



JONES DAY
COMMENTARY

JAPAN'S INTELLECTUAL PROPERTY HIGH COURT RECOGNIZES MINI MAGLITE® PRODUCT SHAPE AS 3-D TRADEMARK

On June 27, 2007, the Intellectual Property High Court of Japan recognized the product configuration of the Mini Maglite® flashlight as a three-dimensional trademark, reversing the decision of the Japan Patent Office (“JPO”) to refuse registration.

Since the introduction of the three-dimensional trademark system in Japan in 1997, many applicants have appealed to the High Court in an effort to register their product configurations as three-dimensional trademarks, but none succeeded until the Mini Maglite flashlight. This is the first product configuration that the Japanese High Court has recognized as a trademark.

This landmark High Court judgment has provided clear and reasonable guidance for finding acquired distinctiveness of a three-dimensional trademark consisting of product configuration, as opposed to the too-rigid approach taken by the JPO. Jones Day's

Tokyo Office represented Mag Instrument, Inc. (“Mag Instrument”), as the plaintiff in this case.

BACKGROUND: JPO GUIDELINES AND COURT PRECEDENTS

Registration of product configuration alone as a three-dimensional trademark is challenging in Japan because of the rigid approaches taken by the JPO and the courts. The registration of three-dimensional trademarks has been permitted in Japan since April 1, 1997. Most of the marks registered as three-dimensional trademarks combine a three-dimensional shape with a word and/or device. Some three-dimensional marks are registered without words and/or devices, but only as signboards or characters in advertising displays and not as product shapes (e.g., Colonel Sanders of Kentucky Fried Chicken). Very few cases have been reported in which registration of product configuration

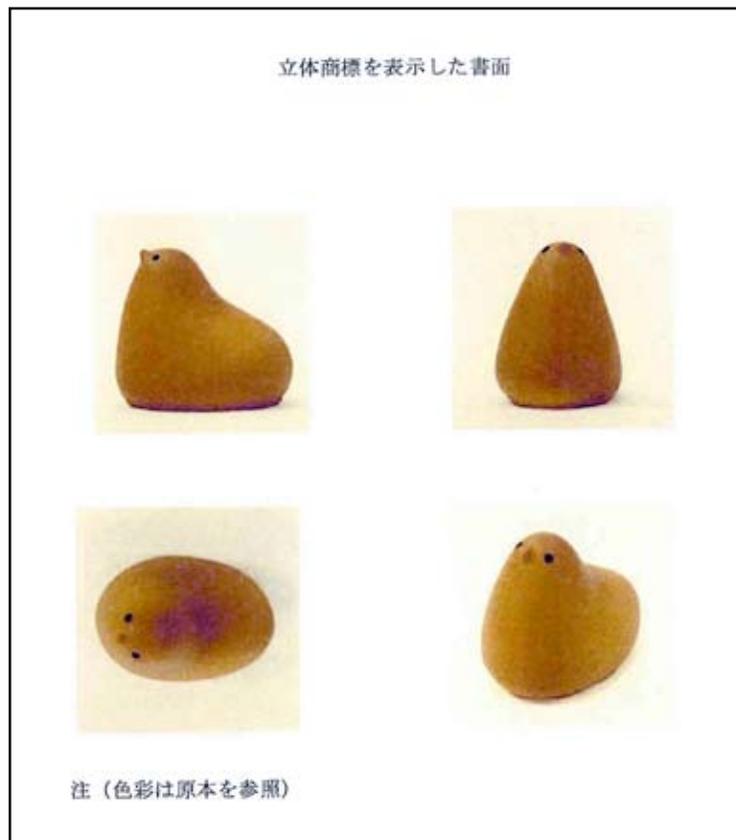
as a three-dimensional trademark was approved at the JPO's examination stage.

