

Date	July 25, 2018	Court	Intellectual Property High Court, Fourth Division
Case number	2018 (Gyo-Ke) 10004		
<p>- A case concerning whether or not a trademark held by the plaintiff, consisting of elements such as the figure of a lighting apparatus ("Trademark"), falls under Article 4, paragraph (1), item (xix) of the Trademark Act, in which it was determined that a trademark consisting of the three-dimensional form of a lampshade sold by the defendant ("Cited Trademark") is a "trademark that is widely recognized among consumers" in Japan as indicating a product that pertains to the defendant's business, and that, since the Trademark held by the plaintiff is similar to the Cited Trademark consisting of the three-dimensional form of a lampshade sold by the defendant, and since the plaintiff is using the Trademark for unfair purposes, the Trademark falls under the aforementioned provision.</p>			

References: Article 4, paragraph (1), item (xix) of the Trademark Act

Number of related rights, etc.: Trademark No. 5643726, Trademark No. 5825191

Summary of the Judgment

The defendant filed a demand for invalidation trial for a trademark (Trademark No. 5643726; hereinafter referred to as "Trademark"), which is held by the plaintiff and which consists of elements such as the figure of a lighting apparatus, and the JPO rendered a trial decision to the effect that the Trademark shall be invalidated because it falls under Article 4, paragraph (1), item (xix) of the Trademark Act. The present case is a suit against the above trial decision.

In the judgment rendered in the present case, it was determined that the Trademark falls under Article 4, paragraph (1), item (xix) of the Trademark Act because of the following reasons: (i) Concerning a trademark (Trademark No. 5825191; hereinafter referred to as "Cited Trademark") that has the three-dimensional form of "PH5", a lampshade sold by the defendant (hereinafter referred to as "Defendant's Product"), when consideration is given to the selling situation and advertisement conditions of the Defendant's Product, and how the Defendant's Product was indicated in magazines and other publications, as well as the fact that the Defendant's Product was awarded the Good Design Award and the fact that it was introduced in high school textbooks, the Cited Trademark became well-known and famous among consumers as a result of having been sold and advertised over approximately 40 years, thereby attaining the function to distinguish the product concerned from other products, or distinctiveness, and thus, at the time of the filing of the application for registration of the Trademark, and at the time of the decision for registration of the Trademark, the Cited Trademark was widely recognized among consumers in Japan as an indicator of

a product that pertains to the defendant's business; (ii) the Trademark is similar to the Cited Trademark; and (iii) when the defendant warned the plaintiff that the sale of the plaintiff's product is in infringement of the defendant's trademark right and copyright and that the sale falls under unfair competition, the plaintiff, while being fully aware of the fact that the three-dimensional form (Cited Trademark) of the Defendant's Product was well-known and famous among consumers as an indicator of the Defendant's Product, took advantage of the fact that the Cited Trademark had not yet been registered as a trademark, and with the intention of either guiding the negotiations with the defendant in a direction that is favorable to the plaintiff, or securing a countermeasure, filed the application for registration of the Trademark, and furthermore, actually filed a request for import suspension of the Defendant's Product based on the trademark right of the Trademark. As such, the filing by the plaintiff of the application for registration of the Trademark is based on the purpose of hindering the defendant's business operation for the Defendant's Product, and use of the Trademark is for unfair purposes. Accordingly, the court dismissed the plaintiff's claims.

Judgment rendered on July 25, 2018

2018 (Gyo-Ke) 10004 Case of Seeking Rescission of JPO Decision

Date of conclusion of oral argument: June 27, 2018

Judgment

Plaintiff: Kabushiki Kaisha R&M JaPan
Defendant: Louis Poulsen A/S

Main text

1. The plaintiff's claims shall be dismissed.
2. The plaintiff shall bear the court costs.

Facts and reasons

No. 1 Claims

The trial decision rendered by the JPO on December 1, 2017 for the Case of Invalidation Trial No. 2017-890003 shall be rescinded.

No. 2 Outline of the case

1. Development of procedures at the JPO

- (1) The plaintiff is the trademark holder of the following trademark (Trademark No. 5643726; hereinafter referred to as "Trademark") (Exhibits Ko 1 and 2).

Trademark: As per Attachment 1

Application date: June 14, 2013

Decision for registration: December 27, 2013

Date of registration of establishment: January 17, 2014

Designated services:

Class 35 "Retail services or wholesale services for woven fabrics and beddings; retail services or wholesale services for bags and pouches; retail services or wholesale services for personal articles; retail services or wholesale services for furniture; retail services or wholesale services for light bulbs and lighting apparatuses; retail services or wholesale services for clocks, watches, and spectacles [eyeglasses and goggles]; retail services or wholesale services for interior window blinds; retail services or wholesale services for bamboo blinds; retail services or wholesale services for bead curtains for decoration; retail services or wholesale services for sunshades; retail services or wholesale services for fabric

chair covers; retail services or wholesale services for fabric wall hangings; retail services or wholesale services for curtains; retail services or wholesale services for table cloths; retail services or wholesale services for floor coverings; retail services or wholesale services for wall hangings (not of fabric)"

- (2) On December 31, 2016, the defendant filed a demand for invalidation trial for the Trademark.

The JPO examined the above demand as the Case of Invalidation Trial No. 2017-890003, and on December 1, 2017, rendered a trial decision to the effect that the "registration of the Trademark No. 5643726 shall be invalidated" (hereinafter referred to as "Trial Decision"), and a copy of the Trial Decision was delivered to the plaintiff on the 12th of the same month.

- (3) On January 6, 2018, the plaintiff filed the present suit seeking rescission of the Trial Decision.

2. Gist of reasons for Trial Decision

The reasons for the Trial Decision are as indicated in the attached Written Trial Decision (copy).

