

## Latest Court Decisions

**2009:**

**[September]**

### SWIVEL SWEEPER Case (Trademark Infringement Case)

**Osaka District Court 2009.9.17 H20(Wa)1606**

Then "SWIVEL SWEEPER", electric sweepers, is very familiar by the TV shopping in Japan. More than 1,100,000 units being more than 12 billion yen were sold between August 2005 and November 2007. The Defendant started from January 2006 the sales of imitation products under the trademark "SWIVEL SWEEPER" by the internet shopping and sold more than 125 million yen by the end of March 2008.

Thane Direct, the exclusive sale agent of SWIVEL SWEEPER and its distributor, OLM, filed the damages suit against the Defendant with the Osaka District Court demanding payment of approx. 57 million yen in total by the infringement of the unregistered exclusive license (Thane) and the violation of the Unfair Competition Prevention Law (OLM).

Osaka District Court rendered the Decision ordering the Defendant the payment of approx. 700,000 yen to Thane Direct and approx. 56.2 million yen to OLM since it was clear that the Defendant violated the unregistered exclusive license and the Unfair Competition Prevention Law.

In Japan, the actual damages can be demanded in the trademark infringement cases and the violation cases of the Unfair Competition Cases. However, it is rather difficult to prove such actual damages before the Courts. In such cases, the Petitioner can demand as the presumed damages the amount of the profits that the Defendant obtained through the infringements, under Article 38-2 of the Trademark Law and Article 5-2 of the Unfair Competition Prevention Law.

However, when calculating the profits of the Defendant, the costs that are necessarily expended for the manufacture and the sale of the infringing products are deducted from the profits while the usual costs that are expended even without the infringements are not allowed to be deducted.

In this case, the purchase money and the import expenses of the infringing products were admitted to deduct with no problems. The advertising expenses were not deducted because they included the expenses for advertising other products than the infringing ones.

As to the manpower costs, they were not deducted because there was no evidence showing that the manpower costs increased during the infringement term and the Defendant did not pack and deliver the products by himself.

Finally, it should be noted that the Plaintiff can also demand the Defendant the payment of money corresponding to the license royalty at least as its damages against the trademark infringement (Article 38-3 of the Trademark Law).

## I-Lux vs. Eye Lux Case (Cancellation Case of Trial Decision)

**IP High Court 2009.9.15 H21(Gyo-Ke)10102**

The applied-for trademark “**I-Lux**” (right upper) specifying “spectacles, optical instrument and apparatus” in Class 9 was rejected by the JPO due to the similarity with the prior registered trademark “**Eye Lux**” (right lower).

The applicant filed the law suit demanding the cancellation of the Trial Decision saying that the applied-for trademark was not “I-Lux” and that even if the pronunciations of the two trademarks were similar, there was no fear of confusion because of the difference of the appearances and meanings of the two trademarks.



However, the IP High Court also decided the two trademarks as confusingly similar. As to the first reason, the Court states that the applicant was not allowed to say to the contrary before the Court because the applicant stated in the Note of Argument filed with the Examiner that the applied-for trademark was designed from the word “I-Lux” (**ESTOPPEL**).

As to the second reason, the Court stated that goods were distinguished by pronunciations of trademarks in the business field of the spectacles and that people look for information of spectacles by katakana letters equivalent to the pronunciations on the internet. We agree with the Court decision because the pronunciation of the letter “I” reminds us of “Eye” for spectacles.

## ID Case (Cancellation Case of Trial Decision)

**IP High Court 2009.9.8 H21(Gyo-Ke)10034**

In Japan, trademarks consisting of one or two Roman letters are rejected due to lack of distinctiveness because they are widely used as item cords, series numbers and product ID numbers of specified goods (Articles 3-1-5 or 3-1-6 of the Trademark Law). However, trademarks consisting of katakana letters equivalent to pronunciations of such one or two Roman letters may be registered.

In this case, the applied-for trademark “アイディー (a-i-di-i)” corresponding “ID” specifying “electronic machines, electric communication machines” in Class 9 was rejected by the Trial Decision of the JPO and the applicant filed the law suit demanding the cancellation of the Trial Decision.

However, the IP High Court maintained the Trial Decision because the katakana letters “アイディー (a-i-di-i)” were used to indicate “ID cards” in Japanese famous dictionaries and that “アイディー (a-i-di-i)” were used together with the Roman letters “ID” in many IT related dictionaries.

For your information, the identical trademark “アイディー (a-i-di-i)” filed by the same applicant was registered under No. 5126437 for the services in Classes 37, 41 and 42 because the Roman letters “ID” is not widely used for these services.