

Date	July 12, 2010	Court	Intellectual Property High Court, Second Division
Case number	2009 (Gyo-Ke) 10404		
A case in which the court ruled that the trademark in question, which is composed of a figure that represents <i>shisa</i> (a lion or dog-like mythological animal that originated in Okinawa) and alphabetic characters including “SHI-SA,” did not fall under either of Article 4, paragraph (1), item (xi) (similarity with a registered trademark), item (xv) (likelihood of causing confusion) or item (xix) (use for unfair purpose), and rescinded the decision of the Japan Patent Office (JPO) that found the trademark to be unregistrable under these items			

References:

Article 4, paragraph (1), items (xi), (xv), and (xix), and Article 43-2 of the Trademark Act

1. Background

The plaintiff is the holder of the registered trademark indicated in (1) below (Trademark Registration No. 5040036). An opposition to the registration of the plaintiff’s trademark was made by Puma AG Rudolf Dassler Sport, which is the holder of the registered trademark indicated in (3) below (Cited Trademark C) and which is the supporting intervener of this suit. On July 2, 2008, the Japan Patent Office (JPO) rendered a decision to rescind the registration of the plaintiff’s trademark on the grounds that the plaintiff’s trademark was similar to Cited Trademark C and therefore unregistrable under Article 4, paragraph (1), item (xi) of the Trademark Act (this decision shall hereinafter be referred to as the “first JPO decision”). However, on February 10, 2009, the Intellectual Property High Court rescinded the first JPO decision, ruling that there were errors in the findings and decision by the JPO. Accordingly, the JPO examined the case again, and on October 29, 2009, rendered a decision to rescind the registration of the plaintiff’s trademark again, stating the following three points as the reasons for rescission: (i) the plaintiff’s trademark was similar to the registered trademark indicated in (2) below (hereinafter referred to as “Cited Trademark A”) and therefore unregistrable under Article 4, paragraph (1), item (xi) of the Trademark Act; (ii) the plaintiff’s trademark was likely to cause confusion as to the source of goods in connection with Cited Trademark C and therefore unregistrable under item (xv) of said paragraph; and (iii) the plaintiff’s trademark was used for unfair purposes in connection with Cited Trademark C and therefore unregistrable under item (xix) of said paragraph (this decision shall hereinafter be referred to as the “second JPO decision”). Dissatisfied with this, the plaintiff filed a

suit to seek rescission of the second JPO decision.

In the examination process before the JPO, an examiner had made a decision to refuse the application for registration of the plaintiff's trademark under Article 4, paragraph (1), item (xi) of the Trademark Act due to its similarity with Cited Trademark A, etc. Subsequently, during the proceedings for the trial requested by the plaintiff, the examiner's decision of refusal had been rescinded and the plaintiff's trademark had been registered.

(1) Plaintiff's trademark (Registration No. 5040036)



Designated goods

Class 25: T-shirts, caps

Date of filing: June 21, 2005

Date of the JPO decision of registration: March 6, 2007

Date of registration: April 13, 2007

(2) Cited Trademark A (Registration No. 711054)



Designated goods

Class 25: Underwear, nightwear, and other clothing (other than clothes for sports)

Date of filing: September 26, 1964

Date of registration: June 22, 1966

Trademark holders: Caesar Aktiengesellschaft, Ohga Co., Ltd.

(3) Cited Trademark C (Registration No. 3324304)



Designated goods:

Class 25: Clothing, garters, sock suspenders, suspenders (braces), waistbands, belts for clothing, footwear, clothes for sports, boots for sports

Date of filing: December 20, 1994

Date of registration: June 20, 1997

Trademark holder: Puma AG Rudolf Dassler Sport

2. Summary of the court decision

The court rescinded the second JPO decision, holding as follows.

While the plaintiff's trademark and Cited Trademark A, which had already been subject to examination during the proceedings for the trial against the examiner's decision of refusal, are identical with or similar to each other in terms of the concept and appellation (pronunciation) but they are not similar in terms of the appearance. For this reason, the plaintiff's trademark is not similar to Cited Trademark A, and the second JPO decision was erroneous for acknowledging similarity between them.

In connection with Cited Trademark C, for which its similarity to the plaintiff's trademark had already been denied by the first JPO decision, the court stated as follows. "Cited Trademark C is well-known and famous as well as unique as an indication of the goods pertaining to the business of the supporting intervenor, a sporting goods manufacturer operating business on a global scale. It is true that the goods designated for the plaintiff's trademark and the goods pertaining to the business of the supporting intervenor are relevant to each other in terms of the nature, use, and purpose, and their targeted traders and consumers are common to a certain degree, but the plaintiff's trademark and Cited Trademark C are different in terms of the appellation (pronunciation) and concept arising therefrom and their appearances cannot be deemed to be perfectly similar. In addition, Okinawa Sogo Boeki, the trading company operated by the plaintiff, engages in the sale of T-shirts and other items which carry the plaintiff's trademark only on a relatively small scale, selling these items mainly at the shops in Okinawa and via the Internet. In view of these facts, even

on the basis of the level of care that traders and consumers of T-shirts and caps, which are the goods designated for the plaintiff's trademark, would ordinarily take, it is unlikely for these traders and consumers, when seeing these goods to which the plaintiff's trademark is affixed, to falsely perceive that these goods pertain to the business of the supporting intervenor or of any business operator that has a close business relationship with the supporting intervenor or belongs to the business group that operates the commercialization business under the same indication as the supporting intervenor." In conclusion, the court ruled that the plaintiff's trademark was not "likely to cause confusion" as set forth in Article 4, paragraph (1), item (xv) of the Trademark Act and therefore the second JPO decision was erroneous for finding violation of said item due to such likelihood.

While denying similarity between the plaintiff's trademark and Cited Trademark C, the court further ruled that the plaintiff's trademark was not used for any "unfair purpose" as set forth in item (xix) of said paragraph, and rejected the supporting intervenor's allegation that the plaintiff created the plaintiff's trademark as a parody of the supporting intervenor's trademark and applied for registration, for the purpose of increasing its sales by free-riding on Cited Trademark C. Accordingly, the court concluded that the second JPO decision was erroneous for finding violation of said item due to use for an "unfair purpose."

Judgment rendered on July 12, 2010

2009 (Gyo-Ke) 10404, Case of Seeking Rescission of Decision to Rescind Trademark Registration

Date of conclusion of oral argument: May 17, 2010

Judgment

Plaintiff: X

Defendant: Commissioner of the Japan Patent Office

Supporting intervener for the defendant: Puma AG Rudolf Dassler Sport

Main text

1. The decision made by the JPO on October 29, 2009, concerning Opposition No. 2007-900349 shall be rescinded.
2. The supporting intervener shall bear part of the court costs relating to supporting intervention, and the defendant shall bear the remaining amount.

Facts and reasons

No. 1 Claims

The same as the main text of this judgment.

No. 2 Outline of the case

1. The supporting intervener (hereinafter sometimes referred to as "Puma") filed an opposition to trademark registration in relation to Trademark Registration No. 5040036 as mentioned below (hereinafter referred to as the "Trademark"), for which the plaintiff is the holder of trademark right. On July 2, 2008, the JPO rendered a ruling to rescind the aforementioned trademark registration (hereinafter referred to as the "First Ruling") on the grounds that it violates Article 4, paragraph (1), item (xi) of the Trademark Act (hereinafter referred to as the "Act") as it is similar to Cited Trademark C as mentioned below. Dissatisfied with this, the plaintiff instituted an action to seek rescission of the aforementioned ruling (2008 (Gyo-Ke) 10311) with the Intellectual Property High Court. Said court ruled a judgment upholding the rescission (hereinafter referred to as the "Judgment in Prior Instance") on February 10, 2009, and the Judgment in Prior Instance became final and binding.

Notes

Trademark

Designated goods



Class 25 "T-shirts and headgear for wear"

Application: June 21, 2005

JPO decision: March 6, 2007

Registration: April 13, 2007

2. As the aforementioned judgment became final and binding, the JPO came to examine the aforementioned opposition to trademark registration again. On October 29, 2009, the JPO rendered a ruling to the effect that the registration of the Trademark is to be rescinded (hereinafter referred to as the "Second Ruling") by holding that the Trademark [i] is similar to Cited Trademark A as mentioned later (Article 4, paragraph (1), item (xi) of the Act) and [ii] is likely to cause confusion as to the source of goods in relation to Cited Trademark C as mentioned below (item (xv) of said paragraph) or is used for unfair purposes (item (xix) of said paragraph). Dissatisfied with this, the plaintiff instituted this action to seek rescission thereof.

The issues of this case are whether or not the Trademark falls under [i] Article 4, paragraph (1), item (xi) (similarity) of the Act in relation to Cited Trademark A, [ii] item (xv) of said paragraph (likelihood of causing confusion) in relation to Cited Trademark C, or [iii] item (xix) of said paragraph (use for unfair purposes) in relation to Cited Trademark C.

No. 3 Allegations of the parties

1. Statements of claims

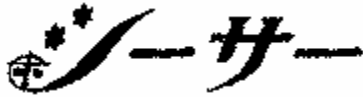
(1) Developments in procedures at the JPO, etc.