Prior to the case involving the Mini Maglite flashlight, approximately 20 High Court cases addressed the issue of registrability of three-dimensional trademarks, and each of them denied registrability of those product shapes as trademarks. In particular, the decision in the recent *Hiyoko* case¹ attracted widespread attention, from the media as well as from trademark practitioners. *Hiyoko* ("chick" in Japanese) is a well-recognized chick-shaped Japanese pastry, and the JPO upheld the validity of the registration of this pastry's shape as a three-dimensional trademark in spite of the invalidation challenge brought by a competitor (see Figure 1). The competitor appealed to the Intellectual Property High Court, which vacated the JPO's decision, holding that *Hiyoko*'s three-dimensional trademark registration should be invalidated for lack of acquired distinctiveness.

Registering a product shape as a trademark is difficult in Japan for two reasons: (a) the JPO's guidelines and court precedents have set a very high standard of requirements for inherent distinctiveness, and (b) finding acquired distinctiveness is extremely difficult when a word mark appears on the actual product sold.

Rigid Standard for Inherent Distinctiveness. One of the absolute grounds for denying registrability of a trademark can be found in Item 3 of Paragraph 1 of Article 3 of the Japanese Trademark Law, which provides that a trademark consisting solely of a mark indicating the shape (including that of packaging) of the goods at issue cannot be registered. This provision is very broadly interpreted in the JPO's guidelines set out in the JPO's Trademark Examination Manual ("JPO Guidelines"), which stipulate that three-dimensional marks which are recognized as merely being within the scope of the shape of the designated goods cannot be registered as

FIGURE 1



1. *Nikakudo v. Hiyoko*, Intellectual Property High Court judgment of November 29, 2006, 1950 *Hanrei Jiho* 3.

trademarks. In other words, even if a shape is new, unique, and characteristic in appearance, such shape cannot be held to be distinctive insofar as it is potentially adoptable by competitors. The above JPO standard was repeatedly affirmed by High Court cases as well. For instance, in *Yakult Honsha v. Commissioner of the JPO*,² the Court stated that despite the unique features asserted by the plaintiff in the packaging of Yakult, its lactic-acid beverage, the shape still lacked characteristics that could not be adopted by competitors, in light of the manufacturing method, usage, and function of plastic lactic-acid containers in general.

Rigid Requirement for Establishing Acquired Distinctiveness.

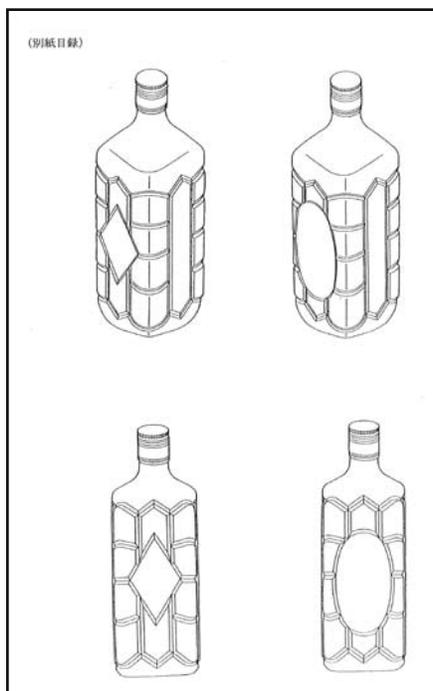
Paragraph 2 of Article 3 of the Japanese Trademark Law states that even a trademark which lacks inherent distinctiveness is registrable if consumers are able to recognize the goods or services as pertaining to the business of a particular person as a result of the use of the trademark.

In this connection, the JPO Guidelines stringently and inflexibly require the mark under application to be identical

to the mark actually in use. Accordingly, if the product features a two-dimensional trademark such as a word or device, and the mark under application consists solely of a product shape without a word or device (and thus is not identical to the mark actually in use), acquired distinctiveness should be denied. This stringent-determination approach was followed in many court precedents. For instance, in *Okaya v. Commissioner of the JPO*,³ in which the plaintiff pursued registration of a mark consisting of the shape of a plastic pencil used on golf courses, the Court held that the three-dimensional shape alone could not be considered to have acquired secondary meaning independently, because words such as “Okaya” and “pegcil” appear on the plaintiff’s products, and the plaintiff never sold or produced products identified solely by the mark at issue.

