

Date	September 13, 2017	Court	Intellectual Property High Court First Division
Case number	2016 (Gyo-Ke) 10262		
– A case in which the court rescinded a JPO decision which dismissed a request for an invalidation trial filed with respect to the registered trademark held by the defendant by denying the applicability of Article 4, paragraph (1), items (xi) and (xv) of the Trademark Act on the grounds that the JPO erred in determining the applicability of said item (xv).			

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

Number of related rights, etc.: Invalidation Trial No. 2015-680001, International Trademark Registration No. 1119597

Summary of the Judgment

[Trademark]



Designated goods: Class 18 "Imitation leather, school bag, backpack, small-size travel carry-on bag, skate leather straps, hide, umbrellas and their parts," Class 25 "Clothing, newborn clothing, swimwear, coated clothing, footwear and boots for sports, headgear for wear, knitted underwear and knitted socks, scarves, gloves and mitten [clothing], sports jersey and athletic jersey, T-shirts, jackets [clothing], football shoes, sandal [shoes] and sandal-clogs, training shoes" and others (reference translation)

[Cited trademark 1]



Designated goods: Class 18 "Leather and fur [unworked or semi-worked], bags and the like, pouches and the like, vanity cases [not fitted], handbag frames, purse frames, umbrellas and their parts, walking sticks, canes, metal parts of canes and walking-sticks, handles of canes and walking-sticks, saddlery, clothing for domestic pets," Class 25 "Clothing, garters, sock suspenders, suspenders [braces], waistbands,

belts for clothing, footwear (other than boots for sports), masquerade clothing, clothes for sports, boots for sports," Class 28 "Game machines and apparatus, Go games, Japanese chess [Shogi games], Japanese playing cards [Utagaruta], dice, Japanese dice games [sugoroku], dice cups, diamond games, chess games, checkers [checker sets], conjuring apparatus, dominoes, playing cards, Japanese playing cards [Hanafuda], Mah-jong, billiard equipment, toys, dolls, toys for domestic pets, sports equipment, wax for skis, fishing tackle, insect collecting equipment, amusement machines and apparatus for use in amusement parts (other than arcade video game machines)" and other goods stated in the trademark registry.

1. The defendant is a holder of a trademark for the trademark in question ("Trademark"). The plaintiff filed a request for an invalidation trial (Invalidation Trial No. 2015-680001) but the JPO rendered a trial decision (the "JPO Decision") to dismiss the request by finding that the Trademark does not fall under Article 4, paragraph (1), items (xi) and (xv) of the Trademark Act. In this case, the plaintiff sought rescission of the JPO Decision.

2. In its decision, the JPO determined that the Trademark cannot be found to be a trademark which is likely to cause confusion as to the source of goods by holding that the Trademark is not similar to the cited trademark and is a different trademark with a considerable degree of difference and there are no other special circumstances to find that the Trademark would cause confusion.

In regard to this determination, this court mainly held as follows and rescinded the JPO Decision by finding that the JPO erred in determining that the Trademark does not fall under Article 4, paragraph (1), item (xv) of the Trademark Act.

3. The Trademark and the cited trademark share the basic structures such as the arrangement and outline with respect to the overall composition. Taking into account the actual circumstances such that the main consumers of goods including clothing, which are the goods for which the Trademark is to be used, are general consumers including those with no accurate or detailed knowledge on trademarks or brands and that they would not pay a significant degree of attention when purchasing goods as well as the fact that the cited trademark is highly well-known and famous in Japan, when the Trademark is used as a one point mark especially for its designated goods, consumers (general consumers) who look at it could focus on the fact that the Trademark has a figure similar to the cited trademark in terms of the overall arrangement and outline, etc. but may not realize differences in the detailed shapes (difference in the inside, etc.) of the Trademark.

In addition, the cited trademark is famous among consumers as that indicating the plaintiff's goods in the field of goods related to sports equipment (sporting equipment). The designated goods of the Trademark include goods related to sports equipment (sporting equipment) with respect to which the famousness of the cited trademark is recognized by consumers. Thus, when the Trademark is used for such designated goods, consumers who look at it are likely to call to mind or be reminded of the cited trademark, which is a famous trademark, and misunderstand that the goods are those related to the business of the plaintiff or a person who has a close business relationship with the plaintiff or who belongs to a group engaged in the commercialization business using an identical indication.