A. On June 21, 2005, the plaintiff filed an application for registration of the Trademark (Trademark Application No. 2005-61595), but received an examiner's decision of refusal dated June 9, 2006 (date of sending) on the grounds that the Trademark is similar to Cited Trademarks A and B as mentioned below (Article 4, paragraph (1), item (xi) of the Act). Therefore, the plaintiff filed a request for a trial against an examiner's decision of refusal (Trial against Examiner's Decision of Refusal No. 2006-16943) on July 6, 2006. On March 6, 2007, the JPO ruled that the Trademark is not similar to Cited Trademarks A and B, and rendered a decision to the effect that "The original examiner's decision is to be rescinded. The trademark in the application is to be registered." Therefore, the trademark registration in question (the "Trademark Registration") was made as Registration No. 5040036 on April 13, 2007.

Notes

(1) (Cited Trademark A)

- Trademark



- Designated goods

Class 25 "Underwear, nightwear, and other clothing (other than clothes for sports)"

- Application: September 26, 1964
- Registration: June 22, 1966 (Registration No. 711054)
- Holders of the right: Schiesser Aktiengesellschaft and Ohga Co., Ltd.

(2) (Cited Trademark B)

- Trademark



- Designated goods

Class 25 "Underwear, nightwear, and other clothing (other than clothes for sports)"

- Application: October 10, 1964
- Registration: October 20, 1966 (Registration No. 723431)
- Holders of the right: Schiesser Aktiengesellschaft and Ohga Co., Ltd.

B. In response to this, the supporting intervener (Puma) subsequently filed an opposition to trademark registration (Article 43-2 of the Act) in relation to the Trademark on the grounds of Article 4, paragraph (1), items (xi) (similarity), (xv) (likelihood of causing confusion), and (xix) (use for unfair purposes) of the Act on July 23, 2007.

The JPO examined the aforementioned opposition as Opposition No. 2007-900349, and on July 2, 2008, it rendered a ruling (First Ruling) to the effect that "The trademark registration of Registration No. 5040036 is to be rescinded" on the grounds that the Trademark violates Article 4, paragraph (1), item (xi) (similarity) of the Act as it is similar to Cited Trademark C as mentioned later.

Notes

- (Cited Trademark C)



- Designated goods

Class 25 "Clothing, garters, sock suspenders, suspenders, waistbands, belts for clothing, footwear, clothes for sports, and special footwear for sports"

- Application: December 20, 1994

- Registration: June 20, 1997 (Registration No. 3324304)

- Holder of the right: Puma AG Rudolf Dassler Sport

C. The plaintiff, who was dissatisfied with the aforementioned First Ruling, then instituted an action to seek rescission thereof (2008 (Gyo-Ke) 10311). On February 10, 2009, the Intellectual Property High Court rendered the Judgment in Prior Instance to the effect that the aforementioned First Ruling is to be rescinded, on the grounds that the Trademark and Cited Trademark C cannot be considered as being similar to each other, etc. The Judgment in Prior Instance became final and binding.

D. The JPO further examined the aforementioned opposition to trademark registration again pursuant to Article 181, paragraph (5) of the Patent Act, as applied mutatis mutandis pursuant to Article 63, paragraph (2) of the Act, and then rendered a ruling (Second Ruling) to the effect that "The trademark registration of Registration No. 5040036 is to be rescinded" again on the grounds as mentioned later on October 29, 2009. A transcript of the Second Ruling was served to the plaintiff on November 16, 2009.

(2) Content of the Second Ruling

The content of the Second Ruling is as stated in a copy thereof attached to this judgment. The key points of the reasons therefor are as follows: [i] The Trademark violates Article 4, paragraph (1), item (xi) of the Act as it is similar to Cited Trademark A; [ii] The Trademark violates Article 4, paragraph (1), item (xv) (likelihood of causing confusion) of the Act as it is likely to have traders and consumers who see the Trademark erroneously believe that goods affixed with the Trademark are goods pertaining to the business of a person who has some sort of economic or organizational relationship with the supporting intervener in relation to well-known and famous Cited Trademark C and cause confusion as to the source of the goods; [iii] The Trademark falls under Article 4, paragraph (1), item (xix) (use for unfair purposes) of the Act as the plaintiff uses the Trademark for the unfair purpose of gaining profits by taking

free ride on the credibility or reputation of well-known and famous Cited Trademark C.

(3) Grounds for rescission of the Second Ruling

However, the Second Ruling should be rescinded as an illegal one as it contains the following errors.

A. Error in the determination concerning Article 4, paragraph (1), item (xi) (similarity) of the Act (Ground for Rescission 1)

Similarity of trademarks should be comprehensively determined in consideration of their pronunciations, concepts, and appearances, as well as the actual condition of transaction of goods. The ruling on the opposition in question (Second Ruling), which determined that the Trademark is similar to Cited Trademark A based on the possibility of similarity only in pronunciation, contains a serious error as mentioned next.

(A) Error in determining pronunciation

The Trademark is one made by combining the figure part consisting of an image of *shīsā*, which is a traditional Okinawan image of a lion, jumping from lower right toward upper left in silhouette, the letter part consisting of horizontally written Roman letters "SHI-SA," and the letter part consisting of horizontally written Roman letters "OKInAWAn ORIgInAL" and "gUARDIAN ShISHI-DOg" in two tiers. These constituent elements are combined in an integrated and indivisible manner, and it is thus not reasonable to observe them separately.

Therefore, the Trademark as a whole is pronounced only as "shisaokinawaorijinarugādhianshishidoggu." In the Second Ruling, the JPO determined that the Trademark is pronounced as "shīsa" or "shīsā," but this determination is erroneous.

(B) Error in determining concept

Cited Trademark A consists of horizontally written katakana letters "シーサー," wherein the first letter "シ" is made into a monogram by adding "star" figures and a "bow" figure. In addition, said trademark is in the relationship between former associated trademarks with a trademark consisting of monogrammed letters "Schiesser" in Germany (Cited Trademark B as mentioned above), and Cited Trademark A arose from the word "Schiesser," which is related to a verb meaning "shoot" in Germany. In that case, Cited Trademark A brings up the concept of "bow" or "shoot" or the concept of "star," and it does not suggest the concept of "shīsā," which is a traditional Okinawan image of a lion.

Therefore, the Second Ruling contains an error in its determination that Cited Trademark A brings up the concept of "shīsā," which is a traditional Okinawan image of a lion.

(C) Summary

As mentioned in (A) above, the Trademark is pronounced as "shisaokinawaorijinarugādhianshishidoggu" while Cited Trademark A is pronounced as "shīsā." Therefore, the pronunciations of these trademarks differ from each other.

In addition, the Trademark brings up the concept of "shīsā," which is a traditional Okinawan image of a lion, while Cited Trademark A does not suggest the aforementioned concept of "shīsā" but only brings up the concepts of "bow," "shoot," and "star," as mentioned in (B) above. Therefore, the concepts of these trademarks differ from each other.

Consequently, the Second Ruling contains an error in its determination that the Trademark and Cited Trademark A are similar to each other because they have commonality in pronunciation and concept.

B. Error in the determination concerning Article 4, paragraph (1), item (xv) (likelihood of causing confusion) of the Act (Ground for Rescission 2)

(A) Starting with the conclusion, the Trademark was also determined as not being likely to mislead or cause confusion as to the source of goods in relation to Cited Trademark C (page 23) in the Judgment in Prior Instance, which was rendered on February 10, 2009 and became final and binding. The Second Ruling is intended to rescind the Trademark based on Article 4, paragraph (1), item (xv) of the Act because the Trademark had been determined not to fall under Article 4, paragraph (1), item (xi) of the Act in the Judgment in Prior Instance. It is questionable why the supporting intervener did not use Article 4, paragraph (1), item (xv) of the Act as a reason for the opposition or for the ruling on the opposition in the prior action. This is nothing more than finding another reason for rescinding the registration of the Trademark, for which the likelihood of misleading and causing confusion as to the source of goods was denied once, by any means. This does not deserve acceptance at all. The Trademark definitely does not fall under Article 4, paragraph (1), item (xv) of the Act.

That is, firstly, there is no likelihood of it being erroneously believed that the holder of the trademark right for the Trademark (plaintiff) and the supporting intervener (Puma), who is the holder of the trademark right of Cited Trademark C, are business owners who are in a close business relationship, such as the relationship between a parent company and a subsidiary and the relationship between affiliate companies, etc., or in the relationship of being the members of a group engaging in commercialization business by the same indication, and there can be no such likelihood.

As indicated in Exhibits Ko 17-1 to 26, the Trademark is one which is affixed to T-shirts by salespeople for advertisement and sale at an Okinawan folk art store of the holder of the trademark right for the Trademark. These T-shirts are sold as souvenirs from Okinawa. That is, T-shirts are sold on a small scale at a store.

On the other hand, the goods developed worldwide by Puma, which is a super large global company, are sports shoes, sportswear, etc., and these goods differ from the goods of the holder of the trademark right in question (the "Holder of the Trademark Right") in all aspects, such as the sales routes and sales stores. Therefore, these goods are not at all erroneously believed to be

the goods of the Holder of the Trademark Right.

The goods (T-shirts, etc.) affixed with the Trademark are souvenirs from Okinawa, which are sold at the Okinawan folk art store managed by the Holder of the Trademark Right.

There is no close business relationship, such as the relationship between a parent company and a subsidiary and the relationship between affiliate companies, between Puma and the Holder of the Trademark Right. There cannot be such relationship. No one believes that there is a close relationship between them.

Why are the goods of the Holder of the Trademark Right and those of Puma determined as being in a close relationship? Where is the evidence thereof? It is completely impossible to understand.

In recent years, it has been quite usual for companies to embark on diversification, and diversification is not unique to Puma.

