Latest Court Decisions

2019:
〔March〕

● SHI-SA – Puma Parody Mark Cases（Cancellation Suit）

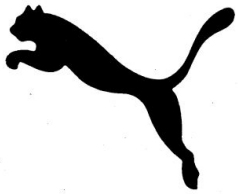
IP High Court 2019.3.6 H29(Gyo-Ke)10203, 10206

【SUMMARY／INTRODUCTION】

An Okinawan individual (the Defendant) registered the following trademarks for the word "SHI-SA" and the cat device (Mark A=Left) and for the cat device (Mark B=Right) for the goods "T-shirts, headgear for wear" in Class 25.

"SHI-SA" (=Schiesser) is an Okinawan lion or lion dog statue placed as talisman against evil at entrances and on roofs (photo).

The world famous brand, PUMA SE (the Plaintiff), filed invalidation trials against the SHI-SA trademarks citing the following well-known trademarks.



However, the JPO dismissed PUMA's petitions saying that the SHI-SA trademarks and the cited PUMA trademarks were not similar and there was no fear of confusion.

The Plaintiff PUMA SE brought the cases before the IP High Court demanding cancellation of the JPO's trial decisions.　What were the Court decisions ?

【Court Decisions & Comments】

〔Mark A Case〕

In 2007, Puma SE field an opposition against the SHI-SA Mark A when it was registered. The opposition reasons were ① similarity to the Puma trademark (Article 4-1-11 of the TM Law), ② fear of confusion (Article 4-1-15) and ③ unfair use (Article 4-1-19).

Although this opposition was accepted by the JPO, the IP High Court cancelled the JPO's decision in 2010 because the SHI-SA Mark A was not confusingly similar to the cited PUMA trademark.

This time in February 2016, Puma SE filed the invalidation trial against the SHI-SA Mark A by the reason that the SHI-SA Mark A was registered by violation of public order and morals (Article 4-1-7 of the Trademark Law).

However, the JPO dismissed the Puma's petition because the two trademarks were not confusingly similar and the SHI-SA Mark A did not free-ride on the goodwill of the cited PUMA trademark, it did not dilute the distinctiveness of the PUMA trademark and it did not hurt the PUMA's fame. Therefore, the SHI-SA Mark A was not registered by violation of public order and morals.

The IP High Court sustained the JPO's trial decision and added that the similarity of the trademarks was absolutely necessary to apply Article 4-1-7 on the basis of the reasons that the trademark was registered to free-ride on the well-known trademark's goodwill and to dilute the distinctiveness of the well-known trademark.

However, we do not believe that confusable similarity as required to Article 4-1-11 is necessary for Article 4-1-7 if the trademark is similar enough to remind consumers of the well-known trademark like parody trademarks.

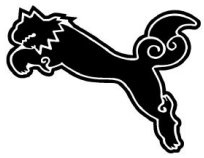
In fact, consumers can easily find out the difference between the well-known trademark and its parody trademark and would not misunderstand that such parody trademarks are used under permission by owners of the well-known trademarks.

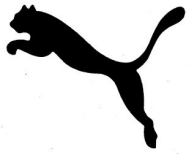
The problematic point to be considered for parody trademarks is not only about the dilution of well-known trademark. But the problem is that parody trademark vendors gain profits by deforming the well-known trademark and that parody trademark can never exist without the well-known trademarks.

The Defendant, the owner of the SHI-SA trademarks, had been selling his T-shirts saying as parody T-shirts of the well-known PUMA trademarks on his web shop.

〔Mark B Case〕

In February 2016, Puma SE filed the invalidation trial against the SHI-SA cat device Mark B on the basis of the reasons of Articles 4-1-7, 11, 15 and 19. The JPO dismissed the Puma's petition because the SHI-SA cat device was not confusingly similar to the cited jumping Puma device mark.





However, surprisingly enough, the IP High Court cancelled the JPO's trial decision on the basis of Article 4-1-15 since the SHI-SA cat device was liable to cause confusion with the cited Puma device mark.

The IP High Court admitted that there are some differences between the two cat devices. However, the whole silhouettes of the two cats were similar. The area of the white patterns in the cat Mark B which were the main different points from the jumping Puma device was relevantly small. Accordingly, it could be said that the overall impressions of the appearances of the two cat devices were quite similar.

As to the pronunciations and meanings of the two cat device marks, the cited jumping Puma device mark was called and understood as the well-known brand "PUMA" while no specific or real animal from the cat Mark B could be imaged. Therefore, the cat Mark B could not be distinguished according to the pronunciation and meaning from the cited jumping Puma device mark.

As the result therefrom, the subject cat Mark B was liable to cause confusion with the well-known jumping Puma device mark as if the goods bearing the cat Mark B were manufactured by a company belonging to the same corporate group of Puma SE.

Now then, what would be the difference of the two opposite court decisions ? Of course, the SHI-SA Mark A has the word "SHI-SA" in the mark while the Mark B consisted of the cat device only. The IP High Court decided that SHI-SA Mark A was not confusingly similar to the cited Puma device mark mainly because SHI-SA Mark A contained the word "SHI-SA".

However, in the Mark B case, the court decided that the subject cat device was confusingly similar to the jumping Puma device mark. Well then, if the SHI-SA Mark A consisted of the word "SHI-SA" alone without the cat device, would it have any value or worth as a brand mark that customers want to buy such T-shirts ?.

The answer should be "No" because such "SHI-SA" T-shirts could not be said as "PUMA" parody shirts. This means that the cat device was the most important component in the SHI-SA Mark A as well as in the cat Mark B and if the cat device was confusingly similar, the SHI-SA Mark A should have been also decided as confusingly similar to the cited Puma trademark.

It should be noticed that the Defendant's T-shirts, ones bearing the SHI-SA Mark A and ones bearing the cat Mark B, are sold at the same time on the Defendant's web shop. Notwithstanding, the court said that the SHI-SA Mark A did not cause confusion and the cat Mark B causes confusion with the PUMA goods.

However, it could be incredible that consumers thought the T-shirts bearing the Mark A without connection with PUMA SE while they thought the T-shirts bearing the Mark B with connection with PUMA SE since these T-shirts were sold as "PUMA parody T-shirts" on the same web shop.

In view of these facts, the IP Court should have decided that the SHI-SA Mark A was also liable to cause confusion with the goods by well-known PUMA SE.