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Three Signature Patterns of Costumes in “Demon Slayer” Registered as Trademarks in Japan

Under Japanese trademark practice, in principle, a trademark consisting of only a background pattern (a pattern which simply repeats the same design) cannot be registered as a trademark due to lack of distinctiveness. Generally, patterns of costumes and kimonos are considered decorative background patterns, and thus, it is highly likely that the Japanese Patent Office (JPO) would reject trademark applications of such patterns. However, such a trademark can be registered if the JPO deems that the pattern of the trademark of a particular product helps consumers distinguish that product from others. For example, Louis Vuitton’s Damier bags and the Burberry check of Burberry are examples of famous trademarks that are widely known to consumers and have distinctiveness over other products. Those trademarks are also registered in Japan.

LOUIS VUITTON MARCHÉ (France)
JP Trademark Reg. No.: 4901617



Burberry Limited (U.K.)
JP Trademark Reg. No.: 2111551



In June 2021, the JPO accepted three of six trademarks for the popular Japanese manga, “Demon Slayer” (*Kimetsu no Yaiba* in Japanese). With “Demon Slayer” having become a blockbuster movie in Japan, many younger fans have since been seen wearing masks with the manga’s iconic costume designs which are worn by the main characters in the story. Three patterns of iconic designs of *haori* – a half-length Japanese coat – are registered as trademarks at the JPO. The publisher of the manga, Shueisha, filed six trademark applications pertaining to designs of those kimonos and *haori* at the JPO on June 24, 2020. The JPO then registered three of the six applications as trademarks on June 3, 2021. The three registered trademarks are designs of *haori* which are worn by the main characters, Giyu Tomioka, Shinobu Kocho, and Kyojuro Rengoku. The designated goods of those trademarks include electric appliances, jewelry, stationery, bags, apparel, and toys, which aim to prevent illicit counterfeit products and malicious piggyback products.

The three trademark registrations are illustrated below. Classes: 9, 14, 16, 18, 25, and 28

Name of
Character
Image

Giyu Tomioka



JP TM Reg. No.

6397486

Shinobu Kocho



6397487


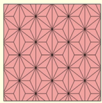

Kyojuro Rengoku



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Meanwhile, the remaining three trademark applications pertaining to patterns of *haori* worn by other characters were rejected by the JPO.

On September 24, 2021, Notice(s) of Reasons for Rejection were issued for the following three trademark applications by the JPO due to lack of distinctiveness (Japanese Trademark Law, Article 3-1). The reasons for rejection are explained below.

Name of Character	Tanjiro Kamado	Nezuko Kamado	Zenitsu Agatsuma
Image			
JP TM Appl. No.	2020-78058	2020-78059	2020-78060

Japanese Trademark Application No.: 2020-78058

In the Notice of Reasons for Rejection, the JPO stated that the present pattern, which is made up of alternately repeating green and black squares, is to be recognized as a kind of checked pattern – *Ichimatsu moyo* – a Japanese traditional pattern, and therefore, the present pattern, as a whole, is merely recognized as a decorative background pattern. Furthermore, the registration for trademark was rejected on the grounds that there are no distinctive features in the present design with respect to other goods.

Japanese Trademark Application No.: 2020-78059

The JPO rejected this application on the grounds that the trademark is recognized as a kind of hemp leaf pattern. The pattern consists of sequentially repeating geometric patterns based on black-lined hexagons and rhombuses on a pink background. Therefore, as a whole, the present pattern is merely recognized as a decorative background pattern, and has no features that are distinct from other goods.

Japanese Trademark Application No.: 2020-78060

The present pattern consists of 18 sequentially repeating white triangles which are diagonally and vertically positioned on a background with a yellow vertical gradient. Therefore, as a whole, the present pattern is merely recognized as a decorative background pattern, and has no features that are distinct from other goods.

Had the applicant proved that the patterns were well known to the public as marks of a particular product, registration may have been possible. However, unlike Louis Vuitton's Damier pattern, the patterns of costumes are worn by anime characters. As such, it was not easy to argue that those patterns were well-known marks of a particular product, forcing the applicant to ultimately abandon the registration.