It must be considered as a construction of law that distorts the purpose of law to understand that there is the "likelihood of causing confusion in a broad sense" between the plaintiff, who is the holder of the trademark right for the Trademark, and Puma, who is the holder of the trademark right for Cited Trademark C, by any means due to excessively extended construction of Article 4, paragraph (1), item (xv) of the Act.

If "confusion in a broad sense" is construed in an excessively extended and expanded manner, the brand power of small and medium sized enterprises is deleted and all such enterprises are swept up by super large companies.

It is not a legitimate principle to construe whether to cause "confusion" merely in an abstract manner, and whether to cause "confusion" should be determined consistently through wide evaluation of objective circumstances in ordinary society according to the reality of the specific market, that is, the actual condition of transaction of respective goods. As stated on the last page of Exhibit Ko 29 (plaintiff's written statement), salespeople advertise and sell T-shirts affixed with the Trademark at the Okinawan folk art store. However, no customer purchased these T-shirts while mistaking them for the goods of Puma. There is no specific confusion as to the source between the Trademark and Cited Trademark C.

It is extremely problematic in terms of construction of law to expand the scope of a "broad sense" merely in the name of "confusion in a broad sense" while completely ignoring such reality. Regarding "confusion in a broad sense," specific details, such as the reality of the market, are also absolutely important.

It must be said to be completely outrageous to allow confusion in a broad sense to arise on the grounds of diversification of a super large company.

The Trademark and Cited Trademark C were already determined not to be similar to each other in the Judgment in Prior Instance, and the court concluded that these trademarks are not

likely to mislead or cause confusion as to the source of goods even if they are used in connection with similar goods. It is not too much to say that trying to rescind the Trademark Registration despite this fact by bringing up "confusion in a broad sense" is an abuse of application of law.

(B) The degree of similarity between the Trademark and Cited Trademark C and the actual condition of transaction are as mentioned below.

a. In a written notice of reasons for rescission, the defendant states that "The Trademark and Cited Trademark 2 can be considered as having certain similarity," by citing the following statement from "line 23 of page 13 to" line 10 of "page 14 of the Judgment in Prior Instance": "(A) The Trademark and Cited Trademark 2 ... alphabetical letters ('SHI-SA' and 'PUMA') ... give a similar impression in terms of the way of drawing a curb."

However, this part in the judgment only mentions similarity in the drawing method, i.e. the "way of drawing a curb," and does not mention similarity in the specific structures of the trademarks.

There is the following statement under the heading of "(B) Differences" after this cited text of the Judgment in Prior Instance: "The letters that are largely indicated in the Trademark are 'SHI-SA' while those that are largely indicated in Cited Trademark 1 are 'PUMA' ... Regarding animal figures in these trademarks, ... only its tip is in a slightly rounded shape." The written notice of reasons for rescission ignores this text of the Judgment in Prior Instance concerning differences in the specific structures.

b. The written notice of reasons for rescission cites the following part of the Judgment in Prior Instance: "The Trademark and Cited Trademark C have commonality in the entire shape which is made by a combination of letters, 'SHI-SA' or 'PUMA,' and an animal figure." However, following this part, the court made clear differences between the Trademark and Cited Trademark C in the Judgment in Prior Instance by stating that the trademarks "have commonality in the entire shape which is made by a combination of letters, 'SHI-SA' or 'PUMA,' and an animal figure, but differences between them can be clearly seen." The written notice of reasons for rescission ignores this part of the Judgment in Prior Instance concerning differences.

c. The written notice of reasons for rescission concludes that the Trademark and Cited Trademark C have certain similarity by citing the following part of the Judgment in Prior Instance: "The animal figure of the Trademark is certainly similar to the trademark of the aforementioned 'PUMA' brand in some points, such as the direction" However, in the part following this part, the court mentioned a difference between the trademarks by stating that "... similar ... in some points ... but the feature of the Trademark with which traders and consumers are impressed differs from that of the trademark of the 'PUMA' brand." The written notice of

reasons for rescission ignores this part of the Judgment in Prior Instance concerning a difference between the trademarks.

Furthermore, following this part of the Judgment in Prior Instance, the court clearly determined a difference between the Trademark and Cited Trademark C by stating that "That is, the animal drawn in the Trademark ... the puma of the 'PUMA' brand ... In this manner, the animal figure of the Trademark gives an impression that differs from the impression of the puma of the 'PUMA' brand."

d. The written notice of reasons for rescission states that "traders and consumers who remember the puma of the 'PUMA' brand can call to mind the image of the puma of the 'PUMA' brand when seeing the Trademark" and concludes that "If so, the Trademark and Cited Trademark 2 can be considered as having certain similarity."

However, following this cited part of the Judgment in Prior Instance, the court ruled as follows: "Even if ... the image of the puma ... is suggested to them ... they should be considered as being unlikely to erroneously recognize the Trademark as the trademark of the 'PUMA' brand." That is, the written notice of reasons for rescission completely ignores the second half of this part of the Judgment in Prior Instance. In addition, in the Judgment in Prior Instance, the court concluded that "Therefore, it cannot be said that the Trademark brings up the concept of the 'PUMA' brand or the pronunciation 'pūma.'"

The allegation of the defendant in the written notice of reasons for rescission is unreasonable as the defendant extracts only the first half of the relevant parts of the Judgment in Prior Instance and omits the conclusion stated in the second half thereof, thereby concluding that "The Trademark and Cited Trademark 2 can be considered as having certain similarity."

e. The following allegation is made in (C) and (D) on page 4 of the written notice of reasons for rescission, and it is described below.

(a) Firstly, according to the description of evidence submitted by the plaintiff, who is the holder of the trademark right for the Trademark, to the Intellectual Property High Court in prior instance on October 21, 2008, the defendant alleges as follows by taking up the fact that the Trademark is sometimes used in connection with "T-shirts and running shirts" without describing letters "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg": "It is reasonable to determine, based on the structure and mode of the Trademark, that, in the Trademark, a combination of letters 'SHI-SA,' which are largely indicated at the center, and the animal figure in the upper right part (hereinafter referred to as the "Feature") independently functions to distinguish one's goods and another persons' goods." The description of evidence submitted by the plaintiff in prior instance indicates the examples of such use by] Yugen Gaisha Okinawa Sogo Boeki (hereinafter referred to as "Okinawa Sogo Boeki"), which conducts the sale, etc. of souvenirs, etc. associated with the plaintiff, upon selling "T-shirts, reusable shopping bags,

miscellaneous goods, etc.," which are souvenirs.

Therefore, there are T-shirts, etc. on which the entire mode of the Trademark is indicated and those on which letters "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg" are not written.

It is flexible, is not fixed, and is of great variety to choose the entire mode of the Trademark or otherwise to affix to T-shirts, etc.

The Trademark is consistently a combined trademark that is made up by combining constituent elements, i.e. [a] the figure part in question, [b] the letter part of "SHI-SA," and [c] the letter part of "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg," which are horizontally written in two tiers. It is intended to perform the goods distinction function, source indication function, quality assurance function, and advertising function, which are the functions of a trademark.

As the Trademark is a combined trademark that is made up by combining the aforementioned constituent elements [a] to [c] in an integrated and indivisible manner for the purpose of performing these functions of a trademark, none of the aforementioned constituent elements should be ignored.

In the Judgment in Prior Instance, the court also ruled as follows: "The Trademark is one wherein letters 'SHI-SA' are horizontally and largely indicated as ... above, an image of a four-legged animal largely spreading its front and back paws as if it is jumping up from the right side to the upper left side, which is seen from the side, is drawn in silhouette on the upper right of said letters, and letters 'OKInAWAn ORIgInAL' and 'gUARDIAN ShIShI-DOg' are written in two tiers in a relatively small size under letters 'SHI-SA'."

The issues that should be dealt with in an opposition, a written notice of reasons for rescission, etc. concerning the Trademark, are consistently the structure and mode of the Trademark.

It is outrageous to definitively determine the features of the Trademark as letters "SHI-SA" and the animal figure by taking up the Trademark in another mode, which is displayed at the Okinawan souvenir store.

(b) Furthermore, the written notice of reasons for rescission states that the Trademark as a whole cannot be considered as an integrated and indivisible trademark because there are the cases where letters "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg" are not written.

Disputing the Trademark by taking up a matter that is apart from the Trademark is also an outrageous allegation.

Incidentally, registered trademarks [i] to [xix] below, for which Puma received registration in Japan, are listed in the Judgment in Prior Instance, in addition to Cited Trademark C.

Notes



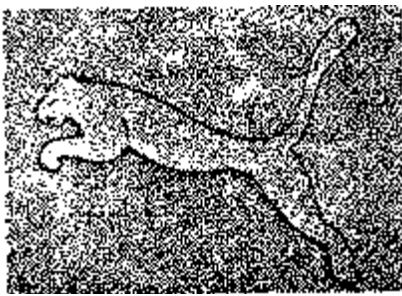
[i]

(Registration No. 4637003)



[ii]

(Registration No. 1884350)



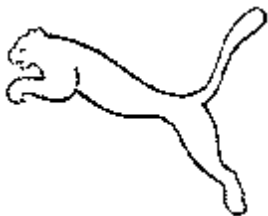
[iii]

(Registration No. 1925032)



[iv]

(Registration No. 1949358)



[v]

(Registration No. 2068537)



[vi] (Registration No. 2071905)



[vii] (Registration No. 2104254)



[viii] (Registration No. 2143504)



[ix] (Registration No. 2290252)



[x] (Registration No. 2290264)



[xi] (Registration No. 2499723)



[xii] (Registration No. 2570742)



[xiii]

(Registration No. 2602056)



[xiv]

(Registration No. 3077519)



[xv]

(Registration No. 3248427)



[xvi]

(Registration No. 3328662)



[xvii]

(Registration No. 4161490)



[xviii]

(Registration No. 4356663)



In the Judgment in Prior Instance, the court ruled as follows: "Looking at the structures of these trademarks, there are wide-ranging structures, such as those that are combinations of the letters 'PUMA' and the animal figure, as well as combinations of the animal figure and letters, such as 'SPORTCAT,' 'FLYING PUMA,' 'PUMA DISC SYSTEM,' and 'PUMA CELL,' and those consisting solely of the animal figure. However, these structures have commonality in that an image of a puma largely spreading its front and back paws as if it is jumping upward, which is seen from the side, is drawn in silhouette."

