



HELLO KITTY®

TRADE MARK &

COPYRIGHT PROFILE

Hello Kitty® Characters



Hello Kitty

Hello Kitty® Family



Mimmy



George



Mary



Anthony



Margaret

Hello Kitty® Friends



Daniel



Tracy



Fifi



Jodie



Joey



Mori



Rory



Thomas



Timmy & Tammy



Tiny Chum



Tippy

Hello Kitty® Pets



Charmmy Kitty



Sugar

Hello Kitty® (Sanrio Co. Ltd.) Trade Mark & Copyright

Hello Kitty® is protected by copyright and trademark; images of either appearing on unlicensed products are completely illegal.

Sanrio®, Hello Kitty®, My Melody®, Keroppi®, Badtz-Maru®, Chococat®, Kuromi® and other Sanrio characters are trademarks of Sanrio Company, Ltd. All rights reserved.

The information contained within including but not limited to character artwork, names, images, graphics, text and trade names, are the sole property of Sanrio Co., Ltd. Copying, reproduction, and/or republication are strictly prohibited.

The Hello Kitty® brand is protected under copyright law, and as such, goods bearing that brand or logo can only be produced under licence from its originator, the Japanese company Sanrio.

Failure to obtain such a licence could result in the goods being labelled as counterfeit, which are a criminal offence to produce.

However, if the 'product' was a one-off homemade item such as a knitted jumper or scarf for a child, then it's most unlikely any action would be taken, as this would be for personal use only. It's only if the products were for sale to the general public that it would be illegal.

Hello Kitty® (Sanrio Co. Ltd.) Trade Mark Infringement

If you use an identical or similar “Hello Kitty®” trade mark for identical or similar goods and services, you may be infringing the registered mark if your use creates a likelihood of confusion on the part of the public. This includes the case where because of the similarities between the marks the public are led to the mistaken belief that the trade marks, although different, identify the goods or services of one and the same trader.

Where the Hello Kitty® mark has a significant reputation, infringement is also arise from the use of the same or a similar mark which, although not causing confusion, damages or takes unfair advantage of the reputation of the Hello Kitty® mark. This can occasionally arise from the use of the same or similar mark for goods or services which are dissimilar to those covered by the registration of the registered mark.

Hello Kitty® (Sanrio Co. Ltd.) Copyright Infringement

As a general matter, Hello Kitty® copyright infringement occurs when a copyrighted work such as information contained within including but not limited to character artwork, names, images, graphics, text and trade names are reproduced, distributed,

performed, publicly displayed, or made into a derivative work without the permission of Sanrio.

Infringement Lawsuit / Court Cases:

1. Sanrio Inc v. J T Saniya Inc – Copyright Infringement
2. Sanrio Inc v. Kimlang Jeweler Designs – Copyright Infringement
3. Sanrio Inc v. TJS Trading – Trademark Infringement
4. Sanrio Inc v. Does 1-10 – Copyright Infringement
5. Sanrio Inc v. Jian Huang – Copyright Infringement
6. Sanrio Inc v. Kute Alliance Inc – Trademark Infringement
7. Sanrio Inc v. Jump For Fun Inc – Copyright Infringement
8. Sanrio Inc v. Dongyi Chen – Copyright Infringement
9. Sanrio Company Ltd. v. Cherilyn Hotel – Copyright Infringement
10. Sanrio Company Ltd. v. Diana Granda – Copyright Infringement
11. Sanrio Inc v. Love Story Inc – Copyright Infringement
12. Sanrio Co. Ltd. v. Nichole Hawkins – Copyright Infringement
13. Sanrio Inc v. Michael Min Chang – Copyright Infringement
14. Sanrio Inc v. Jacqueline Phuong Nguyen – Copyright Infringement
15. Sanrio Inc v. Casa Manga Inc – Copyright Infringement
16. Sanrio Inc v. Down Town Hookah Connection Inc – Trademark Infringement
17. Sanrio Inc v. Kumar Lalwani – Copyright Infringement
18. Sanrio Inc v. Lester Chan – Copyright Infringement
19. Sanrio Inc v. J T Saniya Inc – Copyright Infringement
20. Sanrio Inc v. Carlos Rocca – Copyright Infringement
21. Sanrio Inc v. Jay Yoon – Copyright Infringement
22. Sanrio Inc v. A La Orden T-Shirts – Trademark Infringement
23. Sanrio Company Ltd. v. Rodney J. Riggs – Copyright Infringement
24. Sanrio Company Ltd. v. Unica Accessories, Inc – Copyright Infringement
25. Sanrio Company Ltd. v. Everything Cellphone, Inc – Trademark Infringement
26. Sanrio Inc v. Eden Sports, Inc – Trademark Infringement