Accordingly, it should be said that the Trademark falls under Article 4, paragraph (1), item (xv) of the Trademark Act and cannot be registered, and therefore that the JPO Decision which found to the contrary and determined that the Trademark does not fall under said item is erroneous.

Judgment rendered on September 13, 2017

2016 (Gyo-Ke) 10262 Case of Seeking Rescission of JPO Decision

Date of conclusion of oral argument: June 28, 2017

Judgment

Plaintiff: MIZUNO Corporation

Defendant: FUJIAN HONGXINGERKE SPORTS GOODS CO., LTD.

(Indication in the JPO decision) FUJIAN HONGXINGERKE SPORTS
GOODS CO., LTD.

Main text

1. The JPO decision made on November 2, 2016, about Invalidation Trial No. 2015-680001 shall be rescinded.
2. The defendant shall bear the court costs.
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 Judicial decision sought by the plaintiff

The same as stated in the main text above.

No. 2 Outline of the case

This is a lawsuit filed to seek rescission of a JPO decision that dismissed a request for a trial for invalidation of a trademark registration. There are two issues in this case: [i] Applicability of Article 4, paragraph (1), item (xi) of the Trademark Act (Similarity between the trademarks) and [ii] Applicability of item (xv) of said paragraph (Risk of confusion).

1. Disputed trademark and developments in procedures at the JPO and other matters, etc.

(1) The defendant is the holder of a trademark right for the following trademark (the "Trademark") (Exhibits Ko 1 and 2).

International trademark registration: No. 1119597

Composition of the trademark: As described below

International trademark registration application date: February 20, 2012

Registration date: March 15, 2013

Designated goods: Class 18 "Imitation leather, school bags, backpacks, traveling bags, straps for skates, animal skin, umbrellas," Class 25 "Clothing, clothing for babies,

swimsuits, waterproof clothing, shoes and sports shoes, hats, knitted underwear, knitted socks, scarves, gloves [clothing], sports jerseys and athletic jerseys, tee-shirts, jacket [clothing], football shoes, esparto shoes or sandals, sports shoes," and Class 28 "Balls for games, body-building apparatus, exercisers, snowshoes, roller skates, rods for fishing, toys, archery implements, shuttlecocks, nets for sports, appliances for gymnastics, knee guards [sports articles], protective paddings [parts of sports suits], ice skates, in-line roller skates"
[Trademark]



(2) On May, 1, 2015, the plaintiff alleged that the registration of the Trademark falls under Article 4, paragraph (1), items (xi) and (xv) of the Trademark Act and should therefore be invalidated under Article 46, paragraph (1), item (i) of said Act and thereby sought a trial for invalidation of the registration of the Trademark (Invalidation Trial No. 2015-680001).

The JPO made a decision that "the request for a trial should be dismissed" on November 2, 2016, and served a certified copy to the plaintiff on November 10, 2016.

2. Summary of the grounds for the JPO decision

(1) Cited trademarks (Cited Trademark 1 and Cited Trademark 2 as shown below)

[Cited Trademark 1]



Registration No.: 4716649

Application filing date: July 24, 2002

Registration date: October 10, 2003

Designated goods: Class 18 "Leather and fur, bags and the like, pouches and the like, vanity cases, handbag frames, purse frames, umbrellas and their parts, walking sticks, canes, metal parts of canes and walking-sticks, handles of canes and walking-sticks, saddlery, clothing for domestic pets," Class 25 "Clothing, garters, sock suspenders, suspenders [braces], waistbands, belts for clothing, footwear, masquerade costumes, clothes for sports, special footwear for sports," Class 28 "Game machines and apparatus, Go games, Japanese chess [Shogi games], Japanese playing cards [Utagaruta], dice, Japanese dice games [Sugoroku], dice cups, Chinese checkers, chess games, checkers [checker sets], conjuring apparatus, dominoes, playing cards, Japanese playing cards [Hanafuda], mah-jong, billiard equipment, toys, dolls, toys for domestic pets, sports equipment, wax for skis, fishing tackle, insect collecting implements, amusement machines and apparatus for use in amusement parks (excluding arcade video game machines)" as well as the goods registered in the Trademark Registration Ledger that belong to Classes 1, 3, 4, 6, 8, 9, 11, 12, 14, 16, 19, 20, 21, 22, 23, 24, 26, 27, and 32