The gist of the reasons is as follows. The Trademark was widely recognized among consumers in Japan, prior to the filing of the application for registration or at the time of the decision for registration, as indicating goods that pertain to the business of another person (the defendant), and furthermore, the Trademark is similar to the three-dimensional form of the lampshade shown in Attachment 2 (having the same composition as the Trademark No. 5825191; hereinafter referred to as "Cited Trademark"; Exhibits Ko 8 and 9), and is being used by the plaintiff for unfair purposes. Accordingly, the Trademark falls under Article 4, paragraph (1), item (xix) of the Trademark Act, and the registration of the Trademark is in violation of the same provision, and thus the Trademark should be invalidated pursuant to the provisions of Article 46, paragraph (1) of the same Act without determining other claims (Article 4, paragraph (1), items (vii), (x), (xv), and (xvi)) made by the demandant (defendant)."

3. Grounds for rescission

Judgment error of applicability of Article 4, paragraph (1), item (xix) of the Trademark Act.

(omitted)

No. 4 Judgment of this court

1. Notoriety of the Cited Trademark

(1) Findings

When the facts and evidence described in the above No. 2-1 (Exhibits Ko 4 to 6, 10 to 12, 24 to 90, 102 to 164, 167 to 169, 173, 174, and Exhibit Otsu 15) as well as the entire import of the oral argument are taken into consideration, the following facts are acknowledged.

A Defendant

The defendant is a Danish corporation having been established in 1874 and engages in the business of manufacture and sale and the like of electric appliances and lighting apparatuses.

Since 1967, the defendant has established wholly-owned overseas subsidiaries in Germany, France, Sweden, USA, Norway, Netherlands, Australia, Finland, Switzerland, and England. In Japan, a company called "Louis Poulsen Japan Kabushiki Kaisha" (former trade name: Targetti Paulsen Japan Kabushiki Kaisha; hereinafter referred to as "Defendant's Japanese Corporation"), which engages in the business of manufacture, import, export, and wholesale of lighting apparatuses, was established in 1990.

B Selling situations of Defendant's Product

(A) Ever since the defendant began selling the lampshade ("Defendant's Product"), which was designed by Henningsen, a Danish designer, and is known as "PH5," in 1958, the defendant has sold, globally through overseas subsidiaries and the like, the Defendant's Product as well as other lampshade products ("PH Series") designed by Henningsen.

In Japan, Kabushiki Kaisha Yamagiwa [the "Yanagiwa" part is written in English] (former trade name: Kabushiki Kaisha Yamagiwa [the "Yanagiwa" part is written in Japanese]; hereinafter referred to as "Yamagiwa") has acted as the defendant's distributor since 1976, and the Defendant's Japanese Corporation has engaged in the import and sale and the like of Defendant's Product, as the defendant's overseas subsidiary since 1993. At least by July 2014 and ever since, Yamagiwa and the Defendant's Japanese Corporation have sold the Defendant's Product on the respective online shopping sites.

The total number of the Defendant's Product sold in Japan between 1999 and 2014 is 74,627 (Exhibit Ko 169).

(B) The defendant's client list (Exhibit Ko 102) indicates approximately 5,000 companies (persons) (including overlaps of same companies) all over the country, including architectural design offices, general contractors, lighting design companies, interior design/interior finishing work companies, housing renovation

companies, furniture/interior decorating shops, and press. Accordingly, the Defendant's Product is available nationwide from Hokkaido to Kyushu.

C Advertising

(A) Catalogue of products

Since 1976, Yamagiwa or the Defendant's Japanese Corporation has regularly made a catalogue of products showing the Defendant's Product along with its photograph(s) (Exhibits Ko 103 to 129, 132, 133, 135, 137, 138, 141, 142, 144 to 151, 153 to 161), and distributed the same to the clients and the like listed on the defendant's client list.

The catalogue of products made by Yamagiwa shows the Defendant's Product along with its photograph(s) over one page, and, among other descriptions, describes the Defendant's Product as a "renowned, first-class product known as 'P-H LAMP' and 'timeless light,'" 'P-H LAMP, a creation named after the initials of Poul Henningsen, a world famous architect and industrial designer ... The original model of this work was presented at the Paris Exposition in 1928 and was awarded the gold medal. It remains a world-class bestseller and longtime seller even after 60 years since its creation'" (1983 edition (Exhibit Ko 107)). In addition, the Defendant's Product and other products of the "PH" series are indicated with photographs from which the forms (three-dimensional forms) of these products can be recognized, and there are explanations including the following: "Louis Poulsen/PH5/Poul Henningsen is referred to as the father of modern lighting. The basics of the 'good-quality light that beautifully illuminates people, objects, and space,' which are the subject of his life-long exploration, never fade away even to this day" ("1998-99" edition (Exhibit Ko 120), "2002-2003" edition (Exhibit Ko 122)). Other catalogues of products made by Yamagiwa also introduce the Defendant's Product along with photographs ("1977" edition (Exhibit Ko 104), "1980" edition (Exhibit Ko 105), "1982" edition (Exhibit Ko 106), "1984" edition (Exhibit Ko 108), "1985" edition (Exhibit Ko 109), "1986-1987" edition (Exhibit Ko 110), "1988-1989" edition (Exhibit Ko 111), "1990-1991" edition (Exhibit Ko 112), "1991-1992" edition (Exhibit Ko 113), "1996" edition (Exhibit Ko 118), "1996" edition (Exhibit Ko 119), "1987" edition (Exhibit Ko 125), "1972" edition (Exhibit Ko 126), "1974" edition (Exhibit Ko 127)).

The catalogue of products made by the Defendant's Japanese Corporation also shows the Defendant's Product along with photograph(s) over one page,

providing explanations such as the following: "PH LAMP 5 Design: Since its announcement by Poul Henningsen in 1958, this piece has maintained continuous popularity to this day as a longtime seller and one of masterpieces by the creator" ("1992" edition (Exhibit Ko 129), "1996" edition (Exhibit Ko 133)), "PH5&PH5 Plus Released in 1958 as an artificial lighting fit for the evening time when the natural light is beautiful" ("2001" edition (Exhibit Ko 142), "2007" edition (Exhibit Ko 146)).

