

Date	October 31, 2001	Court	Tokyo High Court, 13th Civil Division
Case number	2001 (Gyo-Ke) 258		
– A case in which the court maintained the JPO decision that invalidated the registration of trademarks on the grounds that the registered trademarks were already generic names of a type of pH adjuster at the time of the decision to register the trademarks.			

References: Article 3, paragraph (1), item (i) of the Trademark Act

Number of related rights, etc.: Trademark Registration No. 3341616, Invalidation Trial No. 2000-35508

### Summary of the Judgment

The plaintiff is the holder of a trademark right for the trademark (the "Trademark"), which consists of horizontally written letters "カンショウ乳酸" (Kanshō nyūsan) (buffered lactic acid) and is registered for the designated goods, Class 1 "Lactic acid." The defendant filed a request for a trial for invalidation of the registration of the Trademark. The JPO made a decision to invalidate the registration of the Trademark, on the grounds that: as of July 1997, when an examiner's decision to register the Trademark was made, the Trademark was already known among traders and consumers of this type of organic acids and lactate salts as a generic name of a type of organic acids and lactate salts (pH adjuster) to be used as food additives; therefore the Trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act and its registration shall be invalidated under Article 46, paragraph (1) of said Act.

In this judgment, the court maintained the JPO decision, holding as summarized below.

(1) It can be found that as of February 1997 at the latest, "緩衝乳酸," along with other substances such as "malic acid," "fumaric acid," "citric acid," and "acetic acid," was widely recognized as a type of pH adjuster designed to be added to foods and as a pH adjuster made by adding sodium lactate to lactic acid. Therefore, it can be found that at that time, the words "緩衝乳酸" and "カンショウ乳酸" were already generic names of the pH adjuster mentioned above. The Trademark consists of the letters "カンショウ乳酸" horizontally written in a regular font, and thus it consists solely of a mark that indicates a generic name of a product in a common manner.

(2) A decision as to whether or not the trademark claimed in an application falls under Article 3, paragraph (1), item (i) of the Trademark Act as a generic name should be made based on whether the trademark is recognized as a generic name as of the time

when a JPO examiner decides whether to register the trademark. Even if a trademark had been widely known as an indication of goods or services of a specific person before the trademark came to be recognized as a generic name, the examiner deciding whether to register the trademark would not necessarily take such fact into consideration.

Judgment rendered on October 31, 2001

2001 (Gyo-Ke) 258 Case of Seeking Rescission of JPO Decision (Conclusion of oral argument: September 19, 2001)

### Judgment

Plaintiff: Musashino Chemical Laboratory, Ltd.

Defendant: Purac Japan Kabushiki Kaisha

### Main text

The plaintiff's claim shall be dismissed.

The plaintiff shall bear the court costs.

### Facts and reasons

#### No. 1 Judgment sought by the parties

##### 1. Plaintiff

A JPO decision rendered regarding Invalidation Trial No. 2000-35508 on May 8, 2001 shall be rescinded.

The defendant shall bear the court costs.

##### 2. Defendant

The same as stated in the main text above.

#### No. 2 Facts undisputed by the parties

##### 1. Developments in procedures at the JPO

The plaintiff is the holder of a trademark right for the trademark presented in the section "Trademark" of the attached certified copy of the JPO decision. Said trademark consists of horizontally written letters "カンショウ乳酸" (Kanshō nyūsan) (buffered lactic acid) registered for the designated goods, Class 1 "Lactic acid," stated in the appended table of the Order for Enforcement of the Trademark Act (Trademark Registration No. 3341616; an application for trademark registration filed on June 7, 1995; an examiner's decision of registration made on July 3, 1997; the trademark registered on August 22, 1997; the "Trademark"). On September 22, 2000, the defendant filed a request for a trial for invalidation of the registration of the Trademark. The JPO examined said request as Invalidation Trial No. 2000-35508 and, on May 8, 2001, made a decision that "Registration No. 3341616 shall be invalidated." A certified copy of said JPO decision was served on the plaintiff on May 22, 2001.

