

Date	November 15, 2010	Court	Intellectual Property High Court, Second Division
Case number	2009 (Gyo-Ke) 10433		
<p>A case in which, with regard to the plaintiff’s application for registration of “喜多方ラーメン” as a regional collective trademark, the court maintained the trial decision of the Japan Patent Office (JPO) ruling that the trademark failed to satisfy the requirement under Article 7-2, paragraph (1) of the Trademark Act, on the basis of the finding that the trademark has not become well-known, as a result of being used, among consumers as indicating the goods or services pertaining to the business of the plaintiff or its members.</p>			

References:

Article 7-2 of the Trademark Act

1. Background

The plaintiff is a cooperative based in Kitakata City, Fukushima Prefecture, whose members are Chinese noodle shops located in this city. On April 1, 2006, the plaintiff filed an application of registration of the trademark consisting of standard characters, “喜多方ラーメン,” as a regional collective trademark set forth in Article 7-2, paragraph (1) of the Trademark Act (hereinafter referred to as the “Act”) (as a result of the amendment made after the filing, the designated services finally specified are “provision of Chinese noodles in Kitakata City, Fukushima Prefecture,” in Class 43). This application was refused by the examiner of the Japan Patent Office (JPO) due to the failure to satisfy the requirement prescribed in Article 7-2, paragraph (1) of the Act. The plaintiff then filed a request for a trial against the examiner’s decision of refusal, which was dismissed by the JPO. As the reason for dismissal, the JPO ruled that the plaintiff’s trademark failed to satisfy the requirement prescribed in Article 7-2, paragraph (1) of the Act because the trademark cannot be found to have become well-known, as a result of being used, among consumers in a certain area, such as Fukushima Prefecture and its neighboring prefectures, as indicating the goods or services pertaining to the business of the plaintiff or its members.

Accordingly, the plaintiff filed this suit to seek rescission of the JPO decision of dismissal, alleging as follows. (i) The regional collective trademark system (Article 7-2 of the Act) is a system that applies a relaxed version of the requirement of well-knownness prescribed in Article 3, paragraph (2) of the Act. A trademark is deemed to sufficiently satisfy the requirement of well-knownness prescribed in Article 7-2, paragraph (1) of the Act if consumers can recognize that the goods or services provided under the trademark come from a certain scope of persons (not especially

from a particular person) and distinguish the region or production area of such goods or services. (ii) The JPO made an error in ruling that, because of the fact that the plaintiff's members account for slightly less than 50% of all Chinese noodle shops in Kitakata City, "the plaintiff's trademark cannot be found to have become well-known, as a result of being used, among consumers in a certain area, such as Fukushima Prefecture and its neighboring prefectures, as indicating the goods or services pertaining to the business of the plaintiff or its members."

2. Summary of the court decision

As for (i), the court ruled as follows. Pursuant to Article 7-2, paragraph (1) of the Act, the trademark is required to "have become well-known, as a result of being used, among consumers in a certain area, such as Fukushima Prefecture and its neighboring prefectures, as indicating the goods or services pertaining to the business of the plaintiff or its members." This is because, as a result of the registration of a cooperative's regional collective trademark which consists of characters that represent the name of the region and the name of the goods or services, a third party who is not a member of the cooperative would be restricted from freely using the trademark, so it is necessary to clearly distinguish whether or not the reputation of the cooperative that applied for registration has been established in the trademark to an extent that it deserves to be protected even by imposing such restriction on a third party, or if it is necessary to clearly distinguish whether or not the cooperative's reputation has been established in the trademark to an extent that a third party, who is not its member, is likely to use the trademark for the purpose of taking a free ride on such reputation. Thus, as compared to the registrability requirement under Article 3, paragraph (2) of the Act, the registrability requirement under Article 7-2 of the Act is relaxed only in terms of the degree of distinctiveness, and it is not relaxed in terms of consumers' recognition of the connection between the trademark and the goods or services pertaining to the business of a particular cooperative or its members.

As for (ii), the court comprehensively took into consideration various factors, as the JPO did, including the plaintiff's previous activities, the share of the plaintiff's members among all Chinese noodle shops in Kitakata City, whether famous Chinese noodle shops in Kitakata City have membership in the plaintiff, the status of business of those who provide Chinese noodles outside Kitakata City, using the characters "喜多方ラーメン," and the status of registration and use of trademarks containing the characters "喜多方ラーメン," and in conclusion, the court determined that the plaintiff's trademark cannot be found to have become well-known, as a result of being

used, among consumers in a certain area, such as Fukushima Prefecture and its neighboring prefectures, as indicating the goods or services pertaining to the business of the plaintiff or its members,” and therefore it failed to satisfy the requirement prescribed in Article 7-2, paragraph (1) of the Act. For these reasons, the court dismissed the plaintiff’s claim.