

Article Information

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The Pokémon Company International, Inc v Pokemon Pty Ltd [2022] FCA 1561: The importance of an intellectual property protection strategy

Gaming giant Nintendo’s The Pokémon Company International, Inc (TPCI) was recently successful in obtaining an interlocutory injunction against Pokemon Pty Ltd (PPL) and its sole director Xiaoyan Liu for threatening to release a range of Pokémon themed Non-Fungible Tokens (NFTs) without its permission.[\[1\]](#)

While the proceedings are ongoing, this decision provides a timely example of how acting expeditiously to protect your intellectual property is imperative in the modern era.

Background

TPCI is a wholly owned subsidiary of the famous Japanese video game company, Nintendo. TPCI oversees the brand management, licensing and marketing of merchandise of the multi-billion dollar Pokémon franchise.[\[2\]](#)

As most would know, the Pokémon franchise was originally a series of video games based upon fictional animated characters (the “Pokémon”, short for “pocket monsters”). This franchise has since spawned countless other products, such as a long running animated television series, clothes, games, trading cards, toys, etc.

PPL, a company completely unrelated to TPCI or Nintendo, was incorporated on 7 December 2016 and its director registered the domain name <https://pokeworld/game/> on 16 August 2022. This domain name hosted a website called “PokeWorld” (**Website**).

The Website advertised a Pokémon themed game called “PokeWorld” offered by PPL and “Kotiota Studios”, an entity related to PPL and its director. The Website promoted the upcoming launch of “PokeWorld” and also the release of NFTs which would display Pokémon characters, such as the well-known “Pikachu” character:



(Pictured: artwork of Pikachu)

The Website stated that the NFTs were scheduled for release in January 2023.

The Website also contained what was described as “White Paper” which led to a further website that provided a high level of detail about “PokeWorld”, the NFTs and other items. The Website suggested that “PokeWorld” was owned and authorised by TPCI, including that TPCI held an 8 per cent stake in the venture. This was untrue.

PPL's promotion of "PokeWorld" did not stop at just a website, but also included a Twitter account which also promoted "PokeWorld" and the NFTs. At the time of TPCI's application, this account had approximately 13,500 followers. Again, this Twitter account was not authorised or associated with TPCI and advertised the impending release of the NFTs in January 2023.

TPCI Used Interim Injunction - it was super effective!

Along with the ultimate substantive relief which is being pursued, TPCI sought an interlocutory injunction pursuant to section 234 of the *Australian Consumer Law*.

As set out by Gleeson J in *Reckitt Benckiser (Australia) Pty Limited v Procter & Gamble Australia Pty Limited* [2015] FCA 753, the principles to be applied when seeking an interlocutory injunction under section 234 are:

1. Whether there is a prima facie case;
2. Whether the inconvenience or injury which the plaintiff would be likely to suffer if an injunction were refused outweighs or is outweighed by the injury the defendant would suffer if an injunction were granted. This involves an assessment of the real consequences to each party, and the public and private interests involved;^[3] and
3. If the granting or refusal of interlocutory relief is going to have the practical consequences of deciding the applicant's claims for *final* relief, the applicant must demonstrate a relatively strong case.^[4]

In support of its application, TPCI filed extensive evidence which set out the reputation of the Pokémon franchise, noting, among other things, that more than 440 million copies of Pokémon video games had been sold, 23 animated movies had been released since 1999 and the animated television series had been broadcast in about 160 countries.

TPCI also deposed that it was concerned that a significant amount of consumers would be misled, deceived or likely to be misled or deceived that PPL, "PokeWorld" and the NFTs were associated with TPCI and were legitimately licensed Pokémon products.

Neither PPL or its director filed any evidence or appeared at the hearing.

Collier J considered that TPCI's evidence "strongly suggested"^[5] that PPL and its director's conduct was designed to mislead consumers and other businesses into believing that it was licensed or authorised by TPCI or Nintendo to deal with Pokémon intellectual property, including selling Pokémon branded NFTs.^[6]

Further, Collier J accepted that there was a "real prospect of reputational risk" to TPCI from PPL's conduct, that it would be difficult to quantify the number of customers who would purchase the NFTs with a mistaken belief of association and that damages would be an inadequate remedy.

As such, Collier J granted the interlocutory injunction, along with accompanying discovery orders.

Conclusion

This decision demonstrates the importance of proactively protecting your intellectual property, which includes an active monitoring strategy. In this scenario, TPCI's monitoring strategy identified an alleged infringer with enough time to seek interlocutory injunctive relief, mitigating the potential damage that could be inflicted on TPCI's intellectual property.

It is important that businesses put in place an intellectual property protection strategy early on which grows and develops along with the business. This is especially pertinent for companies whose main asset is its intellectual property and branding, such as in this case with Pokémon. With the advent of new technologies such as AI, NFTs, blockchain, cryptocurrency, etc., this has never been more important.

Piper Alderman has a nationally recognised intellectual property practice which has experience in enforcing intellectual property rights in all Australian jurisdictions.

Piper Alderman also offers its BrandProtect® IP infringement monitoring system, which employs modern investigation methods to monitor for infringement and act appropriately.

If you require intellectual property advice, please contact [Tim O'Callaghan](#), Partner, on 08 8205 3450 or [Travis Shueard](#), Senior Associate, on 08 8205 3433.

^[1] *The Pokemon Company International, Inc v Pokemon Pty Ltd* [2022] FCA 1561.

^[2] Ibid [6].

[3] *Trade Practices Commission v Santos Ltd* [1992] FCA 523; (1992) 38 FCR 382, 397.

[4] *Samsung Electronics Co Ltd v Apple In* (2011) FCR 238 [87]; *Generic Health Pty Ltd v Otsuka Pharmaceutical Co., Ltd* (2013) 296 ALR 50 [26].

[5] *The Pokémon Company International, Inc v Pokemon Pty Ltd* [2022] FCA 1561 [56].

[6] *Ibid.*