Another interesting case is *Suntory v. Commissioner of the JPO*.⁴ In this case, the plaintiff pursued registration of a whiskey bottle well known in Japan as *Kakubin* (“square bottle”) (see Figure 2). The plaintiff argued that because the bottle design had been used for about 65 years and is easily rec-

FIGURE 2



2. Tokyo High Court judgment of July 17, 2001, 1769 *Hanrei Jiho* 98.
3. Tokyo High Court judgment of December 21, 2000, 1746 *Hanrei Jiho* 129.
4. Tokyo High Court judgment of August 29, 2003, published at the web site of the Supreme Court of Japan, <http://www.courts.go.jp>

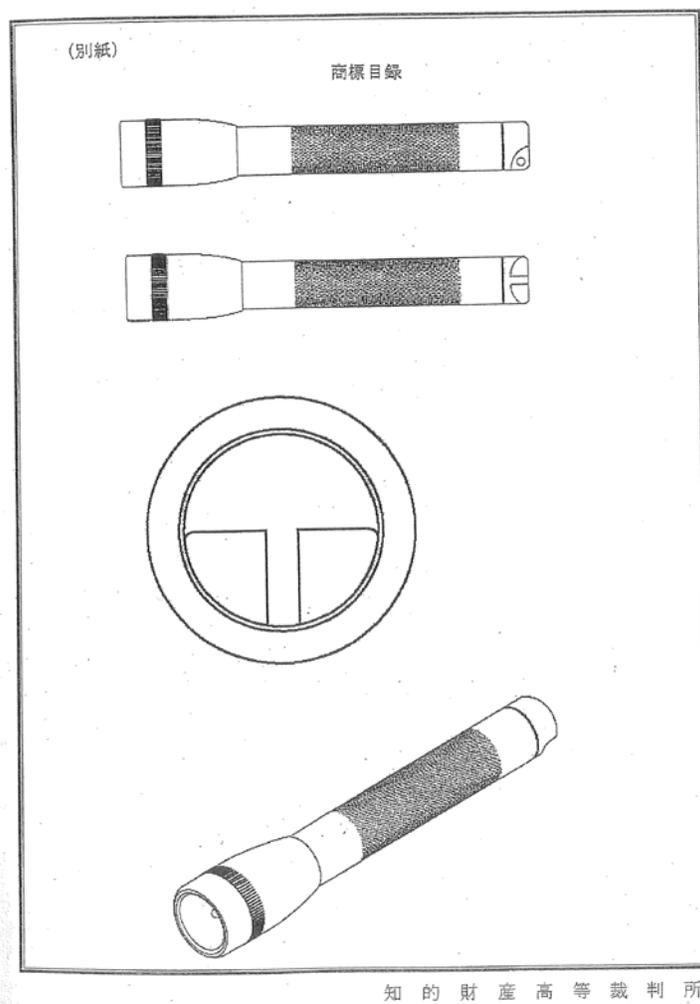
ognized by consumers, the product source could be identified from the shape of the bottle alone. However, because the word mark “Suntory Whiskey” is printed conspicuously on the bottle’s yellow label, the Court found no acquired distinctiveness. (The plaintiff had also submitted consumer surveys in which 74 percent of the respondents were able to identify Suntory by the bottle shape, but the Court deemed the survey unreliable because only men were selected as the target, the questions had been structured to lead the respondents to the right answer, and 26 percent of those responding could not answer the questions correctly.) Similarly, in the previously mentioned *Hiyoko* case, among the Court’s reasons for invalidating the registration was the fact that the word “Hiyoko” appeared on the packaging.

OUTLINE OF PROSECUTION HISTORY

Mag Instrument is a leading U.S. flashlight manufacturer, based in California. Mag Instrument’s flashlights are well known around the world as the Maglite series; models include the Maglite, Mini Maglite, and Solitaire.⁵ On January 19, 2001, Mag Instrument filed an application with the JPO for registration of a three-dimensional trademark for Class 11 flashlights, consisting of the product shape of the Mini Maglite, hereinafter referred to as the “Trademark” (see Figure 3).

