

Date	June 30, 1998	Court	Tokyo High Court
Case number	1997 (Gyo-Ke) 153		
<p>– A case in which the court found that the trademark used by the plaintiff is well-known among young women, who form the major customer base, and thus the use of the defendant's trademark is likely to mislead consumers or cause confusion as to the source of the goods and rescinded the JPO decision, which determined that the trademark used by the plaintiff has yet to become famous and dismissed a request for a trial for rescission of registration of the defendant's registered trademark which was filed by the plaintiff based on an allegation that the defendant's registered trademark was likely to cause confusion as to the source of goods with respect to the well-known and famous trademark used by the plaintiff.</p>			

References: Article 51, paragraph (1) of the Trademark Act

Number of related rights, etc.: Trial No. 1995-1741, Trademark No. 1771710

### Summary of the Judgment

The defendant holds a trademark right for a registered trademark (the "Trademark") which consists of the katakana characters "アフタヌーンティー" and the alphabetic characters "AFTERNOONTEA," both in Gothic face, written horizontally in two lines and using the mark "AfternoonTea" in all-black letters (the "Defendant's Mark in Use") for shirts and blouses, etc. for young women. The plaintiff is using a mark "AfternoonTea" in outlined white letters (the "Plaintiff's Mark in Use") for household goods it sells.

The plaintiff filed a request for a trial for rescission of the registration of the Trademark under Article 51, paragraph (1) of the Trademark Act. In response to this, the JPO made the following determinations: [i] The Plaintiff's Mark in Use can be deemed to be known to some degree as the trade name for selling import goods or running a tearoom but has yet to become famous; [ii] The goods carrying the Defendant's Mark in Use, "clothing," and the goods carrying the Plaintiff's Mark in Use, "import goods," etc., are obviously not similar to each other; [iii] These trademarks also differ in appearance, i.e., outlined white letters vs. all-black letters; and [iv] Even if the defendant were to use the Defendant's Mark in Use for the goods "clothing," the Defendant's Mark in Use would be unlikely to cause confusion with the Plaintiff's Mark in Use.

In this judgment, the court made the following determinations and rescinded the JPO decision.

i. When the defendant began using the Defendant's Mark in Use, the logo

"AFTERNOON TEA," which the plaintiff has been using as a trade name for its "アフタヌーンティー" shops and as a trademark for household goods sold there, was well-known among young women, who formed the major customer base for these shops, and that the Plaintiff's Mark in Use was also well-known among young women as a trademark for household goods sold at "アフタヌーンティー" shops.

ii. The Defendant's Mark in Use is considerably similar in appearance to the Plaintiff's Mark in Use, although they are different in that one is written in outlined white letters and the other in all-black letters.

iii. In addition to the findings made in i. and ii. above, in light of the fact that shirts and blouses, etc. are goods in which young women have as strong an interest in as they have in household goods, if the defendant uses the Defendant's Mark in Use with respect to shirts and blouses, etc. for young women, the Defendant's Mark in Use is not only likely to cause confusion as to the source of goods that would naturally arise due to the defendant's mere use of the trademark "AFTERNOONTEA," but it is also likely to go beyond that and mislead consumers or cause confusion as to the source of goods and make consumers think that the defendant's goods pertain to a business of the plaintiff or someone having a financial or organizational relationship with the plaintiff.

Judgment rendered on June 30, 1998  
1997(Gyo-Ke)153

#### Judgment

(Indication of the parties is omitted)

#### Main text

The trial decision rendered by the JPO on April 18, 1997, with respect to Case of 1995 Trial No. 1741 shall be rescinded.

The court costs shall be borne by the defendant.

#### Facts

No. 1 Judicial decisions sought by the parties

##### 1. Plaintiff

Same as the main text.

##### 2. Defendant

A judgment ruling: "The plaintiff's claim shall be dismissed. The court costs shall be borne by the plaintiff."

No. 2 Statement of claim

##### 1. Developments in procedures at the JPO

The defendant holds a trademark right for a registered trademark (Trademark Registration No. 1771710; application filed on May 20, 1982; trademark right registered on May 30, 1985; renewal of the duration of the trademark right registered on August 30, 1995), with respect to the designated goods in Class 17 under the Order for Enforcement of the Trademark Act (prior to the amendment by Cabinet Order No. 299 of 1991), "clothing (excluding special clothing for sports), personal belongings made of fabric (excluding those categorized in other classes), and bedding (excluding beds)." This trademark (hereinafter the "Trademark") consists of the katakana characters "アフタヌーンティー" and the alphabetic characters "AFTERNOONTEA," both in Gothic face, written horizontally in two lines.