The registered trademarks of Puma are wide-ranging, including registered trademarks consisting solely of the animal figure in white or black, registered trademarks which are combinations of letters "PUMA" and the animal figure, registered trademarks which are combinations of the animal figure and letters "SPORTCAT," and registered trademarks which are combinations of the animal figure and letters "PUMA" and "CELL," which are horizontally written in two tiers.

In the same manner, the plaintiff also holds trademarks of other modes, in addition to the trademark of the mode of the Trademark.

As mentioned above, the Trademark is absolutely a combined trademark consisting of [a] the animal figure part, [b] the letter part "SHI-SA," and [c] the letter parts "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg," and it is nothing except for that.

It must be said that it is difficult to understand the reason why any of the constituent elements of the combined trademark consisting of [a] to [c] as mentioned above must be excluded.

The term "trademark" is defined as follows in Article 2 of the Act: "'Trademark' in this Act means ... any character(s), figure(s), sign(s) or three-dimensional shape(s) or any combination thereof, or any combination of these elements and colors." The Trademark is [also] a combined trademark consisting of three constituent elements, as mentioned above.

There is no reason for excluding even one of the constituent elements.

In addition, the defendant alleges that "The features of the Trademark and Cited Trademark C are compared" from point to point. However, the features of the Trademark consist of constituent elements [a] to [c] as mentioned above, and all of these constituent elements are the features of the Trademark.

f. Various things are stated in the section titled "(3) Degree of well-knownness/famousness and originality of Cited Trademark 2" on page 6 of the written notice of reasons for rescission. However, the plaintiff recognizes the originality of the specific design of a puma of Cited Trademark C.

However, the plaintiff does not recognize originality in drawing a four-legged animal seen from the side.

g. Various things are stated in the section titled "(5) Commonality in consumers" on page 7 of the written notice of reasons for rescission. However, regarding "T-shirts and headgear for wear," which are the designated goods of the Trademark, "T-shirts, polo shirts, reusable shopping bags, and miscellaneous goods," etc. are produced at the associated factory of Okinawa Sogo Boeki, with which the plaintiff has an association, and are sold at a souvenir shop, etc. which is the directly-managed store of Okinawa Sogo Boeki.

Therefore, the production site, sales store, and consumers for the Trademark are never the same as those for the supporting intervenor.

What is the evidence to prove that the production site, sales store, and consumers for the Trademark and those for the supporting intervenor have some commonality? Evidence should be indicated.

h. The following is stated in the section titled "(6) Attention that is ordinarily paid by the traders and consumers of the designated goods of the Trademark" on page 7 of the written notice of reasons for rescission: "Therefore, it is reasonable to consider that ... who see the Trademark ... purchase goods without paying special attention to ... in not a few cases."

Even if Cited Trademark C is well-known and famous especially in association with sneakers, it is a well-known fact that quite a lot of sneaker lovers prefer a specific brand of interest, and there are many sneaker lovers who like sneakers affixed with Cited Trademark C.

Moreover, sneakers and clothing can be considered to be relatively strongly-selected goods because they are regularly used for a relatively long period, differently from goods that are consumed in a few days.

On the other hand, it seems to be true that infringing products of popular sneakers, such as sneakers that differ from authentic sneakers only in one of the letters written thereon, are distributed overseas.

Therefore, sneaker lovers who purchase sneakers affixed with Cited Trademark C are highly conscious of authentic products and carefully confirm goods and trademarks when purchasing sneakers. Therefore, they can be considered to be consumers who are highly aware of and are fussy about authentic products.

Then, such sneaker lovers naturally pay more attention than other consumers, etc. in such cases.

In recent years, distribution of goods imitating authentic products has become a problem, and sneaker lovers are especially careful in selecting authentic products and never purchase a sneaker without paying attention.

Consequently, taking into account specific differences between the structure of the figure of the Trademark and that of the figure of Cited Trademark C, that is, prominent differences in the existence of a necklace, the size of the head and shoulder, the shape and size of the tail, and the joints of front and back paws, it must be said that the Trademark and Cited Trademark C have prominent differences in the specific constituent elements, even only in consideration of the figure part of the four-legged animal. Therefore, it must be said that the Trademark is completely unlikely to cause confusion with the goods affixed with the cited trademark. It is hardly considered that people would call to mind or be reminded of the image of Cited Trademark C from the structure of the figure of the Trademark, or would call to mind the image of the business of Puma, which is the holder of the trademark right for the cited trademark, from the structure of the figure of the Trademark.

In this manner, consumers, etc. of sneakers and clothing, in particular, consumers, etc. who purchase the goods affixed with the cited trademark, pay sufficiently high attention to distinguish authentic products because of their high awareness. Even if they call to mind or are reminded of the image of a four-legged animal from the Trademark, they would never misunderstand goods affixed with the Trademark as the goods of the PUMA brand of the holder of the trademark right for the cited trademark.

It is undeniable that the more famous the trademark is, the more often consumers see the trademark in actual transactions.

Therefore, consumers come to sufficiently recognize the mode of the cited trademark and the goods in connection with which the cited trademark is used, and consumers have a very low probability of misunderstanding goods affixed with the cited trademark as other goods or being confused as to the source of goods.

That is, it can be said that the more famous the trademark is, the considerably more attention consumers, etc. pay in selecting authentic products.

As Cited Trademark C has been widely recognized in relation to the mode by which it is actually used, if it is used in a different mode, consumers recognize and understand it as a completely different trademark. In addition, if a specific mode of a trademark has considerable detailed commonality with the mode of Cited Trademark C, which has become recognized through use, consumers may recognize goods affixed with the trademark as infringing products as mentioned above, and they can sufficiently distinguish such goods as those that differ from goods affixed with a famous trademark, and can choose not to purchase them.

Therefore, the more famous Cited Trademark C is, the more awareness of purchasing the

same products and authentic products consumers come to have, and consumers will not miss even slight differences. As a result, it can be said that the possibility of causing confusion as to the source of goods actually becomes lower because of famousness of the figure trademark.

Puma, which develops PUMA products, sells, etc. sneakers and other goods affixed with Cited Trademark C at stores dealing with various sports-related products and shoe stores. PUMA products are not only actually handled as sports-related goods, but also are recognized and understood as the goods of Puma, which manufactures and sells sports products, owing to their name recognition as sports products, even when being purchased at an ordinary shoe store.

i. The following is stated in the section titled "(7) (Summary)" on page 7 of the written notice of reasons for rescission: "Traders and consumers who see the Trademark erroneously believe that the goods affixed with the Trademark are goods pertaining to the business of a person who has some sort of economic or organizational relationship with Puma (a business owner who is in a close business relationship, such as the relationship between a parent company and a subsidiary and the relationship between affiliate companies, etc., or in the relationship of being the members of a group engaging in commercialization business by the same indication) even though they are unlikely to recognize the goods affixed with the Trademark as the goods of Puma."

It is completely questionable why such idea arises.

Puma is a world-class super large company and is a company globally developing its business.

Do traders or consumers who actually see the Trademark erroneously believe that such a global large company and one small company in Okinawa with which the plaintiff is associated are in the relationship between a parent company and a subsidiary or the relationship between affiliate companies? They can never do so.

As mentioned above, regarding the Trademark, business has been developed by affixing it to T-shirts, reusable shopping bags, etc., which are souvenirs from Okinawa with which the plaintiff is associated. How do traders and consumers think that such one small company and Puma, which is a global large company that is famous for sneakers, etc., are in the relationship between a parent company and a subsidiary or the relationship between affiliate companies? This idea is unthinkable, taking into account that a trademark is used in connection with goods subject to trade in the real market.

It is hard to understand why the Trademark must be rescinded by construing law in such an extended manner.

Therefore, the Trademark does not fall under Article 4, paragraph (1), item (xv) of the Act, and the Second Ruling contains an error in its determination that the Trademark is one that is likely to cause confusion as to the source of goods with the cited trademark.

C. Error in the determination concerning Article 4, paragraph (1), item (xix) (use for unfair purposes) of the Act (Ground for Rescission 3)

(A) As it is obvious that the Trademark and Cited Trademark C are not similar to each other, Article 4, paragraph (1), item (xix) of the Act is not applicable to the registration of the Trademark, without the need of considering the fulfillment of other requirements.