The JPO examiner issued the decision of rejection on November 18, 2002, and on February 7, 2003, Mag Instrument filed a request with the JPO for trial of complaint against

FIGURE 3



5. Because of the success of the Maglite series flashlights, numerous infringement cases involving copies of these flashlights have been successfully brought by Mag Instrument. These infringement cases, which began in 1985, are led by Jones Day’s Los Angeles Office.

the examiner's decision. The JPO rendered a trial decision on August 21, 2006, rejecting Mag Instrument's request.⁶ Accordingly, on December 27, 2006, Mag Instrument filed an action with the Intellectual Property High Court of Japan to vacate the JPO's trial decision.

THE JPO'S DECISION

The JPO rejected the Mini Maglite three-dimensional trademark application for the following reasons:

- **Lack of Inherent Distinctiveness.** The JPO found that the Trademark, easily recognized as the configuration of a flashlight, lacked inherent distinctiveness under the JPO Guidelines, since it consisted solely of the shape of the goods at issue. The JPO also stated in its decision that even if the shape were unique to a certain extent, it would not be distinctive as a trademark as long as it related to a functional or aesthetical aspect of the goods.
- **Lack of Acquired Distinctiveness.** Despite finding that a large number of Mini Maglite flashlights had been sold and that they had been featured in numerous magazine and newspaper advertisements, the JPO denied acquired distinctiveness because the word mark "MAG INSTRUMENT" or "MINI MAGLITE," followed by the registered-trademark symbol (®), appears on all Mini Maglite flashlights, and the applicant failed to submit any evidence regarding a flashlight in the shape of the Trademark without the word mark "MAG INSTRUMENT" or "MINI MAGLITE" and the registered-trademark symbol.

THE INTELLECTUAL PROPERTY HIGH COURT'S JUDGMENT

To examine the acquired distinctiveness of the Trademark, the Intellectual Property High Court started with the general

rule and elements to be considered in judging acquired distinctiveness:

Whether distinctiveness is gained as a result of the use of a trademark consisting of the three-dimensional shape of a product shall be determined by looking at, in aggregate, the shape of the product, the starting date of usage, usage period, usage region, sales volume of the product, advertising period, region and scale, [and] the existence of other products with a similar shape.

Further, the High Court reaffirmed the conventional principle that the trademark in use must be substantially the same as the trademark under application. But the High Court, unlike previous courts, set out for the first time a clear rule on how to view use of a word mark on the product when examining acquired distinctiveness:

... in light of the fact that usually marks consisting of names, symbols or letterings of the source companies, etc. appear on products for sale, it is not appropriate to deny acquired distinctiveness solely and directly from the presence of the word mark of the source company on the product. Considering the various matters such as appearance, size, position, and extent of popularity of the mark or the name that accompanies the product shape or the trademark in use, whether the three-dimensional shape appears conspicuous to consumers and whether it leaves a strong impression in the consumers along with other considerations should be used to determine whether the three-dimensional shape has independently acquired distinctiveness.

In light of the above rule, the Court found that the Trademark acquired distinctiveness on the basis of the following findings:

- The shape of the Mini Maglite has not been modified since it was first sold in 1984 in the United States.

6. Mag Instrument filed three-dimensional trademark applications for the product shapes of the Maglite and Solitaire flashlights on the same date as the Mini Maglite application. The JPO rejected these applications on the same grounds as those for the Mini Maglite flashlight at both the examiner's and the JPO's trial stages. Mag Instrument decided to pursue appeal of only the Mini Maglite application case at this time.

- Sales in the year ending in March 2000 totaled 577 million JPY, with 607,000 units sold; sales in the year ending in March 2001 totaled 508 million JPY, with 551,000 units sold.
- Since 1985, Mini Maglite flashlights have been featured in numerous newspaper articles and magazines, at significant expense to Mag Instrument.
- The shape of the Mini Maglite was never seen in traditional flashlights prior to the launch of the product. Its design has been highly praised, receiving awards in Japan, Germany, and other countries.
- Advertisements emphasized not just the product's durability but also the creativity of its design. Since the advertisements included pictures of the product, focusing on the product shape was intended to leave an impression on consumers.
- Plaintiff has taken legal actions against companies that sell flashlights shaped like the Mini Maglite, seeking injunction of sale. As a result of these actions, products shaped like the Mini Maglite are no longer on the market.
- The words "MINI MAGLITE," followed by the registered-trademark symbol and printed in very small type, are positioned around the product's face cap, and the words "MAG INSTRUMENT," in even smaller type, also appear on the product. Because of their positioning and the size of the type, the words are not conspicuous at all.

