

Date	December 19, 2001	Court	Tokyo High Court, 13th Civil Division
Case number	2000 (Ne) 6042		
– A case in which the court determined that the configuration of rotating cube combination puzzles (generally called "Rubik's Cube") can be regarded as an "indication of goods or business" referred to in Article 2, paragraph (1), item (i) or item (ii) of the Unfair Competition Prevention Act.			

References: Article 2, paragraph (1), items (i) and (ii) of the Unfair Competition Prevention Act

Summary of the Judgment

1. In this case, the plaintiff in the first instance [i] alleged against Defendant RUN'A in the first instance that, since the configuration of rotating cube combination puzzles (the "plaintiff's goods") manufactured and sold by the plaintiff in the first instance may be regarded as an "indication of goods or business" referred to in Article 2, paragraph (1), item (i) or item (ii) of the Unfair Competition Prevention Act, the act of Defendant RUN'A in the first instance of importing and selling its rotating cube combination puzzles (the "defendants' goods") constitutes an act of unfair competition, thereby seeking an injunction against said act and payment of damages; [ii] alleged against Defendant RUN'A in the first instance that, since the mark (the "defendant's mark") that Defendant RUN'A in the first instance affixed to the defendants' goods is similar to a registered trademark of the plaintiff in the first instance, the use of the defendant's mark constitutes infringement of the trademark right of the plaintiff in the first instance, thereby seeking an injunction against said use and payment of damages; and also [iii] alleged against Defendant P in the first instance, who is the representative of Defendant RUN'A in the first instance, that, regarding the act of unfair competition and the infringement of the trademark right as mentioned above, Defendant P in the first instance committed a willful or negligent act in the course of carrying out his/her job duties, thereby seeking payment of damages under Article 266-3, paragraph (1) of the Commercial Code.

The court of prior instance upheld the claims mentioned in [ii] above to the extent of seeking an injunction and part of damages, while dismissing the other claims. Both the plaintiff in the first instance and the defendants in the first instance filed appeals against the respective portions of the judgment in prior instance which were against them.

2. In this judgment, the court determined that the configuration of rotating cube combination puzzles manufactured and sold by the plaintiff in the first instance (the

"plaintiff's goods") may be regarded as an "indication of goods or business" referred to in Article 2, paragraph (1), item (i) or item (ii) of the Unfair Competition Prevention Act. However, the court stated that in determining the similarity of the configuration of the plaintiff's goods and that of the defendants' goods, the specific structural features should be taken into consideration as the essential features, while disregarding the product configuration which alone cannot be recognized as an indication of goods or business, and then determined that the configuration of the plaintiff's goods is not similar to that of the defendants' goods. In conclusion, the court dismissed both appeals. In making this judgment, the court held as follows.

The plaintiff's goods have an overall configuration of a regular hexahedron, which has the following basic structural features: each face consists of nine blocks and has an appearance distinguishable from the other faces (the "Basic Product Configuration"). Also, as the specific structural features, the plaintiff's goods have the following configuration: each face of the regular hexahedron is colored in red, blue, yellow, white, green, and orange edged with a black line and the regular hexahedron is about 5.6 cm in length on each side. The Basic Product Configuration is one of the small number of options that may be chosen to bring about the function and effect of the goods in the same genre. Any product that has adopted a different product configuration instead of the Basic Product Configuration would be considered by general consumers to be not replaceable with the plaintiff's goods and therefore as not competing with the plaintiff's goods in the market. Such product may no longer be regarded to be in the same genre. On these grounds, it is reasonable to interpret that it is inevitable for all of the goods in the same genre as the plaintiff's goods to adopt the Basic Product Configuration in order to bring about their function and effect. Therefore, the Basic Product Configuration may not be regarded as an indication of goods or business.