On January 13, 1995, the plaintiff filed a request for a trial for rescission of the registration of the Trademark under Article 51, paragraph (1) of the Trademark Act.

After conducting the proceedings for the request as Case of 1995 Trial No. 1741, the JPO rendered a trial decision on April 18, 1997, to dismiss the claims in the request. A certified copy of this JPO decision was served on the plaintiff on June 2 of the same year.

##### 2. Reasons for the trial decision

The reasons for the trial decision are as summarized below.

(1) The Trademark consists of the katakana characters "アフタヌーンティー" and the alphabetic characters "AFTERNOONTEA" written horizontally in two lines. It is appropriate to consider that both the katakana part and the alphabetic part give rise to the pronunciation of

"afutanūntī" and the concept of "a tea (tea break) in the afternoon," and that they do not give rise to any other pronunciation or concept. Therefore, from common sense, the use of only the katakana part or the alphabetic part can be recognized as use of the Trademark within the same scope.

In that case, the use of each of the demandee's trademarks in use (those trademarks indicated as (B) and (C) of the attachment of the JPO decision document; when referring to each of the demandee's trademarks in use, each one is referred to as "Demandee's Trademark in Use (B)" and the like) can be recognized as use of the alphabetic part of the Trademark. Hence it cannot be described as use of the Trademark in a modified form.

(2) [i] The demandant (the plaintiff) alleges that the demandant's trademark in use (the trademark indicated as (A) in the attachment of the JPO decision document) has been used as the trade name for selling imported goods or running a tearoom, and thus it is well-known and famous, and has submitted exhibits to prove this allegation. However, from these exhibits, the demandant's trademark in use can be deemed to be known to some degree as the trade name for selling import goods or running a tearoom (the tearoom's trade name is recognized as "アフタヌーンティールーム" (afutanūntīrūmu)), but it is appropriate to consider that said trademark has not become famous yet.

[ii] In addition, the goods carrying the demandee's trademarks in use, "clothing," and the goods carrying the demandant's trademark in use, "import goods," etc., are obviously not similar to each other.

[iii] Furthermore, these trademarks also differ in appearance, as indicated in the attachment of the JPO decision document, i.e., outlined white letters vs. all-black letters.

[iv] In that case, it must be said that even if the demandee (the defendant) were to use the demandee's trademarks in use for the goods "clothing," these trademarks would be unlikely to cause confusion with the demandant's trademark in use.

### 3. Grounds for rescission of the JPO decision alleged by the plaintiff

The JPO decision should be rescinded as illegal because, although the defendant's use of Demandee's Trademark in Use (B) meets the requirements prescribed in Article 51, paragraph (1) of the Trademark Act, the JPO erroneously found that the use of said trademark fails to meet this requirement.

(omitted)

### Reasons

1. There is no dispute between the parties with respect to Statement of Claim, 1 (Developments in procedures at the JPO) and 2 (Reasons for the trial decision).

2. The court therefore examines whether the grounds for rescission of the JPO decision alleged by the plaintiff are acceptable.

(1) Regarding the use of trademarks similar to the demandant's trademark in use

[i] There is no dispute between the parties with respect to the appearance of the Trademark.

The defendant admits that, in March 1993, the defendant began using Demandee's Trademark in Use (B), which has the appearance as indicated in (B) of the attachment of the JPO decision document, with respect to "shirts, blouses, dresses, slacks, skirts, sweaters, cardigans, mufflers, and socks for young women."