[Cited Trademark 2]



Registration No.: 1703877

Application filing date: May 19, 1981

Registration date: July 25, 1984

Registration of modifications in the designated goods: March 9, 2005

Registration of renewal: June 24, 2014

Designated goods: Class 15 "Musical instruments, musical performance auxiliaries, tuning forks," Class 18 "Saddlery," Class 25 "Clothes for sports, special footwear for sports (excluding "horse-riding boots"), horse-riding boots, masquerade costumes," Class 28 "Sports equipment, toys, dolls, Go games, Japanese chess [Shogi games], Japanese playing cards [Utagaruta], dice, Japanese dice games [Sugoroku], dice cups, Chinese checkers, chess games, checkers [checker sets], conjuring apparatus, dominoes, playing cards, Japanese playing cards [Hanafuda], mah-jong, game machines and apparatus, billiard equipment, fishing tackle" as well as the goods registered in the Trademark Registration Ledger that belong to Classes 6, 8, 9, 19, 20, 21, 22, 24, 27, and 31

(2) Well-knownness of the cited trademarks

It can be found that the cited trademarks were widely known, among traders and consumers of the goods related to sports equipment, as trademarks indicating the goods, "sports shoes, sportswear, sports bags," etc., that pertain to the business of the plaintiff as of the time of the filing of an application for registration of the Trademark and as of the time when an examiner's decision of registration of the Trademark was made.

(3) Applicability of Article 4, paragraph (1), item (xi) of the Trademark Act

It can be found that the Trademark consists of a horizontally long black figure. Two sides of the figure are placed in the upper right and the upper left. The ends of these two sides are respectively connected by two curved lines that do not cross each other. The

left side is seven times longer than the right side. The right and left sides are tilted in such a way that they form a shape similar to the Japanese katakana character, "ノ", having a greater distance between the two lines as they extend downward. The lower middle part of the figure is curved like a bowl of a pipe. The corners formed by the upper left side and the two curved lines connected to the ends of said side are rounded. As a whole, it is impossible to easily tell what the figure is designed to look like. The shape can merely be perceived as a geometric configuration.

On the other hand, it can be found that each of the cited trademarks consists of a horizontally long black figure. Two sides of the figure are placed in the upper right and the upper left with another side placed at the bottom. The ends of these three sides are respectively connected by curved lines that do not cross each other. The central part of the figure has a white area that has a shape of an inverted triangle. The left side is six times (Cited Trademark 1) or four times (Cited Trademark 2) longer than the right side. Each of these two sides is tilted, forming a downward slope toward the left. The side at the bottom is placed horizontally. The ends of these three sides and the curved lines connected thereto form sharp angles. As a whole, the figure of each of the cited trademarks looks like a side view of a bird with a straight tail.

Based on a comparison between the Trademark and the cited trademarks, it can be said as follows. The Trademark and the cited trademarks are identical in that they have two sides in the upper right and the upper left, respectively, that the left side is longer than the right side, and that the curved lines and straight lines that connect the ends of the right and left sides form the outline of the figure. However, the Trademark and the cited trademarks are different in terms of the following features of the compositions: [i] a curved line or a straight line at the bottom (the difference in the number of sides), [ii] the existence or nonexistence of the white part inside the figure, [iii] the difference in the directions of the tilts of the curved lines extending from the sides, [iv] the difference in the direction of the tilt of the side in the upper right, and [v] the angles of the corners formed by the side in the upper left and the curved lines connected thereto (sharp or rounded). Additionally, it is impossible to tell what the Trademark is designed to look like, while the cited trademarks seem to be designed to look like birds. Thus, it can be said that there is a difference in the impression that the viewers receive from the overall compositions.