As described above, the plaintiff's goods also contain the configuration relating to the specific structural features additionally included in the Basic Product Configuration, more specifically, the configuration of a regular hexahedron having each face colored in red, blue, yellow, white, green, and orange edged with a black line and the configuration of a regular hexahedron with the length of each side being about 5.6 cm. Since the product configuration is an organic inseparable combination as a whole, the configuration of the plaintiff's goods may be considered to have acquired the source-indicating function based on the presumption that said configuration includes not only the Basic Product Configuration but also the aforementioned configuration relating to the specific structural features. In view of these facts, it is

inevitable to find that an overall configuration of the plaintiff's goods may be regarded as an "indication of goods or business."

Judgment rendered on December 19, 2001

2000 (Ne) 6042 Appeal Case of Seeking an Injunction, etc. against Infringement of a Trademark Right (Prior instance: Tokyo District Court 1997 (Wa) 12191) (Date of conclusion of oral argument: August 27, 2001)

Judgment

Appellant/appellee (Plaintiff in the first instance): Tsukuda Original Co., Ltd. (the "plaintiff in the first instance")

Appellee/appellant (Defendant in the first instance): RUN'A Co., Ltd. ("Defendant RUN'A in the first instance")

Appellee (Defendant in the first instance): P ("Defendant P in the first instance")

Main text

1. All of the appeals shall be dismissed.
2. The secondary claim that the plaintiff in the first instance added in this instance shall be dismissed.
3. The appeal costs (including the court costs for the secondary claim added in this instance) for the appeal filed by the plaintiff in the first instance shall be borne by the plaintiff in the first instance, while the appeal costs for the appeal filed by Defendant RUN'A in the first instance shall be borne by Defendant RUN'A in the first instance.

Facts and reasons

No. 1 Judicial decision sought by the parties

1. Appeal filed by the plaintiff in the first instance

(1) Plaintiff in the first instance

A. The judgment in prior instance with respect to the claims of the plaintiff in the first instance dismissed by the court of prior instance shall be revoked.

B. Defendant RUN'A in the first instance shall not import, sell, deliver or display for the purpose of sale or delivery, any goods with the product configuration described in Product Lists (2) to (8) attached to the judgment in prior instance.

C. Defendant RUN'A in the first instance shall pay 5.7 million yen to the plaintiff in the first instance and delay damages accrued thereon at a rate of 5% per annum from June 26, 1997 until the date of full payment.

D. Defendant P in the first instance shall, jointly with Defendant RUN'A in the first instance, pay to the plaintiff in the first instance 11.4 million yen and delay damages accrued thereon at a rate of 5% per annum from June 26, 1997 until the date of full

payment.

E. The same as stated in B and C above (the secondary claim added in this instance)

F. The court costs for the first and second instances shall be borne by the defendants in the first instance.

(2) Defendants in the first instance

A. The appeal filed by the plaintiff in the first instance shall be dismissed.

B. The appeal costs shall be borne by the plaintiff in the first instance.

2. Appeal filed by Defendant RUN'A in the first instance

(1) Defendant RUN'A in the first instance

A. The judgment in prior instance with respect to the claims of Defendant RUN'A in the first instance dismissed by the court of prior instance shall be revoked (excluding the first paragraph of the main text of the judgment in prior instance).

B. The claims made by the plaintiff in the first instance against Defendant RUN'A in the first instance shall be dismissed.

C. The court costs for the first and second instances shall be borne by the plaintiff in the first instance.

(2) Plaintiff in the first instance

A. The appeal filed by Defendant RUN'A in the first instance shall be dismissed.

B. The appeal costs shall be borne by Defendant RUN'A in the first instance.

No. 2 Background

In this case, the plaintiff in the first instance [i] alleged against Defendant RUN'A in the first instance that, since the configuration of rotating cube combination puzzles (the "plaintiff's goods") manufactured and sold by the plaintiff in the first instance is famous or widely known among consumers as an indication of the goods of the plaintiff in the first instance, the act of Defendant RUN'A in the first instance of importing and selling its rotating cube combination puzzles (the "defendants' goods") similar to the plaintiff's goods in terms of configuration constitutes an act of unfair competition specified in Article 2, paragraph (1), item (i) or (ii) of the Unfair Competition Prevention Act, and the plaintiff in the first instance thereby sought an injunction against said act and payment of damages (the claim made under item (ii) as mentioned above is the secondary claim added in this instance); [ii] alleged against Defendant RUN'A in the first instance that, since the mark (the "defendant's mark") that Defendant RUN'A in the first instance affixed to the defendants' goods is similar to a registered trademark of the plaintiff in the first instance, the use of the defendant's mark constitutes infringement of the trademark right of the plaintiff in the first instance, and thereby the plaintiff in the first instance sought payment of damages; and also [iii] alleged against Defendant P in

