

Decided on	September 26, 2007	Court	Intellectual Property High Court, Third Division
Case number	2007 (Gyo-Ke) 10042		
<p>- A case, with respect to a trial decision that denied a similarity between “capsule-shaped processed food with soy milk as its principal ingredient” in Class 29 as designated goods for the trademark in question consisting of a string of standard characters reading “Chonoryoku” and “soy milk with an added extract generated from co-cultured lactic acid bacteria and other soy milk” in Class 29 among the designated goods for the Cited Trademark comprising a horizontal string of brush style characters reading “Chonoryoku” and that dismissed a request for an invalidation trial for reasons of Article 4, paragraph (1), item (xi) of the Trademark Act, which was cancelled</p>			

Reference: Article 4, paragraph (1), item (xi) of the Trademark Act

The case concerns a trial seeking to cancel a trial decision that dismissed a request for invalidation trial against the trademark with Y, defendant, as holder of the trademark right. This trademark consists of a string of standard characters that reads “Chonoryoku” and designates “capsule-shaped processed food with soy milk as the principal ingredient” in Class 29 as designated goods.

X, the plaintiff, asserted that the trademark at issue was similar to the Cited Trademark, which consists of a horizontal string of brush style characters reading “Chonoryoku” and designates “soy milk with an added extract generated from co-cultured lactic acid bacteria and other soy milk” among others in Class 29 as designated goods. According to X, the registration of the trademark in question fell under Article 4, paragraph (1), item (xi) of the Trademark Act and should be invalidated under Article 46, paragraph (1), item (i) of the same Act due to a similarity in designated goods, specifically the similarity between “capsule-shaped processed food with soy milk as the principal ingredient” and “soy milk with an added extract generated from co-cultured lactic acid bacteria and other soy milk” included in the designated goods for the Cited Trademark. The Japan Patent Office found no similarity between the designated goods for the trademark in question and the part of those for the cited trademark, namely “soy milk with an added extract generated from co-cultured lactic acid bacteria and other soy milk,” and rendered a trial decision that deemed the plaintiff’s claim that the trademark concerned fell under Article 4, paragraph (1), item (xi) of the Trademark Act groundless.

With regard to criteria for judging the similarity of designated goods, the court handed down a trial decision, demonstrating the following:

“The Trademark Act stipulates in its Article 4, paragraph (1), item (xi) that no trademark shall be registered if the trademark is identical with, or similar to, another person’s registered trademark which has been filed prior to the filing date of an application for registration of the said trademark, if such a trademark is used in connection with the designated goods (...) or goods (...) similar thereto. This means that trademark registration is not denied pursuant to the provision cited above unless two conditions are met. The first condition is that the trademark is identical with or similar to any other party’s registered trademark, and the second condition is that the designated goods for the trademark as the subject of the application are identical with or similar to those for the other party’s registered trademark. If the designated goods differ in type or quality, the use of any other party’s trademark or any trademark that resembles it is not considered to cause any confusion about the source of the goods to consumers or traders of the goods, any disruption in transactions, any damage to the interests of the registered trademark holder or any other negative circumstances. This is the reason why the above provision was created. The judgment on similarity in designated goods under the provision in the same item should be based on findings of the overall considerations on all circumstances, including the properties, applications, shapes and raw materials of the goods, production processes, sales processes, scopes of consumers and other actual conditions of transactions and the aspect of whether or not the use of similar trademarks in connection with the products from two parties may confuse traders and consumers or cause them to misidentify the goods. (In transactions in today’s society, it is common for consumers and traders to identify the sources of goods use by trademarks. If the same trademark (or “another person’s registered trademark” as referred to in the item concerned) was displayed on both parties’ goods, it would normally be likely that their sources would be misperceived as identical or related even if they are hugely different in type, property or others. The scope of similarity in designated goods would infinitely expand to cause an unreasonable result. It is therefore not necessarily appropriate to make judgments in mechanical or formal manners on the question of whether the use of a trademark in connection with goods will result in confusion about the sources of goods by including the identical trademark in hypothetical trademarks, which means a similar trademark under the item concerned, envisioned at the time of the judgment.)”

Examining specific aspects of the case from the perspective discussed above, the court judgment (1) confirmed three points. Firstly, the designated goods for the trademark in question, namely “capsule-shaped processed food with soy milk as the

principal ingredient,” are goods produced chiefly from soy milk and shaped in a capsular form. They are classified into the category of so-called health food products, which are produced and sold as products having or expected to produce a positive effect on health. Secondly, as part of the designated goods for the Cited Trademark, “soy milk with an added extract generated from co-cultured lactic acid bacteria” is food prepared by adding a substance extracted from the co-culture of lactic acid bacteria and yeast or the like. Given that there exist many different health food products manufactured by adding substances obtained by condensing, extracting from or otherwise processing a culture of lactic acid bacteria and yeast, the food concerned includes some goods in the category of so-called health food products that are produced and sold as products having or expected to produce a positive effect on health. And thirdly, Japan has a large number of examples in which an individual major or medium- or small-sized food or drink manufacturer produces and markets so-called health food products as well as food products prepared by processing fresh food materials and ordinary drinks. As a food product produced using soy milk as the main ingredient, liquid flavored soy milk packaged in cartons are produced and sold as health food products. In addition, soy milk products in the form of granules and tablets are actually produced and marketed. (2) The designated goods for the trademark in question, namely “capsule-shaped processed food with soy milk as the principal ingredient,” and the “soy milk with an added extract generated from co-cultured lactic acid bacteria” included in the designated goods for the Cited Trademark both have soy milk as a principal ingredient and both fall under the category of so-called health food products that are produced and sold as products having or expected to produce some positive health effect. Both are identical with each other in terms of product properties, applications, raw materials, production processes, sales processes, scope of consumers and other actual trading circumstances. It is to be understood that they share common characteristics to the extent to which it cannot be confirmed that if a similar trademark as mentioned in Article 4, paragraph (1), item (xi) of the Patent Act is used there will be no risk of misidentification and confusion about the sources of goods among traders and consumers who see it. The court thus acknowledged a similarity in the designated goods between the trademark in question and the Cited Trademark, specifically “capsule-shaped processed food with soy milk as the principal ingredient” and “soy milk with an added extract generated from co-cultured lactic acid bacteria.”