[ii] According to the facts explained above, the Trademark for which the defendant holds a trademark right consists of the katakana characters "アフタヌーンティー" and the alphabetic characters "AFTERNOONTEA," both in Gothic face, written horizontally in two lines. On the other hand, Demandee's Trademark in Use (B) consists only of the alphabetic characters "AfternoonTea," written in a manner that only the first "A" and second "T" are capitalized and the others are in lowercase so that the trademark in whole appears to be made of two words, while placing the last letter, "n," of "Afternoon" close to the first letter, "T," of "Tea." Thus, Demandee's Trademark in Use (B) has the same arrangement of characters as that of the demandant's trademark in use. Moreover, it is obvious that Demandee's Trademark in Use (B) has completely the same appearance in terms of font as that of the demandant's trademark in use, with the only difference being that one is written in outlined white letters and the other in all-black letters. With these modifications, Demandee's Trademark in Use (B) has been made to more closely resemble the demandant's trademark in use in terms of the appearance. Consequently, the use of Demandee's Trademark in Use (B) cannot be considered to involve modifications that may be usually made at the time of use but it is found to constitute the "use of a trademark similar to a registered trademark" as referred to in Article 51, paragraph (1) of the Trademark Act.

[iii] The defendant's allegations that are contrary to this finding are unacceptable.

(2) Likelihood of causing confusion

[i] According to Exhibits Ko 36 and 37, the entire import of the oral argument, and the evidence indicated in each section, the following facts can be found.

(a) In September 1981, the plaintiff determined "AFTERNOON TEA" to be a trade name for its shops, selling goods (e.g., furniture, kitchen utensils, daily necessities, stationary, confectionary, tea leaves, and processed fruits) and running a tearoom, and as a trademark to be affixed to household goods, etc. dealt with at these shops, and it opened its first shop in the department store Shibuya Parco.

After that, the number of "アフタヌーンティー" shops increased to 28 in FY1992 (as of March 31, 1993) and then to 41 as of the end of April 1995. The sales amount of household

goods carrying the demandant's trademark in use at "アフタヌーンティー" shops marked 3,116.80 million yen in FY1992 and 5,767.00 million yen in FY1994.

The plaintiff adopted "AFTERNOON TEA ROOM" as a trademark for running tearooms and has run tearooms since 1981. There were 44 "アフタヌーンティールーム" shops as of the end of April 1995 (and one pizzeria called "アフタヌーンティー・ピザキッチン" (afutanūntī pizakicchin). Their sales marked 4,156.45 million yen in FY1993 and 6,091.00 million yen in FY1994.

(Exhibits Ko 3, 24, and 96)

(b) Since 1987, the plaintiff has used the demandant's trademark in use, which has the appearance as indicated in (A) of the attachment of the JPO decision document, with respect to household goods sold at "アフタヌーンティー" shops.

The demandant's trademark in use is characteristic in that the last letter, "n," of "Afternoon" is placed close to the first letter, "T," of "Tea" with no character space between these two words.

Since 1987, the plaintiff has used a font similar to that of the demandant's trademark in use, with respect to the trademark for its tearooms "Afternoon Tea Room." This trademark is used in a manner that the last letter, "n," of "Afternoon" is not placed so close to the first letter, "T," of "Tea," and therefore, it is not read as constituting one word, "AfternoonTea." Furthermore, another word, "Room," follows the word "Tea" with the same space between them as between "Afternoon" and "Tea." Because of this arrangement, said trademark does not give the impression that the trademark contains a grammatical error, "AfternoonTea."

(Exhibits Ko 29, 30, and 31-1 to 31-16)

(c) Before filing a request for the trial disputed in this case, the plaintiff had placed advertisements as follows.

In an issue of the magazine *OLIVE* that was published in 1990 (Exhibit Ko 66), the plaintiff placed an ad that read: "This year, アフタヌーンティー celebrates its 5th anniversary."

In the September 20, 1991 issue of the magazine *an-an* (Exhibit Ko 65), the plaintiff placed an ad that showed the demandant's trademark in use in a relatively large size.

In the November 26, 1993 issue of *an-an* (Exhibit Ko 27), the plaintiff placed a Christmas ad in which "アフタヌーンティー" and "アフタヌーンティールーム" were written to indicate the shops where the goods featured in the magazine were sold.

(d) Focusing on the period until March 1993 (the issue date) when the defendant began using Demandee's Trademark in Use (B), advertisements were placed in magazines, etc. as follows with regard to "アフタヌーンティー" shops and the goods sold there.

An article on the department store Shibuya Parco Part 3 in the November 5, 1981 issue of the magazine *non-no* (Exhibit Ko 97) featured an "アフタヌーンティー" shop and "AFTERNOON TEA ROOM" shop as the plaintiff's shops. The same kind of article was also

published in *an-an*'s November 13, 1981 issue (Exhibit Ko 98).