the first instance, who is the representative of Defendant RUN'A in the first instance, that, regarding the act of unfair competition and the infringement of the trademark right as mentioned above, since Defendant P in the first instance committed a willful or negligent act in the course of carrying out his/her job duties, and thereby the plaintiff in the first instance sought payment of damages under Article 266-3, paragraph (1) of the Commercial Code. Dissatisfied with the judgment in prior instance, which upheld the claim mentioned in [ii] above, both the plaintiff in the first instance and Defendant RUN'A in the first instance filed appeals (the terms in parentheses above are the same as those in the judgment in prior instance and will be used in this judgment as well). Regarding a part of the claim made by the plaintiff in the first instance against Defendant RUN'A in the first instance for an injunction against the infringement of the trademark right (stated in the first paragraph of the main text of the judgment in prior instance), said part was separated from this instance and resolved through court settlement.

(omitted)

No. 3 Court decision

1. Claim to seek an injunction and payment of damages under Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act

(1) Facts on which the decision is premised

The following facts may be recognized based on the facts undisputed between the parties (line 8 of page 5 to line 9 of page 18 of the judgment in prior instance), the submitted evidence (Exhibits Ko No. 5, No. 6, No. 10 to No. 22, No. 36 to No. 38, No. 45, No. 58, No. 93, and No. 97 (including the branch numbers thereof)), and the entire import of oral argument.

A. The plaintiff's goods have an overall configuration of a regular hexahedron, with each side measuring 5.6 cm in length. Each face is sliced into nine square blocks of the same size (54 squares for six faces). Therefore, at first glance, the plaintiff's goods have a configuration consisting of 3 x 3 x 3 cubic blocks. Nine blocks consisting of each face may be rotated as a unit in any direction. The six faces consisting of nine blocks each (a total of 54 blocks), which are exposed outside, are painted in six different colors (red, blue, yellow, white, green, and orange), respectively. Each of those blocks is edged with a black line. At the point of sale, the plaintiff's goods are in the original state, i.e., each face consists of nine blocks of the same color. As a puzzle toy, the player should first rotate blocks at random so that each face has different colors. Then, the player rotates

blocks so as to restore the original state in which each face shows only one color. Given more than three billion possible combinations of colors, the player can enjoy discovering mathematical solutions to the puzzle.

B. The plaintiff's goods were originally a device invented by a Hungarian, Ernő Rubik. After it became a big hit in Western countries, the plaintiff in the first instance started selling the plaintiff's goods from around late July 1980 under the product name, "Rubik's Cube" based on an exclusive sales agreement concluded with a US company, Ideal Toy Corp. Subsequently, the party with which the exclusive sales agreement was concluded was changed to a U.K. company, Seven Towns Ltd. The plaintiff's goods sold by the plaintiff in the first instance became popular among a wide range of consumers regardless of their age and became a huge hit, selling about 1.8 million units by March 1981. Many articles were published in newspapers, magazines, etc., describing the difficulty, interesting features, etc. of the puzzle game. The plaintiff in the first instance also actively advertised the plaintiff's goods and the trade name of the plaintiff in the first instance as the seller.

C. Before the release of the plaintiff's goods, there were no goods similar to the plaintiff's goods in terms of configuration. When the plaintiff's goods became a big hit, similar products were distributed for a while. The plaintiff in the first instance took countermeasures such as filing a criminal complaint or a request for provisional disposition for prohibition of sales of such products. This prevented continuous market distribution of competing goods with a configuration similar to that of the plaintiff's goods and the establishment of permanent market presence thereof. As a result, in around March 1981 at the latest, it had been widely recognized by consumers that the plaintiff's goods have the configuration described in A. above and that said goods were sold by the plaintiff in the first instance.