Furthermore, the catalogue of products made by Misawa Homes Co., Ltd. shows the Defendant's Product along with its photograph(s), as well as explanations such as the following: "PH5, a representative work by Poul Henningsen that needs no explanation. Everyone must have seen this piece at least once" ("2012-2013" edition (Exhibit Ko 164)).

(B) Showing of the Defendant's Product on magazines and other publications

Between 1990 and 2013, the Defendant's Product was introduced in a number of publications including books on furniture, magazines/catalogues on lighting, interior decoration magazines, fashion magazines, and business magazines (Exhibits Ko 24 to 78, 79 to 84, 89, 90).

In these publications, the Defendant's Product is shown with photographs, from which the form (three-dimensional form) of the product can be recognized, as well as explanations such as the following:

- a. "PH5 ... Poul Henningsen/Louis Poulsen Lighting, Denmark ... the piece which, among the works of the PH Series, has been the most popular residential pendant light" ("CONFORT No. 104 2008.10"/Exhibit Ko 24);
- b. "Poul Henningsen was born in Denmark. He was known as the father of modern lighting ... He created a number of lighting apparatuses that are representative of Northern Europe" ("Journal of the Illuminating Engineering Institute of Japan, vol. 90 No. 6 2006"/Exhibit Ko 26)";
- c. "1958 PH5 Louis Poulsen This product is a longtime seller with a record of over 500,000 having been sold globally as the principal item of Louis Poulsen, a Danish lighting apparatus manufacturer founded in 1874. The piece was designed by Poul Henningsen, a shrewd designer who has been our business partner since the mid-1920s, and was released in 1958 ... It is regarded as a masterpiece which changed the subsequent history of lighting design and many imitations were made and sold worldwide." ("Weekly Toyo Keizai 2008 1/12"/Exhibit Ko

- 27);
- d. "Poul Henningsen is one of the most well-known designers of Northern Europe ... He designed the pendant-type lighting apparatuses, known the 'PH' series, for Louis Poulsen ... His design has been used all over the world for the longest time, so much so that when one hears of a pendant-type lighting apparatus, immediately the image of a series of apparatuses designed by Henningsen comes to mind." (Author: Hiroshi Kashiwagi "Kagu-no-modan-dezain" (Modern Design of Furniture)/Exhibit Ko 29);
 - e. "Poul Henningsen PH5 This lamp continues to produce the 'evening twilight' which was attained by Henningsen ... Most likely, this piece, which has been called Denmark's national lamp, will once again reign as the standard not just of Northern Europe but throughout the world in the 21st century." ("Pen No. 57 2001 4/1"/Exhibit Ko 36);
 - f. "Ideal light attained by a legend PH5 Plus ... A masterpiece which can be called a compilation of works by 'Poul Henningsen'." ("*Saishin Yunyu-jutaku-no-interia-wo-tanoshimu-hon*" (Book for Enjoyment of Interior Decoration in Latest Imported Housing)/Exhibit Ko 41);
 - g. "Masterpieces and standard items of the world Reasons for their popularity PH-5 LAMP ... One of such good examples is the <PH/5 LAMP>, as introduced in this article, which was designed by Poul Henningsen ... I believe this <PH/5 LAMP> is the greatest work of the many pendant lamps." ("Replan vol. 60"/Exhibit Ko 44);
 - h. "*Otoko-no-ippin-kan* (Hall of Treasures for Men) Louis Poulsen PH5/PH5 Plus ... For nearly half a century, the 'PH5' has been the most standard item of residential lighting, illuminating living and dining rooms with warmth and luxury." ("*Tokusen-gai* (Specially Selected Items) 2007.1"/Exhibit Ko 59);
 - i. "PH5&PH5Plus Poul Henningsen is the designer who is the face of Louis Poulsen and who made the masterful light which is representative of the 20th century ... The <PH5> first became popular in Denmark, and came to be called a 'national lamp.' It is now widely used all over the world." ("Safari 2007.2"/Exhibit Ko 61);
 - j. "Poul Henningsen Pendant light which has a beautiful presence that goes well with any room "PH5 Plus" ("Domani 2007.6"/Exhibit Ko 63); and

- k. "PH5 Pendant (Louis Poulsen/Denmark) This piece was designed in 1958 by Poul Henningsen, a Danish architect ... and is a masterpiece which can be called a classic work that is representative of the 20th century." (Author: Motoko Ishii "*Utsukushii-hikari-de-tsukuru-kurashi-no-shomei*" (Using Beautiful Light to Create Everyday Lighting)/Exhibit Ko 83)

D Good Design Award, etc.

- (A) The Defendant's Product was awarded the Good Design Award, the 1997 Prize for Foreign Products (Interior Items Unit; Exhibit Ko 10), selected by the Ministry of International Trade and Industry, by being recognized for the efforts of "without changing the shape of the appliance which is considered a masterpiece, readjusting the internal structure and creating a finished work which is more highly adaptable."
- (B) The Defendant's Product and other products of the same series were shown in a textbook approved by the Minister of Education, Culture, Sports, Science and Technology, titled "*Bijutsu 2/3 Jo Seikatsu-no-naka-ni-ikiru-bijutsu*" (Art for 2nd Grade and First Term of 3rd Grade) (Published on January 15, 2012; Exhibit Ko 11), under the subtitle, "*Jidai-no-nagare-no-naka-de-henkasuru-dezain*" (Design Changes and Their Trend), as "1925 PH LAMP ... Poul Henningsen" along with photograph(s) of the PH LAMP, and in a textbook titled, "*Koto-gakko-geijutsu-ka-kogei I*" (High School Art Department, Craft I) (subjected to official screening on March 5, 2012; Exhibit Ko 12) as the "representative pendant light of modern design PH5 ... Poul Henningsen," along with photograph(s) of the Defendant's Product.

