

Date	July 16, 2015	Court	Intellectual Property High Court Fourth Division
Case number	2015 (Gyo-Ke) 10002		

– A case in which, with respect to a trademark consisting of a combination of a figure and a color (the "Trademark"; the figure is colored in soft pink as a whole and shows obliquely from above an overall view of a part of a sphere, which is cut slightly larger than a hemisphere, with a circular depression in its cross section), the court found that the Trademark consists solely of a mark indicating, in a common manner, the shape of a "head," which constitutes implants for hip replacement, and falls under Article 3, paragraph (1), item (iii) of the Trademark Act. The court further held that it is impossible to find that the Trademark had come to be recognized, as a result of its use, by consumers of the designated goods as an indication of goods pertaining to the plaintiff's business across Japan at the time of the rendering of the JPO decision and thus the Trademark does not fall under Article 3, paragraph (2) of the Trademark Act.

Reference: Article 3, paragraph (1), item (iii) and paragraph (2) of the Trademark Act
Number of related rights, etc.: Appeal against Examiner's Decision of Refusal No. 2014-650016, International Registration No. 1109077

Summary of the Judgment

1. The plaintiff filed an application for international trademark registration for a trademark consisting of a combination of a figure and a color (the "Trademark"; according to this judgment, the figure is colored in soft pink as a whole and shows obliquely from above an overall view of a part of a sphere, which is cut slightly larger than a hemisphere, with a circular depression in its cross section) (designated goods: Class 10 "Implants for osteosynthesis" and others) but received a decision of refusal and thus filed an appeal against the examiner's decision of refusal (Appeal against Examiner's Decision of Refusal No. 2014-650016).

2. In its decision (the "JPO Decision"), the JPO determined as follows and held that the trademark cannot be registered as a trademark.

(1) The figure in the Trademark is perceived as representing the shape of a type of implant called a "head," which is used for hip replacement, etc. When the Trademark is used for goods equivalent to implants for hip replacement, etc., among other designated goods, traders and consumers would only perceive it as indicating the shape of the goods in a common manner, and would not recognize it as a mark for distinguishing the plaintiff's goods from others'. Therefore, the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act.

(2) The Trademark is not found to have become a trademark with which, as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to the plaintiff's business. Therefore, the Trademark does not satisfy the requirement prescribed in paragraph (2) of said Article.

2. In this judgment, the court found and determined as follows and held that the JPO Decision contains no illegality based on which it should be rescinded.

(1) In order to say that the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act, the Trademark must satisfy the following requirements: [1] the Trademark is, in relation with its designated goods, a necessary and proper indication that would be used in the course of trade for indicating and stating the place of origin, place of sale, quality, shape, and other features of the goods, as of the day on which the JPO Decision was rendered; and [2] the Trademark would be usually recognized by traders and consumers of its designated goods as an indication of said features of the goods at the time and in the future, if it is used for the designated goods.

The figure in the Trademark is found to be expressing a common shape of a head as a component of a hip replacement implant while, in transactions of hip replacement implants, attention is rarely paid to the color of goods. Thus, the Trademark satisfies the aforementioned standard and it would be inappropriate in terms of public interest to grant the exclusive use thereof to a particular person. At the same time, the Trademark lacks the capability of distinguishing goods bearing it from other goods. Furthermore, the structure of the Trademark in which the entire figure is colored in soft pink cannot be found to be special as an indication means.

Accordingly, the Trademark is found to fall under Article 3, paragraph (1), item (iii) of the Trademark Act.

(2) In order to grant trademark registration based on Article 3, paragraph (2) of the Trademark Act, a trademark falling under any of items (iii) to (v) of paragraph (1) of said Article needs to have come to be recognized, as a result of its use, by consumers of the designated goods or services across Japan as an indication of source used by a particular person.