(2) Issue of whether the configuration of the plaintiff's goods may be considered to be an indication of goods or business

A. Configuration of the plaintiff's goods

According to the facts found in (1) A. above, the plaintiff's goods have an overall configuration of a regular hexahedron, which has the following basic structural features: each face consists of nine blocks and has an appearance distinguishable from the other faces (the "Basic Product Configuration"). Also, as the specific structural features, the plaintiff's goods have the following configuration: each face of the regular hexahedron is colored in red, blue, yellow, white, green, and orange edged with a black line and the regular hexahedron is about 5.6 cm in length on each side. Moreover, the plaintiff in the first instance also alleged that the use of seals on the surface of each face is a part of the

configuration of the plaintiff's goods. However, since it is impossible to tell the difference in appearance, i.e., whether seals were used as a means of coloring or the surfaces were directly painted or otherwise colored, the use of seals on the surface of each face should not be regarded as a feature of an indication of goods or business separately from the feature that each face is colored.

The issue of whether the aforementioned configuration of the plaintiff's goods falls under an "indication of goods or business" specified in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act is examined below.

B. Source-indicating function of the configuration of the plaintiff's goods

Since an indication of goods or business is specified as "(omitted) which is connected with a person's operations, or any other indication of a person's goods or business" (a statement in parentheses in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act), in order for an indication to be regarded as an indication of goods or business, it is at least necessary that the indication has a source-indicating function. According to the facts found in (1) above, the configuration of the plaintiff's goods was novel because the plaintiff's goods were launched under the circumstances where there were no other goods that had a similar configuration. Although similar goods were subsequently distributed for a while, they failed to establish permanent market presence. Moreover, no goods in the same genre had been marketed. Therefore, the configuration may be considered to have been unique and distinctive and had been exclusively used and actively advertised by the plaintiff in the first instance. As a result, it is reasonable to find that, by March 1981 at the latest, the configuration of the plaintiff's goods found in A. above had become widely recognized by consumers as an indication pertaining to the goods sold by the plaintiff in the first instance.

C. Configuration determined based on the function and the effect of the goods

The defendants in the first instance alleged that the Basic Product Configuration, which is a part of the configuration of the plaintiff's goods, was determined based on the technical functions essential for a rotating cube combination puzzle and therefore that the Basic Product Configuration may not be regarded as an indication of goods or business. This allegation is examined below.

Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act may be interpreted to prohibit any use, etc. of a source identifier that could cause confusion about the source of goods on the premise of the existence of free competition among multiple goods competing in substance in order to protect the source-indicating function of a widely-known indication of goods or business. Thus, if said item protects a product configuration as an indication of goods or business, although said configuration must be

inevitably adopted by all of the goods in the same genre as well in order to bring about their distinctive function and effect, said item would go beyond its original purpose of providing protection for the source-indicating function and would prevent the market entry of goods in the same genre that have the same function and effect, unlike the cases where the source-indicating function is performed by a medium separate from the goods themselves such as "the name, trade name, trademark, mark, and container or packaging for goods that pertain to a person's operations" as mentioned as examples of an indication of goods or business in said item. Such situation must be considered to be against the purpose of said item, which was established for the purpose of preventing confusion about the sources of multiple goods freely competing in substance. Therefore, the configuration that is inevitably adopted by all of the goods in the same genre in order to bring about their distinctive function and effect should not be interpreted as an "indication of goods or business" specified in said item. This interpretation is in line with the reason why item (iii) of said paragraph excludes not only any "configuration that any goods similar to the other person's goods usually have" but also, "if there are no other goods in the same genre, any configuration usually adopted by any goods that are identical or similar to said other person's goods in terms of function and effect" from the scope of protection provided under said item.

