
Date of the judgement

1990.07.20

Case Number

1985(O)1576

Reporter

Minshu Vol.44, No.5, at 876

Title

Judgment upon the case concerning a claim for the infringement of trademark rights and the abuse of rights

Case name

petition for the elimination, etc. of trademark infringement

Result

Judgment of the Second Petty Bench, quashed and decided by the Supreme Court

Court of the Second Instance

Osaka High Court

Summary of the judgement

If, at the time of an application for the registration of a trade mark which is reminiscent of the image and the name of the principal character of a cartoon, the name of this character is familiar to the general public as inseparable from the character from the cartoon, under the circumstances that a mark which comprises the name of the character in letters had been

attached to products with the consent of the copyright holder of the cartoon, the holder of the right on the registered trade mark is not allowed to claim infringement in relation to the above mark as an abuse of rights.

Main text of the judgement

The part of the judgment of the original instance court concerning the jokoku appellant losing the case shall be quashed.

The claim of the jokoku appellee on this part shall be dismissed.

The total cost of the litigation shall be borne by the jokoku appellee.

Reasons

On item 3 of the grounds of jokoku appeal by representatives for appeal, Kenji Yoshitake, Iwao Kamiya, and assistant Teruo Nishimura, and item 6 of the grounds of jokoku appeal by the representatives for appeal, Ryuichi Murabayashi, Toshiaki Imanaka, Hiroshi Yoshimura, Yoshitaka Kamata, Kazue Urata, Tatsukichi Taniguchi, Tsukasa Matsumoto, and Kazufumi Murakami:

1. The facts lawfully ascertained by the original instance court are as follows:

1) The appellee in the second instance who withdrew later (the plaintiff in the first instance; hereinafter, the 'koso appellee') is engaged in the business of the production and wholesale of textile products. He had the trademark right (application for registration on June 26, 1958, June 12, 1959, registered, November 29, 1979, the term of registration extended; the designated products are 'clothes, handkerchiefs, buttons and pins for accessories. Hereinafter, 'the Trademark') assigned from P around December 1969. The jokoku appellee was assigned the rights on the Trademark from the koso appellee on April 17, 1984, and this transfer was registered on July 30 of the same year. The jokoku appellee, by the registration of transfer of the rights, had the entire claim of the koso appellee vis a vis the jokoku appellee assigned on September 4, 1984, while the present case was pending at the original instance court.

2) The jokoku appellant was marketing mufflers (hereinafter, 'the Product of the defendant') which are designated products in relation to the Trademark, and had mark B as indicated in List 2 attached to the judgment of the first instance court and mark C indicated in the same list attached to them.

3) The Trademark comprises the combination of letters and a figure; the letters 'POPEYE' in the upper part, the same word in Japanese at the bottom, and between them was a figure with a sailor's cap and uniform looking sideways with a sailor's pipe in the mouth, the left hand with the tattoo of an anchor on his chest and the right had flexing its muscles, standing upright with both legs apart.

Mark B of the Product of the defendant has the letters 'POPEYE' in the corner of the muffler, and Mark C comprises a tag attached to the muffler with a combination of letters and a figure; on the tag, a figure with a cap and sailor's uniform, looking slightly sideways with the mouth closed with a sailor's pipe, flexing the muscles of his right arm and looking proud was depicted, and in the lower part, there were letters of 'POPEYE' written diagonally.

4) The cartoon 'Popeye' was part of the cartoon series, 'the Thimble Theater' which was created by Elsy Kreisler Seager and which appeared in a newspaper, the 'New York Journal' on January 17, 1929, and once published, became very popular and the title of the series was changed to 'Popeye's Thimble Theater'. The author himself became emotionally attached to this character as if he really existed. When the cartoon was made into a film in 1932 by Max Fleischer, this single-eyed 'Popeye the sailor man' who always had a sailor's pipe in the mouth, and who, upon eating spinach, wields super human power and beats his opponent became popular among people all over the world including Japan as a figure with a unique character. Even after the death of Seager in 1938, the cartoon was succeeded by other cartoon creators. The creator in 1976, Bud Sagendorf, is the third generation creator of this cartoon. In the meantime, through films and televisions, the character of Popeye has taken root across the world including Japan.

5) A US juridical person, Q Inc., is the holder of the copyright of the cartoon 'the Thimble Theater'. On April 6, 1981, it licensed the exclusive right to use the copyright to the parent company R Corporation, and S Syndicate Division, which is part of R Corporation licensed the reproduction of the 'character in the Popeye cartoon' on sporting goods including mufflers to a joint stock company 'T'. The jokoku appellant purchased the Product of the defendant produced by the company 'T' under license and sold them to retailers between the summer of 1981 and December 1982.

2. At the first instance, the koso appellee sought an injunction of the sale of the Product of the defendant and compensation vis a vis the jokoku appellant based upon the rights under the Trademark. The jokoku appellee who had the right to the assigned Trademark participated in the second instance as a party and sought an injunction of the sale of the Product of the defendant

and compensation vis a vis the jokoku appellant based upon the rights on the Trademark (the koso appellee withdrew the claim after the assignment). The original instance court, based upon the above facts, ruled as follows and altered the judgment of the first instance court which granted an injunction on the sale of the products of the defendant and ordered payment of part of the claimed compensation, and acknowledged the part claiming the payment of 1,085,1000 yen and the penalty for the delay in payment, but dismissed the remaining part of the claim.

1) It is evident that mark C is used on the tag and is used solely as a trademark. It is also evident that mark B is used with the function of a trademark, since it is used as a 'one point mark', and has the function of indicating the place of origin and assurance of quality.

