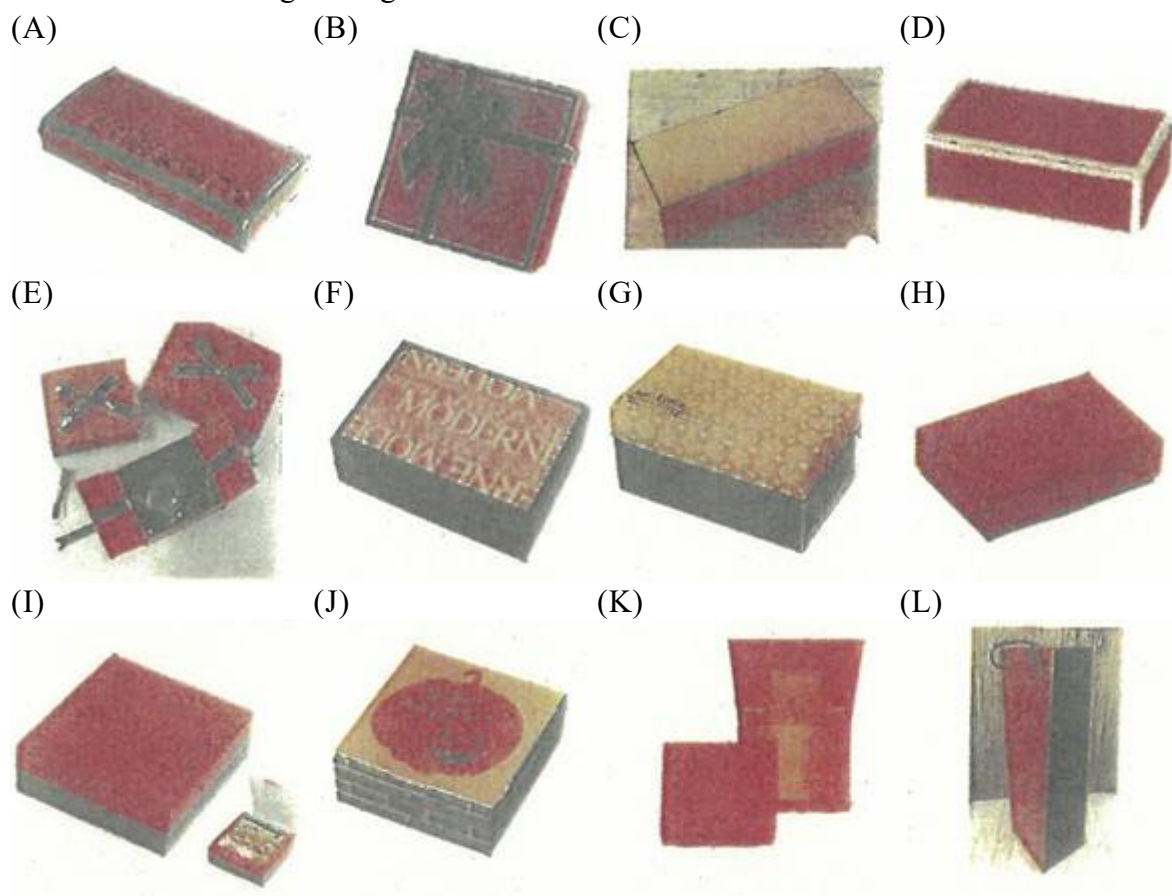
for packaging, wrapping paper, stationery, diaries, photograph stands, and passport holders, retail services or wholesale services for handbags, travelling bags, rucksacks, beach bags, shoulder bags, long wallets, wallets, card cases, briefcases, key cases of leather, pouches of leather, suitcases, vanity cases, small clutch bags, saddlery, riding saddles, harness, horse blankets, riding saddle covers, saddle cloths for horses, whips for horse riding, and umbrellas

Attachment 2 Examples of Colors of Packaging Boxes, etc. of Goods

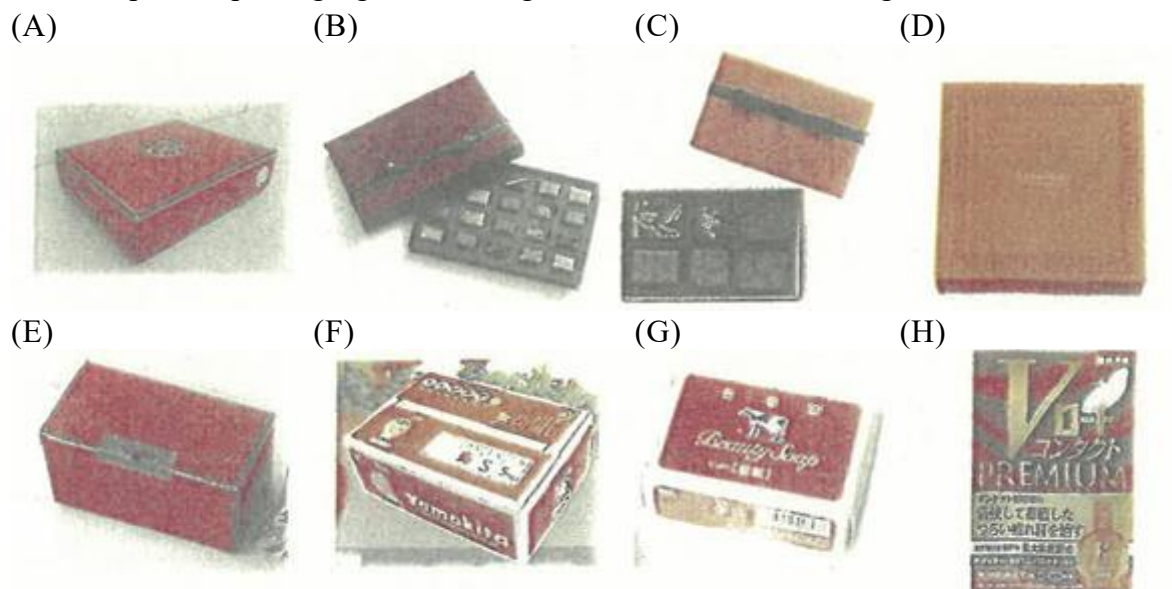
A. Examples of colors of packaging boxes of goods in the fields of the designated goods or designated services of the Application (for "paperboard boxes" in Class 16, examples are stated in B. below)



B. Examples of colors of "paperboard boxes" and other items for packaging which are included in the designated goods in Class 16



C. Examples of packaging boxes for goods in various fields of goods



(I)



(J)