However, the plaintiff fails to prove the sales records and share of the goods raised by the plaintiff in Japan. The plaintiff also fails to specifically prove the traffic of the Japanese website or duration, area, scale, etc. of advertising using pamphlets, etc. As such, it is impossible to find that the Trademark had come to be recognized, as a result of its use, by consumers of the designated goods as an indication of goods pertaining to the plaintiff's business across Japan at the time of the rendering of the JPO Decision.

Therefore, it is not found that the Trademark fell under Article 3, paragraph (2) of the Trademark Act at the time of the rendering of the JPO Decision.

Judgment rendered on July 16, 2015, the original of the judgment received by the court clerk on the same day

2015 (Gyo-Ke) 10002, Case of Seeking Rescission of JPO Decision

Date of conclusion of oral argument: May 28, 2015

Judgment

Plaintiff: CeramTec GmbH

Defendant: Commissioner of the Japan Patent Office

Main text

1. The plaintiff's claims shall be dismissed.
2. The court costs shall be borne by the plaintiff.
3. The additional period for filing a final appeal and a petition for acceptance of final appeal against this judgment shall be 30 days.

Facts and reasons

No. 1 Claims

The court shall rescind the JPO decision rendered with respect to Case of Trial against Examiner's Decision of Refusal No. 2014-650016 on August 28, 2014.

No. 2 Outline of the case

1. Developments in procedures at the JPO, etc.

With respect to the trademark described in the List of Trademark attached to this judgment (hereinafter referred to as the "Trademark"), the plaintiff filed an application for international trademark registration concerning International Registration No. 1109077 on January 18, 2012, for the designated goods listed below (priority date claimed under the Paris Convention: July 25, 2011; Federal Republic of Germany; hereinafter referred to as the "Application") (Exhibit Otsu 1).

Class 10: Implants for osteosynthesis, orthoses, endoprostheses and organ substitutions, anchors for endoprostheses and dental prostheses, articular surface replacement, bone spacers; hip joint balls, acetabular shell, acetabular fossa and knee joint components

(2) Following the examiner's decision of refusal dated November 8, 2013, the plaintiff filed a request for a trial against the examiner's decision of refusal on February 21, 2014.

The JPO examined said request as Case of Trial against Examiner's Decision of Refusal No. 2014-650016. On August 28, 2014, the JPO rendered a trial decision to dismiss the request for the trial (an addition of 90 days to the statute of limitations for instituting an action; hereinafter

referred to as the "JPO Decision"). On September 10, 2014, the original of the JPO Decision was served to the plaintiff.

(3) On January 5, 2015, the plaintiff instituted this action, seeking the rescission of the JPO Decision.

2. Summary of the grounds for the JPO Decision

The grounds for the JPO Decision are stated in the written decision (copy) attached to this judgment. They are as follows in summary. The Trademark is composed of a pink-colored, steric figure, which represents a part of a sphere with a hemispherical depression in the middle of the cross section. The figure in the Trademark is perceived as representing the shape of a type of implant called a "head," which is used for hip replacement, etc. When the Trademark is used for goods equivalent to implants for hip replacement, etc., among other designated goods, traders and consumers would only perceive it as indicating the shape of the goods in a common manner, and would not recognize it as a mark for distinguishing the plaintiff's goods from others'. Therefore, the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act. Moreover, the Trademark is not found to have become a trademark with which, as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to the plaintiff's business. Therefore, the Trademark does not satisfy the requirement prescribed in paragraph (2) of said Article. Based on these grounds, the JPO concluded that the Trademark cannot be registered as a trademark.

(omitted)

No. 4 Court decision

1. Regarding Ground for Rescission 1 (an error in determining whether the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act)

(1) Regarding whether the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act

It is construed that Article 3, paragraph (1), item (iii) of the Trademark Act excludes trademarks consisting solely of a mark indicating, in a common manner, "in the case of goods, the place of origin, place of sale, quality, raw materials, efficacy, intended purpose, shape (including shape of packages), the method or features including time of production or use, quantity, price" from trademark registration because such a trademark is a mark indicating or stating, in connection with its designated goods, the place of origin, place of sale, quality, shape, or features of the goods, and is a necessary and proper indication that any person would need to use in the course of trade. Therefore, it is inappropriate in terms of public interest to grant exclusive use of such trademark to a specific person. At the same time, since such a trademark is

a mark that is commonly used, it often lacks the capability of distinguishing goods bearing it from other goods.