Incidentally, regarding said item, it is not reasonable to understand that a trademark falls under the "similar trademark" as referred to in said item if it is similar to a trademark that is widely recognized among consumers in Japan or abroad as an indication of goods, etc. pertaining to the business of another person to the extent that it breaks the one-on-one relationship with the famous business owner who holds it, that is, if a trademark is similar to a trademark that is widely recognized among consumers in Japan or abroad as an indication of goods, etc. pertaining to the business of another person to the extent that it would easily have suggested to them (or reminded them of) the image of said widely recognized trademark" because such understanding is the result of a substantially extended construction of said item.

Therefore, the Second Ruling contains an error in its determination that the registration of the Trademark violates Article 4, paragraph (1), item (xix) of the Act despite the fact that the Trademark and Cited Trademark C are not similar to each other.

(B) In addition, the plaintiff was not intended for gaining unfair profits, for causing damage to the other person, or for any other purpose that goes against the good faith principle in trade.

That is, the plaintiff has never filed an application for registration of the Trademark for the purpose of obtaining the right for a trademark that is a parody of the trademarks of the supporting intervenor. The plaintiff just independently created the Trademark, and has never filed an application for registration of the Trademark for the purpose of using the credibility and reputation of the supporting intervenor pertaining to Cited Trademark C or making it possible to attract attention in the market with no labor.

Therefore, the Second Ruling contains an error in its determination that the application for the Trademark is intended for unfair purposes. The registration of the Trademark does not violate Article 4, paragraph (1), item (xix) of the Act.

(omitted)

No. 4 Court decision

1. The parties agree on all the facts stated in Statements of claims (1) (Developments in procedures at the JPO, etc.) and (2) (Content of the JPO Decision).

According to the above, the aforementioned facts can be organized as follows.

(i) On June 9, 2006, the JPO rendered an examiner's decision of refusal in relation to the

trademark application in question (the "Trademark Application") filed on June 21, 2005 on the grounds that the Trademark is similar to Cited Trademarks A and B (violation of Article 4, paragraph (1), item (xi) of the Act). However, in the JPO decision dated March 6, 2007 (JPO decision on the trial against an examiner's decision of refusal), which was rendered based on the plaintiff's request for a trial against the examiner's decision of refusal, the JPO rescinded the original examiner's decision on the grounds that the Trademark is not similar to the aforementioned Cited Trademarks A and B, and rendered a decision to the effect that the Trademark is to be registered.

(ii) The opposition to the trademark registration in question (the "Opposition to Trademark Registration") filed by the supporting intervenor (Puma) on July 23, 2007 was intended to allege the application of Article 4, paragraph (1), items (xi) (similarity), (xv) (likelihood of causing confusion), and (xix) (use for unfair purposes) of the Act based on the aforementioned Cited Trademark C and the trademarks stated in 1.(3)B(B)e(b)(i) to (iii) and (v) (based on the entire import of the oral argument). In the First Ruling rendered on July 2, 2008, the JPO ruled that the Trademark falls under Article 4, paragraph (1), item (xi) (similarity) of the Act in relation to Cited Trademark C.

(iii) In the judgment (Judgment in Prior Instance) rendered on February 10, 2009 on the aforementioned lawsuit (Intellectual Property High Court, 2008 (Gyo-Ke) 10311), which was subsequently filed by the plaintiff, the court ruled that the Trademark and Cited Trademark C cannot be considered as being similar to each other and rescinded the First Ruling to the effect that the Trademark falls under Article 4, paragraph (1), item (xi) of the Act. The Judgment in Prior Instance became final and binding.

(iv) Therefore, the aforementioned opposition to trademark registration came to be examined again at the JPO. However, the JPO rendered a ruling (Second Ruling) as follows on October 29, 2009: [i] The opinion shown in the JPO decision on the trial against the examiner's decision of refusal dated March 6, 2007 to the effect that the Trademark and Cited Trademark A are not similar to each other is changed, and the Trademark and Cited Trademark A are found to be similar to each other (violation of Article 4, paragraph (1), item (xi) of the Act); [ii] The Trademark falls under Article 4, paragraph (1), items (xv) (likelihood of causing confusion) and (xix) (use for unfair purposes) of the Act in relation to Cited Trademark C, in relation to which the court considered whether the Trademark falls under Article 4, paragraph (1), item (xi) (similarity) of the Act in the Judgment in Prior Instance dated February 10, 2009, and the Trademark Registration is to be rescinded in the same manner as concluded in the First Ruling.

2. Whether the Trademark falls under Article 4, paragraph (1), item (xi) of the Act (Ground for Rescission 1)

The plaintiff alleges that the Trademark is not similar to Cited Trademark A and that the

Second Ruling contains an error in its finding and determination concerning this similarity. Therefore, this point is first considered.


(1) "Similarity of trademarks should be determined based on whether use of trademarks to be compared in connection with identical or similar goods is likely to mislead or cause confusion as to the source of goods. For that purpose, it is necessary to comprehensively and totally consider the impression, memory, image, etc., which a trademark used in connection with such goods gives to traders by its appearance, concept, pronunciation, etc., and it is also reasonable to make a determination based on the specific actual condition of transaction of the goods as far as it can be made clear."; "Similarity of trademarks in appearance, concept, or pronunciation is nothing more than a prima facie standard for the presumption of the likelihood of misleading or causing confusion as to the source of goods in connection with which the trademark is used. Therefore, even if a trademark is similar to another trademark in one of said three points, it should not be considered as a trademark similar to said other trademark if it is hardly recognized as being likely to mislead or cause confusion as to the source of goods in consideration of significant differences in other two points or any other matter, such as the actual condition of transaction." (judgment of the Third Petty Bench of the Supreme Court of February 27, 1968, *Minshu*, Vol. 22, No. 2, at 399)

"... for a trademark that is considered as a combined trademark that is a combination of multiple constituent parts, extracting some of the constituent parts of the trademark and determining similarity between the trademark and another person's trademark by comparing only said parts with those of said other person's trademark should be considered impermissible except for the cases where said parts are recognized as giving to traders and consumers a strong and dominant impression as a sign to distinguish the source of goods or services and the cases where other parts are recognized as not bringing up any pronunciation or concept as a sign to distinguish the source." (see the judgment of the First Petty Bench of the Supreme Court of December 5, 1963, *Minshu*, Vol. 17, No. 12, at 1621, the judgment of the Second Petty Bench of the Supreme Court of September 10, 1993, *Minshu*, Vol. 47, No. 7, at 5009, and the judgment of the Second Petty Bench of the Supreme Court of September 8, 2008; *Saibanshuminji*, No. 228, at 561)

Therefore, the issue is considered below from the aforementioned perspective.


(2) Content of the Trademark

A. Appearance

In the Trademark, letter string "SHI-SA" () which consists of alphabetical letters, is largely and horizontally written at the center thereof, and this letter string is written in a slightly angular font, with slightly narrow width and slightly narrow space between letters, as

if the entirety thereof is inserted in a horizontally-long rectangle. For the font of each letter, the longitudinal constituent elements thereof and the bended constituent element of letter "S" are written thicker than the horizontal constituent elements thereof. Thereby, the aforementioned letter string part gives to those who see the Trademark the impression that the part as a whole is horizontally pushed and contracted (vertically long impression).



Moreover, in the Trademark, a figure () of a four-legged animal with a slightly big head and a partially-curved big tail largely spreading its front and back paws as if it is jumping up from the lower right to the upper left, which is seen from the side, in silhouette is arranged on the upper right of the aforementioned letter string "SHI-SA." Thereby, the Trademark gives to those who see it the impression as if the aforementioned four-legged animal is jumping on or across the aforementioned letter string from the right side.

Then, the Trademark is one wherein letter strings "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-Dog," which consist of alphabetical letters, are written with small letters, one above the other in two tiers below the aforementioned letter string "SHI-SA." Incidentally, these letter strings are also written in a font whose longitudinal constituent elements are thicker than the horizontal constituent features, in the same manner as the aforementioned letter string "SHI-SA."

As mentioned above, the Trademark consists of a combination of the letter string part "SHI-SA," the figure part consisting of a silhouette of a jumping animal, and the letter string part consisting of "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg."

B. Concept

The animal figure part of the Trademark does not make people immediately be reminded of a specific animal. However, the aforementioned animal figure part can also be understood as the appearance of "shīsā," which is a traditional Okinawan image of a lion, jumping, which is seen from the side, in light of the shape of the aforementioned animal figure part and in consideration of the following facts: the letter string part "SHI-SA," which is arranged on the left side of the aforementioned animal figure part, can be pronounced as "shīsā," "shi sa," and "shisa"; the letter string parts "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg," both of which are arranged below the aforementioned letter string part "SHI-SA," can be understood as meaning "original thing of Okinawa" and "guardian" and "lion dog," respectively; and the letter strings "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg" are written in two tiers and are in block.

Therefore, the Trademark is recognized as bringing up the concept of "shīsā," which is a traditional Okinawan image of a lion, taking into account the fact that the aforementioned letter string part "SHI-SA" is largely arranged at the center.

C. Pronunciation

(A) The Trademark can be pronounced as "shīsaokinawanorijinarugādhianshishidoggu," "shisaokinawanorijinarugādhianshishidoggu," "shisaokinawanorijinarugādhianshishidoggu," etc., taking into account that the letter string part "SHI-SA" and the figure part consisting of a silhouette of a jumping animal are arranged at the center and that the letter string parts "OKInAWAn ORIgInAL" and "gUARDIAN ShIShI-DOg" are arranged thereunder (incidentally, the aforementioned animal figure part does not suggest any pronunciation, or does not suggest any pronunciation independently of the pronunciation of the letter string part "SHI-SA").

