

## Latest Court Decisions

**2013:**  
**[June]**

• **PUMA Parody Mark "KUMA" Case** (Cancellation Suit of Trial Decision)

**IP High Court 2013.6.27 H24(Gyo-Ke)10454**

The trademark which consists of letters "KUMA" (meaning "bear" in Japanese) with the bear device was registered for clothing in Class 25 on October 13, 2006. This trademark could be considered as a parody of the world-widely well-known **PUMA** trademark.



The T-shirts bearing this "KUMA" parody mark were very popular to the tourists as one of the souvenirs in Hokkaido, the northern part of the Japan island.

In Japan, many parody goods of the well-known brands other than PUMA such as ADIDAS, NIKE, LACOSTE, and Ferrari are being sold in the sight-seeing areas without permission. Some of them were registered as trademarks at the JPO and their registrations were canceled later.

For instance, the following cat device mark which seems to be a parody of the MGM's lion device was cancelled by an opposition filed by MGM (Opposition Case No. 2002-90881).



Also, the following "adidog" and the three bone device mark for dogs' clothing was cancelled by the opposition filed by Adidas (Opposition Case No. 2007-900190).



However, not in harmony with the JPO's decisions as above, the IP High Court had **not** taken a negative stand against the parody trademark in the "**SHI-SA**" case in 2010.



The T-shirts bearing the trademark which consists of letters "SHI-SA" with animal device are widely sold in Okinawa islands as souvenirs as well as over the internet. "SHI-SA" is lion-shaped ornament for Okinawan traditional talismans for evil.



PUMA SE filed the opposition against this "SHI-SA" trademark registration. The JPO cancelled the SHI-SA registration because the SHI-SA trademark was similar to the PUMA trademark. However, the IP High Court cancelled the JPO's opposition decision because the two marks were **not** similar.

We believe that the main reason of the IP High Court decision was that the court misbelieved the plaintiff's (=the trademark proprietor) allegation. The plaintiff said that he originally created the "SHI-SA" trademark irrespective of the PUMA trademark although he knew the PUMA trademark. It was entirely inconceivable that the SHI-SA mark was originally created by the Okinawan man irrespective of the PUMA trademark and that it merely happened to be similar to the well-known PUMA trademark.

The opposition filed by PUMA SE (former name: PUMA AG) was re-examined by the JPO and the SHI-SA registration was cancelled again because the SHI-SA trademark was liable to cause confusion with the goods bearing the well-known PUMA trademark. However, the IP High Court again cancelled the JPO's Trial decision because there was no fear of confusion between the SHI-SA and PUMA goods and the two trademarks were not confusingly similar at all. As the result, the SHI-SA trademark registration was maintained and it is still in force.

In fact, the plaintiff has been and is selling the SHI-SA T-shirts as the parody of PUMA.

We reported this IP High Court decision on our web-site in July, 2010 which is cited below.

After this SHI-SA decision, in 2012 the IP High Court issued a new decision on the **Lambormini** trademark which was a parody mark of the well-known LAMBORGHINI trademark.



In this case, the IP High Court admitted that the "Lambormini" was similar to "LAMBORGHINI" and was liable to cause confusion regarding the origin of goods by LAMBORGHINI. We also reported this case on our web-site in May, 2012 as cited below:

We thought this Lamborghini IP Court decision showed the change of the IP High Court's attitude toward the parody trademarks.



Under these circumstances, PUMA SE filed the Invalidation Trial against the PUMA's parody trademark "KUMA" registration and the JPO cancelled the KUMA registration by accepting the PUMA's claims. Then, the case was brought into the IP High Court.

As expected, the IP High Court dismissed the KUMA proprietor's petition and maintained the invalidation Trial Decision. The Court admitted that the KUMA trademark was liable to cause confusion (Article 4-1-15) because the KUMA trademark was similar to the PUMA trademark in the appearance and when these trademarks were affixed to fronts of shirts as a small one point mark, the customers would not notice tiny differences between the two marks and would cause much more confusion.

Furthermore, the IP High Court admitted that the KUMA trademark was registered with an unfair intention by taking free ride on the goodwill created by the world-widely well-known PUMA trademark, by making the KUMA mark look as much like the PUMA trademark as possible. Therefore, the KUMA trademark was registered against the International fidelity and morality under Article 4-1-7 of the Trademark Law.

We assume that the case will be appealed to the Supreme Court because the KUMA case decision is against the precedent SHI-SA case decision. In addition, if the KUMA case decision becomes final and conclusive, PUMA SE might demand a large amount of monetary compensation from the proprietor (=plaintiff) against the trademark infringement because a great number of the parody T-shirts such as KUMA (=bear), BUTA (=pig) and UUMA (=horse) have been sold by the plaintiff's related company for a long, long time.

We will watch and see the further progress and will report to you in a flash at our web-site.

