

Trademark Right	Date	February 3, 2021	Court	Intellectual Property High Court, First Division
	Case number	2020 (Gyo-Ke) 10091		
<p>- A case in which, with regard to the trademark registration that is subject to the request for a trial for rescission of the trademark registration, the court determined that the trademark right holder has proved that it had used a trademark that is identical to the Trademark from the common sense perspective, for the designated service relevant to the request for the trial, "providing amusement facilities."</p>				

Case type: Rescission of Trial Decision of Rescission

Results: Granted

References: Article 2, paragraph (3), item (viii) and Article 50 of the Trademark Act

Related rights, etc.: Trademark Registration No. 5334030

ベガス

Summary of the Judgment

1. (1) The Plaintiff is the holder of the trademark (the "Trademark") registered for the designated services in Class 41: "Arranging, conducting and organization of seminars, providing sports facilities, providing amusement facilities, providing facilities for movies, shows, plays, music performance or educational training, rental of game machines and apparatus."

(2) The Defendant filed a request for a trial for rescission of trademark registration under Article 50, paragraph (1) of the Trademark Act with regard to the registration of the Trademark in connection with the service of "providing amusement facilities," which is included in the scope of the designated services of the Trademark (Rescission Trial No. 2016-300169; hereinafter referred to as the "Trial"), and this request was registered. The JPO rendered a decision to the effect that the trademark registration shall be maintained (hereinafter referred to as the "first JPO decision"). The Defendant filed a lawsuit to seek rescission of the first JPO decision (Intellectual Property High Court, 2017 (Gyo-Ke) 10126). The Intellectual Property High Court rendered a judgment to rescind the first JPO decision (hereinafter referred to as the "judgment on the preceding lawsuit").

(3) Following the judgment on the preceding lawsuit having become final and binding,

the JPO resumed the proceedings of the case of Rescission Trial No. 2016-300169, and rendered a decision to the effect that the registration of the Trademark shall be rescinded in connection with Class 41, "providing amusement facilities," which is included in the scope of the designated services of the Trademark (hereinafter referred to as the "JPO Decision").

The reasons for the JPO Decision are as summarized below.

[i] The act of affixing the set of characters, "ベガス," to Flyer 1 cannot be found to constitute the "use" of the Trademark in the meaning defined in Article 2, paragraph (3) of the Trademark Act.

[ii] It cannot be found that a trademark that is found to be identical with the Trademark from the common sense perspective is affixed to Flyer 2.

[iii] It is found that the back side of "Flyer 3" contains a part that reads "ベガス北仙台店／パチンコ・スロット／11機種導入" (ベガス Kitasendai Parlor / pachinko/slot / 11 types of machines introduced), and the set of characters, "ベガス," is used in this part, but the act of affixing that set of characters to this flyer cannot be found to constitute the "use" of the Trademark in the meaning defined in that paragraph.

[iv] It is found that Flyer 4 contains a part that reads "ベガス北仙台店 今月の新台ラインナップ" (ベガス Kitasendai Parlor / This month's new machine lineup), and the set of characters, "ベガス," is used in this part, but the act of affixing that set of characters to this flyer cannot be found to constitute the "use" of the Trademark in the meaning defined in that paragraph.

[v] There is no other evidence to find that the Plaintiff used the Trademark in connection with the designated service relevant to the request for the Trial during the period for which proof is required.

(4) Grounds for rescission of the JPO Decision alleged by the Plaintiff: Error in the determination on the fact of the use of the Trademark

2. In this judgment, the court held as follows and found, contrary to the JPO Decision, that the Plaintiff has proved that it had used a trademark that is identical with the Trademark from the common sense perspective, in Japan during the period for which proof is required, for the designated service relevant to the request for the Trial. In conclusion, the court rescinded the JPO Decision.

(1) Use of the Trademark

In the double-lined circle indicated on the back side of Flyer 3, three sets of characters are indicated, namely, "ベガス北仙台店" written in black in the upper line, "パチンコ・スロット" written in red in the middle line, and "11機種導入" written in red in the lower line. The set of characters, "ベガス北仙台店," which is written in

the upper line in the double-lined circle, can be observed separately from the sets of characters in the middle and lower lines, which are written in a different color, and it can be recognized as an independent mark consisting of the set of katakana characters, "ベガス," and the set of Chinese characters, "北仙台店."

