

Latest Court Decisions

2013:

[May]

• **VANSPORTS Case (Damage Suit)**

Osaka District Court 2013.5.30 H24(Wa)13929

A registered trademark "**VANSPORTS**" for clothing in Class 25 was infringed and the trademark proprietor demanded its compensation against the infringer (=defendant).

VANSPORTS

The plaintiff (=trademark proprietor) granted a license to a third party to use the registered trademark "**VANSPORTS**" under the condition that the licensee pays the royalty of 5% on the total sales of the licensed products and 3 million yen for the minimum royalty per a year.

In this case, the plaintiff alleged that the minimum royalty of 3 million yen should be the basis of the damage calculation. However, the Court denied the plaintiff's allegation because the infringement was done between January 21, 2012 and December 27, 2012 that was less than one year and for this period, one year, the minimum royalty is applied.

The Court calculated the damages by the royalty of 5%. The defendant imported men's underwear from China and sold them at 5,720,000 Yen in total. The above goods were sold as a set of 10 pieces and only one piece out of 10 was the infringement. Therefore, the defendant's profit by selling the infringement products was 572,000 Yen (= 5,720,000 Yen x 10%). And the compensation to be paid under **Article 38-3** of the Trademark Law should be 28,500 Yen (= 572,000 Yen x 5%).

(3) The holder of trademark right or of exclusive right to use may claim against an infringer compensation for damage sustained as a result of the intentional or negligent infringement of the trademark right or the exclusive right to use, by regarding the amount the holder of trademark right or of exclusive right to use would have been entitled to receive for the use of the registered trademark as the amount of damage sustained.

• **ALL STATE Case (Cancellation Suit of Trial Decision)**

IP High Court 2013.5.30 H24(Gyo-Ke)10411

A cancellation trial for non-use against the registered trademark "**ALL STATE**" (right upper) for clothing was dismissed by the JPO. The trademark in use was the word "**ALL STATE**" shown on the US map like device (right lower) and it was used for

ALL STATE



leather jackets.

The leather jackets bearing the trademark were cited on the Ameba BLOG called "JUNKIE BLOG" which was linked to the shopping site of the licensee company of the trademark proprietor (=defendant).

The defendant alleged "use" as provided under Articles 2-3-1 and 2-3-2 of the Trademark Law that the registered trademark was affixed to the goods and was distributed. But there was no definite evidence showing these acts of "use" submitted by the defendant.

Nevertheless, the Court voluntarily admitted the "use" as provided under Article 2-3-8 of the TM Law that the registered trademark was used in the Internet advertisement of the leather jackets and sustained the Trial Decision by the JPO.

Article 2

(3) "Use" with respect to a mark as used in this Act means any of the following acts:

(i) to affix a mark to goods or packages of goods;

(ii) to assign, deliver, display for the purpose of assignment or delivery, export, import or provide through an electric telecommunication line, goods or packages of goods to which a mark is affixed;

(viii) to display or distribute advertisement materials, price lists or transaction documents relating to goods or services to which a mark is affixed, or to provide information on such content, to which a mark is affixed by an electromagnetic device.