Moreover, the Trademark is pronounced as "shīsā" or "shīsa," taking into account that letters "SHI-SA" are largely written at the center of the Trademark as mentioned in A. above and that the Trademark brings up the concept of "shīsā," which is a traditional Okinawan image of a lion, as mentioned in B. above.

(B) On the other hand, the plaintiff alleges that the Trademark as a whole is pronounced only as "shisaokinawaorijinarugādhianshishidoggu" because the constituent elements of the Trademark are combined in an integrated and indivisible manner and it is not reasonable to observe them separately.

However, as mentioned in A. above, the letter string part "SHI-SA" of the Trademark is written in large letters and is emphasized by an impressive appearance and font, and it makes up a considerable portion of the area of the Trademark. In addition, the animal figure part, which is arranged on the right side of the aforementioned letter string part "SHI-SA," does not suggest any pronunciation, or at least does not suggest any pronunciation independently of the aforementioned letter string part "SHI-SA." Then, it is obvious that the aforementioned letter string part "SHI-SA," or the constituent element which is a combination of said letter string part and animal figure part, gives to traders and consumers a strong and dominant impression as a sign to distinguish the source of goods. Therefore, there is no reason for the aforementioned allegation of the plaintiff.

(3) Content of Cited Trademark A

A. Appearance

Cited Trademark A consists of horizontally written katakana letters "シーサー." The first letter "シ" is written slightly bigger than other letters, and the second and subsequent letters "ーサー" are written slightly smaller, and some designs are added to the first letter "シ."

That is, two dots in the upper left part of the first letter "シ" are designed as two six-angle stars (star shape with six peaks). The lower left end of the oblique line of the aforementioned letter "シ" is curled about three-fourths around in a clockwise fashion, and a small figure in the shape of an upward bowgun or a cross, which uses part of the aforementioned oblique line, is arranged at the center.

Incidentally, any font intended for emphasis, such as a font wherein the longitudinal constituent elements are written more thickly than the horizontal constituent features, is not used for the letters of Cited Trademark A, and a font that is slightly tilted clockwise is used therefor.

B. Concept

As mentioned in A. above, Cited Trademark A consists of horizontally written katakana letters "シーサー." Therefore, it can suggest the concept of "shīsā," which is a traditional Okinawan image of a lion.

Incidentally, Cited Trademark A does not suggest the concept of "star" or "bow," as mentioned later.

C. Pronunciation

As mentioned in A. above, Cited Trademark A consists of horizontally written katakana letters "シーサー." Therefore, it is pronounced as "shīsā."

D. However, the plaintiff alleges as follows: Cited Trademark A bears a relationship between former associated trademarks with a trademark that is made by making German word "Schiesser" into a monogram (Cited Trademark B), and it thus arose from the word "Schiesser," which is related to a verb in Germany meaning "shoot"; therefore, Cited Trademark A brings up the concept of "bow" or "shoot," or "star," and does not bring [up] the concept of "shīsā," which is a traditional Okinawan image of a lion.

However, there is no sufficient evidence to recognize that the "Schiesser" trademark (Cited Trademark B) in German and existence of a relationship between Cited Trademark B and Cited Trademark A are widely known among the consumers and traders of T-shirts and headgear for wear, which are the designated goods of the Trademark, and the consumers and traders of underwear, etc., which are the designated goods of Cited Trademark A. Therefore, it should be said that at least a person who does not understand German does not necessarily recognize the letters of Cited Trademark A as a katakana notation of a German word or as a word that is related to the noun "shooter" or "bow" or the verb "shoot" in German. Therefore, Cited Trademark A does not suggest the concept of "bow" or "shoot."

Moreover, even though the dot parts of the first letter "シ" in Cited Trademark A are designed as six-angle stars, only the first one letter of the four letters of Cited Trademark A is designed, and the design of the aforementioned six-angle star does not go far enough to give an impression that is strong enough to annihilate the impression given by other constituent parts. Taking this fact into account, Cited Trademark A should be considered as not bringing up the concept of "star."

On the other hand, it is recognized as ordinary for at least Japanese citizens who do not understand German to call to mind the image of "shīsā," which is Okinawa's traditional image of

a lion, when seeing the letter string "シーサー" without any explanation given.

(4) Similarity between the Trademark and Cited Trademark A

The appearances of the Trademark and Cited Trademark A are as stated above. Therefore, their appearances significantly differ from each other, and in particular, a large difference is that in the Trademark, letter string "SHI-SA," which is arranged at the center, is emphasized and the animal figure part is arranged in silhouette on the right side thereof while Cited Trademark A does not have such appearance.

In that case, it cannot go so far as to say that the Trademark and Cited Trademark A are similar to each other due to the aforementioned significant difference in appearance, taking into account that: [i] the Trademark and Cited Trademark A can suggest a common concept, "shīsā," which is a traditional Okinawan image of a lion; [ii] the Trademark can be pronounced as "shīsā," which is the same as the pronunciation of Cited Trademark A, and as "shīsa" and "shisa," etc., which are obviously similar to the pronunciation brought up by Cited Trademark A, "shīsā," though these pronunciations lack one or all of the prolonged sounds; [iii] the Trademark is mainly used by being affixed to T-shirts and other goods, which are souvenirs, at the store of Okinawa Sogo Boeki, which is a company managed by the plaintiff, in Okinawa, used by being affixed to T-shirts and other goods through Internet mail-order sales of Okinawa Sogo Boeki, and used as advertisement by being indicated as a mark that is deemed to be part of the Trademark on the relevant page of the website (Exhibits Ko 11, and 16 to 26 and Exhibit Hei 7 to 9), but the mode of use of Cited Trademark A is unclear even based on the entire evidence in this case.

Therefore, the Second Ruling contains an error in its determination that the registration of the Trademark is to be rescinded on the grounds that the Trademark is similar to Cited Trademark A under Article 4, paragraph (1), item (xi) of the Act, without the need of making determinations on other points.

3. Whether the Trademark falls under Article 4, paragraph (1), item (xv) of the Act (Ground for Rescission 2)

In the Judgment in Prior Instance rendered on February 10, 2009, the Trademark and Cited Trademark C were determined as not being in the relationship between similar trademarks as referred to in Article 4, paragraph (1), item (xi) of the Act, and the binding force as referred to in Article 33 of the Administrative Case Litigation Act has arisen in this regard. However, the defendant also uses Cited Trademark C as a ground for the application of Article 4, paragraph (1), items (xv) (likelihood of causing confusion) and (xix) (use for unfair purposes) of the Act. Therefore, whether the Trademark falls under Article 4, paragraph (1), items (xv) and (xix) of the Act is examined in relation to Cited Trademark C.


(1) "Whether a trademark is 'likely to cause confusion'" as referred to in Article 4, paragraph (1),

item (xv) of the Act "should be comprehensively determined in light of the degree of similarity between the trademark and another person's indication, the degree of well-knownness, famousness, and originality of said other person's indication, the degree of relevance between the designated goods, etc. of the trademark and the goods, etc. pertaining to the business of said other person in terms of property, intended use or purpose, commonality in terms of the traders and consumers of the goods, etc., and any other actual condition of transaction and on the basis of the attention that is ordinarily paid by the traders and consumers of the designated goods, etc. of the trademark." (judgment of the Third Petty Bench of the Supreme Court of July 11, 2000, *Minshu*, Vol. 54, No. 6, at 1848).

Therefore, the Trademark is examined below from the aforementioned perspective.

(2) Content of Cited Trademark C

A. In Cited Trademark C, letter string "PUMA" (can also be read as "PUmA") (**PUMA**), which consists of alphabetical letters, is largely and horizontally written nearer the bottom at the center thereof, and this letter string is written with slightly narrow width and slightly narrow space between the letters as if the entirety thereof is inserted in a horizontally-long rectangle. In addition, for the font of each letter, the longitudinal constituent elements thereof are written thicker than the horizontal constituent elements thereof. Thereby, the aforementioned letter string part gives to those who see Cited Trademark C the impression that the part as a whole is horizontally pushed and contracted (vertically long impression). However, the ends of spaces between the constituent elements of the letters of the aforementioned letter string "PUMA" (however, excluding the part that is in contact with the crossbar of the fourth letter "A"), the upper right corner and lower right corner of the first letter "P," the lower left corner and lower right corner of the second letter "U," the upper left corner and upper right corner of the third letter "M," and the upper left corner and upper right corner of the fourth letter "A" are written in the shape whose corners are roughly rounded, which does not give an angular impression to those who see it.

Moreover, in Cited Trademark C, a figure () of a four-legged animal with a big tail largely spreading its front and back paws as if it is jumping up from the lower right to the upper left, which is seen from the side, in silhouette is arranged on the right side of the aforementioned letter string "PUMA." Thereby, Cited Trademark C gives to those who see it the impression as if the aforementioned four-legged animal is jumping on or across the aforementioned letter string from the right side.

Incidentally, circled alphabetical capital letter "R," which indicates that the trademark has already been registered as a trademark, is arranged at the bottom right of the aforementioned letter string "PUMA," but it is very small compared to other parts of the Trademark and is

possible to ignore.

As mentioned above, the Trademark basically consists of a combination of the letter string part "PUMA" and the figure part consisting of a silhouette of a jumping animal.

B. Moreover, as mentioned above, the letter string "PUMA" is largely and horizontally written nearer the bottom at the center in Cited Trademark C. Therefore, Cited Trademark C brings up the concept of "ピューマ (pyūma)" (puma), which is a mammal carnivore of the cat family distributed in the Americas, together with the shape of the animal figure part on the right side of the letter string.