(2) Notoriety of the Cited Trademark

A As shown in Attachment 2, the Cited Trademark consists of a three-dimensional form of a five-layered lampshade having a small convex part in the upper section. The composition is such that, from the top, the first layer creates a cylindrical shape, and the second to fifth layers overlap to create a four-layer shade. It is acknowledged that the form created by the overlapping of the second to fifth layers is unique and that this characteristic form attracts the eyes of consumers.

The Cited Trademark has the three-dimensional form of the lampshade called "PH5" designed by Henningsen (Defendant's Product). It is acknowledged that, in 1976 when the sale of the Defendant's Product launched in Japan, the form found in the Cited Trademark of the second and fifth layers overlapping was a unique design that could not be found in other lampshade products. Also, there is no evidence to support

that, during the period from the launch of the above sale of the Defendant's Product until the application date (June 14, 2013) for registration of the Trademark, there existed a competitive product, which has the same or similar form as the Defendant's Product and was manufactured by a business operator other than the defendant, and which was widely distributed in Japan.

However, the three-dimensional form of the Defendant's Product was adopted for the purpose of making the function as a lampshade more effective and of making the appearance more aesthetic (Exhibits Ko 107, 120, 122, etc.), and furthermore, since it cannot be said that the form greatly exceeds the scope usually adopted as a form for a lampshade, it cannot be acknowledged that the three-dimensional form, in itself, of the Defendant's Product has the function of indicating the product source and of distinguishing the product concerned from other products (distinction function), or has distinctiveness.

Under the above circumstances, whether or not the Cited Trademark has, as a result of being used for the Defendant's Product, acquired the distinction function or distinctiveness and become "widely recognized among consumers" in Japan as indicating that the product pertains to the defendant's business prior to the filing of the application for the Trademark shall be determined.

B In light of the fact that the defendant's product is a lampshade product, it can be recognized that the consumers of the Defendant's Product are traders of lighting apparatuses and interior decorations as well as general consumers who are interested in lighting apparatuses and interior decorations.

Accordingly, when we look at the selling situation of the Defendant's Product, and if we take into consideration the facts described in the above (1)B as well as Exhibit Ko 169, the following are acknowledged: (i) Ever since it was released in Japan in 1976 and for approximately 40 years until 2014, the Defendant's Product has been continuously on the market; (ii) of the aforementioned period, the number of the Defendant's Product sold in the 16 years from 1999 until 2014 was a total of 74,627, and the average number sold in a year was approximately 4,664; and (iii) the number of the Defendant's Product sold in the last five years was 4,458 in 2010, 4,920 in 2011, 5,062 in 2012, 6,858 in 2013, and 7,006 in 2014 (Exhibit Ko 169).

According to the above findings, the Defendant's Product is a long-seller lampshade which has been continuously sold in Japan for approximately 40 years since 1976. It is acknowledged that the number of sales in recent years is on the increase by exceeding the average number of sales per year (approximately 4,664) since 1999.

C (A) According to the advertisement conditions of the Defendant's Product,

Yamagiwa or the Defendant's Japanese Corporation has regularly distributed a catalogue of products showing the Defendant's Product to the customers listed on the defendant's client list (Exhibit Ko 102); namely, about 5,000 companies (persons) (including overlaps of same companies) all over the country, including architectural design offices, general contractors, lighting design companies, interior design/interior finishing work companies, housing renovation companies, furniture/interior decorating shops, and press, as described in (1)B(B) and C(A).

Next, according to how the Defendant's Product is handled in the catalogue of products, the catalogue made by Yamagiwa shows the Defendant's Product along with photograph(s) over one page, with explanations such as "renowned, first-class product known as 'P-H LAMP' and 'timeless light'" and "'P-H LAMP,' a creation named after the initials of Poul Henningsen, a world famous architect and industrial designer ... The original model of this work was presented at the Paris Exposition in 1928 and was awarded the gold medal. It remains a world-class bestseller as well as longtime seller even after 60 years since its creation". In addition, the Defendant's Product and other products of the "PH" series are shown with photographs from which the forms (three-dimensional forms) of these products can be recognized, and there are explanations including the following: "Louis Poulsen/PH5/Poul Henningsen is referred to as the father of modern lighting. The basics of the 'good-quality light that beautifully illuminates people, objects, and space,' which are the subject of his life-long exploration, never fade away even to this day." Also, in other catalogues of products made by Yamagiwa, the Defendant's Product is introduced in a large size along with photograph(s). In light of the foregoing, the Defendant's Product is repeatedly advertised in a manner that makes an impression of the design of the Defendant's Product by emphasizing that the Defendant's Product is a "longtime seller all over the world" and was designed by Poul Henningsen, who is referred to as the father of modern lighting, as well as that it is a representative product of the "PH" series. Also, in the catalogue of products made by the Defendant's Japanese Corporation, the Defendant's Product is shown along with its photograph(s) over one page, providing explanations such as the following: "PH LAMP 5 Design: Since its announcement by Poul Henningsen in 1958, this piece has maintained continuous popularity to this day as a longtime seller and one of masterpieces by the creator." As such, the Defendant's Product is repeatedly advertised in a manner that makes an impression of the design of the Defendant's Product by emphasizing that the Defendant's Product is a "longtime seller all over the world" and was designed by Henningsen.

(B) According to the conditions in which the Defendant's Product is shown in

magazines and other publications, the Defendant's Product was, from 1990 until around 2013, introduced in a number of publications including books on furniture, magazines/catalogues on lighting, interior decoration magazines, fashion magazines, and business magazines along with photographs from which the form (three-dimensional form) of the Defendant's product can be recognized, as described in the above (1)C(B), and it can be said that the basic contents emphasize the Defendant's Product having been designed in 1958 by Henningsen, a representative designer of the 20th century, being sold by the defendant as a longtime seller all over the world, and having an excellent design.

