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Date of the judgement

1993.09.10

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Case Number

1991(Gyo-Tsu)103

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Reporter

Minshu Vol. 47, No. 7

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Title

Judgment concerning which component of a trademark "SEIKO EYE," for which watches, eyeglasses, etc. are designated, gives rise to a pronunciation and concept

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Case name

Case to seek revocation of a trial decision

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Result

Judgment of the Second Petty Bench, quashed and decided by the Supreme Court

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Court of the First Instance

Tokyo High Court, Judgment of February 28, 1991

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Summary of the judgement

With regard to a trademark "SEIKO EYE," for which watches, eyeglasses, etc. are designated, and which comprises of the combination of the set of characters "SEIKO," an indication of the abbreviated version of the goods name or trade name of a famous manufacturer of watches and other items in Japan, and the set of characters "EYE," a

general and universal set of characters that is closely related to eyeglasses, the set of characters "EYE" does not independently give rise to any pronunciation or concept as an identifier of the source of goods.

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References

Article 4, paragraph (1), item (xi) of the Trademark Act (prior to the revision by Act No. 65 of 1991)

Trademark Act (prior to the revision by Act No. 65 of 1991)
Article 4
Notwithstanding the preceding Article, no trademark is registered if the trademark:
(xi) is identical with, or similar to, another person's registered trademark which has been filed prior to the filing date of an application for registration of said trademark, if such a trademark is used in connection with the designated goods or designated services relating to said registered trademark (referring to goods or services designated in accordance with Article 6, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 68, paragraph (1)); the same applies hereinafter), or goods or services similar thereto.

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Main text of the Judgment

The judgment in prior instance is quashed.
The trial decision rendered by the Japan Patent Office on May 31, 1990, in Trial No. 21693 of 1980 is revoked.
The appellee of final appeal shall bear the total court costs.

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Reasons

Concerning Reason II for final appeal argued by the appeal counsel
I. The facts legally determined by the court of prior instance are as follows.
1. On June 13, 1975, the appellant of final appeal filed an application for trademark registration with regard to the trademark whose composition is indicated in Section (I) of the attached list of trademarks (hereinafter referred to as the "Trademark"), designating goods in Class 23 as indicated in the appended table of the Order for Enforcement of the Trademark Act (prior to the revision by Cabinet Order No. 299 of

1991). On September 25, 1980, the examiner of the Japan Patent Office (JPO) rendered a decision to refuse the application, citing a registered trademark whose composition is indicated in Section (II) of the attached list of trademarks, for which goods in Class 23 as indicated in said appended table, "watches, eyeglasses, and parts and accessories thereof," are designated (Registration No. 1063413; the application for trademark registration filed on August 11, 1971, the establishment of the trademark right registered on April 27, 1974; hereinafter this cited trademark is referred to as the "Examiner-Cited Trademark" and the trademark right granted therefor is referred to as the "Examiner-Cited Trademark Right"). Dissatisfied with this, the appellant filed a request for a trial against the examiner's decision of refusal (Trial No. 21693 of 1980).

2. The duration of the Examiner-Cited Trademark Right expired on April 27, 1984, and accordingly, the JPO notified the appellant of the reasons for refusal of the application, citing another registered trademark whose composition is indicated in Section (III) of the attached list of trademarks, for which goods in Class 23 as indicated in said appended table, "watches, eyeglasses, and parts and accessories thereof," are designated (Registration No. 1204173; the application for trademark registration filed on August 11, 1971, the establishment of the trademark right registered on June 10, 1976, renewal of the duration of the trademark right registered in 1986; hereinafter this cited trademark is referred to as the "JPO-Cited Trademark"; the case records suggest that the Examiner-Cited Trademark and the JPO-Cited Trademark were registered as different trademarks based on the applications for trademark registration filed by the same applicant). On May 31, 1990, with regard to said trial case, the JPO rendered a decision to dismiss the appellant's request for a trial (hereinafter referred to as the "JPO Decision"). The JPO Decision was rendered on the grounds that among the components of the Trademark, the set of characters "eye" gives rise to the pronunciation of "ai" and the concept of an "eye, an organ of vision," whereas among the components of the JPO-Cited Trademark, the set of characters "EYE" also gives rise to the same pronunciation and concept, and thus the Trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act (prior to the revision by Act No. 65 of 1991) and therefore it may not be registered.

II. Given the facts mentioned above, the court of prior instance found the determination in the JPO Decision to be justifiable, and dismissed the appellant's claim to seek the revocation of the JPO Decision, on the following grounds.

1. The Trademark is pronounced as "ai" among traders and consumers, and it reminds them of the concept of an "eye, as an organ of vision."