Therefore, it is reasonable to find that, due to these differences, the Trademark and the cited trademarks give totally different impressions to the viewers and would be memorized as different trademarks and that the appearances of these trademarks are not likely to cause confusion to viewers even if viewers come across the trademarks at

different times and places.

Since the Trademark and the cited trademarks are not associated with any particular pronunciation and concept, a comparison cannot be made between these trademarks in terms of pronunciation and concept.

On these grounds, the Trademark and the cited trademarks are not similar and are not likely to cause confusion in terms of appearance, pronunciation, and concept.

Therefore, the Trademark does not fall under Article 4, paragraph (1), item (xi) of the Trademark Act.

(4) Applicability of Article 4, paragraph (1), item (xv) of the Trademark Act

It can be found that the cited trademarks were widely known, as the trademark indicating the goods, "sports shoes, sportswear, sports bags," etc., that pertain to the business of the plaintiff, i.e., the demandant, among traders and consumers of the goods related to sports equipment as of the time of the filing of an application for registration of the Trademark and as of the time when an examiner's decision of registration of the Trademark was made.

However, the Trademark is not similar to the cited trademarks and can be considered to be a completely different trademark. There are no other special circumstances that should be found to cause confusion.

Therefore, the use of the Trademark for the designated goods cannot be found to be likely to mislead consumers of the goods into believing that the goods bearing the Trademark pertain to the business of a company that has some economic or organizational relationships with the plaintiff, i.e., the demandant, and to cause confusion in terms of the source of the goods.

All of the allegations of the plaintiff, i.e., the demandant, are unacceptable in view of the facts that, since the overall compositions of the Trademark and the cited trademarks give totally different impressions to the viewers, even if those trademarks are used as a logo patch on clothing or shoes, these trademarks can be easily distinguished and are not likely to cause confusion, that such factors as how and how long the trademarks can be seen by viewers when sports are played should not be taken into consideration when the transactional practices for the goods are examined, that, since many of the relevant newspaper articles and twitter posts state to the effect that the act of using the Trademark constitutes the unauthorized use of the cited trademarks, it is clear that these writers had the recognition that the Trademark and the cited trademarks function as the indications of different sources of goods and that what they wrote does not provide sufficient grounds to find that the Trademark is likely to cause confusion between the goods bearing the Trademark and the goods pertaining to the business of

the plaintiff, i.e., the demandant.

On these grounds, it can be found that the Trademark does not fall under Article 4, paragraph (1), item (xv) of the Trademark Act.

(omitted)

No. 5 Court decision

1. Grounds for Rescission 2 (an error in the determination as to the applicability of Article 4, paragraph (1), item (xv) of the Trademark Act)

The plaintiff alleged that there is an error in the JPO decision that the Trademark does not fall under Article 4, paragraph (1), item (xv) of the Trademark Act. This allegation of the plaintiff's is examined below.

(1) A trademark that "is likely to cause confusion in connection with the goods or services pertaining to a business of another person" as specified in Article 4, paragraph (1), item (xv) of the Trademark Act includes any trademark that, when used for its designated goods, etc., could mislead the viewers into believing that the goods, etc. pertain to the business of a company that has a close business relationship such as a parent-subsidary relationship or an affiliation relationship with such another person, or the business of a company that belongs to a group conducting a product development project by using the same indication of goods as the one used by such another person, or, in other words, includes any trademark that could cause confusion in a broad sense. A decision as to whether the trademark is "likely to cause confusion" should be made based on a comprehensive evaluation of the degree of similarity between the disputed trademark and another person's indication, the level of well-knownness and creativeness of another person's indication, the degree of relatedness between the designated goods, etc. of the disputed trademark and the goods, etc. that pertain to the business of such another person, the number of shared consumers, and other transactional practices, and in light of the amount of attention ordinarily paid by the consumers of the aforementioned designated goods, etc. (1998 (Gyo-Hi) 85, Judgment of the Third Petty Bench of the Supreme Court of July 11, 2000, Minshu Vol. 54, No. 6, at 1848).