Accordingly, in order to say that the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act, the Trademark must satisfy the following requirements: [1] the Trademark is, in relation with its designated goods, a necessary and proper indication that would be used in the course of trade for indicating and stating the place of origin, place of sale, quality, shape, and other features of the goods, as of August 28, 2014, on which the JPO Decision was rendered; and [2] the Trademark would be usually recognized by traders and consumers of its designated goods as an indication of said features of the goods at the time and in the future, if it is used for the designated goods.

Based on these premises, the court shall determine whether the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act.

A. As described in the attached List of Trademark, the Trademark consists of a combination of a figure and a color. The figure is an oblique image that provides an overall view of a part of a sphere, which is slightly larger than a hemisphere and has in the middle of its plane surface (cross section) a circular depression whose size is approximately one-third of the cross section. The whole figure is colored in soft pink.

B. It is undisputed that the "implants for osteosynthesis" in the Trademark's designated goods include "hip replacement implants."

Based on the evidence (Exhibits Ko 9 to 11 and Exhibits Otsu 1 to 9) and the entire import of the oral argument, the court found the following facts: [1] the hip joint is formed by articulation of the rounded head of the femur, which is located at the upper end of the femur, and the depressed part of the pelvis (acetabulum); [2] a common hip replacement implant consists of a "head," which functions as a replacement for the femoral head, an "insert," which receives the head, a "cup," which is placed into the acetabulum of the pelvis to support the insert, and a "stem" whose one end is inserted into the femur and the other end is inserted into the head to provide a foundation to support the head; [3] the head has a hemispherical shape so that it can move inside the cup or insert and it has a depression for connecting with the stem on the plane surface on the opposite side of the spherical surface; and [4] ceramic heads for hip replacement implants that are available on the market are entirely and solely colored in white, beige, etc.

According to the facts as determined above, it is found that the shape represented by the figure in the Trademark and the shape of heads for hip replacement implants have commonalities in that they both have a hemispherical shape with a plane surface and they both have a depression on the opposite side of the spherical surface. Therefore, the figure in the Trademark is found to be expressing a common shape of a head as a component of a hip replacement implant.

The court further found the following facts based on the exhibits as listed above and the entire import of the oral argument: hip replacement implants are goods that are used for hip replacement surgery to treat hip joint disorders, including femoral neck fracture and coxarthrosis; when using them, they are placed inside the human body; their traders and consumers are healthcare workers and other persons involved in the department of orthopedics; and in transactions of these goods, such persons would focus on the suitability of the shape and size of the goods for their patients and the physical property of the materials of the goods, including their biocompatibility, wear resistance, and strength, while they would rarely focus on the color of goods.

Therefore, it is found that, if the Trademark was used for hip replacement implants, which are included in "implants for osteosynthesis" among the designated goods, the Trademark would have been generally recognized by the aforementioned healthcare workers and persons involved, who are traders and consumers of said goods, as an indication of the shape of a head as a component of a hip replacement implant, which any person may need to use as a necessary and proper indication in the course of trade. Therefore, it would be inappropriate in terms of public interest to grant the exclusive use of said indication to a particular person. At the same time, the Trademark lacks the capability of distinguishing goods bearing it from other goods.

Furthermore, in light of the fact that some ceramic heads for hip replacement implants that are available on the market are entirely and solely colored in white, beige, etc., the structure of the Trademark in which the entire figure is colored in soft pink cannot be found to be special as an indication means. Therefore, the Trademark is found to consist solely of a mark indicating, in a common manner, the shape of a head as a component of a hip replacement implant.

Based on the findings above, the Trademark is found to fall under Article 3, paragraph (1), item (iii) of the Trademark Act.