D In addition to the selling situation and the advertisement conditions of the Defendant's Product, as recognized in above B and C, the Defendant's Product was awarded the Good Design Award, the 1997 Prize for Foreign Products (Interior Items Unit), selected by the Ministry of International Trade and Industry, and then in 2012, the Defendant's Product was shown in high school textbooks, along with photograph(s) of the Defendant's Product, as the "representative pendant light of modern design PH5 ... Poul Henningsen" (as described in above (1)D). In light of the foregoing, the following are acknowledged: The Defendant's Product had, at the time of the launch of its sale in 1976, a unique feature which could not be found in other lampshade products; i.e., the form of the second and fifth layers overlapping; furthermore, as a result of the continuous sale of the Defendant's Product nationwide for approximately 40 years after the aforementioned start of the sale until the application date of the Trademark (June 14, 2013), as well as of the continued and repetitive advertisement to make an impression of the design of the Defendant's Product during that time, the Defendant's Product had become widely known in Japan as a lampshade manufactured and sold by the defendant, by the time of the filing of the application for registration of the Trademark, among traders of lighting apparatuses and interior decorations as well as general consumers who are interested in lighting apparatuses and interior decorations; and thus the three-dimensional form (Cited Trademark) of the Defendant's Product had become well-known and attained the distinction function or distinctiveness.

Under these circumstances, it is acknowledged that the Cited Trademark was, as a result of the Cited Trademark being used for the Defendant's Product for a long time, widely recognized among consumers in Japan, as of the time of the filing of the application for registration of the Trademark as well as of the time of the decision for registration (date of decision for registration/December 27 of the same year), as indicating that the product concerned pertains to the defendant's business.

(3) Plaintiff's claims

The plaintiff claims that (i) in the catalogue of products showing the Defendant's Product, there were many other products of the same type, and that the Defendant's Product was merely shown there as one of such products, and that the Defendant's Product is recognized by the name, "PH5," with the three-dimensional form simply being recognized only as the form itself of the product; (ii) customers to whom the catalogue of products was distributed are mostly architectural design offices and other so-called specialists on interior decorations, etc., and they cannot be called general consumers, and as such, it cannot be said that three-dimensional form of the Defendant's Product had become widely recognized among the public, who are usually the consumers; and (iii) if the number of the Defendant's Product sold over the 15 years from 1999 until 2014 was approximately 75,000, the average number sold per year is approximately 5,000, but if this is compared with the number, 5,700,000, which is how many indoor, residential lighting apparatuses was sold in Japan during the first half of 2016, the number of the Defendant's Product sold is merely 0.04% in market share, and thus the Cited Trademark which consists of the three-dimensional form of the Defendant's Product has not acquired distinctiveness.

However, in regards to the point made in above (i), as described in above (2)C(A), the Defendant's Product is widely covered in a catalogue of products, over one page, along with photograph(s), and the Defendant's Product is a "world-class longtime seller" product designed by Henningsen, who is called the father of modern lighting, and the Defendant's Product is a representative work of the "PH" series, and the Defendant's Product is repeatedly advertised in a manner that makes an impression of its design, all of which suggesting that the Defendant's Product is not regarded as merely one of many other products of the same type as shown in the catalogue. Furthermore, it cannot be said that the three-dimensional form of the Defendant's Product is recognized merely as a form itself of a product.

Next, in regards to the point made in above (ii), if consideration is given to the fact that, from 1990 until around 2013, the Defendant's Product was shown in a number of publications, including books on furniture, magazines/catalogues on lighting, interior decoration magazines, fashion magazines, and business magazines, with an emphasis on the fact of being a world-class longtime seller which was designed in 1958 by Henningsen, a designer representative of the 20th century, and manufactured and sold by the defendant, and the fact that the product has an excellent design (as described in above (2)C(B)), as well as the fact that it was

awarded the Good Design Award, the 1997 Prize for Foreign Products (Interior Items Unit), selected by the Ministry of International Trade and Industry, and the fact that, in 2012, the Defendant's Product was shown in high school textbooks, along with photograph(s), as the "representative pendant light of modern design PH5 ... Poul Henningsen" (as described in above (1)D), it is acknowledged that the Defendant's Product and its design, as well as the fact that the Defendant's Product is a product that pertains to the defendant's manufacturing and sales business, have become widely known among traders of lighting apparatuses and interior decorations as well as general consumers who are interested in lighting apparatuses and interior decorations.

Furthermore, in regards to the point made in above (iii), even if the number of the Defendant's Product sold is around 0.04% in market share when the average number of the Defendant's Product sold annually is compared with the number, 5,700,000, which is how many indoor, residential lighting apparatuses were sold in Japan during the first half of 2016, the Defendant's Product is a long-seller lampshade and has been continuously sold in Japan for over about 40 years since 1976, and in recent years, the number of the Defendant's Product has exceeded the average number of sales per year (approximately 4,664) since 1999 and is on the increase (as described in above (2)B). Furthermore, in light of the advertisement conditions of the Defendant's Product (as described in above (2)C), the fact that the market share of the number of sales of the Defendant's Product is around what is described above does not provide any basis for denying that the Cited Trademark has acquired distinctiveness.

Accordingly, the plaintiff's above claims are groundless.

(4) Summary

From what is described above, it is acknowledged that the Cited Trademark falls under a "trademark that is widely recognized among consumers" in Japan as indicating that the product concerned pertains to the business of another person (the defendant).

2. Similarity between the Trademark and the Cited Trademark

As shown in Attachment 1, the Trademark has the composition consisting of a symmetrical, five-layered geometric figure part (hereinafter referred to as "Figure") that is drawn in a large size in the upper section, a figure part drawn at the lower left side of the Figure having an almost triangular shape with the letters, "R&M", arranged inside, and the letters, "R&M Interior Store", placed at the right side of said almost triangular shape.

