

Panel Session XI – Copyright/Trademark – Speaking Freely about Parody

**AIPPI World Congress 2016
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from 11.00 to 12.30

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Japan – General Situation

- Copyright
 - Under Japanese Copyright Law,
 - Parodies are not provided as an exception to copyright.
 - The fair use defense is not available.
- Trademark
 - Under Japanese Trademark/Unfair Competition Law
 - There is no provision related to parodies.
 - Registrability of a parody trademark will be decided according to the same rules as for other marks.

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Japan

COPYRIGHT - PARODY

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Author's rights related to parodies

- Moral rights: especially **the right of integrity** (the right to preserve the integrity of one's work and its title against any distortion or modification against the author's will)
- Copyright: especially **the right of adaptation** (the right to translate, arrange musically, transform, dramatize, cinematize or otherwise adapt one's work)

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Exceptions to Copyright in Japan

- There is **no general “fair use” provision** under Japanese law.
- Section 3, Subsection 5 (Limitations on Copyright) of the Copyright Act provides for a **limited list of cases** where the copyright does not prevent certain types of use of one’s work by others without permission
 - such as reproduction for private use, **quotation**, reproduction in school textbooks, etc.

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Copyright - Two Court Cases Related to Parodies

- **Montage Photograph Case**, Supreme Court judgment - March 28, 1980
- **“Who Moved My Cheese?” Case**, Tokyo District Court decision - December 19, 2001

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1. Montage Photograph Case

- A black-white photograph showing a tire and spurs (“Montage Photo”), was created based on an existing photograph showing skiers and spurs on the slope of a snowy mountain (“Original Photo”)
- Did the creation and publication of the Montage Photo infringe upon **the moral rights (the right of integrity)** of the photographer of the Original Photo?

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Supreme Court Judgment March 28, 1980 - Montage Photograph Case

- The lower court (Tokyo High Court) found that the use of the Original Photo was a **quotation** permitted under Old Japanese Copyright Act, and **denied** the infringement of the right of integrity.
- The Supreme Court **did not accept the quotation defense**, and found that the use of the Original Photo in the Montage Photo constituted **infringement of the right of integrity**.

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Quotation Defense (Article 32)

- Quotations are permissible from a work already made public, provided that the quotation:
 - Complies with fair practice, and
 - Is made within the justifiable extent for purposes of quotation such as news reporting, criticism or research.
- The source of the quoted work must be clearly indicated in a manner and to the extent deemed reasonable.

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2. “Who Moved My Cheese?” Case

- The translator of “Who Moved My Cheese?” and the publishing company of his Japanese translation filed a petition for preliminary injunction against the publishing company (and its president) of the Japanese translation of the book entitled “Where Has My Butter Gone?” based on **infringement of the adaptation right** of the translator, and the publishing right of the publishing company.

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Tokyo District Court Decision - December 19, 2001 - “Who Moved My Cheese?” Case

- The court found that publication of the respondent’s book **infringed the adaptation right**, and issued a preliminary injunction to stop publishing and distributing the respondent’s book.
- The court stated that **freedom of expression** is subject to the public welfare, such as third parties’ copyright, and that this decision did not unduly restrict the freedom of parodies, because there are other ways to satirize or criticize an original work without infringing upon the copyright in the original work.

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Tokyo District Court Decision - December 19, 2001 - “Who Moved My Cheese?” Case

- The court admitted that a form of literary work in which the expressions of an existing work are imitated to satirize or criticize the existing work in an amusing way, is established as a parody.
- However, the court continued that it is not permissible to infringe upon the copyright of an existing work by way of a parody.

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Recent Trends in Legislation regarding Fair Use in Japan

- In March 2013, the “Parody Working Team” commissioned by a governmental committee, published its [report on parodies](#), stating that there was no need for new legislation to solve the parody issue.

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Recent Trends in Legislation regarding Fair Use in Japan (2)

- In May 2016, the Government published the “[Intellectual Property Strategy Program 2016](#)” which proposed discussions on flexible provisions regarding copyright restrictions, to promote innovation.
- The IP Strategy Program 2016 states that the Government will take necessary measures with an aim to submit a bill concerning [flexible provisions regarding copyright restrictions](#) at the next ordinary session of the Diet.

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Japan

PARODY TRADEMARKS

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When does a “parody” become the issue in a trademark case?

- Battles at the Japan Patent Office (“JPO”) in relation to attempts to register “parody” trademarks
- Infringement / unfair competition actions against the use of “parody” trademarks

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PARODY TRADEMARKS
**BATTLES FOR/AGAINST
REGISTRATION AT JPO**

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**Possible Grounds for Refusal of Registration
of Parody Trademarks**

- For private interest:
 - Article 4-1-10 (conflict with a prior famous mark / **identical or similar**)
 - Articles 4-1-11 (conflict with a prior registration / **identical or similar**)
 - Article 4-1-15 (likelihood of confusion with another person's goods or services)

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Possible Grounds for Refusal of Registration of Parody Trademarks (2)

- For public interest:
 - Article 4-1-7 (a trademark that is likely to cause damage to the public order or good morals)
 - Article 4-1-19 (a mark that is **identical with or similar to** a famous mark in Japan or a foreign country which is to be used for unfair purposes)

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1. IP High Court **rejected** the “Lambormini” trademark registration



LAMBORGHINI

- The famous Italian automobile maker filed an action with the IP High Court to cancel **the JPO’s decision maintaining the registration of “Lambormini”** in an invalidation action, based on the fame of “LAMBORGHINI” and its device mark.