Incidentally, "ピューマ (pyūma)" is also written as "プーマ (pūma)" as the Japanese notation of an adopted word "puma," and puma is also called "American lion," "mountain lion," "cougar," etc. (Exhibit Ko 2).

In addition, Cited Trademark C is famous as one of the trademarks of the "PUMA" brand, which indicate the business of the supporting intervener that is a manufacturer of sports shoes, sportswear, etc., and it brings up the concept of the aforementioned brand.

C. As mentioned above, the letter string "PUMA" is largely and horizontally written nearer the bottom at the center in Cited Trademark C. Therefore, Cited Trademark C is pronounced as "pyūma" and "pūma."

(3) Likelihood of causing confusion

A. Whether the Trademark and Cited Trademark C are similar to each other

(A) As mentioned above, the Trademark and Cited Trademark C have commonality in the following points: a letter string consisting of alphabetical letters is largely and horizontally written at the center or near there, and this letter string is written with slightly narrow width and slightly narrow space between them as if the entirety thereof is inserted in a horizontally-long rectangle, and, for the font of each letter, the longitudinal constituent elements thereof are written thicker than the horizontal constituent elements thereof; and a figure of a four-legged animal with a big tail largely spreading its front and back paws as if it is jumping up from the lower right to the upper left, which is seen from the side, in silhouette is arranged on the right side of the aforementioned letter string.

On the other hand, the Trademark and Cited Trademark C differ from each other in the following points: [i] in the former, alphabetical letter strings that are horizontally written in two tiers are arranged below the letter string at the center, but, on the other hand, in the latter, such letter strings are not arranged; [ii] in the former, the letter string arranged roughly at the center is written in an angular font, but, on the other hand, in the latter, it is written in a font wherein some of the corners of the letters are rounded; [iii] the animal figure of the former is deemed to be the contour of shīsā, which is an imaginary animal and is a traditional Okinawan image of a lion, but, on the other hand, the animal figure of the latter is deemed to be the contour of a puma,

which is a real-life animal; [iv] the animal figure of the former has a big and rounded head and tail and the front paw thereof is thickly drawn, thereby giving a slightly thickset impression, and a shape that is deemed to be a necklace is arranged around the head, teeth are drawn in the mouth, and decorations like curly locks are added to the parts that correspond to the elbow of the front paw and the back of the knee of the back paw; on the other hand, in the animal figure of the latter, the outline of the entire body is drawn with a smooth curve, a long and thin tail whose tip alone is slightly rounded extends to the upper right as if it bows, thereby forming symmetry to the back paw that largely extends backward, and the head is slightly small, the tail is slightly thinner especially toward the root, and the front paw is drawn slightly thinly, giving a slim and sharp impression, and neither a necklace nor decorations like those in the animal figure of the Trademark are added.

In that case, the appearance of the Trademark and that of Cited Trademark C have commonality in that the major part of the appearance is arranged roughly at the center and an alphabetical letter string part that attracts the attention of those who see the trademark is arranged in almost the same format and that a figure of a four-legged animal with a big tail largely spreading its front and back paws as if it is jumping up from the lower right to the upper left, which is seen from the side, in silhouette is arranged on the right side of the aforementioned letter string part. However, differences between the appearance of the Trademark and that of Cited Trademark C should never be considered as small because they differ in the following points: [i] the details of the alphabetical letters arranged at the center and existence of letter strings written in two tiers below the letter string at the center; [ii] while the animal figure of Cited Trademark C is drawn with a smooth curb, giving a slim and sharp impression, the animal figure of the Trademark has a big head and tail, giving a slightly thickset impression, and a necklace and teeth are drawn and decorations like curly locks are added to the elbow of the front paw, etc., differently from the animal figure of Cited Trademark C.

On the other hand, as mentioned above, Cited Trademark C is pronounced as "pyūma" and "pūma" while the Trademark is pronounced only as "shīsā," etc. Therefore, the Trademark and Cited Trademark C differ in pronunciation.

Moreover, as mentioned above, Cited Trademark C brings up the concept of puma (pronounced as "pyūma" and "pūma"), which is a mammal carnivore of the cat family distributed in the Americas, or the concept of the "PUMA" brand of the supporting intervener. On the other hand, the Trademark brings up the concept of "shīsā," which is a traditional Okinawan image of a lion. Therefore, the trademarks differ in concept.

In addition, "shīsā" is just an imaginary animal and is nothing more than an icon that is believed in mainly within Okinawa, and it significantly differs from "puma," which is a real-life animal.

As mentioned above, the Trademark and Cited trademark C differ in pronunciation and concept, and in addition, they cannot be necessarily considered as similar in appearance.

(B) Incidentally, according to the Judgment in Prior Instance (Exhibit Ko 2), which is binding pursuant to Article 33 of the Administrative Case Litigation Act, "The Trademark and Cited Trademark 1 (note in this judgment: meaning Cited Trademark C) differ in appearance as well as concept and pronunciation, and even if the Trademark and Cited Trademark 1 are used in connection with identical or similar goods, they are not considered as being likely to mislead or cause confusion as to the source of the goods. Therefore, the Trademark is not similar to Cited Trademark 1."

B. Well-knownness and famousness, etc. of Cited Trademark C

The parties agree that Cited Trademark C is well-known and famous as an indication of the goods pertaining to the business of the supporting intervenor, which is a sports goods manufacturer that develops its business on a global basis.

Moreover, Cited Trademark C can be considered as original because there is no circumstance where a combination and arrangement of a characteristic letter string roughly at the center and a figure of a silhouette of a jumping animal on the right side thereof in Cited Trademark C is often seen in trademarks, etc. other than the trademarks and marks of the supporting intervenor.

C. Relationship between the designated goods of the Trademark and the goods, etc. pertaining to the business of the supporting intervenor, etc.

Out of "T-shirts and headgear for wear," which are the designated goods of the Trademark, "T-shirts" are included in "clothing" or "clothes for sports," which are the designated goods of Cited Trademark C. However, "headgear for wear" does not match "clothing, garters, sock suspenders, suspenders, waistbands, belts for clothing, footwear, clothes for sports, and special footwear for sports," which are the designated goods of Cited Trademark C, and it only has commonality with the designated goods of Cited Trademark C in that it is "clothing" that is a product which a consumer wears and is made mainly of textile materials, for which emphasis is placed on fashionability.

However, as the supporting intervenor sells T-shirts and headgear for wear affixed with Cited Trademark C (Exhibits Otsu 4 to 6), it is not deniable that the designated goods of the Trademark are related to the goods pertaining to the business of the supporting intervenor in terms of the nature, intended use, and purpose.

Okinawa Sogo Boeki, which is managed by the plaintiff, sells T-shirts, etc. affixed with the Trademark mainly at a store in Okinawa and through Internet mail-order sales (Exhibits Otsu 11 and 16 to 26 and Exhibits Hei 7 to 9). On the other hand, T-shirts and headgear for wear, etc. sold by the supporting intervenor are not very special goods, and those who purchase them are

not especially limited (the entire import of the oral argument). Taking this into account, the plaintiff and the supporting intervenor should be considered as being significantly different in the scale of sales though the traders and consumers of their goods have commonality to a considerable extent.

D. Consideration

According to A. to C. above, Cited Trademark C is original and is well-known and famous as an indication of the goods pertaining to the business of the supporting intervenor, which is a sports goods manufacturer that develops its business on a global basis, and the designated goods of the Trademark are related to the goods pertaining to the business of the supporting intervenor in terms of the nature, intended use, and purpose. The designated goods of the Trademark and the goods pertaining to the business of the supporting intervenor have considerable commonality in terms of the traders and consumers of the goods. However, it should be said that, even based on the attention that is ordinarily paid by the traders and consumers of T-shirts and headgear for wear, which are the designated goods of the Trademark, the designated goods are not likely to be erroneously believed as the goods pertaining to the business of the supporting intervenor or a business owner who is in a certain close business relationship with the supporting intervenor or in the relationship of being the members of a group engaging in commercialization business by the same indication as the supporting intervenor when the Trademark is used in connection with the designated goods, taking the following facts into account: the Trademark and Cited Trademark C differ in pronunciation and concept and cannot be necessarily considered as similar in appearance; Okinawa Sogo Boeki, which is managed by the plaintiff, only sells T-shirts, etc. affixed with the Trademark mainly at a store in Okinawa and through Internet mail-order sales, and the scale of sales is relatively small.

Therefore, the Trademark Registration cannot be considered as being "likely to cause confusion" as referred to in Article 4, paragraph (1), item (xv) of the Act, and the determination in Second Ruling that goes against this should be considered as erroneous.

E. Supplementary determinations concerning the allegations of the supporting intervenor

(A) The supporting intervenor alleges as follows: Both the Trademark and Cited Trademark C consist of the same way of arrangement of lettering letters and an animal figure of the same contour, and they thus have commonality in the entire appearance; therefore, traders and consumers who see the Trademark call to mind the image of the animal figure of Cited Trademark C; consequently, the Trademark is similar to Cited Trademark C at least to the extent of causing confusion in a broad sense. However, as mentioned above, the Trademark and Cited Trademark C differ in pronunciation and concept, and they are also not necessarily similar in appearance because they differ in the way of drawing the animal figure, etc. Therefore, the aforementioned allegation of the supporting intervenor is unacceptable.