(2) Comparison between the Trademark and the cited trademarks

In the JPO decision, the JPO examined the composition of the Trademark and found as stated in No. 2, 2, (3) above and made a comparison between the Trademark and the cited trademarks and determined that there are such differences between these trademarks as described in [i] and [v] above and that, while it is impossible to easily tell what the shape of the Trademark is designed to look like, while the shapes of the cited

trademarks look like birds, these trademarks are different in terms of the impression that the viewers receive from the overall compositions thereof. On the other hand, on the premise that there is an error in the JPO decision with regard to the compositions of the Trademark and the cited trademarks, the plaintiff alleged that there are many similarities between the Trademark and the cited trademarks and that the aforementioned differences found in the JPO decision as stated in [i] and [iii] to [v] above are insignificant. Regarding the difference stated in [ii] above, the plaintiff alleged that this difference is not related to the distinctive features of the Trademark or the cited trademarks, and that in light of the transactional practices, etc., it cannot be found that this difference is unlikely to cause confusion about the source of goods.

A. Compositions of the Trademark and the cited trademarks

(A) Composition of the Trademark

The Trademark consists of such figure as presented above. Two sides of the figure are placed in the upper right and the upper left. The ends of these two sides are respectively connected by two curved lines that do not cross each other. The left side is seven times longer than the right side. The right and left sides are tilted in such a way that they form a shape similar to the Japanese katakana character, "ハ," having a greater distance between the two lines as they extend downward. The lower middle part of the figure is curved like a bowl of a pipe. The corners formed by the upper left side and the two curved lines connected to the ends of said side are rounded. Roughly speaking, it can be said that the basic composition of the Trademark is as found in the JPO decision.

(B) Compositions of the cited trademarks

The cited trademarks consist of such figures as presented above. Two sides of the figure are placed in the upper right and the upper left with another side placed at the bottom. The ends of these three sides are respectively connected by curved lines that do not cross each other. There is an inverted triangle-shaped white area in the central part of the figure. The left side is six times (Cited Trademark 1) or four times (Cited Trademark 2) longer than the right side. Each of these two sides is tilted in such way that it forms a downward slope toward the left. The side at the bottom is placed horizontally. The ends of these three sides and the curved lines connected thereto form sharp angles. Roughly speaking, it can be said that the basic compositions of the cited trademarks are as found in the JPO decision.

B. Identicalness and difference between the Trademark and the cited trademarks

As found in the JPO decision, the Trademark and the cited trademarks are identical in that they have two sides in the upper right and the upper left, respectively, that the left side is longer than the right side, and that the curved lines or straight lines that connect

the ends of those sides form the outline of the figure. However, the Trademark and the cited trademarks are different with regard to [i] a curved side or a straight side at the bottom (the difference in the number of sides), [ii] the existence or nonexistence of the white part inside the figure, [iii] the difference in the directions of the tilts of the curved lines extending from the sides, [iv] the difference in the direction of the tilt of the side in the upper right, [v] the angles of the corners formed by the side in the upper left and the curved lines connected thereto (sharp or rounded). As pointed out by the defendant, the Trademark is shorter than the cited trademarks in terms of the vertical length. As a result, the Trademark is different from the cited trademarks in terms of the ratio of the vertical length to the horizontal length. Consequently, the Trademark looks flatter than the cited trademarks. Based on a direct comparison between the Trademark and the cited trademarks, it can be said that these trademarks give completely different impressions, particularly in consideration of the difference stated in [ii] concerning the existence or nonexistence of the inverted triangle-shaped white area in the central part of the figure.