##### 2. Reasons for the JPO decision

As stated in the attached copy of the JPO decision, the Trademark was already

known among traders and consumers of this type of organic acids and lactate salts as a generic name of a type of organic acids and lactate salts (pH adjuster) to be used as food additives. The JPO found that the Trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act and its registration shall be invalidated under Article 46, paragraph (1) of said Act.

No. 3 Grounds for rescission of the JPO decision alleged by the plaintiff

1. The JPO decision is illegal and shall be rescinded because there was an error (Grounds for rescission) in the JPO's determination that the Trademark is identical with a generic name of a type of organic acids or lactate salts (pH adjuster).

(omitted)

No. 5 Court decision

1. Grounds for rescission (an error in the JPO's determination that the Trademark is a generic name)

(1) Applicability of Article 3, paragraph (1), item (i) of the Trademark Act to the Trademark

A. Oda Document (Exhibit Ko 17-4) published on November 15, 1992 states that "In order to weaken the heat resistance of bacteria and slow the proliferation thereof, it is effective to lower the pH level of boiled noodles and sterilize them by heat. (omitted) In order to lower the pH level, (omitted) organic acids should be used by either of the following two methods, i.e., either by mixing organic acids into the dough or by immersing the boiled noodles in acid solution" (p. 97). "Table 3-14: pH level of the dough and boiled noodles containing 0.1% organic acids" states "緩衝乳酸" (Kanshō nyūsan) (buffered lactic acid) at the beginning of the section concerning the organic acids mixed into the dough, followed by the names of other substances mentioned in parallel with "緩衝乳酸," namely, "lactic acid," "malic acid," "fumaric acid," and "citric acid" (p. 97). The aforementioned statement in the Oda Document does not provide any explanation about the details, characteristics, etc. of the aforementioned organic acids such as "緩衝乳酸."

Said Document also states that "(2) Manufacturing of packaged boiled noodles: (omitted) the boiled noodles will be washed with water and immersed in organic acid solution (omitted). As shown in Table 4-3, organic acids vary in terms of the effect of lowering pH levels" (p. 109). "Table 4-3 Comparison of the acidity of organic acids" states the following organic acids in parallel with each other in the order of the intensity of acidity: "fumaric acid," "tartaric acid," "phytic acid," "lactic acid," "buffered lactic

acid," "gluconic acid," "malic acid," "citric acid," "phosphoric acid," "succinic acid," and "acetic acid" (p. 109). The statement of these acids is followed by the statement that "the sourness as a food taste is determined not by the pH level but by the amount of acid. Therefore, in order to lower the pH level as much as possible, it is a good idea to use fumaric acid or lactic acid" (p. 109). While said Document describes the manufacturing of packaged boiled noodles, it does not explain the details, characteristics, etc. of the aforementioned organic acids such as "fumaric acid" and "tartaric acid."

B. The Fujino Paper published in February 1997 (Exhibit Ko 17-3) states that "4. Lactate salts and drug formulations: Currently, various lactate salts are approved as food additives and used in the field of food manufacturing. This section explains the characteristics of lactate salts." After this statement, examples of lactate salts are presented as follows: "calcium lactate," "sodium lactate," "ferrous lactate," "calcium stearoyl lactylate," and "powder products (lactic acid powder and sodium lactate powder), as well as "カンシヨウ乳酸." The characteristics of "カンシヨウ乳酸" are explained as "It is a pH adjuster made by adding sodium lactate to lactic acid in order to give it cushioning properties. If added to a food ingredient that is susceptible to a pH level, 'カンシヨウ乳酸' would function as a cushion to stabilize the pH level within an appropriate range" (p. 76). The Fujino Paper does not state that "カンシヨウ乳酸" is the trademark for the pH adjuster in question developed by the plaintiff. Furthermore, the Fujino Paper states that P has been an employee of the plaintiff since April 1991 and that, as of February 1997, when the Fujino Paper was published, P was an employee of Musashino Shoji Kabushiki Kaisha, which is an affiliate company of the plaintiff.