(B) In addition, the supporting intervenor alleges as follows: The actual condition of transaction that should be taken into account in determining existence of the "likelihood of causing confusion" as referred to in Article 4, paragraph (1), item (xv) of the Act means the general and constant actual condition concerning the designated goods as a whole and does not mean the special or limited actual condition concerning only the goods in connection with which the trademark is now being used, such as being used at the plaintiff's store in Okinawa. However, the actual form of use can be taken into account as the actual condition of transaction in determining existence of the aforementioned "likelihood of causing confusion." Therefore, the aforementioned allegation of the supporting intervenor is unacceptable.

(C) Furthermore, the supporting intervenor alleges that the Trademark is a parody of the trademarks of the supporting intervenor and is one that gets a free ride of and dilutes the credibility of the trademarks of the supporting intervenor.

However, the concept of "parody" is not a legal concept provided in the Trademark Act but is an academic concept. Whether the Trademark falls under Article 4, paragraph (1), item (xv) of the Act should be determined absolutely based on whether the Trademark falls under said item, which is a legal concept. In addition, as mentioned later, the plaintiff did not create the Trademark for the purpose of parodying the trademarks of the supporting intervenor, such as Cited Trademark C, and as mentioned above, the Trademark and Cited Trademark C differ in pronunciation and concept and cannot be necessarily considered as similar in appearance. Therefore, the Trademark cannot be necessarily considered as one that gets a free ride of and dilutes the trademarks of the supporting intervenor.

Consequently, the aforementioned allegation of the supporting intervenor is unacceptable.

4. Whether the Trademark falls under Article 4, paragraph (1), item (xix) of the Act (Ground for Rescission 3)

(1) Similarity between the Trademark and Cited Trademark C

A. Article 4, paragraph (1), item (xix) of the Act provides that no trademark shall be registered if the trademark "is identical with, or similar to, a trademark which is well known among consumers in Japan or abroad as that indicating goods or services pertaining to a business of another person, if such trademark is used for unfair purposes (referring to the purpose of gaining unfair profits, the purpose of causing damage to the other person, or any other unfair purposes, the same shall apply hereinafter)." Therefore, the application of said item requires that the trademark "is identical with, or similar to," another person's trademark and is "used for unfair purposes"

The parties agree that Cited Trademark C is well-known and famous among the consumers and traders of clothing, etc., which are the designated goods thereof, as an indication of the goods pertaining to the business of the supporting intervenor. However, as mentioned in 3.

above, the Trademark and Cited Trademark C differ in pronunciation and concept and are not necessarily considered as similar in appearance. Therefore, the trademarks should be considered as not being similar to each other. In that case, the Trademark does not fall under a "similar trademark" as referred to in Article 4, paragraph (1), item (xix) of the Act.

B. On the other hand, the defendant alleges as follows: Whether the Trademark falls under a similar trademark as referred to in Article 4, paragraph (1), item (xix) of the Act should be determined based on whether it is similar to a trademark that is widely recognized among consumers in Japan or abroad as an indication of the goods, etc. pertaining to the business of another person to the extent that people would easily call to mind the image of said trademark; the Trademark and Cited Trademark C have commonality in the format of alphabetical letters roughly at the center and the contour, etc. of the silhouette-like four-legged animal arranged on the upper right thereof, and traders and consumers who remember the animal figure of famous Cited Trademark C would have called to mind the image of the aforementioned animal figure when seeing the Trademark; therefore, the Trademark and Cited Trademark C are similar to each other.

However, as mentioned above, the appearance of the Trademark and that of Cited Trademark C are not necessarily similar to each other, and the shapes of the animal figures of those trademarks differ to a considerable extent. Therefore, it is extremely doubtful whether traders and consumers who remember the animal figure of well-known Cited Trademark C would be likely to have called to mind the image of the aforementioned animal figure when seeing the Trademark. Consequently, the aforementioned allegation of the defendant should be considered as unacceptable.

(2) Whether there are "unfair purposes"

As mentioned above, the Trademark does not fall under a "similar trademark" as referred to in Article 4, paragraph (1), item (xix) of the Act. Therefore, the Second Ruling is considered as containing an error in its determination that the registration of the Trademark violates said item, without the need of making determinations on other points. However, whether there are "unfair purposes" as referred to in said item in relation to the use of the Trademark is also considered for confirmation.

In the oral argument in question, the plaintiff made a statement recognizing that the plaintiff had seen the trademark of the supporting intervenor when creating the Trademark. However, according to evidence (Exhibits Ko 10, 14, 15, and 29 and Exhibits Hei 7 to 9), the following facts are recognized: [i] At the beginning, the plaintiff manufactured T-shirts, on which the face of shīsā, which is a traditional Okinawan image of a lion, or the face of shīsā and a logo, such as "Shi-Sir," are printed, and sold them at the store of Okinawa Sogo Boeki, for which the plaintiff itself serves as the director, but the plaintiff looked for a design that is accepted by young people

and created the Trademark after conducting various research; [ii] The plaintiff's desire for shīsā, which symbolizes Okinawa, to develop out of Okinawa onto the big stage is put into the jumping animal figure drawn in silhouette of the Trademark; [iii] There are only statements, such as "How about our original specialty goods 'jumping shi-sa'? Updated information about souvenirs from Okinawa is available on the blog," on the website for Internet mail-order sales, which was opened by a company managed by the plaintiff, and there is no statement that makes it possible to cause confusion with the goods pertaining to the business of the supporting intervenor; [iv] On the aforementioned website for mail-order sales, there is the following statement in the item titled "Meaning of jumping shi-sa: 2007.08.28 Tuesday, Jumping shi-sa," which was written by the employee, etc. of the company managed by the plaintiff: "Ladies and gentlemen, don't you think that this jumping shi-sa is a mere rip-off of Puma, or a parody of Puma? There is a similar design (Yeah, yeah, Manager shīsā also initially thought so ...), but ... in addition, jumping shi-sa rightly has a meaning. ... In recent years, Okinawan culture and personalities have come to be recognized nationwide. There have also been many people from Okinawa in the entertainment and culture fields. Unlike a decade ago, the image that Okinawan people are shy and remain private now seems to be a 'thing of the past.' This mark was designed by putting a desire for Okinawan people to make an entrance in the world into shī-sā. By designer staff ..."; and the meaning of the creation of the animal figure part of the Trademark is explained in the same manner as stated in [ii] above.

Moreover, as mentioned above, Okinawa Sogo Boeki, which is managed by the plaintiff, mainly sells T-shirts, etc. affixed with the Trademark mainly at the store in Okinawa and through Internet mail-order sales, and the sales route for the aforementioned T-shirts, etc. is considerably limited. In addition, there is no sufficient evidence to recognize that a retail store, etc. to which Okinawa Sogo Boeki distributed its goods deals with the goods pertaining to the business of the supporting intervenor.

In that case, taking into account the fact that Cited Trademark C has already been actually registered in Japan, the plaintiff's use of the Trademark cannot be recognized as being for the purpose of gaining unfair profits by taking advantage of the situation where a well-known trademark has yet to be registered, etc. or for the purpose of causing damage to the supporting intervenor, etc. Therefore, it should be said that the plaintiff cannot be considered as having the "unfair purposes" as referred to in Article 4, paragraph (1), item (xix) of the Act.

(3) Supplementary determinations on the allegations of the supporting intervenor

A. The supporting intervenor alleges that the plaintiff uses the Trademark for the unfair purpose of gaining profits by taking advantage of the credibility or reputation of Cited Trademark C while sufficiently recognizing the well-knownness, famousness, and originality of Cited Trademark C.

However, there is no sufficient evidence to recognize that the plaintiff is using the Trademark for the unfair purpose of gaining profits by taking advantage of the credibility or reputation of Cited Trademark C. Taking into account the background to the creation of the Trademark, etc. as mentioned in (2) above, the aforementioned allegation of the supporting intervenor is unacceptable.

B. Moreover, the supporting intervenor alleges as follows: The plaintiff prepared the Trademark as a parody of the trademarks of the supporting intervenor and filed an application for registration therefor, and the plaintiff has an intention of making sales on the coattails of Cited Trademark C.

However, there is no sufficient evidence to recognize the fact that the plaintiff created the Trademark as a parody of the trademarks of the supporting intervenor, including Cited Trademark C. As mentioned in (2) above, it is also not stated on the website operated by the company managed by the plaintiff that the Trademark was created as the aforementioned parody. In addition, evidence (Exhibits Hei 12 to 20, 40, 42, and 43) submitted by the supporting intervenor is also not sufficient to recognize that the plaintiff or a person associated with the company managed by the plaintiff presents T-shirts affixed with the Trademark and sells them through the Internet. Therefore, the fact is nothing more than that persons other than the plaintiff and persons associated with the company managed by the plaintiff deal with the aforementioned T-shirts as a parody independently of the plaintiff, such persons make comments on the Trademark independently of the plaintiff, or parody goods that are not related to the Trademark are placed. Consequently, the aforementioned allegation of the supporting intervenor must be considered as a matter of speculation.

5. Conclusion

On these bases, the registration of the Trademark does not violate Article 4, paragraph (1), items (xi), (xv), and (xix) of the Act, and there are reasons for all the plaintiff's allegations of Grounds for Rescission 1 to 3. Therefore, the Second Ruling that differs from this conclusion shall be rescinded, and the judgment shall be rendered in the form of the main text.

Intellectual Property High Court, Second Division

Presiding judge: NAKANO Tetsuhiro

Judge: MANABE Tomoko

Judge: TANABE Minoru