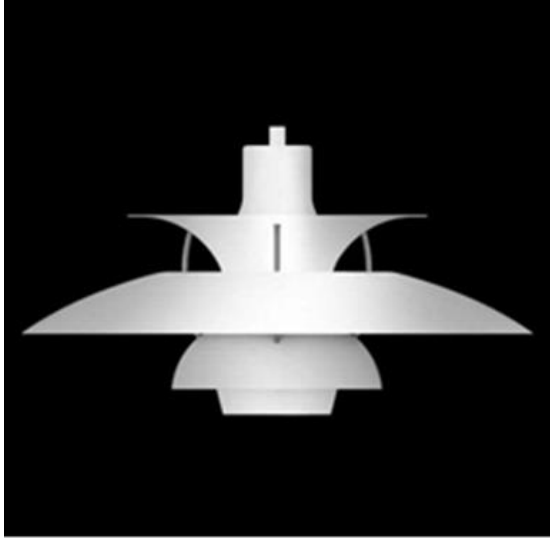


# Use of Well Known Trademark with Unfair Purpose

Sumiko Sekine  
Judge, IP High Court of Japan

## PH5



sold since 1976 in Japan.

## PH Snowball



sold since 1986 in Japan.

# Parties of the case

- **Louis Poulsen A/S (defendant, referred to as LP):**
  - Danish company established in 1874, engaging in manufacture and sales of electric appliances and lighting apparatuses.
  - Has been selling lampshades designed by Poul Henningsen known as “PH series”, including “PH5” and “PH Snowball”.
- **R&M Interior Store (plaintiff, referred to as RM):**
  - Japanese company that reproduces and sells accurate copies of PH5 and PH Snowball as “reproduced items.”
  - Right holder of TM1 and TM2.

**TM1**



**Cited tm1**



**TM2**



**Cited tm2**



# Chronology of the dispute

## RM

- **Jun 2013:** RM filed the application for registration of TM1.
- **Jan 2014:** TM1 was registered. RM filed the application for registration of TM2.
- **Jul 2014:** TM2 was registered.

## LP

- **Feb 2013:** LP sent a warning to RM.
- **Dec 2013:** LP filed the application for registration of Cited tm1(PH5).

- **Sep 2016:** RM filed a request for suspension of import of LP.

- **Dec 2017:** JPO rendered decisions to invalidate both TM1 and TM2.

- **Jan 2018:** RM filed lawsuits for revocation of JPO's invalidation decisions to IP High Court.

- **Feb 2016:** Cited tm1 was registered.

- **Dec 2016:** LP filed invalidation trials for TM1 and TM2 to JPO.

# JPO Decisions

- ◆ Invalidated both TM1 and TM2 because they were unregistrable trademarks by Trademark Act Article 4-1-19.
  - Cited tm1 and Cited tm2 are both well-known among consumers in Japan as trademarks of LP.
  - TM1 is similar to Cited tm1, TM2 is similar to Cited tm2.
  - RM used TM1 and TM2 by RM for unfair purposes.

# IP High Court judgments

- ◆ 2 judgments rendered by the same panel (4<sup>th</sup> Division) on the same day (July 25, 2018).
- ◆ Dismissed the claim to revoke the invalidation decision of TM1 (TM1 is invalidated).
- ◆ Granted the claim to revoke the invalidation decision of TM2 and remanded the case to JPO (TM2 is not invalidated).



# Application of law

## Trademark Act Article 4-1-19

No trademark shall be registered if the trademark is identical with, or similar to, a trademark which is well known among consumers in Japan or abroad as that indicating goods or services pertaining to a business of another person, if such trademark is used for unfair purposes (referring to the purpose of gaining unfair profits, the purpose of causing damage to the other person, or any other unfair purposes)

# Issues of the case

1. Cited tm1 and Cited tm2 :

Were they **well-known** among consumers in Japan as 3D trademarks of LP?

2. Conduct of RM :

Did RM use TM1 and TM2 for **unfair purposes**?

# Well-known?

- ◆ **Criteria for registration of 3D trademark :**
  - Cannot be registered if the trademark only consists of a mark indicating the shape of the goods in a common manner. (Trademark Act Article 3-1-3)
  - May be registered if the trademark has acquired distinctiveness as a result of use. (Trademark Act Article 3-2)

# Well-known?

## ◆ Meeting the criteria?

- Although both lampshades have unique 3D shapes, those shapes were chosen for effective performance as lampshades. Thus, the 3D shapes themselves are not considered as distinctive.
- The remaining question is whether Cited tm1 and 2 have acquired distinctiveness as a result of use.

# Well-known?

## ◆ Acquisition of distinctiveness as a result of use:

1. Consumers: traders and general consumers of lighting apparatuses and interior decorations.
2. Factors for consideration:
  - I. Sales situation
  - II. Ads in catalogs
  - III. Ads in publications

# Sales situation

## PH5



- Sold since 1958 in Denmark and 1976 in Japan.
- The number of sales in Japan from 1999 to 2014 is 74,000 in total, average of 4,600 per year, and in uptrend (4,600 in 1999, 7,000 in 2014).

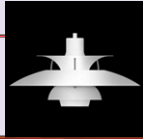
## PH Snowball



- Designed in 1958, sold since 1983 in Denmark and 1986 in Japan.
- The number of sales in Japan from 2000 to 2016 is 5,700 in total, average of 340 per year.

# Catalogs

## PH5



- Repeatedly advertised in catalogues.
- Emphasized as a “longtime seller all over the world” and the icon product of PH series by Henningsen, with large photos focusing on the feature of its 3D shape.

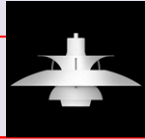
## PH Snowball



- Described as one of the products of PH series by Henningsen, not particularly focused on its 3D shape.
- Photos shown were the same size as those of other products of PH series, not particularly outstanding.

# Publications

## PH5



- Introduced in a number of magazines and other publications with photos from which the 3D shape of PH5 can be recognized
- Emphasized as designed in 1958 by Henningsen, being sold by LP as a “longtime seller all over the world”, and having an excellent design.

## PH Snowball

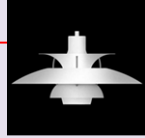


- Introduced as one of the products of PH series by Henningsen, not particularly focused on its 3D shape.
- Photos were the same size as those of other products of PH series, not particularly outstanding.



# Others

## PH5



- Awarded the Good Design Award, the 1997 Prize for Foreign Products, selected by the Ministry of International Trade and Industry.
- Shown in high school textbooks with photos in 2012

## PH Snowball



# Issues of the case

1. Cited tm1 and Cited tm2 : were they **well-known** among consumers in Japan as goods of LP?
2. **Conduct of RM : did RM use TM1 for unfair purpose?**

# Used for unfair purpose?



Unfair purpose

PH5 has become well-known already

General knowledge

Selling copies of PH5 as "reproduced items"

Awareness of RM

Filing application after warning from LP (taking advantage of Cited tm1 not being registered)

Taking advantage

Requested suspension of import of PH5 according to TM1

# Summary

- ◆ Although 3D shapes of both lampshades themselves are not distinctive, PH5 has acquired distinctiveness as a result of use while PH Snowball has not.
- ◆ The use of a trademark (TM1) similar to a well-known 3D trademark (PH5) was regarded as use for unfair purpose.



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