However, based on an examination of the overall compositions of the Trademark and the cited trademarks, it can be said that the Trademark and the cited trademarks have the following compositions. The overall figures of both trademarks tilt toward the upper right in such way that the right end is higher than the left end. In the upper left, there is a straight line that tilts in such way that it forms a downward slope toward the left. From the left end of the tilted straight line, a curved line extends downward toward the middle, forming a sharp angle with said straight line. From the right end of said tilted straight line, a curved line extends toward the lower left, forming a sharp angle with said straight line and then gently curving upward toward the right, forming an inverted arch. This curved line ends at the upper right, from which another curved line extends toward the middle. In view of the facts that there are some similarities between the Trademark and the cited trademarks such as the comparative similarity in terms of the direction of the tilt of the straight line extending from the upper left toward the right and the direction of the tilt of the curved line extending upward from the bottom part of the inverted arch toward the right, the similarity in terms of the depth/width ratio of said inverted arch and the direction of the tilt, and the approximate similarity in terms of the width of the most thick part of the left part of each trademark, the overall arrangement, outline, etc. of the Trademark can be found to be similar to those of the cited trademarks (in particular, the upper part) to a relatively great extent.

(3) Well-knownness of the cited trademarks

According to the evidence (Exhibits Ko 6 to 81, and 118 to 125) and the entire import of the oral argument, the use of the cited trademarks started for sports shoes in

1983. In 1987, the use of the cited trademarks started for sportswear, apparel products, sports bags, etc. The use of the trademark as a house mark started with the plaintiff in 1998. Furthermore, it can be found that the cited trademarks have been used for all of the products of the plaintiff since 2007, that, during the period from 1983, in which the use of the cited trademarks started, until 2014, a large number of sportswear, apparel products, sports bags, etc. bearing the cited trademarks were sold, that the total annual sales thereof have been over 100 billion yen since 2008, and that, during the period from 1983 to 2014, the goods bearing the cited trademarks were used in sports events such as the Olympics and were covered and advertised by various media such as TV programs, magazines, and newspapers.

In addition to the facts found above, in consideration of the result of the survey concerning the well-knownness of the plaintiff (Exhibit Ko 223), it can be found that the cited trademarks were widely known, among consumers of the goods related to sports equipment, as trademarks indicating the goods, "sports shoes, sportswear, sports bags," etc., that pertain to the business of the plaintiff as of the time of the filing of an application for registration of the Trademark and as of the time when an examiner's decision of registration of the Trademark was made.

(4) Designated goods of the Trademark and the goods related to the cited trademarks

The designated goods of the Trademark are Class 18 "Imitation leather, school bags, backpacks, traveling bags, straps for skates, animal skin, umbrellas," Class 25 "Clothing, clothing for babies, swimsuits, waterproof clothing, shoes and sports shoes, hats, knitted underwear, knitted socks, scarves, gloves [clothing], sports jerseys and athletic jerseys, tee-shirts, jackets [clothing], football shoes, esparto shoes or sandals, sports shoes," and Class 28 "Balls for games, body-building apparatus, exercisers, snowshoes, roller skates, rods for fishing, toys, archery implements, shuttlecocks, nets for sports, appliances for gymnastics, knee guards [sports articles], protective paddings [parts of sports suits], ice skates, in-line roller skates." It can be said that these designated goods include sports-related goods (sports equipment), where the cited trademarks are well known among consumers.

(5) Transactional practices such as the manner, etc. of using the trademarks

According to the evidence (Exhibits Ko 12, 19, 28, 29, 34, 36, 38, 40, 43, 54, 68, 69, 112, 165, 167, and 175) and the entire import of the oral argument, it can be found that the cited trademarks are often affixed to sportswear such as sports shirts and sports jerseys and also to socks and hats as a logo patch by means of embroidery, print, etc. (not only the cited trademarks, but also other famous figure trademarks are often affixed to sports-related goods (sports equipment) as a logo patch) and that, in the case of shoes

(sports shoes), a trademark is often affixed to the side of each shoe. According to the evidence (Exhibits Ko 9, 10, 22, 23, 25, 28, and 120) and the entire import of the oral argument, it can be found that some product catalogs, sport magazines, etc. cover sport shirts and shoes bearing a trademark in such manner and also carry photographs, etc. showing professional athletes, etc. using sport shirts or other sportswear or shoes bearing a trademark in such manner as mentioned above, and that people often see, through professional sports games, professional sports TV broadcasts, etc., professional athletes using sport shirts or other sportswear or shoes bearing a trademark in such manner as mentioned above. When the Trademark is used for such product category as clothing, sports jerseys, socks hats and sports shoes, the Trademark is likely to be used as a logo patch (Exhibits Ko 165, 167, and 175).