Since the Trademark, which is drawn in a large size in the upper section, gives a strong and dominant impression to traders and consumers because of the manner in which it is configured, as an indicator of the source of the goods or services concerned, it is reasonable to consider the Figure as independently serving the function of distinguishing the product concerned from other products.

Next, when the Figure of the Trademark and the three-dimensional form of the Cited Trademark are compared, the two marks are different in regards to the small convex part in the upper section and the two or three thin, strip-shaped lines in the second and third layers from the top. However, both marks have the symmetrical, five-layer shape that is the overall composition of each mark. As for the Figure, it is very much similar to the design of the lampshade of the Cited Trademark when seen directly from the side.

In view of the above, the Figure and the Cited Trademark are very similar to one another in appearance, and thus it is acknowledged that the Trademark is similar to the Cited Trademark.

3. Unfair purposes

(1) Findings

When the facts and evidence described in the above No. 2-1 (Exhibits Ko 2, 3, 8, 9, 13, 14, 172, 178, 180, 181, 184 to 188, 193, Exhibits Otsu 5 to 15) as well the entire import of the oral argument are taken into consideration, the following facts are acknowledged.

A The plaintiff is a business corporation that was established in July 2007 and that engages in the business of selling interior decoration products.

The plaintiff reintroduces and sells products related to the designs, for which the design rights have expired, by reproducing the original design as accurately as possible and calling the resulting products "reproduced items." The plaintiff sells such items on its online shopping site which it operates (Exhibit Ko 3).

B As of February 2013, the plaintiff was selling, on its website, a lampshade product (hereinafter referred to as "Plaintiff's Product") which looks very much like the "PH5" designed by Poul Henningsen by calling it a "reproduced item" and the like of "Poul Henningsen PH5."

C (A) On February 20, 2013, the defendant sent an e-mail (Exhibit Ko 13/Exhibit Otsu 13 (Translation)) to the plaintiff stating, among other things, that the sale of the Plaintiff's Product and the like on the plaintiff's website infringes on the defendant's trademark right and design right, thereby constituting unfair competition, and seeking suspension of the sale of the Plaintiff's Product and the

like as well as compensation for damage.

(B) On March 6 of the same year, the plaintiff sent an e-mail (Exhibit Ko 172/Exhibit Otsu 14 (Translation)) to the defendant stating, among other things, that according to the plaintiff's search into design rights and trademark rights of the defendant (Louis Poulsen) in Japan, there is no fact of infringement by the plaintiff of any design right or trademark right of the defendant, and that, if the plaintiff is in fact infringing on the defendant's intellectual property right, the defendant should provide a basis for such claim.

On the same date, the defendant replied to the plaintiff with an e-mail (Exhibit Ko 172/Exhibit Otsu 14 (Translation)), by attaching thereto image(s) of registration certificate(s) for the defendant's registered trademark(s) in Japan, stating, among other things, that the plaintiff must delete from its website, no later than by the 8th of the same month, all lighting apparatuses which are posted on the website and which infringe on the defendant's trademark right and design right, and that lighting apparatuses are subject to protection as "applied art works" for 70 years after the death of the designer.

(C) On the 14th of the same month, the plaintiff sent an e-mail (Exhibit Ko 180/Exhibit Ko 181 (Translation)) to the defendant, informing, among other things, of the deletion from the plaintiff's website of the registered trademark(s) having been pointed out by the defendant, and that the plaintiff is not, according to the plaintiff's search, infringing on any other trademark right of registered trademarks of the defendant, that the intellectual properties such as a design of a lighting product is protected for 20 years from the time of having been designed but that such protection loses effect after 20 years.

D On June 14, 2013, the plaintiff filed the application for registration of the Trademark.

E (A) On November 11, 2013, the attorney defending the defendant sent a warning letter (Exhibit Ko 14) to the plaintiff stating, among other things, that the design of PH5 is a well-known and famous mark for a product, etc. in Japan as an indicator of a product manufactured and sold by the defendant, that the form of the Plaintiff's Product which the plaintiff sells on its website by referring to the same as a "reproduced item" of PH5 is very much similar to the design of PH5, that the plaintiff's act of sale as described above falls under the unfair competition stipulated in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act, and thus requesting for discontinuation of the sale and for deletion of the pages of the aforementioned product from the aforementioned

website.

(B) In a content-certified mail dated 22nd of the same month, the attorney defending the plaintiff sent a written response (Exhibit Ko 14) to the defendant stating that the plaintiff's website clearly indicates that the products sold by the plaintiff are reproduced items and that such act does not fall under "acts of creating confusion with another person's goods or business" as stipulated in Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act, and that the defendant's requests shall therefore be denied completely.

F On December 13, 2013, the defendant filed the application for registration of the Cited Trademark.

G On December 27, 2013, the plaintiff received the decision for registration of the Trademark. On January 17, 2014, the Trademark was registered.

H The defendant received a decision of refusal, dated October 7, 2014, for the application for registration of the Cited Trademark. Then, on January 14, 2015, the defendant made an appeal against the examiner's decision of refusal.

The JPO examined the above appeal case and on December 15 of the same year, rescinded the original decision by stating that while the Cited Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act, it also fulfills the requirements provided in Article 3, paragraph (2) of the same Act, and rendered a trial decision (Exhibit Ko 9) to the effect that the Cited Trademark shall be registered.

On February 12, 2016, the defendant was granted registration of the trademark right for the Cited Trademark (a three-dimensional trademark) by setting Class 11 "Lampshades" as designated goods (Trademark No. 5825191; Exhibit Ko 8).

I (A) The defendant filed a request for import suspension (Exhibit Otsu 6), dated May 11, 2016, to the Director-General of Tokyo Customs pursuant to Article 69, paragraph (13), item (i) of the Customs Act, by indicating "any lampshade with the Cited Trademark or any other similar trademark attached thereto" as the "article which is deemed to be in infringement," and indicating "unknown" for the "possible importer."

