

Latest Court Decisions

2014:

[May]

- [Hermes Birkin Bag Three-Dimensional Trademark Case \(Damage Suit\)](#)
Tokyo District Court 2014.5.21 H25(Wa)31446

[SUMMARY/INTRODUCTION]

This is the first case in Japan we know about the infringement case regarding the registered three-dimensional trademark.

The configuration of the famous Hermes Birkin bags was registered as a three-dimensional trademark by Hermes International on September 9, 2011 under No. 5438059 for hand bags in Class 18.

GINGER bags made in Korea with the similar configuration to the Birkin's were imported by a Japanese corporation (Defendant). Hermes International sued the Defendant for approx. 3,820,000 Yen in damages.

What was the Court decision and how to decide the similarity of the three-dimensional trademarks registered by acquired distinctiveness through use?

[CASE]

In Japan, a three-dimensional trademark for the configuration of goods itself may be registered only if and when the distinctive nature of the configuration is acquired through use under Article 3-2 of the Trademark Law. The Hermes Birkin bag (right) was registered under Article 3-2.



The Defendant, a Japanese corporation, imported from Korea GINGER bags similar to the Birkin bags. Regrettably, there is no image of the GINGER bags on the Supreme Court web-site.

The normal genuine Birkin bags are sold in Japan approx. 700,000 Yen – 1,700,000 Yen, though celeb models are more than 5 million yen. On other hand, the Defendant's GINGER bags were sold at 14,900 Yen – 20,800 Yen.

The Defendant did not attend the hearing while they filed a counter-statement against the petition by the Plaintiff. The Defendant said that they stopped selling the GINGER bags when they received a warning letter from the Plaintiff and that the stock was returned to the GINGER bag company in Korea. In addition, the materials and the prices of the GINGER bags were quite different from the Birkin bags' while the designs might be similar. Therefore, the customers would not confuse the GINGER bags with the Birkin bags.

As a result, the court ordered the Defendant the payment of 2,358,400 Yen as the damages to the Plaintiff.

The court firstly showed the generic rules when judging the similarity of the three-dimensional trademarks. The court said that the one or two **specific directions** from which the customers usually and mainly see the goods have to be assumed because the full entire configurations of the goods can not be seen at the same moment, and therefore the appearance and image seen from the specific directions function as a mark

The specific directions have to be determined objectively on a case-by-case basis according to each three-dimensional trademark.

In the subject case, the both bags are handbags with two handles. The front faces were large trapezoidal shapes with the decorative flap, belts and fixtures. On the other hand, the back faces, side faces and bottom faces had no distinctive natures. Therefore, when comparing the Defendant's bags with the Plaintiff's bags in their front faces, the specific direction, the both bags had similar visual impression and should be decided as confusingly similar trademarks.

As to the counter-statement filed by the Defendant, the court said that even if the materials and the prices were different, the similarity on the configurations of the two bags should not be denied thereby.

Furthermore, the court decided that the Plaintiff's damages were 80% of the Defendant's profits after excluding the purchase prices. When calculating the Plaintiff's damages in the case of infringement of ordinary trademarks, the court considers the contribution rate of the trademark to the Defendant's sales amounts because, especially, quality goods are bought with its high quality rather than by its trademark.

However, in case of the infringement of the three-dimensional trademark, the configuration of the goods contributes to the entire sale amounts of the infringing goods, and therefore almost all Defendant's profits are considered as the damages of the Plaintiff.

As a result, the court decided the Defendant's profits as 658,400 Yen which was the Plaintiff's damages under the Trademark Law.

In the subject case, the court added 1,500,000 Yen as the damages because the quality of the Defendant's bags was seriously poor and thus destroyed the Plaintiff's credibility, under Article 709 of the Civil Code.

Therefore, the damages of the Plaintiff were 2,158,400 Yen in total. In addition, the court accepted the payment of 200,000 Yen as the Plaintiff's lawyers' fee. When the court accepts the payment of the lawyer's fee, generally around 10% on the damages is considered to be reasonable like this case.