In this way, in consideration of the circumstances under which the Trademark is used as a logo patch, since the logo patch is relatively small, it can be said to be difficult to recognize the composition of the trademark affixed to goods in such manner. Since it is not easy to use a detailed design as the mark of a logo patch itself, it would be quite possible that, in the case of an embroidery/print logo patch affixed to a sports shirt, etc., the overall outline of the figure attracts attention from viewers, while the difference in the internal design becomes less conspicuous. Since the Trademark is relatively similar to the cited trademarks in terms of the overall arrangement, outline, etc., it is reasonable to find that the Trademark used as a logo patch, etc. could be considered to be more similar to the cited trademarks (even the inverted triangle-shaped white area, which can be considered to be a relatively distinctive difference between the Trademark and the cited trademarks, would be difficult to be recognized in some cases). Moreover, in catalogs, etc. presenting many goods and also in sports games, the aforementioned white area would be more difficult to be recognized in consideration of the circumstances, etc. under which the white area is seen.

The designated goods of the Trademark include "clothing" and "hats, knitted socks, scarves, sandals, tee-shirts," etc., which are types of goods that are consumed in daily life. Thus, most consumers of the goods bearing the Trademark including sports-related goods (sports equipment) broadly consist of general consumers, not limited to sports-loving people. Many of these general consumers do not necessarily have accurate or detailed knowledge about trademarks and brands and do not necessarily pay careful attention to manufacturers' names or house marks. They would make quick purchase decisions at retail shops in many cases.

(6) Risk of causing confusion

In view of the facts that the overall compositions of the Trademark and the cited

trademarks are similar in terms of basic compositions such as arrangement, outline, etc. and that many of the consumers of the goods such as clothing bearing the Trademark consist of general consumers who do not have accurate or detailed knowledge about trademarks and brands and would not pay careful attention to goods when they make a purchase decision, and that the cited trademarks are well known in Japan, if the Trademark is used as a logo patch for its designated goods, consumers (general consumers) who come across the Trademark would merely pay attention to its figure, which is similar to the cited trademarks in terms of the overall arrangement, outline, etc. and would not notice the difference in terms of the details of the shape (the difference in terms of the internal design, etc. of the mark).

Furthermore, it should be found that, since the cited trademarks are famous among consumers as an indication of the plaintiff's goods in the field of sports-related goods (sports equipment), the use of the Trademark for its designated goods, which include sports-related goods (sports equipment), for which the cited trademarks are well known among consumers, could cause consumers who come across the Trademark to associate the Trademark with the cited trademarks, which are famous trademarks, and could mislead consumers into believing that the goods bearing the Trademark pertain to the business of the plaintiff or a company that has a close business relationship with the plaintiff or the business of a company that belongs to a group conducting a product development project by using the same indication of goods as the one used by the plaintiff.

Therefore, the Trademark should be found to fall under Article 4, paragraph (1), item (xv) of the Trademark Act and should not be registered as a trademark. Thus, it is inevitable to find that there is an error in the JPO decision stating, contrary to the aforementioned finding, that the Trademark does not fall under said item.

(7) Allegation of the defendant

A. The defendant alleged that, since the Trademark and the cited trademarks are different not only in terms of the points found in the JPO decision, but also in terms of the vertical/horizontal length ratio, the height of the left end from the bottom, and the length of the straight line placed in the upper left, forming a downward slope toward the left, and that it is reasonable to find that the Trademark and the cited trademarks give totally different impressions to the viewers, they are therefore unlikely to cause confusion in terms of appearance.

As described above, it is true that a comparison between the Trademark and the cited trademarks shows some differences in the specific features of the compositions. However, as found above, in light of the fact that the cited trademarks consist of the

figures described above and are well known as an indication of the plaintiff's goods in such product category as sports-related goods, it should be found, despite the differences in the specific features of the compositions as pointed out by the defendant, that the use of the Trademark, which can be considered to be identical to the cited trademarks in terms of compositions such as the overall outline, for the designated goods of the Trademark including sports-related goods could mislead the consumers who come across the Trademark into believing that the goods bearing the Trademark pertain to the business of the plaintiff or a company that has a close business relationship with the plaintiff or the business of a company that belongs to a group conducting a product development project by using the same indication of goods as the one used by the plaintiff.