(B) The plaintiff filed a request for import suspension (Exhibit Otsu 11), dated September 2 of the same year, to the Director-General of Tokyo Customs pursuant to Article 69-13, paragraph (1) of the Customs Act, by indicating "any light bulb and lighting apparatus bearing the Trademark or a similar trademark" as the "article deemed to be in infringement," and indicating the defendant as the "possible importer."

(C) The Director-General of Tokyo Customs sent a notice of receipt (Exhibit Otsu 7), dated December 1 of the same year, to the defendant for the request for import suspension of above (A).

The Regional Director of Nanko Sub-Branch Customs, Osaka Customs, sent a notice (Exhibit Otsu 8) to the defendant, dated the 9th of the same month, to the effect that a cargo suspected of being related to the request for import suspension was discovered and that the relevant procedures will be taken to identify the cargo as such.

(D) On the 31st of the same month, the defendant filed a demand for invalidation trial for the Trademark.

(E) The Regional Director of Nanko Sub-Branch Customs, Osaka Customs, sent a notice (Exhibit Otsu 9) of the result of the identification process to the defendant, dated March 9, 2017, to the effect that the suspected cargo of above (C) falls under an infringing article.

(F) The plaintiff received from the Director-General of Tokyo Customs a notice of refusal to accept the request (Exhibit Otsu 12) for the import suspension described in above (B), dated the 28th of the same month.

Later, Kabushiki Kaisha IAC International (the representative of which is the plaintiff's representative), which was required to suspend import, made a request for reexamination (Exhibit Ko 185), dated May 18 of the same year, to the Director-General of Osaka Customs, but received the decision of dismissal (Exhibit Ko 186) for the request for reexamination, dated August 22 of the same year, from the Director-General of Osaka Customs.

Kabushiki Kaisha IAC International filed a request for examination (Exhibits Ko 187, 188), dated September 19 of the same year, seeking rescission of the above decision of dismissal.

J On January 6, 2018, the plaintiff filed the present suit against the Trial Decision, which was rendered by the JPO on December 1, 2017 to the effect of invalidating the registration of the Trademark.

(2) Whether or not there is unfair purpose

A As described in above 1(2)D, at least by the time of filing of the application for registration of the Trademark, the Defendant's Product had become widely known in Japan among traders of lighting apparatuses and interior decorations as well as general consumers who are interested in lighting apparatuses and interior decorations as a lampshade which is manufactured and sold by the defendant, and the three-dimensional form (Cited Trademark) of the Defendant's Product had become well-

known and famous.

In addition, if consideration is also given to the fact that, as of February 2013, the plaintiff was selling, on its website, the lampshade product (Plaintiff's Product) which was created by reproducing the Defendant's Product as accurately as possible and referring to the same as the "reproduced item" of "Poul Henningsen PH5" (as described in above (1)A and B), it is acknowledged that the plaintiff was, at the time of the filing of the application for registration of the Trademark (June 14 of the same year), fully aware of the fact that the Defendant's Product is a product that is designed by Henningsen and is manufactured and sold by the defendant, as well as of the three-dimensional form (Cited Trademark) of the Defendant's Product.

B According to the findings described in (1) above, it is acknowledged that, when the plaintiff received an e-mail from the defendant stating, among other things, that the sale of the Plaintiff's Product, which is a reproduction of the Defendant's Product (HP5 lampshade), infringes on the defendant's trademark right and copyright and therefore falls under unfair competition, and stating that the defendant seeks suspension of the sale of the Plaintiff's Product and the like as well as for compensation for damage, the plaintiff filed the application for registration of the Trademark while proceeding with negotiations. Furthermore, it is also acknowledged that, as a countermeasure against the fact that the defendant made a request to the Director-General of Tokyo Customs for import suspension of the lampshade bearing the Cited Trademark or a similar trademark, based on the trademark right of the Cited Trademark for which registration was granted, the plaintiff made a request to the Director-General of Tokyo Customs for import suspension of the Defendant's Product, based on the trademark right for the Trademark.

Also, it should be said that the fact that the form (three-dimensional form) of a well-known product should be protected by the Unfair Competition Prevention Law as a well-known "indication of goods or business" (Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act) is something that should be naturally understood by the plaintiff whose business is to sell interior decoration products.

C When the findings of above A and B are taken into consideration, it is acknowledged that the plaintiff, while being fully aware of the fact that the three-dimensional form of the Defendant's Product (Cited Trademark) is well-known and famous among consumers as indicating the Defendant's Product, took advantage of the fact that, upon receipt of a warning from the defendant to the effect that the sale of the Plaintiff's Product constitutes infringement of the defendant's trademark right and copyright and that it falls under unfair competition, the Cited Trademark was not yet

registered as a trademark, filed the application for registration of the Trademark with the intention of guiding the negotiations with the defendant in a direction that is favorable to the plaintiff, or with the intention of securing a countermove, and furthermore, actually made a request for import suspension of the Defendant's Product based on the trademark right for the Trademark. Accordingly, it should be said that the filing by the plaintiff of the application for registration of the Trademark had the purpose of hindering the defendant's business operation for the Defendant's Product.

In that case, it is acknowledged that the plaintiff is using the Trademark for unfair purposes.

(3) Plaintiff's claims

The plaintiff claims as follows: (i) Even if there existed a patent right, utility model right, or design right for the three-dimensional form that constitutes the Cited Trademark, if the fact that the Defendant's Product has been sold since 1958 is taken into consideration, such right had expired by the time of the filing of the application for the Trademark, making the goods concerned enter the public domain, and thus the plaintiff's understanding was such that it could freely create a reproduced item pursuant to industry practices; and (ii) since the purpose with which the plaintiff filed the application for registration of the Trademark is to acquire the trademark right for the Trademark so as to avoid any unfair accusations from the defendant, the plaintiff's use of the Trademark does not fall under use for unfair purposes.