The plaintiff in the first instance alleged that the industrial property law is different from the Unfair Competition Prevention Act in terms of the purpose, the scope of protection, and the requirements for protection, and criticized the judgment in prior instance, which adopted the same interpretation as the one described above from the perspective of the coordination between the industrial property law and said Act. However, the aforementioned determination will not be affected regardless of whether such coordination was necessary or not.

D. Inevitability of adoption of the Basic Product Configuration

The issue of whether the Basic Product Configuration may be regarded as a configuration that was inevitably adopted by all of the goods in the same genre in order to bring about the common unique function and effect is examined below.

As described above, the plaintiff's goods are a puzzle that requires the player to repeatedly rotate, in any direction, some of the blocks forming a cube in such way that each face will ultimately have all the blocks of the same color. Therefore, it is interpreted that, in order to bring about the function and effect of the puzzles in the same genre, it is necessary for a puzzle to have a structure that keeps the overall shape unchanged when some of the blocks are rotated in any direction, even if a combination of the colors in each face is changed. It is also interpreted that the possible combinations

of blocks should be determined in such way that the puzzle is difficult enough to be marketed as a product. These requirements alone would inevitably limit the options of configuration other than the Basic Product Configuration. Furthermore, with the existence of the aforementioned requirements, even if a puzzle adopts a product configuration other than the Basic Product Configuration, it is clear that said puzzle would be different in terms of how the player enjoys the puzzle as a game since various factors such as the specific solution, the level of difficulty, and the ease-of-use vary depending on the shape, number, combination, etc. of blocks.

For example, if a puzzle has an overall configuration of a regular hexahedron consisting of more than $4 \times 4 \times 4$ cubic blocks, the puzzle would be too difficult for general consumers (please refer to the statement that describes the products named "Rubik's Revenge" and "Professor Cube" shown in Exhibits Ko No. 15 to No. 17 as "extremely difficult" and "most difficult" respectively). If a puzzle has an overall shape of a regular tetrahedron consisting of regular triangular-pyramid blocks, the puzzle would have too many possible sets of blocks that could be rotated at a time. This means that this game would have an additional feature clearly different from the plaintiff's goods, which allows the player to rotate a set of nine blocks at a time (Exhibit Ko No. 75, the product named "PYRAMIX"). In the case of a puzzle that has an overall shape of a ball, the entire surface would be contiguous, which would make it impossible for the player to get a single color on each of the neatly separated faces. In order to maintain the value of the product, it is presumed that a new goal other than matching color must be added to the puzzle (the product named "Rubik's World" shown in Exhibit Ko No. 73 copies the shape of the globe, and the product named "Ball Puzzle" shown in Exhibit Ko No. 74 has an additional colored ring structure). The currently commercialized rotating cube combination puzzles have various configurations such as [i] a puzzle that has an overall configuration of a regular hexahedron sliced diagonally and made rotatable (Exhibit Ko No. 75, Product name: "Skewb"); [ii] a puzzle that has a complicated three-dimensional configuration with stars protruding from each of its faces (Exhibit Ko No. 15, Product name: Alexander's Star); [iii] a puzzle that has an overall configuration of a pentagonal prism consisting of cross-sectionally sliced rotatable parts, and the player is expected to rotate those parts, which are to be rotated by the player so that each face shows a correct equation such as addition, subtraction, multiplication or division (Exhibit Ko No. 18, Product name: "Atamano taisou sansūjuku" (brain exercise mathematical cram school)); [iv] a puzzle that has an overall configuration of a Kitty doll sliced up to down and left to right (Exhibit Ko No. 77, Product name: "Kitty no rūbikku kyūbu" (Kitty's Rubik's cube); [v] a puzzle consisting of triangular pyramid

blocks linked one after another that can be straightened up in line (Exhibit Ko No. 16, Product name: "Magic Snake"); and [vi] a puzzle consisting of eight cubic blocks that can be combined to make various three-dimensional shapes (Exhibit Ko No. 17, Product name: "Pocket Puzzle"). However, in the case of the puzzles mentioned in [v] and [vi] above, the player rotates or otherwise moves blocks to create various shapes. The genre of these puzzles is completely different from that of the plaintiff's goods, the goal of which is to get only a single color in each face without changing the overall configuration. In the case of other products, it may be interpreted that the main feature of the puzzle may be considered to lie in the unexpected manner of slicing or rotating ([i] above), in the design of the overall shape ([ii] and [iv] above), and in the nature of the puzzle as a toy to promote intellectual development ([iii] above), etc.

