



## Expansion and use of product design protection in Japan

### Nishimura & Asahi | Intellectual Property - Japan

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#### **Introduction**

In recent years, efforts have been made to enhance protection for the exterior and interior appearances of buildings through amendments to the Design Law and the Trademark Examination Practice Standards of the Japan Patent Office. These systemic reforms have attracted significant interest from businesses involved in architectural design and interior decorating; however, these trends may also be useful to a variety of industries, which should consider their utility in connection with protection of product designs and trade dress for products and services.

In addition to the protection via trademarks and design rights, there is a trend towards obtaining protection via other IP-related laws that were not available in the past; for example, several cases demonstrate the possibility of protection based on copyright and the Unfair Competition Prevention Law.

This article discusses the trends in protection of product designs based on the Unfair Competition Prevention Law and copyright, as seen in recent Japanese judicial precedents, and explains the possibilities and points to be noted in terms of design protection based on the recent revisions to the IP system in Japan.

#### **Protection based on Unfair Competition Prevention Law**

In Japan, the appearance of products can be protected by trademark and design rights, which must be registered with the Japan Patent Office. Even in the absence of registration, the appearance of products may be protected under the Unfair Competition Prevention Law (provided certain conditions are met).

The Unfair Competition Prevention Law prohibits various types of unfair competition. In terms of the appearance of products, articles 2(1)(1) to 2(1)(3) of the Unfair Competition Prevention Law provide potential protection against misrepresentations by a third party that cause confusion with regard to a well-known or famous indication, including the appearance of products, or imitation goods.

Articles 2(1)(1) and 2(1)(2) of the Unfair Competition Prevention Law protect "famous" or "well-known" product indications, and prohibit third-party use of representations of another party's famous/well-known indications as an "indication of goods, etc". Subparagraph 3 regulates the transfer of or other improper trade in goods that imitate the configurations of goods produced by another party. Thus, it is possible that product designs may be protected under this provision, without the need to prove the famous/well-known status of the relevant goods. As used in the Unfair Competition Prevention Law, the term "imitation" refers to goods created in substantially the same form as those produced by another party. It is also important to note that subparagraph 3 protects against imitations only until three years have elapsed from the date on which the relevant goods were first sold in Japan.

Many cases in the areas of fashion and design have been filed and decided under the Unfair Competition Prevention Law, such as the "BAOBAO" case,<sup>(1)</sup> involving bags designed in triangular pieces, and a case involving assembled unit shelves. In the BAOBAO case,<sup>(2)</sup> the form of the bags produced by the plaintiffs (Issey Miyake Inc and Miyake Design Office) involved a famous or well-known triangular piece, and the sale of similar bags by the defendant was regarded as an act of unfair competition. In the relevant case, the court issued an injunction that covered a variety of goods produced and sold by the defendant, including tote bags, shoulder bags, backpacks and portable cosmetic pouches.

The "unit shelf" case<sup>(3)</sup> involved an alleged violation of article 2(1)(1) of the Unfair Competition Prevention Law. The defendant sold an assembled shelving unit that was similar or identical in form to a pre-assembled shelf sold by the plaintiff (Muji) under the name "unit shelf", which is a well-known product mark for a series of shelf products. In this case, the plaintiff sought an injunction to prevent the sale or transfer of goods, and the court upheld the plaintiff's claim on the grounds that there was a high degree of similarity between the products, based on a form of goods that consisted of struts and other pieces, with two bar members joined together.

A noteworthy aspect of subparagraph 3 is the protection it provides in the event of a model change in product design. In a case involving a sax strap sold by the defendant that was an imitation of a new model of a sax strap sold by the plaintiff,<sup>(4)</sup> the issue was whether the period of protection should be determined based on the first sale date of the original (prior) model or that of the newer model. The appeals court found that the plaintiff's old model and the new model differed from each other, and – based on the fact that the difference involved a characteristic part of the product to which consumers tend to pay attention – the overall impression of the plaintiff's products (the new model) and the overall impression of the plaintiff's old products (the old model) were different. Therefore, it was determined that, comparing the old and new models of the plaintiffs' products, the term of protection could be based on the date of the launch of the new model; thus, the court granted injunctive relief in favour of the plaintiff against the defendant.