COMMENTS AND PRACTICAL TIPS

Despite recognizing the product configuration of the Mini Maglite flashlight as a three-dimensional trademark on the basis of acquired distinctiveness, this Intellectual Property High Court judgment affirmed the rigid and high standard of requirements that the JPO and court precedents had taken for a three-dimensional trademark to be registered without establishing acquired distinctiveness. Therefore, it is still very difficult (though not impossible) to obtain trademark registration of a three-dimensional trademark consisting of a product shape without establishing acquired distinctiveness.

In establishing acquired distinctiveness, the use of a word, lettering, a logo, or another mark in combination with the product in actual sale is often an obstacle, because the court is likely to find that consumers identify the source not by product shape but by the word mark. After the *Hiyoko* case, which denied acquired distinctiveness despite the widespread popularity of this confection, disappointed Japanese practitioners believed it would be almost impossible to obtain registration of a product configuration in Japan as a three-dimensional trademark. However, the *Mini Maglite* case has provided useful guidance to companies and practitioners in Japan as to how to prove acquired distinctiveness for three-dimensional trademark registration. This case shows that product shape alone can work as a source identifier, independently of the word mark indicated on the product, based on the following factors:

- **Emphasis on Product Shape in Advertising.** In this case, the Court placed particular importance on the fact that the shape of the Mini Maglite has been emphasized in its advertising, which has appeared not only in magazines and newspapers but also on posters displayed inside major train stations and train cars in Tokyo. In this connection, it should be noted that while U.S. courts often require consumer surveys to prove the likelihood of confusion or acquired distinctiveness, Japanese courts neither require nor highly value survey results. The above-mentioned *Suntory* case is a good illustration of the Japanese courts' general disdain toward consumer surveys. And in the *Mini Maglite* lawsuit, the chief judge suggested at the hearing that the Court would not consider survey results to be meaningful, as they are often biased.
- **Continuous and Active Efforts to Remove Knockoffs From the Market.** For companies seeking to register three-dimensional trademarks, the existence of competing products with the same or similar shapes presents another obstacle. In the *Mini Maglite* case, the Court found that the plaintiff had taken continuous and active legal actions against knockoffs in Japan, and as a result, similar products were no longer on the market. And in the *Hiyoko* case, one factor considered by the Court in denying acquired distinctiveness was the fact that many chick-

shaped confections coexist in Japan, and distinguishing them from the Hiyoko product is very difficult. Thus, this factor clearly affected two different decisions of the Intellectual Property High Court concerning registrability of product shape as a trademark.

- **How Lettering Is Used on the Product.** The *Mini Maglite* case is significant because it proved the acquired distinctiveness of the product shape despite the fact that word marks appeared on the actual product. The Court emphasized, however, that the letters appeared in fine print and/or were very inconspicuous. This would not necessarily deny the possibility of registration of a product shape with a more conspicuous word mark, but it is certain that proof of acquired distinctiveness would be difficult in such a situation.

Given the difficulty of registering a product shape as a three-dimensional trademark on the basis of inherent distinctiveness, companies should first consider pursuing the protection of their product designs under Japan's Design Law, which affords 20 years' protection from registration. However, it can be difficult for non-Japanese companies to obtain design registration, since the novelty of the design may be lost in the time it takes to file applications in nations other than the home country, including Japan. But where protection under the Design Law is not available, protection under Japan's Unfair Competition Prevention Law is an effective tool. For three years after launching a product in Japan without registration of any kind, a company can put a stop to competing products whose shape is the same or substantially the same as that of its own products. During the period that protection under the Design Law or Unfair Competition Prevention Law is available, companies should emphasize the shape of their products in their advertisements so that consumers recognize shape as a source identifier. Once consumer recognition has been established, it is possible to pursue protection under the Unfair Competition Prevention Law even after the three-year period has elapsed by establishing secondary meaning. It is also possible to pursue trademark registration on the basis of acquired distinctiveness.

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