Patent Litigation over Smartphone Game Reaches Settlement for 29 Million Dollars (Nintendo vs. Colopl)

A financial settlement has been reached between Nintendo and Colopl regarding a patent infringement suit filed by Nintendo against Colopl. The terms of the settlement agreement are undisclosed, but the agreement seems to be that Nintendo will license the rights of at least six of its patents to Colopl, and Colopl will pay Nintendo a settlement fee in return. One of Nintendo's patents was registered after the court case was filed. It is unclear whether it was a subject in the court at the time of the case. According to Colopl's news release, the settlement fee is estimated to be 29 million USD. This court case has attracted a lot of attention in Japan as it concerned a popular Japanese smartphone game, "Shironeko Project [White Cat Project]", and also because the amount of compensation requested by Nintendo was extremely high.

Relevant information on the court case is as follows.

Patent information (all the patent rights are held by Nintendo)

Japanese Patent Registration Numbers:

3734820, 3637031, 4010533, 5595991, 4262217 and 6271692*

*This patent was granted after the suit had been filed. It was then added to the subject to be licensed in the middle of the dispute.

Case history

Court of Jurisdiction: Tokyo District Court

Case number: 2017(wa)43185

On January 10, 2018, Nintendo filed a patent infringement lawsuit at the Tokyo District Court claiming that the functions used in Colopl's game, "Shironeko Project", allegedly infringed the rights of five of Nintendo's patents which include "patented technology used to operate joysticks on a touch screen". Nintendo demanded an injunction on distribution of the game and sought compensation of nearly 38.6 million dollars from Colopl. These patents relate to technologies that enable a user to perform various touch-panel operations for moving characters with a single finger, such as attacking, skill activation and escaping. Due to the amount of time that elapsed after the suit was filed, the amount of compensation was raised to 43.5 million dollars in February 2021 and raised again to 85 million dollars in April 2021 by Nintendo.

"Shironeko Project" is a smartphone game app for Android/iOS that was launched in July 2014. The game app marked 100 million downloads in June 2016. Its English version, Colopl RENE STORY, is available in the Philippines, Thailand, Indonesia and Canada. In the fiscal year ending September 2017, sales of the company amounted to 458 million dollars, making Shironeko Project the best-selling game in the same fiscal period. On February 19, 2020, Colopl announced a partial change in the specifications of the game program which is believed to be due to the litigation.

Nintendo announced on August 4, 2021, that they reached a settlement in this patent litigation case. The news release indicates that Colopl would pay Nintendo a financial settlement for cases that include future licensing with Nintendo (licensing for the five cases at the time the lawsuit was filed and for Japanese Patent Registration Number: 6271692), and that Nintendo would withdraw the court case. Compared to the amount of Colopl's sales, the financial compensation of 29 million dollars is not high, but it can be said that the amount of settlement is relatively high in view of conventional settlement amounts in Japanese patent infringement cases.

(1 USD = 114 JPY)

Release of Case Examples of Design Registrations of Related Designs Pertaining to "Partial Design" and "Whole Design"

The Japanese Patent Office (JPO) has compiled case examples where the related design system is used between a design applied to a part of an article (referred to as a "partial design") and a design applied to a whole article (referred to as a "whole design"). Prior to the revisions to the Design Law in 2020, whole designs and partial designs were examined under separate systems, thus similarity judgements between the designs were not conducted. Since the revisions, the JPO has come to assess the similarity of designs without distinguishing between whole designs and partial designs, and similarity judgements have been conducted between whole designs and partial designs. This means that a whole design can now be a related design of the partial design and should be subject to a similarity judgement in order to be examined as a related design. However, the criteria of similarity judgements slightly differ depending on the article to which the designs are applied. Consequently, the JPO has released case examples, which are categorized into

types of articles of designs, in order to assist design applicants in understanding the new practice more comprehensively. Since there are too many case examples to illustrate in this newsletter, please contact us if you have any questions regarding similarity judgements. The following link to the JPO provides more information (Japanese only).