27. Sanrio Inc v. Orlando Cellular Accessories, Inc – Trademark Infringement
28. Sanrio Inc v. Photallica Inc – Trademark Infringement
29. Sanrio Inc v. Hisco International Inc – Trademark Infringement
30. Sanrio Inc v. World Wide Watches, Inc – Trademark Infringement
31. Sanrio Inc v. Dollar Power Nationwide, Inc – Trademark Infringement
32. Sanrio Inc v. Bell Trading, Inc - Trademark Infringement
33. Sanrio Company Ltd. v. J.I.K Accessories Inc – Copyright Infringement
34. Sanrio Inc v. Gabino's Jump, Inc. – Trademark Infringement
35. Sanrio Inc v. I&I Sportswear – Trademark Infringement
36. Sanrio Inc v. Jessica Trading – Trademark Infringement
37. Sanrio Inc v. Time 4 U, LLC – Copyright Infringement
38. Sanrio Company Ltd. v. Torri Butler Torres – Trademark Infringement

Case Study:

1) *Sanrio Inc. v. Does 1-50*

Sanrio Inc., which owns *Hello Kitty* and *Flint The Time Detective*, has filed suit in Los Angeles Superior Court against unknown persons or entities who somehow illegally obtained possession of copies of Sanrio's animated programming "in or about 1999". Although the suit doesn't say anything specifically about how any of this took place, but Sanrio's legal charges against the unknown defendants "Does 1-50" include trespassing and fraudulent concealment. From 2000 to the present, according to the suit, the defendants have illegally profited from exploitation of the toons and have never paid Sanrio anything. Additionally Sanrio asserts without further explanation that it didn't become aware of the problem until August 15, 2011 during a financial review. Sanrio Inc. aims to identify the perpetrators and seeks general and punitive damages, attorney's fees and court costs.

Now the defendants are being accused of "conversion, trespass to property, fraudulent concealment, and unjust enrichment." Sanrio Inc. currently seeks general, special, and punitive damages.

2) *Sanrio Inc. v. Karen Dudnikov*

Plaintiffs Karen Dudnikov and husband Michael Meadors run an unincorporated home-based business that primarily does business on the eBay internet auction site as well as through a web site, *www.tabberone.com*.

Using the eBay seller name of Tabberone, the plaintiffs hand manufacture fabric items from lawfully acquired copyrighted fabrics and then sell these fabric items on the web site as well as through eBay. The Plaintiffs also buy and resell a variety of collectibles and other items in the same manner. They have been selling fabric items and collectibles on the internet auction site since 1998.

Upon information and belief, defendant Sanrio Inc., upon information and belief, Sanrio has authorized the manufacture and sale of a large variety of fabrics bearing

copyrighted images whose rights belong to the defendant (“Hello Kitty Fabrics”). These Hello Kitty Fabrics have been in general public release for several years.

Upon information and belief, Sanrio has actively engaged in threatening and intimidating persons who have attempted to sell items on eBay when the listings are about items being offered for sale made from licensed fabrics depicting the images of the “Hello Kitty” cartoon characters. These actions include threats of litigation through cease and desist letters as well as terminating eBay auctions selling fabric items made from the mentioned fabrics.

This action arises out of defendant's improper use of the eBay VeRO Program to terminate an auction listing by the plaintiffs. The defendant alleged in an affidavit to eBay that the auction by the plaintiffs was infringing because the plaintiffs were infringing upon Sanrio trademarks and/or copyrights.

By this complaint, plaintiffs seek a Declaratory Judgment affirming the right under law to use licensed copyrighted fabrics without further interference from the defendant, to refer to the “Hello Kitty” Characters in disclaimers with these sales and any other similar sales as well as their right to use detailed pictures of the products offered for sale.

3) *Sanrio Company, Ltd & Sanrio Inc. v. Cherilyn Holden and Kristi Musick d/b/a “Definitely Divas” & “Trickle Me Pink” Children’s Beauty Pageant*

Sanrio has filed a copyright infringement lawsuit against an Oklahoma child beauty pageant that reportedly used the cartoon cat’s image on its tiaras and trophies. Sanrio Co. filed the suit in federal court against Cherilyn Holden and Kristi Musick, who run beauty pageants in Oklahoma under the name Definitely Divas. The suit claims Definitely Divas used the image without permission in the “Tickle Me Pink” beauty pageant September 2012.

Sanrio explains that it is its “policy to utilize the popularity of its internationally famous HELLO KITTY character to promote girls’ rights and the improvement of

girls' wellbeing worldwide.” And later it notes that it “does not authorize use of its famous HELLO KITTY character name or image in connection with children's beauty pageants, nor does Sanrio authorize any manufacturers to create Hello Kitty crowns, trophies, t-shirts, or other merchandise to be used in children's beauty pageants.”