C. In response to the above, the plaintiff argued as follows. Even if the Trademark has features that are common to implants for the hip joint, etc., it also has unique features in terms of the shape and color as it has a "soft, rounded form and a glossy, pink-colored hemispherical shape." It is naturally construed that a person who comes across the Trademark for the first time on the market would simply wonder what the figure could mean. Therefore, the Trademark is not only readily recognized and perceived as a steric expression of an implant, but is also inherently capable of distinguishing goods bearing it from other goods. Thus, the Trademark does not fall under Article 3, paragraph (1), item (iii) of the Trademark Act.

However, as stated in B above, the figure in the Trademark represents a common shape of a head as a component of a hip replacement implant. Even if the figure has a "glossy, pink color" as argued by the plaintiff, healthcare workers and other persons involved in the department of orthopedics, who are traders and consumers of hip replacement implants, would focus on the suitability of the shape and size of the goods for their patients and the physical property of the

materials of the goods, including their biocompatibility, wear resistance, and strength, while they would rarely focus on the color of goods. Therefore, it is impossible to find that the Trademark is inherently capable of distinguishing goods bearing it from other goods.

Thus, the above arguments made by the plaintiff are not acceptable.

(2) Summary

As stated above, it is found that the Trademark fell under Article 3, paragraph (1), item (iii) of the Trademark Act at the time of the rendering of the JPO Decision. Therefore, the JPO Decision that made a conclusion to the same effect was not erroneous. The Ground for Rescission 1 alleged by the plaintiff is found to be groundless.

2. Regarding Ground for Rescission 2 (an error in determination of whether the Trademark falls under Article 3, paragraph (2) of the Trademark Act)

(1) Regarding whether the Trademark falls under Article 3, paragraph (2) of the Trademark Act

The plaintiff alleges that the Trademark falls under Article 3, paragraph (2) of the Trademark Act due to the following reasons. [1] The plaintiff is a Germany-based ceramic components manufacturer that operates business not only in Europe but also in Asia and South and North America. The steric shape concerning the Trademark represents a ball head implant that is manufactured and sold as a product under the "BIOLOX delta" series, a product line of joint and osteosynthesis implants. Since its launch in 1974, said product has been used in more than 8 million clinical cases and is now known to the world as the "standard product for clinical use." The share of the plaintiff's goods accounts for approximately 80% of ceramic implants for hip replacement. [2] The plaintiff has actively promoted sales activities in Japan, too, such as opening a Japanese website (Exhibits Ko 2 and 4), and providing a pamphlet (Exhibit Ko 5). [3] The pink steric shape concerning the Trademark has come to be widely recognized by other companies and experts in the industry as a result of the plaintiff's marketing efforts that highlighted the pink color of the product itself, when all other products on the market were either white or beige. In addition, the goods concerning the Trademark have a high reputation. Moreover, the plaintiff is known as a global leader in the advanced ceramic field (Exhibit Ko 23). Therefore, it has come to a state where consumers who come across the steric shape concerning the Trademark are able to recognize the product as "an implant by CeramTec" or "that pink-colored implant." [4] According to statistics by the European Confederation of Medical Suppliers Associations, the goods pertaining to the plaintiff's business have been shipped to and used in various European countries (Exhibit Ko 18). The goods concerning the Trademark have also been highly evaluated in many European countries. They were awarded the Barbarian Innovation Award 2006 for their remarkable and innovative contributions, were highly praised at the EFORT Industry Award 2013, and were also awarded the Heinz-Mittelmeier Research Award (Exhibits Ko 19 and 20). Moreover, according to the results of the survey conducted on May 24 and 25, 2012, with healthcare workers