<https://www.jpo.go.jp/system/laws/rule/guideline/design/buppin.html>

Points to note for design applications for partial designs

- The article to which the design is applied should be specified in the partial design application. For example, in a case where a design for a handle of a cup is filed as a partial design, the article must not be "Handle of a Cup", but "Cup" itself.
- Drawings must clearly depict the claimed part and the other parts, and the method specifying the claimed part must be described. In particular, the claimed part should be drawn with solid lines and the other parts with broken lines, and the way to specify the partial design in the drawing should be explained in the application.

Similarity judgement between whole design applications and partial design applications

When comparing design applications for a whole design and a partial design, if the two designs meet the following criteria and are considered to be similar, the two applications could use the related design system.

1. Both designs are identical or similar.
2. The use and functions of the claimed part of the partial design and the corresponding part of the whole design are identical or similar.
3. The configurations of the claimed part of the partial design and the corresponding part of the whole design are identical or similar.
4. The differences in position, size, and scope of the claimed part of the partial design and those of the entire article of the whole design are considerably small.

As described in the first paragraph of this article, criteria 3 (similarity judgement) and 4 (measures of the judgement) slightly differ for each article's field depending on the prior designs and peripheral designs, which belong to the same article's field, or on the number of such designs. Therefore, it may be helpful for applicants to study each case example individually.

In a case where a whole design and a partial design are determined to be dissimilar, the two designs can be separately registered as normal designs without using the related design system. However, some design registrations that use the related design system can be expected to meticulously cover a broader scope of rights than normal registrations. The cost to file will be the same regardless of whether or not a design application is filed for a related design. Although most applicants of related designs are major Japanese companies, we believe that this information would also benefit foreign applicants.

Guidelines for IP Transactions between SMEs and Large Companies

The Small and Medium Enterprise Agency (SMEA) in Japan has been working on optimizing transactions between companies. However, improper business practices still exist between SMEs and large companies, and problematic cases have been identified in IP transactions as well. In view of such circumstances, the SMEA issued the “Guidelines for IP Transactions” in March 2021. The Guidelines were prepared with the objective of protecting IP assets and know-how owned by SMEs and avoiding potential issues caused by large companies that leverage their superior position to illicitly acquire the IP assets of SMEs. The key points of the Guidelines are explained hereafter.

Prior to Transaction

When considering whether or not to start a business with an SME, a large company shall not force an SME to disclose any confidential information. If a confidentiality agreement is established, it must be a bilateral confidentiality agreement under which the SME’s business activity shall not be unreasonably restricted.

Prototype Production

If a large company asks an SME to build a prototype, the large company shall make a reasonable payment to the SME for not only the actual cost of the prototype but also the technologies owned by the SME. Since building prototypes usually requires the know-how of the SME, the large company shall not duplicate it and/or disclose it without permission from the SME.

Joint Development

The ownership of the outcome of joint research and development by a large company and an SME should be

determined, in principle, based on the level of contribution of each party. If the outcome is assigned solely to the large company regardless of the level of contribution, a reasonable payment for the outcome shall be paid to the SME. In addition, even if the outcome is assigned solely to the large company, the large company should consider the possibility that the contributing SME may wish to use the outcome of the joint research and should allow the SME the freedom to use it by, for example, granting a license free of charge.

Outsourcing Production

If a large company outsources production to an SME, the large company shall not request the SME to disclose confidential technical information beyond a scope that is considered to be reasonable in light of the purpose of outsourcing. When the large company receives such technical information from the SME, the large company shall make a reasonable payment to the SME. The large company shall not request the SME to disclose, for example, a blueprint of a mould, and in the case the large company obtains such information from the SME, the large company shall make a reasonable payment to the SME. The large company shall not obtain such confidential information by using factory audits as an excuse.

Intellectual Property

A large company shall not interfere with an SME’s IP activities such as filing a patent application, if the large company and the SME are not in a direct business relationship and/or the patent application at issue is related to the outcome that was independently developed by the SME. The large company shall not force the SME to conclude an assignment or a free license for IP assets belonging to the SME.

Liability for IP Infringement

With regard to work performed by an SME on the instructions of a large company, the large company shall not force the SME to accept liability for IP infringement accused by a third party.