4) *Sanrio Inc et al v. Jason Lancaster d/b/a “The Party Animals”*

DC Comics, Disney and Sanrio have sued a California birthday party entertainment company for copyright and trademark infringement, alleging that it's using counterfeit costumes of such well-known characters as Mickey Mouse, Winnie the Pooh, Superman, Wonder Woman and Hello Kitty.

The lawsuit filed in federal court of Los Angeles in August 2012, accuses Party Animals and owner Jason Lancaster of using and renting costumes resembling the companies' characters and logos for birthday and corporate parties, in violation of copyright and trademark laws.

“[Party Animals] is actively selling, offering for sale, renting, distributing or manufacturing unlicensed and counterfeit costumes, which incorporate unauthorized likenesses of the animated or live action characters or other logos owned by plaintiffs,” the complaint said. “[The] defendants have never been authorized by the plaintiffs to distribute the plaintiffs' copyrighted properties.”

DC, Disney and Sanrio claim use of the allegedly infringing costumes “will cause irreparable injury” if allowed to persist. They seek \$150,000 for each infringing copyright and \$200,000 for each infringing trademark — increased to \$2 million if the court determines the infringement is deliberate.

The suit makes claims of copyright and trademark infringement, trademark counterfeiting, and unfair competition under both the Lanham Act and California's common law.

5) *Sanrio Inc. et al v. Carlos Rocca and Roxana Saltor d/b/a Inka Imports (a.k.a. Inka Arts)*

A federal judge inside the Ronald Reagan Federal Courthouse in Santa Ana this month determined that Carlos Rocca and Roxana Saltor of Inka Imports (a.k.a. Inka Arts) improperly sold items with "substantially identical likenesses" to the three internationally popular cartoon characters.

U.S. District Court Judge Josephine Staton Tucker also granted Disney Enterprises Inc., owner of the Mickey and Minnie Mouse rights, and Sanrio Inc., owner of the Hello Kitty empire, a permanent injunction against Rocca, Saltor and their business, which has been a member of the Anaheim Chamber of Commerce.

Because the defendants abandoned their fight against the judgment and injunction late last year, Tucker determined that the plaintiff's factual allegations were valid and granted them all requested relief, including \$75,000 in statutory damages and \$4,600 in legal fees--plus interest if the amount isn't timely paid.

According to court records, Rocca has also used the name Carlos Salos, and Saltor has used Roxana Rocca and Roxana Salos.

The plaintiffs filed their federal lawsuit in December 2011 and pushed for the injunction 11 months later, after discovering the defendants were not negotiating a resolution in "good faith."

Licensing:

In essence, Sanrio's business model is exceptionally simple. The main source of revenues and earnings is character licensing, both in Japan and worldwide. Sanrio Inc. estimates the bulk of business comes from Hello Kitty character (about 80% - 90% of sales) but there is a host of other characters as explained in this report.

When Sanrio licenses a character, it grants the licensee permission to use the character for merchandise, services, advertising, and sales promotions. Character images may appear on a wide variety of merchandise, including toys, food, and apparel, but merchandise can also be a representation of the character itself in some form, which are called character goods (e.g., stuffed toys, figurines, etc). In return, the company collects a license fee, in a conventional merchandising contract – a fixed percentage of the merchandise’s retail price (or wholesale price) as a royalty payment. While Sanrio does not disclose the exact details of its license royalty schemes, SR Inc. understands that typical levels employed in the character merchandising business are 5% - 7% of the retail price and 10% - 14% of the wholesale price.

The licenses are generally non-exclusive but the nature of licensing agreements differs depending on the region. As a matter of policy, Sanrio refuses licenses for merchandise of a sexual or violent nature.

The company records royalty earnings upon shipment in Japan and upon receipt of payment in Europe and the US. Sanrio uses a “certificate stamp method” in Japan, whereby it attaches stamps to merchandise before shipping. The certificate stamp system is useful not only for managing product quantities, but also for preventing imitations, serving as a compact certificate of authenticity. The company also uses this system in Asia. In Europe and the US, the company receives quarterly fees from its licensees; these fees are based on the licensees’ actual sales of applicable products.

In the product sales segment, the company outsources its in-house developed character goods to specialist manufacturers. These character goods are sold at directly managed Sanrio stores and sales spaces at department stores and other settings nationwide.