Based on the comprehensive evaluation of the aforementioned findings and determinations, the Basic Product Configuration is one of the small number of options that may be chosen to bring about the function and effect of the goods in the same genre. Any product that has adopted a different product configuration instead of the Basic Product Configuration would be considered by general consumers to be not replaceable with the plaintiff's goods and therefore as not competing with the plaintiff's goods in the market. Such product may no longer be regarded to be in the same genre. On these grounds, it is reasonable to interpret that it is inevitable for all of the goods in the same genre as the plaintiff's goods to adopt the Basic Product Configuration in order to bring about their function and effect. Therefore, the Basic Product Configuration may not be regarded as an indication of goods or business.

As described above, the plaintiff's goods also contain the configuration relating to the specific structural features additionally included in the Basic Product Configuration, more specifically, the configuration of a regular hexahedron having each face colored in red, blue, yellow, white, green, and orange edged with a black line and the configuration of a regular hexahedron, about 5.6 cm in length on each side. Since the product configuration is an organic inseparable combination as a whole, the configuration of the plaintiff's goods may be considered to have acquired the source-indicating function based on the presumption that said configuration includes not only the Basic Product Configuration but also the aforementioned configuration relating to the specific structural features. In view of these facts, it is inevitable to find that an overall configuration of the plaintiff's goods may be regarded as an "indication of goods or business." However, when a determination is made as to whether the plaintiff's goods are similar to the defendants' goods or not, the specific structural features should be taken into consideration as the essential features, while disregarding the Basic Product

Configuration, which alone cannot be recognized as an indication of goods or business.

(3) Whether or not the configuration of the plaintiff's goods is similar to the configuration of the defendants' goods

A. The configuration of the defendants' goods undisputed by the parties (line 9 of page 11 to line 9 of page 14 of the judgment in prior instance, Product List (2) to (8) attached to said judgment) has an overall configuration of a regular hexahedron with each face consisting of nine blocks and having an appearance distinguishable from the other faces. As far as the Basic Product Configuration is concerned, the configuration of the defendants' goods is identical with that of the plaintiff's goods. However, this configuration shared by both plaintiff's and defendants' goods may not be independently regarded as an indication of goods or business. As described above, the Basic Product Configuration should be disregarded when determining whether both goods are similar or not. Thus, regarding the configuration of the plaintiff's goods, when determining the similarity or dissimilarity, special attention needs to be paid to the configuration relating to the specific structural features additionally included in the Basic Product Configuration, i.e., the configuration of a regular hexahedron having each face colored in red, blue, yellow, white, green, and orange edged with a black line and the configuration of a regular hexahedron, about 5.6 cm in length on each side.

B. First, regarding Products A, B, C, and F, they are identical with the plaintiff's goods in that they have the configuration of a regular hexahedron, about 5.6 cm in length on each side. However, each face of Products A, C, and F shows Ultraman-related characters (Ultraman, Ultraman Tiga, and monsters). Each face of Product B shows Marin Jambo, and designs of marine creatures, and the logo of "ANA." In addition, the color of each face (the background color of the graphic work) is different from that of the plaintiff's goods. The graphic works and logo mentioned above occupy almost all of the space on each face and are painted in colors that make a stark contrast with the background color. These graphic works and logo should be considered to be the product configuration that most attracts the attention of traders and consumers. In general, from the perspective of size, it is natural that the plaintiff's goods and the defendants' goods have a size that allows the player to easily grab both sides of the goods with both hands in consideration of the fact that the player uses these goods in the manner described above (usage). For this reason, the feature that the goods have the configuration of a regular hexahedron, about 5.6 cm in length on each side is not particularly distinctive.