An article on small items for daily use in the July 1991 issue of the magazine *mcSister* (Exhibit Ko 7) featured several goods sold at "アフタヌーンティー" shops and "アフタヌーンティールーム" shops. In this article, the demandant's trademark in use appeared in the photos of these goods.

In an article on thorough research of アフタヌーンティー in *non-no*'s August 20, 1991 issue (Exhibit Ko 12), "アフタヌーンティー" and "A・T" were introduced as trade names for the shops.

An article on zakka (variety goods) stores in *an-an*'s January 31, 1992 issue (Exhibit Ko 8) featured "アフタヌーンティー" shops and goods sold there.

The same kind of articles appeared in the following magazine issues: *OLIVE*'s November 18, 1992 issue (Exhibit Ko 5); *MORE*'s December 25, 1992 issue (Exhibits Ko 16-1, 16-2, and 17); *Orenji Pēji*'s (Orange Page) February 28, 1993 special issue (Exhibit Ko 10); *an-an*'s March 5, 1993 issue (Exhibit Ko 13), and *Grand Magasin*'s April 1993 issue (Exhibit Ko 6).

In an article on the history of アフタヌーンティー in a book published by Shufunotomo on April 6, 1993, under the title of *Zakka no Subete* (All about Zakka) (Exhibit Ko 4), "アフタヌーンティー" was described as the plaintiff's brand for zakka.

(e) During the period from April 1993 to January 1995, when the request for the trial was filed, "アフタヌーンティー" shops and goods sold there were featured in magazines, etc. as shown below.

An article in the specialized tabloid paper *Pan Nyūsu* (Pan News), issued by Pan News on July 25, 1993 (Exhibit Ko 15), featured the plaintiff's original style of operating shops that combine a tearoom, sale of bread and confectionary, and sale of zakka.

The magazine *Watashi no Zakka* (My Zakka Life) No. 2, issued by Gakusyu Kenkyusha on December 30, 1993 (Exhibit Ko 11), featured some "アフタヌーンティー" shops, including the Shibuya Shop, and showed photos of some goods.

The magazine *Zakka Katarogu* (Zakka Catalogue) No. 16, issued by Shufunotomo on February 25, 1994 (Exhibit Ko 9), featured a section selling goods of Sazaby in the department store Daimaru in Kyoto, and showed some photos of these goods.

An article in the magazine *AERA*'s March 14, 1994 issue (Exhibit Ko 28), featuring popular zakka, covered the plaintiff and showed photos of the "アフタヌーンティー" shop in Nihonbashi.

*Zakka Katarogu* (Zakka Catalogue) No. 18, issued by Shufunotomo on August 25, 1994 (Exhibit Ko 14) featured a list of the top 10 popular zakka shops selected by the magazine's readers, in which "アフタヌーンティー" was in first place by a decisive lead for two consecutive years. It also featured a report about an "アフタヌーンティー" shop in the

department store Tokyu Nihonbashi.

A similar article was also published after the request for the trial disputed in this case was filed. *Zakka Katarogu* (Zakka Catalogue) No. 22, issued by Shufunotomo on August 25, 1995 (Exhibit Ko 70), featured a list of the top 10 popular zakka shops selected by the magazine's readers, in which "アフタヌーンティー" was in first place by a decisive lead for three consecutive years. It also featured a report about an "アフタヌーンティー" shop in the department store Seibu in Yurakucho. This magazine issue showed the demandant's trademark in use in large size with an advertisement that read: "This logo is affixed to zakka dealt with at "アフタヌーンティー" by Kabushiki Kaisha Sazaby. Some items other than these zakka, such as clothing, bags, and accessories, carry a mark that is exactly like this logo, but they have no connection with our "アフタヌーンティー."

[ii] Whether demandant's trademark in use was famous

According to the findings of fact as shown in [i] above, it is found that not only as of January 1995, when the plaintiff filed the request for the trial disputed in this case, but also as of March 1993, when the defendant began using Demandee's Trademark in Use (B), the logo "AFTERNOON TEA," which the plaintiff used as a trademark for its "アフタヌーンティー" shops and as a trademark for household goods sold there, was well-known among young women, who formed the major customer base for these shops, and that the demandant's trademark in use was also well-known among young women as a trademark for household goods sold at "アフタヌーンティー" shops.