Hello Kitty License Partners (Worldwide):

- 1) McDonald's - Sanrio licensed to McDonald's for its promotion, customers buying a Happy Meal entitled to buy a Hello Kitty for limited promotional time in many countries including Malaysia.
- 2) Bank of America – As of 2009, Bank of America began offering Hello Kitty-themed checking accounts, where the account holder can get cheques and a Visa debit card with Kitty's face on it. MasterCard debit cards have featured Hello Kitty as a design since 2004.
- 3) EVA Air (Taiwan) – Sanrio and various corporate partners have released Hello Kitty-branded products such as an Airbus A330-200 commercial passenger jet airliner, dubbed the Hello Kitty Jet (2005–2009, with EVA Airways in Taiwan). In late 2011 and early 2012, EVA Air revived their "Hello Kitty Jets" with their 3 new A330-300s. However, due to high demand, the airline added 2 more onto their existing A330-200s in mid-2012.
- 4) Fender (US) – Hello Kitty Stratocaster electric guitar (since 2006)
- 5) 2009 marked the collaboration between apparel and accessory brand Stussy and Hello Kitty. Stussy worked with Hello Kitty on collection focusing on the Hello Kitty character with Stussy signature graphics. This collection included T-shirts, keychains, and hoodies.
- 6) In 2010, Hello Kitty entered the wine market with collection made up of four wines available for purchase online, continuing an expansion of products targeted at older audiences.
- 7) Simmons Jewelry Co. and Sanrio announced a co-branded jewelry licensed partnership in Spring 2005. “Kimora Lee Simmons for Hello Kitty” was launched exclusively at Neiman Marcus designed by Kimora Lee Simmons and launched as the initial collection. In Fall 2008, Simmons Jewelry Co. and Sanrio launched a

collection of fine jewellery and watches named “Hello Kitty® by Simmons Jewelry Co.”

- 8) Swarovski – Hello Kitty Collection 2013. This Hello Kitty collection includes most of the accessories such as pens, charms, necklaces, rings, earrings, bracelets, and even card holders, tablet cases, clutches, smartphone holders, key rings and whole crystal Hello Kitty bodies.
- 9) NAKAJIMA USA – In 2004, Sanrio, the internationally-renowned gift and stationery company best known for its popular “Hello Kitty” character, significantly expanded Nakajima USA’s license for the U.S. specialty retail channel. Now, Nakajima USA is the primary partner in managing Sanrio’s U.S. presence including Sanrio’s wholesale gift division, all independently-run licensed Sanrio stores as well as the day-to-day management of Nakajima-owned retail locations throughout the United States.
- 10) Themed restaurant – there is a themed restaurant named Hello Kitty Sweets in Taipei, Taiwan. The restaurant's decor and many of its dishes are patterned after the Hello Kitty character. In Beijing, China, a Hello Kitty-themed restaurant named Hello Kitty Dreams is creating a lot of buzz.
- 11) Themed Hospital – in 2008, a Hello Kitty-themed maternity hospital opened in Yuanlin, Taiwan. Hello Kitty is featured on the receiving blankets, room decor, bed linens, birth certificate covers, and nurses' uniforms. The hospital's owner explained that he hoped that the theme would help ease the stress of childbirth.
- 12) Hello Kitty is included as part of the Sanrio livery at the Japanese theme parks Harmonyland and Sanrio Puroland.

13) Hello Kitty Cafe – located on an uphill alley off Eoulmadang-ro, the main shopping thoroughfare in Hongdae, Mapo-gu, Seoul, South Korea. It is one of several locations in the country.

14) Hello Kitty Town Malaysia – The first Sanrio Hello Kitty theme park outside of Japan. Located on the first floor of the Puteri Harbour Family Theme Park, a four-storey indoor theme park.

15) Hello Kitty Theme Park, Anji, Zhejiang Province, Shanghai, China – International Park besides Malaysia.

16) Hello Kitty Spa Dubai - located in 1st floor, Town Centre, Jumeirah, Dubai.

17) Media – Hello Kitty TV series, music, video games, etc.

Hello Kitty License Partners (Japan):

1) Toymakers – Takara Co. Ltd. and Bandai Co. Ltd. (Bandai) produced Hello Kitty toys under license from Sanrio.

2) Matsushita Electrical Industrial Co. Ltd. (Matsushita) – had the license to make Hello Kitty toasters.

3) Sanyo Electric Co., Ltd. – Hello Kitty photo frame.

4) Mitsubishi Motor Corp. (Mitsubishi) – created a prototype “champagne pink” Hello Kitty minicar in 2006.

5) In 2006, Sanrio and MOffy, a Hong-Kong based mobile games developer, launched a series of mobile games called Hello Kitty Saves the Beach, Hello Kitty Magic Block, Hello Kitty Amazing Circus, and Hello Kitty Joyful Balloon.

- 6) Daiwa Resort Co. Ltd. – a popular hotel chain in Japan, offered Hello Kitty-themed suites to its customers under license from Sanrio.
- 7) Tarina Tarantino (Tarantino) – a famous designer in the US, launched a new line of jewellery called the “Hello Kitty Pink Head Collection” under license from Sanrio.

Business Opportunities:

- 1) Wholesales – carrying Sanrio products in your store.
- 2) Opening a Sanrio boutique – owning and operating a Sanrio Boutique store.
- 3) Licensing - licensing the Sanrio brand.

*Notes: Asia countries are entitled for Licensing Opportunities only.