C. According to these statements, as of February 1997 at the latest, it can be found that "緩衝乳酸," among other substances such as "malic acid," "fumaric acid," "citric acid," and "acetic acid," was widely recognized as a type of pH adjuster designed to be added to foods and as a pH adjuster made by adding sodium lactate to lactic acid. Since the aforementioned words such as "malic acid," "fumaric acid," "citric acid," "acetic acid," "calcium lactate," "sodium lactate," "ferrous lactate," "calcium stearoyl lactylate," "lactic acid powder," and "sodium lactate powder" are generic names of certain types of organic acids, it is therefore reasonable to find that the words "緩衝乳酸" and "カンシヨウ乳酸," which were stated in parallel with the aforementioned substances, are also generic names of the pH adjuster in question, which is a certain type of organic acids.

D. If this is the case, as of July 3, 1997, when an examiner's decision to register the Trademark was made, the word "カンシヨウ乳酸" was already recognized as a generic name for the pH adjuster in question. Since the Trademark consists of the letters "カンシヨウ乳酸" horizontally written in a regular font, it should be said that the Trademark

consists solely of a mark that indicates a generic name of a product in a common manner and therefore falls under Article 3, paragraph (1), item (i) of the Trademark Act.

(2) Plaintiff's allegation

A. The plaintiff alleged that an organic acid or a lactate salt named "カンショウ乳酸" does not exist. However, as mentioned in (1) above, the Trademark should be regarded as a generic name of a type of organic acid or lactate salt (pH adjuster) in light of the facts that the Oda Document mentioned "緩衝乳酸" as a type of organic acid and that the Fujino Paper mentioned "カンショウ乳酸" as a type of lactate salt.

B. The plaintiff alleged that neither researchers in the field of organic chemistry nor researchers in the field of food additives use the word "緩衝乳酸," but use the word "乳酸緩衝液" (nyūsan kanshōeki) (lactic acid buffering solution) to indicate a solution with a buffering function such as a mixture of lactic acid and sodium lactate. However, as mentioned in (1) above, there are documents using such words as "緩衝乳酸" and "カンショウ乳酸." While the plaintiff alleged that buffer solution is indicated as "酢酸緩衝液" (Sakusan Kanshōeki) and not as "緩衝酢酸" (Kanshō sakusan), there is no evidence to support this allegation. Even if it is true that buffer solution is generally indicated as "酢酸緩衝液," it is clear that, as far as "乳酸緩衝液" is concerned, the words "緩衝乳酸" and "カンショウ乳酸" have been used as mentioned in (1) above. Since it is usually not the case that only one generic name is used to refer to a certain type of substance, the plaintiff's allegation mentioned above concerning buffer solution in general does not affect the court's determination that "カンショウ乳酸" is a generic name. Similarly, since buffer solution made of a mixture of lactic acid and sodium lactate would not be necessarily indicated as "lactic acid - sodium lactate," the court's determination that "カンショウ乳酸" is a generic name will not be affected.

C. The plaintiff alleged, on the premise that "緩衝乳酸" is not a generic name of a mixture of lactic acid and sodium lactate, that the Trademark, which consists of a part of the generic name written in katakana, cannot be regarded as a generic name. However, as mentioned in (1) above, since "緩衝乳酸" can be regarded as a generic name, the plaintiff's allegation has lost its premise.

D. The plaintiff alleged that, if the expressions such as "buffered lactic acid," "lactic acid buffered," and "lactate buffer," which mean buffer solution made of a mixture of lactic acid and sodium lactate, used in foreign documents are translated into Japanese, widely-used Japanese expressions such as "乳酸 - 乳酸ナトリウム緩衝液" or "乳酸緩衝液" would be used. However, there is no evidence to support such allegation. The direct Japanese translation of "buffered lactic acid" would be "緩衝 (buffered)" "乳酸 (lactic acid)." Thus, a combined word "緩衝乳酸" can be recognized as a natural

translation.