in the department of orthopedics who attended the 13th EFORT Congress held in Berlin (Exhibit Ko 17), approximately 60% of the healthcare workers in the department of orthopedics replied that the steric shape concerning the Trademark "is a product of a particular company (even though the specific company name cannot be identified)" and approximately 40% replied that it "is a product by CeramTec." Based on the above survey results, it is obvious that the pink-colored illustration and steric shape of the Trademark are used for the designated goods and are widely recognized by consumers in Germany and other countries. [5] Even orthopedic surgeons from Auckland, New Zealand, who specialize in joint replacement surgery, acknowledge that they associate pink implants with the plaintiff's "BIOLOX delta" series (Exhibits Ko 24 and 25). In light of this fact, it can be said that it has come to a state where, as a result of the use of the Trademark for its designated goods, not only consumers in Germany, but also consumers in Japan are able to recognize the goods as those pertaining to a business of a particular person.

The court examined the above allegations as follows. As for the requirements for trademark registration, the Trademark Act provides in Article 3, paragraph (1) that any trademark may be registered unless the trademark falls under any of the items under said paragraph. Furthermore, paragraph (2) of said Article provides that, notwithstanding the preceding paragraph, a trademark that falls under any of items (iii) to (v) of the preceding paragraph may be registered if, as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person. Therefore, it is construed that, in order to grant trademark registration based on paragraph (2) of said Article, a trademark falling under any of items (iii) to (v) of the preceding paragraph needs to have come to be recognized, as a result of its use, by consumers of the designated goods or services across Japan as an indication of source used by a particular person.

However, none of the plaintiff's allegations above, which stated the sales records of ball head implants of the "BIOLOX delta" series, the share of the plaintiff's goods in the market of ceramic implants that reached approximately 80%, and statistics by the European Confederation of Medical Suppliers Associations, referred to the sales records or the share of said goods in the Japanese market. It is difficult to find that these allegations are directly reflected on the recognition of consumers in Japan.

Furthermore, the plaintiff argues that it actively promoted sales activities in Japan, too, such as opening a Japanese website and providing pamphlets. However, the plaintiff fails to prove the sales records and share of said goods in the Japanese market. The plaintiff also fails to specifically prove the traffic of the Japanese website or duration, area, scale, etc. of advertising using pamphlets, etc.

In addition, the survey referred to by the plaintiff (Exhibit Ko 17) was conducted with healthcare workers in the department of orthopedics who attended the 13th EFORT Congress held

in Berlin, Germany, and there is no evidence that is satisfactory for the court to find that Japanese nationals were included in the respondents of said survey. In light of these facts, the above survey results do not provide any ground for finding that the Trademark has been widely recognized by consumers as an indication of goods pertaining to the plaintiff's business in Japan. In a similar manner, the recognition of the orthopedic surgeons in New Zealand submitted by the plaintiff does not provide any ground for finding that the Trademark has been widely recognized by consumers as an indication of goods pertaining to the plaintiff's business in Japan.

Accordingly, even after the plaintiff's allegations are considered, it is still impossible to find that the Trademark had come to be recognized, as a result of its use, by consumers of the designated goods as an indication of goods pertaining to the plaintiff's business across Japan at the time of the rendering of the JPO Decision. There is no other evidence that is satisfactory for the court to find such fact, either.

Therefore, it is not found that the Trademark fell under Article 3, paragraph (2) of the Trademark Act at the time of the rendering of the JPO Decision. Thus, the plaintiff's allegations as stated above are groundless.

(2) Summary

As stated above, it is not found that the Trademark fell under Article 3, paragraph (2) of the Trademark Act at the time of the rendering of the JPO Decision. Therefore, the JPO Decision that made a conclusion to the same effect was not erroneous. The Ground for Rescission 2 alleged by the plaintiff is found to be groundless.

3. Conclusion

Since all of the Grounds for Rescission alleged by the plaintiff are groundless as stated above, the court finds no illegality based on which the JPO Decision should be rescinded.

Thus, the plaintiff's claims shall be dismissed.

Intellectual Property High Court, Fourth Division

Presiding judge: TOMITA Yoshinori

Judge: OTAKA Ichiro

Judge: SUZUKI Wakana

(Attachment)

List of Trademark



(See the original for the color.)