The defendant's allegations contrary to this finding are unacceptable.

[iii] Similarity in appearance

As found above, the demandant's trademark in use has the appearance indicated in (A) of the attachment of the JPO decision document, which shows the demandant's trademark in use is characteristic in that the last letter, "n," of "Afternoon" and the first letter, "T," of "Tea" are placed close to each other.

On the other hand, as mentioned above, there is no dispute between the parties with respect to the fact that Demandee's Trademark in Use (B) has the appearance as indicated in (B) of the attachment of the JPO decision document. Demandee's Trademark in Use (B) uses the same font as that of the demandant's trademark in use, with the only difference being that one is written in outlined white letters and the other in all-black letters. In Demandee's Trademark in Use (B), the last letter, "n," of "Afternoon" and the first letter, "T," of "Tea" are also placed close to each other, thus having the same characteristic as that of the demandant's trademark in use.

Accordingly, it must be said that Demandee's Trademark in Use (B) is considerably similar in appearance to the demandant's trademark in use, although they are different in that one is written in outlined white letters and the other in all-black letters.



The defendant alleges that the difference between the two in that Demandee's Trademark in Use (B) is written in all-black letters, whereas the demandant's trademark in use is written in outlined white letters, makes them give different impressions. This allegation cannot be accepted. Said difference rather seems to be nothing more than a subtle difference that may occur when using the same trademark.

The defendant alleges that the font of the demandant's trademark in use is not a special one as it is also used in the publications of Lloyds Bank in London (Exhibit Otsu 34) and for the characters "CORPORATE" shown in a cash card issued by American Express (Exhibit Otsu 35). The defendant also alleges that when creating a logo to be used as a trademark, people would usually design it by saving spaces between characters or words, and that Demandee's Trademark in Use (B) was created by applying a lettering method that is usually adopted. Indeed, from Exhibits Otsu 34-1 to 34-4 and Exhibit Otsu 35, it is found that the same font as that used in the demandant's trademark in use is used in the pamphlets of Lloyds Bank in London and in the "CORPORATE" part on the front of American Express cards (Exhibit Otsu 35). However, since there is no evidence that implies that said font is a common one that is generally used for other items, the fact that the font used in Demandee's Trademark in Use (B) is exactly the same as that used in the demandant's trademark in use cannot be deemed as a mere coincidence. Nor is there any evidence showing that saving a space between the letter "n" and the letter "T" in the demandant's trademark in use and Demandee's Trademark in Use (B) is nothing more than a lettering method that is usually adopted. Thus, Demandee's Trademark in Use (B) was created by choosing the same font as that of the demandant's trademark in use from among a number of fonts available, and by placing the letter "n" and the letter "T" of "Tea" close to each other to make Demandee's Trademark in Use (B) have the same appearance as that of the demandant's trademark in use. Therefore, the defendant's allegation that Demandee's Trademark in Use (B) is not similar to the demandant's trademark in use is unacceptable.

[iv] Relevance in terms of goods or services

As found above, not only as of January 1995, when the plaintiff filed the request for the trial disputed in this case, but also as of March 1993, when the defendant began using Demandee's Trademark in Use (B), the logo "AFTERNOON TEA," which the plaintiff used as a trade name for its "アフタヌーンティー" shops and as a trademark for household goods sold there, was well-known among young women, who formed the major customer base for these shops, and the demandant's trademark in use was also well-known among young women as a trademark for household goods sold at "アフタヌーンティー" shops. Items such as "shirts, blouses, dresses, slacks, skirts, sweaters, cardigans, mufflers, and socks" are recognized as goods in which young women have as strong an interest as they have in household goods.

[v] Determination concerning likelihood of causing confusion

In light of the abovementioned findings and explanations, it is found that if the defendant uses Demandee's Trademark in Use (B), which is very similar in appearance to the demandant's trademark in use, with respect to items for young women, such as "shirts, blouses, dresses, slacks, skirts, sweaters, cardigans, mufflers, and socks," Demandee's Trademark in Use (B) is not only likely to cause confusion as to the source of goods that would naturally arise when the defendant merely uses the trademark "AFTERNOONTEA," but it is also likely to go beyond that and mislead consumers or cause confusion as to the source of goods and make consumers think that the defendant's goods pertain to a business of the plaintiff or someone having a financial or organizational relationship with the plaintiff.