In light of this precedent, it is conceivable that if another company's counterfeit goods appear after a model change in a company's products, parties should consider distinguishing between the new model and the old model and making a claim under subparagraph 3 based on the new model, claiming that it falls within the protection period of three years from the date of commencement of sales.

### **Possibility of copyright protection**

The possibility of protecting product designs under the Copyright Law is mentioned in the "TRIPP TRAPP" case,<sup>(5)</sup> which involved an infant chair.

In the past, the design of industrial products for practical use was distinguished from "pure art", such as paintings, designed for the sole purpose of artistic appreciation. In principle, the protection of industrial

or practical products has been left to the Design Law, and functional items are not protected under Copyright Law. However, in exceptional cases, where the design could be regarded as identical to "pure art", such designs were regarded as being protected as artistic works.

In the TRIPP TRAPP case, the court found copyrightability in applied art, held that such art was protected in the same manner as other artistic works and acknowledged the possibility of protection for industrial or practical product designs. The court denied the similarity between the plaintiff's goods and those of the defendant, and ruled that there was no copyright infringement. However, the court's decision nonetheless demonstrates the possibility of protecting the design of practical goods under the Copyright Law.

Unlike Europe and other jurisdictions in which copyright protection is positively recognised, in Japan, even though copyright infringement may be a problem with respect to the design of practical items, there have been no cases in which the fact of infringement has been found.

It is desirable for businesses to understand the state of the different legal systems, and the way that they differ from country to country. Businesses should also consider active ways to protect their designs and businesses and how to deal with similar products.

### **Enhancement of design protection in Japan**

Recent institutional reforms have expanded the design protection system in Japan. The use of trademark rights and design rights as a means of protection for new designs requires distinctiveness and novelty, respectively. Therefore, it is necessary to consider the right protection system, not only with regard to registered rights, but also trends in judicial precedents concerning the protection of the appearances of products and other product features.

Since many new designs of generic and counterfeit products are manufactured outside Japan and are flowing into major markets, including Japan, Europe and the United States, border measures at customs offices are also important tools for protecting against the influx of infringing products from overseas. In addition, due to the impact of covid-19, purchases of products via the internet and e-commerce sites have increased, particularly with regard to business-to-consumer products, and the number of cases where products traded online are sent to domestic purchasers from abroad has also increased.

Therefore, the importance of vigilant border measures at customs offices has increased, and the changes to border countermeasures against goods that infringe intellectual property rights are believed to be more effective.

In Japan, circumstances made it difficult to treat products imported from overseas for individual purposes as infringing articles under the Trademark Law. However, the Law for Partial Amendment of the Patent Law, etc established that the term "import" as used in the Design Law and the Trademark Law includes "the act of having a person in a foreign country bring goods from a foreign country into Japan for another person". This is expected to increase the likelihood of preventing imports of infringing goods into Japan.

Brand rights holders that own trademarks and design rights usually fight counterfeits in domestic online sales. Since the exercise of rights based on trademark and design rights is effective in some cases, it is necessary to consider the positive effects that can be expected from the use of countermeasures against counterfeits and similar infringing goods, in order to acquire trademarks and design rights in the future. In addition, it is also effective to review the options for the protection of rights in existing products for which trademark and design rights have not been registered, to prepare for possible future actions.

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## **Endnotes**

- (1) Certain details about this and other cases have been omitted for purposes of length.
- (2) Tokyo District Court, 18 June 2019. Click here for the judgment in English (summarised) and in Japanese.
- (3) Tokyo District Court, 31 August 2017. Click here for the judgment in English (summarised) and in Japanese. Intellectual Property High Court, 29 March 2018. The judgment in Japanese can be found here.
- (4) Tokyo District Court, 19 March 2018. Intellectual Property High Court, 24 January 2019. Click here for the judgment in English (summarised) and in Japanese.

(5) Intellectual Property High Court, 14 April 2015. [Click here](#) for the judgment in English (summarised) and in Japanese.