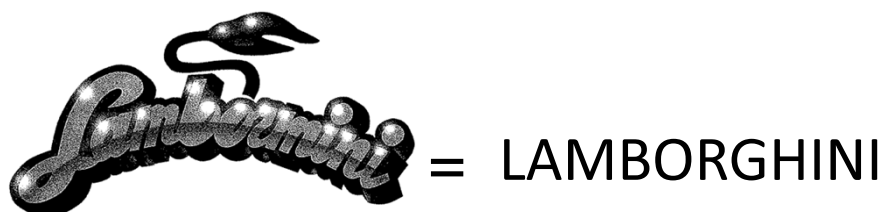
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IP High Court **rejected** the “Lambormini” trademark registration

- The IP High Court found that the JPO decision was in error because the “Lambormini” mark had been registered in breach of:
 - Article 4-1-10 (similarity to a well-known mark for similar goods);
 - Article 4-1-15 (likelihood of confusion); and
 - Article 4-1-19 (a trademark to be used for an unfair purpose).

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JPO found dissimilar
IP High Court **found similar**



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2. IP High Court **Allowed** the SHI-SA Trademark Registration

Registration No.5040036
Class 25, T-shirts, hats

Registration No.3324304
Class 25, Clothing, footwear, etc.
owned by PUMA AG



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JPO found similar
IP High Court **found dissimilar**



X



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3. IP High Court **Allowed Registration** of

- JPO refused the registration of the subject mark because of likelihood of confusion (4-1-15).
- IP High Court canceled the JPO decision on the grounds that **there is no likelihood of confusion** among the relevant customers.

Subject Mark



Cited Mark



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4. IP High Court **Allowed** “FRANK MIURA” Registration

- The Plaintiff filed litigation with the IP High Court to cancel the JPO’s decision invalidating the Plaintiff’s trademark registration for timepieces, etc. in Class 14 in an invalidation action requested by the Defendant (the owner of the famous “FRANCK MULLER” brand):

フランク三浦

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JPO found similar
IP High Court **found dissimilar**

フランク三浦 X フランク ミュラー
FRANCK MULLER

“FRANK MIURA”

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**IP High Court Disagreed with the JPO
Decision for the following reasons:**

- The Plaintiff's trademark is **not similar** to the prior “FRANCK MULLER” marks (denied application of Art. 4-1-10, 11 and 19)
- There is **no likelihood of confusion** due to the differences in appearance and meaning among traders and customers of timepieces (Art. 4-1-10)

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PARODY TRADEMARKS

LIKELIHOOD OF CONFUSION

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JPO Decisions as to **Likelihood of Confusion**

- The JPO has denied registration based on Article 4-1-15 (likelihood of confusion) with respect to parody trademarks such as the following :



Opposition
in 1957



Opposition
in 1998



Opposition
in 2002



Opposition in
2007

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PARODY TRADEMARKS
**TRADEMARK AGAINST PUBLIC
ORDER AND GOOD MORALS**

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Parody: Against Good Morals?

- Article 4-1-7 prohibits the registration of **a mark which is likely to damage the public order or good morals.**
- The expansion of the application of Article 4-1-7 is another subject of discussion in relation to parody trademarks in Japan.
- Is this type of trademark a “parody” which we have discussed in the copyright context?

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Basic Position at the IP High Court

- Very limited application of Article 4-1-7:
 - A mark which is not against the public order or morality in itself may fall under Article 4-1-7 only where there is a seriously unsocial circumstance in the course of filing an application, and such application goes against the order expected by trademark law, and is unacceptable. A conflict of private interest is not an issue under Article 4-1-7.

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However ... the IP High Court has decided as follows in the **Juventus** Case

- A name of a foreign group (such as a professional soccer team) which was well known in Japan at the time of application may not be registered under Article 4-1-7 if it was filed by an unauthorized person with an unfair intention, such as misappropriation of the fame of the famous group.
- Such act would disrupt the order of commercial transactions, and thus was against the international faith even if it did not fall under Articles 4-1-8, 4-1-15, etc. (Tokyo High Court - March 24, 1999)

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Examples of JPO Decisions on Article 4-1-7

- The following trademark applications have been refused by the JPO based on Article 4-1-7:



“BUTA” means
“pig”.



“UMA” means
“horse”.



The device part represents
slices of “GOYA,” a
vegetable originally from
Okinawa.

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And More....

- The applicant for the BUTA and UUMA trademarks also applied for registration of the following marks:



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And More...



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PARODY TRADEMARKS
"KUMA" MARK

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“KUMA” Mark
Both JPO & IP High Court did not
find it funny...



“KUMA” means “Bear” in Japanese.

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“KUMA” Mark Case :
JPO and IP High Court Decisions

- JPO decided to invalidate the registration based on Articles 4-1-7 (a mark against the public order and good morals) and 4-1-15 (likelihood of confusion)
- The IP High Court affirmed the JPO decision.

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PARODY TRADEMARKS

**TRADEMARK INFRINGEMENT -
UNFAIR COMPETITION ACTION**

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Thank you!

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