E. The plaintiff started manufacturing and selling the pH adjuster in question bearing the Trademark from May 1967 and alleged that the Trademark has become widely known in the food industry as the name of the plaintiff's product. The plaintiff submitted a report titled "カンショウ乳酸 ni tsuite" (Regarding カンショウ乳酸) (Exhibits Ko 2-1 to 2-26). However, the information presented in said report is inconsistent with the evidence and facts found in (1) above. Although the plaintiff alleged in said report that it is widely known in the food industry that the products bearing the Trademark are the pH adjuster in question manufactured by the plaintiff, said report failed to provide sufficient evidence to prove the well-knownness of the Trademark and also failed to clearly indicate who wrote the report. Thus, said report is unacceptable. Furthermore, the plaintiff alleged that the Trademark is a word coined by the plaintiff and that the plaintiff's products accounted for about 90% of the total manufacturing and sales volume of the pH adjuster in question because the plaintiff is the largest company in this field in Japan. However, in view of the facts that it is not uncommon for a word coined as a name of a specific product to gradually lose its source-identifying function and finally become widely known as a generic name of such product in general and that about 30 years had passed by February 1997, when the Fujino Paper was published, on the presumption that it was May 1967 that the plaintiff started manufacturing and selling the pH adjuster in question, the large share of the plaintiff's product in the market of the pH adjuster in question would not prevent the Trademark from becoming a generic name.

F. It is true that, if a trademark is mistakenly used as a generic name, it would be difficult for the holder of a trademark right for the trademark to take measures against such use and that, even if the trademark is used in such a manner only once, it would not immediately make the trademark recognized as a generic name. However, a decision as to whether or not the trademark claimed in an application falls under Article 3, paragraph (1), item (i) of the Trademark Act as a generic name should be made based on whether the trademark is recognized as a generic name as of the time when a JPO examiner decides whether to register the trademark. Even if a trademark had been widely known as an indication of goods or services of a specific person before the trademark came to be recognized as a generic name, the examiner deciding whether to register the trademark would not take such fact into consideration. As mentioned above, there is no evidence to prove that the Trademark is recognized as a widely known indication of goods or services of the plaintiff.

G. The plaintiff alleged that the Oda Document (Exhibit Ko 17-4) should not have used

the word "緩衝乳酸," but should have used the word "乳酸緩衝液" or "乳酸 - ナトリウム緩衝液" for referring to the pH adjuster in question. However, in addition to these generic names, the word "緩衝乳酸" was also recognized as a generic name of the pH adjuster in question as mentioned in (1) above. While the plaintiff alleged that the authors of the Oda Document had special motives, there is no evidence to support such allegation. As long as the Oda Document uses the word "緩衝乳酸" as a generic name, the motives of the authors would not affect the facts found by the court as mentioned in (1) above.

H. The plaintiff alleged that the Fujino Paper (Exhibit Ko 17-3) used the Trademark to refer to the plaintiff's product widely known in the relevant industry. However, as mentioned in (1) above, it is clear that said Paper used the word "カンショウ乳酸" as a generic name of the pH adjuster in question and did not use it to refer to the plaintiff's product. Even if an industrial paper carries an article written by an employee of a manufacturing company about a product of the company as a publication of its research results, it has nothing to do with whether the word "カンショウ乳酸" is used as a generic name in said Paper or whether said word is used as a distinctive indication of goods or services. As mentioned in (1) above, the word "カンショウ乳酸" is used as a generic name in said Paper. Therefore, the aforementioned determination would not be affected by the fact that the Fujino Paper was originally written by an employee of a manufacturing company about a product of the company for an industrial paper as a publication of its research results.

I. The plaintiff alleged that the person using the trademark "緩衝乳酸," stopped the use in response to the plaintiff's request and that Sankyo Foods has concluded a license agreement with the plaintiff concerning the Trademark. However, since it is not uncommon for a person who uses a relevant trademark to voluntarily stop the use thereof or conclude a license agreement based on its own management decision, the aforementioned fact does not necessarily provide grounds to deny the fact that the Trademark has become a generic name.