2. Among the components of the JPO-Cited Trademark, the set of characters "SEIKO" indicates the abbreviated version of the goods name or trade name of Hattori Seiko Co., Ltd., a famous manufacturer of watches and other items in Japan, and the set of characters "EYE" is pronounced as "ai" and reminds people of the concept of an "eye, as an organ of vision." It is widely known among traders and consumers that Hattori Seiko Co., Ltd. uniformly uses the indication of "SEIKO" for all watches it sells, while also using marks such as "DOLCE," "CADET," "CHARIOT," and "MAJESTA" in order to distinguish individual goods. Accordingly, traders and consumers, upon seeing the JPO-Cited Trademark, recognize the set of characters "EYE" as an indication of goods carrying the mark "EYE" among those handled by Hattori Seiko Co., Ltd., and hence it can be found that the JPO-Cited Trademark is pronounced as "ai" in addition to "seikō-ai" and reminds people of the concept of an "eye, as an organ of vision."
Since there is no evidence to find that the set of characters "EYE" indicates the quality or usage, etc. of the designated goods, it cannot be held to lack the capability of making the trademark owner's goods distinguishable from others just because it is a general and universal set of characters.

III. However, we cannot affirm the determination by the court of prior instance mentioned above, on the following grounds.
Since eyeglasses are included in the scope of goods designated for the JPO-Cited Trademark, if this trademark is used for eyeglasses, although the set of characters "EYE" among the components of said trademark may not directly indicate the quality, usage, etc. of eyeglasses, it may be regarded as a general and universal set of characters that represents an "eye, as an organ of vision," which is closely related to eyeglasses, and therefore it should be held to be incapable of giving any specific or limited impression to traders and consumers. On the other hand, the set of characters "SEIKO" among the components of the JPO-Cited Trademark indicates the goods name or trade name of Hattori Seiko Co., Ltd., a famous manufacturer of watches and other items in Japan, as legally determined by the court of prior instance.
Accordingly, if the JPO-Cited Trademark, which comprises the combination of the set of characters "SEIKO" and the set of characters "EYE," is used for eyeglasses which are included in the scope of goods designated for that trademark, the set of characters "SEIKO" gives a powerful and dominant impression to traders and consumers as an identifier of the source of goods. Hence, in comparison with this, the set of characters "EYE," a general and universal set of characters that is closely related to eyeglasses, cannot be held to give rise independently to any pronunciation or concept as an

identifier of the source of goods, unless there are special circumstances such as that this set of characters is used as an identifier of the source of goods in actual transactions, and as a result, it should be held that only the entirety of "SEIKOEYE" or its component "SEIKO" gives rise to a pronunciation and concept.

The court of prior instance determined that since Hattori Seiko Co., Ltd. uniformly uses the indication of "SEIKO" for all watches it sells, while also using "DOLCE" and other marks in order to distinguish individual goods, traders and consumers, upon seeing the JPO-Cited Trademark, recognize the set of characters "EYE" as an indication of goods carrying the mark "EYE" among those handled by Hattori Seiko Co., Ltd. However, the court of prior instance did not make a finding of such fact that Hattori Seiko Co., Ltd. actually sells goods which are included in the scope of goods designated for the JPO-Cited Trademark while using this trademark for said goods. Furthermore, it cannot be said that the general and universal set of characters "EYE," which does not have the capability of giving any specific or limited impression to traders and consumers as found above, can serve as an identifier of the source of goods sold by Hattori Seiko Co., Ltd., as in the case of "DOLCE" and other sets of characters which are obviously not such general or universal sets of characters and which are used for the watches that this company actually sells.

In short, in light of the circumstances as found above, the set of characters "EYE" among the components of the JPO-Cited Trademark does not independently give rise to any pronunciation or concept, and hence, the explanation given by the court of prior instance such that it cannot be said that this set of characters is incapable of making the trademark owner's goods distinguishable from others is illegal due to the erroneous interpretation and application of the laws and regulations concerning the similarity of trademarks, and such illegality apparently affects the judgment. The appeal counsel's arguments are well-grounded for alleging such illegality, and without needing to make a determination on other reasons for final appeal, the judgment in prior instance should inevitably be quashed.

IV. Given the facts legally determined as above, it is obvious that the Trademark does not give rise to any pronunciation or concept corresponding to "SEIKO EYE" or "SEIKO," and that the Trademark and the JPO-Cited Trademark are not similar to each other in appearance. Consequently, the determination by the JPO is illegal in that it found these trademarks to be similar to each other, and such illegality apparently affects the conclusion of the JPO Decision. In conclusion, the appellant's claim to seek the revocation of the JPO Decision should be upheld as well-grounded.

Therefore, according to Article 7 of the Administrative Case Litigation Act, and Articles 408, 96, and 89 of the Code of Civil Procedure, the judgment has been rendered in the form of the main text by the unanimous consent of the Justices.

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Presiding judge

Justice NAKAJIMA Toshijiro

Justice FUJISHIMA Akira

Justice OHSAKI Ryohei

Justice ONISHI Katsuya

(This translation is provisional and subject to revision.)