2) Marks B and C coincide with the Trademark in that it is reminiscent of the name 'Popeye', and also is reminiscent of the image of the figure 'Popeye' and thus, as regards the underlying concept, they coincide with the Trademark. Therefore, marks B and C are similar to the Trademark.

3) Art.29 of the Trademark Law should be understood to provide that in cases where the right to the trademark is in conflict with the copyright which has emerged before the date of application for the registration of the trademark, the holder of the trademark may not only be unable to use the design as a trademark to this extent, but if the reproduction and use of the copyrighted work as a trademark is in conflict with the use of his own right to the trademark, he is not entitled to an injunction. Mark C comprises the figure which visually expressed the person of 'Popeye' and the name which is inseparable from the figure and which describes it, and therefore, is a reproduction of the character 'Popeye' which appears in the original copyrighted work, 'the Thimble Theater'. Therefore, mark C as a whole does not constitute an infringement of the Trademark.

On the other hand, mark B comprises the letters 'POPEYE' only. Titles or the name of the characters which appear in a copyrighted work are not a copyrighted work independent of the original work, even if they immediately remind the people of the figures of the characters. Therefore, concerning Mark B, it is not possible to exclude a claim for compensation based upon the right to the Trademark by virtue of Article 29 of the Trademark Law.

4) Insofar as the adjudication which annuls the registration of the Trademark has not been finalised, the Trademark cannot be regarded as being against good morals and public order. The contention of the jokoku appellant that the jokoku appellee has had the right to the Trademark assigned for the purpose of 'free riding' on the power of the 'character of the Popeye cartoon' to

attract customers not only cannot be substantiated, but if the concept of 'free riding' as asserted by the jokoku appellant means 'to skilfully use other person's achievement without paying', such an act is not necessarily unlawful. Besides, it was after 1960 that the licensor of the Popeye cartoon, Hurst Corporation, began to market 'characters of the Popeye cartoon' in Japan as a business, and on April 21, 1939, at the time of the application for registration of the trademark which comprises the figure of 'Popeye' and some letters (registration number 32620) and is a combined trademark with the Trademark, there was no lawful interest to be protected by registering the 'character in the Popeye cartoon' as a trademark, and therefore, the exercise of the rights by the jokoku appellee based upon the Trademark cannot be regarded as an abuse of rights, and there is no other circumstances in this case which comprise an abuse of rights.

5) Therefore, the claim for compensation by the jokoku appellee vis a vis the jokoku appellant based upon the infringement of the rights on the Trademark does not have grounds in relation to Mark C by virtue of Art.29 of the Trademark Law, but concerning Mark B, the claim is with grounds for 1,085,100 yen of loss incurred by the koso appellee by the jokoku appellant selling the product of the defendant between the summer of 1981 and the end of 1982. The claim for injunction concerning Mark B is without grounds, since the jokoku appellant failed to prove that there was a probability of the products of the defendant being sold in the future.

3. However, the part of the above ruling which denied that the exercise of the rights based upon the Trademark against Mark B was an abuse of rights cannot be upheld as justifiable. The reasons are as follows:

The jokoku appellee has submitted the present claim on the ground that Mark B is used with the function of a trademark, and is similar to the Trademark, and furthermore, that it merely expresses the name of the principal character of the cartoon 'Popeye' and therefore, is not a copyrighted work separate from the cartoon 'Popeye', and cannot be regarded as the reproduction of the copyrighted work, and argued that therefore, the claim for the compensation based upon the Trademark in relation to Mark B was an exercise of the rights on the Trademark. However, in the light of the above-mentioned facts, at the time of the application for registration of the Trademark, the principal character 'Popeye' of this series of cartoon had been known and been popular worldwide as a fictional figure with a consistent character, and the image of 'Popeye' had taken root throughout the world including Japan. Considering the fact that the principal figure of the cartoon 'Popeye' is a fictional figure and that the word 'Popeye', or 'Popeye (Japanese)' does not mean anything else than this principal figure, the name 'Popeye' has been appreciated by the general public as inseparable from the image of the figure in the cartoon. Therefore, it is the understanding of the general public, at the time of the application

for registration of the Trademark, as well as at present, that the word 'Popeye', which is the sole component of Mark B, is immediately reminiscent of the image of the principal figure in the cartoon 'Popeye'. Furthermore, the Trademark is also nothing but a mark which recalls the image and name of the principal figure of the cartoon 'Popeye'. Therefore, the Trademark is using the publicity of this figure without paying for it, and if one takes into account that the maintenance of the objectively fair order of competition is one of the purposes of the Trademark Law, the claim by the jokoku appellee of the infringement of the right to the Trademark against a person who has been licensed by the holder of the copyright and sold products with Mark B is an act which harms the objectively fair order of competition, and is nothing but an abuse of power.

The judgment of the original instance court which differed from the above and rejected the claim of the abuse of power by the jokoku appellant has erred in the interpretation and application of law, and it is evident that this error affected the conclusion of the judgment. The arguments of the jokoku appellant are with grounds, and without ruling on the rest of the grounds of appeal, the part of the judgment of the original instance court which ruled against the jokoku appellant cannot but be quashed. As explained above, since it is evident that the claim of the jokoku appellee concerning Mark B, part of the claim by the jokoku appellee which has been acknowledged by the judgment of the original instance court shall be dismissed.

Thus, by virtue of arts.408, 396, 96, 89 of the Code of Civil Procedure, the justices unanimously rule as the main text of the judgment.

The Second Petty Bench of the Supreme Court

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Presiding judge

Justice FUJISHIMA Akira

Justice KAGAWA Yasukazu

Justice OKUNO Hisayuki

Justice NAKAJIMA Toshijiro

(*Translated by Sir Ernest Satow Chair of Japanese Law, University of London)