J. The plaintiff alleged that the fact that the pH adjuster in question is known by a generic name "乳酸 - 乳酸ナトリウム緩衝液" would not provide grounds to deny the existence of a generic name "緩衝乳酸" used among traders. However, according to a document titled "Nyūsan to nyūsanen" (lactic acid and lactate salt) (Exhibit Ko 17-5), said document used both words "緩衝乳酸" and "乳酸 - 乳酸ナトリウム緩衝液" to refer to the pH adjuster in question, which indicates that the latter word is not the only generic name in use. The use of "乳酸 - 乳酸ナトリウム緩衝液" in said document does not necessarily provide grounds to deny the use of the word "緩衝乳酸" as a



generic name.

K. As alleged by the plaintiff, a brochure prepared by an affiliate company of the plaintiff (Exhibit Ko 17-6) contains statements such as "カンショウ乳酸 is a pH adjuster for foods" and "カンショウ乳酸 is a pH adjuster with a buffering function." According to the court's determination mentioned in (1) above, these statements suggest that the word "カンショウ乳酸" is used as a generic name of the pH adjuster in question and that the words "pH adjuster for foods" and "pH adjuster with a buffering function" are used as generic names to refer to a concept higher than "カンショウ乳酸." Therefore, the aforementioned statements alleged by the plaintiff did not affect the aforementioned court's determination that "カンショウ乳酸" is a generic name.

It is clear that, even if the pH adjuster in question, i.e., the plaintiff's product, is sometimes referred to as "乳酸 - 乳酸ナトリウム混合 pH 調整剤" (pH adjuster consisting of a mixture of lactic acid and sodium lactate), it would not necessarily deny the use of the word "カンショウ乳酸" as a generic name in view of the fact that multiple generic names can be used to refer to a certain type of substance. The statements presented in said brochure, i.e., "カンショウ乳酸 is a pH adjuster for foods" and "カンショウ乳酸 is a pH adjuster with a buffering function" should be interpreted to be explaining the characteristics and efficacy of such type of substance as "カンショウ乳酸" according to the court's determination mentioned in (1) above, and should not be interpreted as providing grounds to deny the use of the word "カンショウ乳酸" as a generic name.

L. The plaintiff alleged that the word written in katakana "カンショウ" can be written in many Chinese characters not limited to "緩衝" and therefore that the Trademark cannot be considered to be a generic name in this sense. As alleged by the plaintiff, there are many Chinese characters that correspond to the word written in katakana "カンショウ." However, if this word is used as "カンショウ乳酸," the Chinese characters that can reasonably correspond to "カンショウ" are almost limited to "緩衝." Thus, the word "カンショウ乳酸," which is the same as the generic name "緩衝乳酸" with its "緩衝" part written in katakana, can be considered to be a generic name. As mentioned in (1) above, the Fujino Paper used "カンショウ乳酸" as a generic name. In view of these facts, the fact that the "緩衝" part of the word "緩衝乳酸" is written in katakana does not affect the determination that the word "カンショウ乳酸" is a generic name.

M. The plaintiff alleged that the online search results gained through a search engine site should be taken into consideration. However, even if it is true that search results greatly differ between the case where a search is conducted by the search word "緩衝乳酸" and the case where a search is conducted by the search words including both "緩衝"

and "乳酸," it does not provide evidence to prove that the academic word "緩衝乳酸" does not exist. In fact, as mentioned in (1) above, since there are some documents using the words "緩衝乳酸" and "カンショウ乳酸" as generic names, it is impossible to deny the existence of academic word "緩衝乳酸," even if the aforementioned search results were obtained.

N. On these grounds, none of the plaintiff's allegations is acceptable. Also, there is no sufficient evidence that could affect the court's determination described in (1) above that the Trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act.

2. As described above, the grounds for rescission of the JPO decision alleged by the plaintiff are not legitimate. There are no other defects that could provide grounds for rescission of the JPO decision.

Therefore, the plaintiff's claims shall be dismissed due to the lack of legitimate grounds. Article 7 of the Administrative Case Litigation Act and Article 61 of the Code of Civil Procedure shall apply to the payment of the court costs. The judgment shall be rendered in the form of the main text.

Tokyo High Court, 13th Civil Division

Presiding judge: SHINOHARA Katsumi

Judge: ISHIHARA Naoki

Judge: NAGASAWA Yukio