The defendant alleges that although it sometimes uses only alphabetic characters as in Demandee's Trademark in Use (B), it basically uses a trademark consisting of the characters and a figure of the Eiffel Tower placed behind these characters to form one unit. However, as long as the defendant has ever used Demandee's Trademark in Use (B) with respect to clothing, without using the figure of the Eiffel Tower, the likelihood of Demandee's Trademark in Use (B) causing confusion cannot be denied only because the defendant mostly uses said trademark in combination with the figure of the Eiffel Tower.

(3) Defendant's intent

[i] As found above, the defendant began using Demandee's Trademark in Use (B) in March 1993. Demandee's Trademark in Use (B) is considerably similar in appearance to the demandant's trademark in use, although they are different in that one is written in outlined white letters and the other in all-black letters.

[ii] According to Exhibit Ko 36 (the plaintiff's corporate brochure) and the entire import of the oral argument, it is found that in March 1993, the plaintiff sold bags using the trademark "SAZABY" and also sold clothing and other goods designed by a French designer, [C], through its joint venture, Kabushiki Kaisha agnès b. sunrise, and that the defendant, at that time, well recognized the existence of the plaintiff. Companies dealing with fashion-related goods, in particular, are conscious about information and trends regarding industries associated with their goods. Accordingly, it can be presumed that the defendant's employees in charge had an interest in the plaintiff that was selling clothing, etc. designed by [C] and also selling bags carrying the trademark of "SAZABY." They were naturally aware of the facts that household goods also dealt with by the plaintiff were sold using the demandant's trademark in use and that the demandant's trademark in use was well-known mainly among young women.

It must be said that Demandee's Trademark in Use (B), which is considerably similar in appearance to the demandant's trademark in use as found earlier, was created based on the demandant's trademark in use.

Accordingly, the defendant's employees in charge are deemed to have recognized that if

Demandee's Trademark in Use (B) was used with respect to clothing sold by the defendant, said trademark was likely to mislead consumers or cause confusion as to the source of such goods and make consumers think that the defendant's goods pertain to a business of the plaintiff or someone having a financial or organizational relationship with the plaintiff.

[ii] The defendant makes various allegations regarding the circumstances where the defendant began actively using Demandee's Trademark in Use (B) in March 1993 with respect to goods for young women, such as blouses, skirts, and bags. However, the defendant has not given any convincing explanation as to why it began using Demandee's Trademark in Use (B), which is considerably similar to the demandant's trademark in use. It only alleges that the font of the demandant's trademark in use is not a special one. As explained above, it is utterly impossible to consider that Demandee's Trademark in Use (B) was adopted independently of the demandant's trademark in use, which has a distinctive appearance. Therefore, the circumstances concerning the defendant's new sales approach, put into operation in March 1993 as argued by the defendant, do not affect the abovementioned findings, and there is no other evidence that could affect said findings.

#### (4) Conclusion

In consequence, the JPO made errors in determining that the use of Demandee's Trademark in Use (B) cannot be described as the use of the Trademark in a modified form and that, even if the defendant were to use Demandee's Trademark in Use (B) with respect to goods "clothing," said trademark would be unlikely to cause confusion with the demandant's trademark in use. What is more, the defendant is found to have had the intent to use Demandee's Trademark in Use (B). Thus, there are grounds for rescission of the JPO decision as argued by the plaintiff.

3. Therefore, the plaintiff's claim shall be upheld, and the judgment shall be rendered in the form of the main text by applying Article 7 of the Administrative Case Litigation Act and Article 61 of the Code of Civil Procedures.

Tokyo High Court

Presiding judge: NAGAI Toshiaki

Judge: HAMAZAKI Koichi

Judge: ICHIKAWA Masami

Attachment: A copy of the JPO decision document (omitted)

Attachment

(A) Demandant's trademark in use

(B) Demandee's trademark in use

(C) Demandee's trademark in use

<81780-001>

別 紙

(A) 請求人使用商標

Afternoon Tea

(B) 被請求人使用商標

Afternoon Tea

(C) 被請求人使用商標