## **[CITATION]**

### **● PUMA Parody Trademark "SHI-SA" Device Mark Case**

**(Cancellation Case of Opposition Decision)**

**IP High Court 2010.7.12 H21(Gyo-Ke)10404**

A trademark registration for "SHI-SA" and jumping cat device mark (right upper) was registered for the goods in Class 25 by an Okinawan citizen.



Puma AG filed an opposition on the basis of the well-known PUMA trademark (right lower) because;

- ① the two trademarks are similar (§4-1-11),
- ② the SHI-SA mark was liable to cause confusion regarding the origin of goods (§4-1-15), and
- ③ the SHI-SA trademark was a parody of the well-known trademark PUMA by taking free-ride on its goodwill (§4-1-19).



We, FUJIMarks JAPAN, acted for Puma AG as their trademark agents.

The JPO firstly cancelled the SHI-SA trademark registration on the basis of Article 4-1-11. However, on February 11, 2010 the IP High Court cancelled the opposition decision by the JPO saying that the two trademarks were not similar in any points of the appearances, pronunciations and meanings.

Then, the opposition was re-examined and the JPO again cancelled the SHI-SA trademark registration on the basis of Articles 4-1-15 and 4-1-19. Then, the trademark proprietor filed the cancellation suit before the IP High court.

However, the IP High Court again cancelled the JPO's opposition decision. The reasons therefor are as follows.

#### (1) Similarity

The two trademarks are not similar in their appearances because the subject trademark depicted an Okinawan traditional lion "shiisa" while the PUMA trademark depicted a real wild cat animal.

#### (2) Goods

The trademarks were being used for T-shirts and caps in common. However, the "SHI-SA" goods were merely sold in a shop in Okinawa and through the internet and the amount of the goods was small while the PUMA goods were sold all over Japan and the amount thereof was very large.

#### (3) Confusion

In view of the differences of the trademarks, the sales scales and the marketing methods, consumers did not confuse goods bearing the "SHI-SA" trademark with the PUMA goods as those belonging to the same marketing group.

#### (4) Parody

There was no legal notion of "parody" under the Japanese Trademark Law and it was a mere academic issue. Therefore, the case should be settled only within the Japanese Trademark Law.

The plaintiff (=the trademark proprietor) said during the court procedures that although he knew the PUMA trademark, he originally created the "SHI-SA" trademark irrespective of the PUMA trademark.

Therefore, the "SHI-SA" trademark is not a parody of the PUMA trademark nor it did not take free ride on the goodwill of the PUMA trademark.

### **【Comments】**

It is quite incredible that the "SHI-SA" trademark was created irrespective of the PUMA trademark. There will be no one who does not imagine the PUMA trademark from the "SHI-SA" trademark.

People who see the "SHI-SA" trademark image the PUMA trademark and buy the "SHI-SA" products for fun with knowing they are not the genuine PUMA products. This means that the "SHI-SA" trademark takes free ride on the PUMA's goodwill. In other words, the "SHI-SA" trademark did not exist if the PUMA trademark did not exist. In fact, the trademark proprietor sold his goods saying the words "PUMA" and "parody" in his catchwords and we can see so many web-sites selling the "SHI-SA" product via internet.

There are many parody products sold in Japan and the applications for the following trademarks were filed for examples.



Some of these trademarks were opposed and rejected by the JPO. However, there has been no court decision regarding parody trademarks prior to the "SHI-SA" trademark case. Once this IP Court Decision issued, people consider that parody trademarks are not illegal and as the result, many well-known brands will be victimized by parody trademarks.

### **【CITATION】**

#### **• Lamborghini Case (Cancellation Suit of Trial Decision)**

**IP High Court 2012.5.31 H23(Gyo-Ke)10426**

A Japanese company manufactured and sold single passenger custom buggies under the trademark "Lambormini (logo)" (right upper) resembling **LAMBORGHINI MURCIELAGO**.



Automobili Lamborghini SpA filed an Invalidation Trial against the Lamborimini trademark registration on the basis of their well-known



trademark "**LAMBORGHINI** (logo)" (right lower).

However, the JPO dismissed the Invalidation Trial because the Japanese pronunciations of "Lamborimini" and "LAMBOROGHINI" are not confusingly similar and there was no fear of confusion.

Then, Automobili Lamborghini SpA filed the law suite before the IP High Court demanding the cancellation of the Trial Decision. However, the defendant, the Japanese company, did not file a Counter Statement and did not appear at the hearings. In that case, the allegation by the plaintiff was deemed to have admitted by the defendant.

«Under the Civil Procedure Code Art. 159, defendants who make no attempt to refute claims against them, in effect, are admitting guilt.»

Thus, the IP High Court cancelled the Trial Decision.

- a) The trademark "Lamborimini" was similar to "LAMBORGHINI" in the pronunciations.
- b) "LAMBORIGHINI" was well known in Japan.
- c) The defendant's "Lamborimini" was liable to cause confusion with "LAMBORGHINI".
- d) The defendant had an unfair purpose in registering the trademark "Lamboromini".