Therefore, it is reasonable to interpret that the addition of such distinctive configuration that does not exist in the plaintiff's goods has caused difference in image that goes beyond the identicalness in size and has consequently eliminated the risk of

being regarded as similar as a whole.

C. Second, Product D has the configuration of having each face colored in pale red, bluish purple, yellow, white, green, and orange respectively edged with a black line without having any graphic work, etc. on each face. In this respect, Product D is identical with the plaintiff's goods. However, the size of Product D, which has a configuration of a regular hexahedron, about 3.0 cm in length on each side, is much smaller than the plaintiff's goods, which have configuration of a regular hexahedron, about 5.6 cm in length on each side. In addition, Product D is different from the plaintiff's goods in that Product D has a key holder attached to one of its corners. The aforementioned colors must be said to be a combination of colors that would be commonly selected by any person who intends to paint each face in a different color to make it distinguishable from the other faces. Moreover, the black line on the edge should be considered to be a configuration that does not play any noticeable role other than stressing the contrast in colors. Therefore, the identicalness in colors may not be considered to have much effect on court determination about similarity.

On these grounds, it is reasonable to interpret that these differences in configuration cause difference in image that goes beyond the identicalness in terms of color selection and non-use of graphic works and therefore that the risk of being considered to be similar as a whole has been eliminated.

D. Products E and G are identical with Product D in that they have a configuration of a regular hexahedron, about 3.0 cm in length on each side, with a key holder attached to one of their corners. Since Products E and G are identical with Products A, C, and F in that each face thereof shows Ultraman-related characters, the similarity should be denied even more strongly than other defendants' goods examined in B. and C. above.

(4) As described above, if the specific structural feature, i.e., the configuration of the plaintiff's goods excluding the Basic Product Configuration, is considered to be the essential feature, the corresponding configuration of the defendants' goods may not be considered to be similar to the configuration relating to the specific structural features of the plaintiff's goods. Therefore, the appellees' act of importing and selling the defendants' goods may not be regarded as an act of causing confusion with the plaintiff's goods. On these grounds, the claim to seek an injunction and payment of damages under Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act may be considered to be groundless without needing to examine any other factors such as whether the level of recognition among the public described in (1) C. and (2) B. above is still maintained or not. While the plaintiff in the first instance alleged that "Rubik's Cube" has been globally under the control of Seven Towns Ltd., it would not affect, in

any way, the aforementioned determination on whether an act of unfair competition has been committed or not.

2. Claim to seek an injunction and payment of damages under Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act (the secondary claim made in this instance)

In this case, since there are no grounds for interpreting the requirements for being an "indication of goods or business" and being "similar" as specified in Article 2, paragraph (1), item (ii) of the Unfair Competition Prevention Act differently from the case specified in item (i) of said paragraph, for the same reasons as described in 1 above, there are no grounds for the claim made by the plaintiff in the first instance to seek an injunction and payment of damages under item (ii) of said paragraph.

(omitted)

4. Conclusion

As described above, it should be concluded that there are grounds for the claim of the plaintiff in the first instance against Defendant RUN'A in the first instance for payment of damages and that there are no grounds for any other claims against Defendant RUN'A in the first instance and the claims against Defendant P in the first instance.

Therefore, the judgment in prior instance, which took the same approach as the one mentioned above, may be found to be reasonable. In conclusion, the judgment in this instance has been rendered in the form of the main text to the effect that all of the appeals shall be found groundless and shall therefore be dismissed, that the secondary claim that the plaintiff in the first instance added in this instance shall be dismissed, and that the court costs shall be borne according to the main clause of Article 67, paragraph (1) and Article 61 of the Code of Civil Procedure.

Tokyo High Court, 13th Civil Division

Presiding judge: SHINOHARA Katsumi

Judge: NAGASAWA Yukio

Judge: MIYASAKA Masatoshi