Despite the difference between the Trademark and the cited trademarks in terms of specific features of the compositions, the Trademark and the cited trademarks can be objectively considered to be similar to a great extent in terms of the overall compositions such as the outline, etc. If the Trademark is used as a logo patch, it could cause confusion about the source of the goods in light of the amount of attention paid by ordinary consumers.

The applicability of Article 4, paragraph (1), item (xv) of the Trademark Act should be determined based on whether the use of the trademark in question for its designated goods, etc. could mislead consumers into believing that the goods bearing the trademark pertain to the business of a company that has a close business relationship with another person such as a parent-subsidiary relationship or an affiliation relationship or the business of a company that belongs to a group conducting a product development project by using the same indication of goods as the one used by another person. Whether the disputed trademark is similar to another person's trademark, etc. is merely one of the factors that would affect the aforementioned determination. Even if the Trademark is different from the cited trademarks in terms of some features as alleged by the defendant, those features of the composition of the Trademark cannot be considered to perform any source-identifying function in particular. The similarity or non-similarity between the Trademark and the cited trademarks in terms of appearance does not provide sufficient grounds to determine whether the Trademark could cause confusion.

Therefore, the aforementioned allegation of the defendant is unacceptable.

B. The defendant alleged that the Trademark is not likely to cause confusion with the cited trademarks in terms of the source of goods in view of the facts that [i] consumers who love sports and are very much interested in choosing such shoes, sportswear, and equipment that would contribute to improving their sports performance, checking the

venues of sports games, the details of the games aired by TV broadcasters, the brands, product models used by the athletes, and purchasing the same brands and models would be knowledgeable about sports brands and pay reasonable attention when purchasing sports-related goods and [ii] when consumers purchase goods, they can clearly see the trademark at the shop and can clearly recognize the inverted triangle-shaped white area without any distortion in each of the cited trademarks.

It is true that there are some sports-loving consumers as pointed out by the defendant. However as mentioned above, in light of the facts that the designated goods of the Trademark include not only "clothing" but also "hats, knitted socks, scarves, sandals, tee-shirts," etc., which are types of goods that are consumed on a daily basis and that the purchasers of those goods are ordinary consumers without special knowledge, it cannot be immediately found that the level of attention paid by consumers is high in general. Also, in light of the custom of affixing a trademark or any other indication to the aforementioned goods as a logo patch in a relatively small size, it can be found that consumers often choose and purchase goods without paying attention to such differences between the Trademark and the cited trademarks as the existence or nonexistence of an inverted triangle-shaped white area.

In short, since a logo patch is relatively small, it is not easy, in practice, to use a detailed pattern or design as the mark of the logo patch itself. If such logo patch is affixed to goods, it is quite possible that the overall outline of the figure would attract the attention of viewers and that the difference in the internal design becomes less conspicuous. As mentioned above, the Trademark is similar to the cited trademarks in terms of the overall arrangement, outline, etc., and the Trademark could be confused with the cited trademarks in terms of appearance regardless of whether the inverted triangle-shaped white area exists or not.

Therefore, the aforementioned allegation of the defendant is unacceptable.

2. Summary

On these grounds, there is an error in the JPO decision that the Trademark does not fall under Article 4, paragraph (1), item (xv) of the Trademark Act. Thus, Grounds for Rescission 2 alleged by the plaintiff are well grounded.

No. 6 Conclusion

As stated above, Grounds for Rescission 2 alleged by the plaintiff are well grounded. Without needing to examine any other factors, it should be found that the plaintiff's claims are well grounded and acceptable. The judgment shall be rendered in the form of

the main text.

Intellectual Property High Court, First Division

Presiding judge: SHIMIZU Misao

Judge: NAKASHIMA Motoyuki

Judge: OKADA Shingo