However, the point made in above (i) is, as described in above (2)B, inaccurate because it fails to take into consideration the fact that the form (three-dimensional form) of a well-known product is subject to protection as a well-known "indication of goods or business" (Article 2, paragraph (1), item (i) of the Unfair Competition Prevention Act), and the fact that such form (three-dimensional form) of a well-known product is subject to protection by the same Act is something that should be naturally understood by a person like the plaintiff, whose business is to sell interior decoration products.

Next, in regards to the point made in above (ii), the defendant's warning sent to the plaintiff is legitimate exercising of right and cannot be referred to as "unfair accusations," and thus it cannot be acknowledged that there are reasonable circumstances under which the plaintiff should file the application for registration of the Trademark, in which the three-dimensional form of the Defendant's Product, which was well-known and famous prior to the filing of the application for the Trademark, is turned into a two-dimensional trademark, during the course of the present case as per the findings of above (1).

Accordingly, the plaintiff's claims above are groundless.

(4) Summary

As described above, the filing by the plaintiff of the application for registration of the Trademark was based on the purpose of hindering with the defendant's business operations for the Defendant's Product, and thus it is acknowledged that the plaintiff is using the Trademark for unfair purposes.

4. Conclusion

From what is described above, the Trial Decision to the effect that the Trademark falls under Article 4, paragraph (1), item (xix) of the Trademark Act does not contain any error, and thus the plaintiff's claims for rescission are groundless.

Accordingly, the plaintiff's request shall be dismissed.

Intellectual Property High Court, Fourth Division

Presiding Judge:	OTAKA Ichiro
Judge:	FURUKAWA Kenichi
Judge:	SEKINE Sumiko

(Attachment 1)



(Attachment 2)

Figure 1

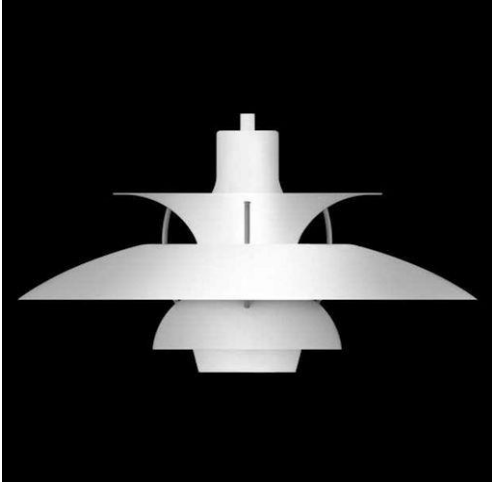


Figure 2

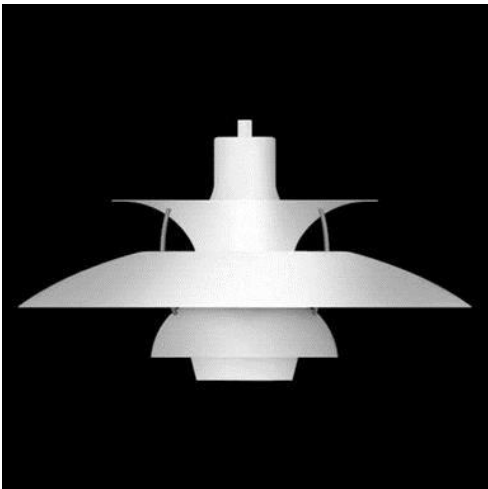


Figure 3

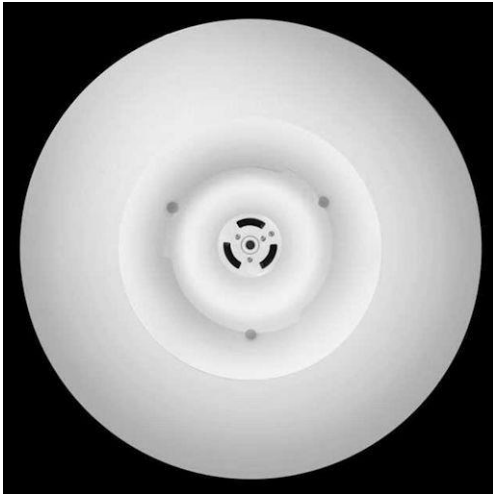


Figure 4

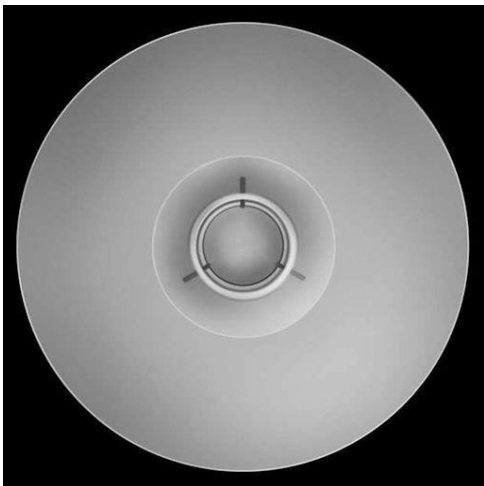


Figure 5

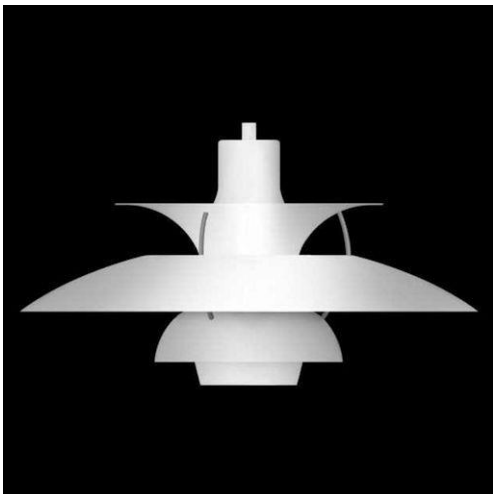


Figure 6