In view of the whole sets of characters written in the double-lined circle, it is possible to understand that the mark, "ベガス北仙台店," is a mark that indicates the name of a parlor where "11 types of" "pachinko/slot" machines have been "introduced," and that such "pachinko/slot" machines have been installed in the "ベガス北仙台店," where people can enjoy the service of providing these machines. Therefore, it is found that Flyer 3 is a flyer pertaining to the service of providing "pachinko/slot" machines and that the mark, "ベガス北仙台店," indicated in this flyer, is being used in the mode that consumers may recognize said service as a service pertaining to the business of a particular person.

Among the components of the mark, "ベガス北仙台店," the set of characters, "ベガス," can in itself be found to be a coined word that would remind people of "ラスベガス" (Las Vegas). In addition, given that the set of characters, "ベガスベガス北仙台店," is indicated both on the front and back sides of Flyer 3, it is found that consumers, upon seeing this flyer, would recognize the set of characters, "ベガス," as having an implication of an abbreviation of "ベガスベガス" as well.

On the other hand, the set of characters, "北仙台店" (Kitasendai Parlor), which is another component of the mark, "ベガス北仙台店" (ベガス Kitasendai Parlor), has an implication of a parlor that is located in the region of "北仙台" (Kitasendai or Northern Sendai), and is recognized merely as indicating the place where the abovementioned service is provided, and hence, it cannot be regarded as functioning as an identifier of the source of the service. Accordingly, the set of characters, "ベガス," which is contained in the mark, "ベガス北仙台店," can be found to independently function as an identifier of the source of the service and therefore it constitutes the primary part of that mark.

Comparing the set of characters, "ベガス," which is contained in the mark, "ベガス北仙台店," with the Trademark, which consists of the set of katakana characters, "ベガス," written horizontally, although they are different in terms of the font, they both consist of the same set of characters, produce the same sound, "begasu," and have a common concept in that they would remind people of "ラスベガス" (Las Vegas). Therefore, the mark, "ベガス北仙台店," is found to be a trademark that is identical with the Trademark from the common sense perspective.

According to the above, the Plaintiff's act of distributing 29,000 copies of Flyer 3,

in which the mark, "ベガス北仙台店," is indicated, by inserting them in the "Kahoku Shimpo" newspaper on June 6, 2014, is found to constitute the act of distributing a flyer as advertisement materials relating to the service of providing "pachinko/slot" machines, to which a mark that is identical with the Trademark from the common sense perspective is affixed (Article 2, paragraph (3), item (viii) of the Trademark Act), and it is found to constitute the "use" of the Trademark.

(2) Regarding the Defendant's allegations

The Defendant alleges as follows: [i] Given that [a] in Flyer 3, the characters, "ベガス北仙台店," are not used alone but are always used together with the characters, "ベガスベガス," "VEGAS VEGAS" and/or "ベガスベガス北仙台店," [b] the parlor that exists in the location indicated in this flyer is the parlor whose names is "ベガスベガス北仙台店," not "ベガス北仙台店," and [c] the areas where this flyer was distributed are limited areas where there are consumers who know the parlor called "ベガスベガス北仙台店" and are likely to use that parlor, it is natural for consumers, upon seeing this flyer, to understand that the characters, "ベガス," contained in "ベガス北仙台店," only indicate an abbreviation of a parlor's name, "ベガスベガス" or "VEGAS VEGAS." Accordingly, in Flyer 3, the characters, "ベガス北仙台店," or the characters contained therein, "ベガス," cannot be observed separately or independently. Therefore, neither of these sets of characters is capable of functioning as an identifier of the source of the service, and what is more, their use does not, in terms of form or appearance, constitute the "use" of a trademark in the meaning set forth in the items of Article 2, paragraph (3) of the Trademark Act, and hence, it should be determined that these sets of characters are "not used at all" in that meaning.

However, whether the characters, "ベガス北仙台店," which are indicated in the double-lined circle on the back side of Flyer 3, can be observed separately and independently from other components indicated in the relevant flyer is a matter that should be ascertained by appearance in light of their features such as their size, intervals, layout, and color. Therefore, the circumstances alleged by the Defendant as described above cannot be regarded as a reason for denying that the characters, "ベガス北仙台店," can be observed separately and independently from other components indicated in this flyer.

In addition, it is a common trading practice to indicate both a trademark of a specific brand name and a trademark of an abbreviation of that brand name in one advertisement material, and it is not particularly unnatural that both of such trademarks can be recognized as identifiers of the source of the services provided by the same business operator. Therefore, the fact that the mark, "ベガスベガス北仙台店," is indicated in

Flyer 3 and it is capable of functioning as an identifier of source cannot be regarded as a reason for negating or denying that the mark, "ベガス北仙台店," which serves as an abbreviation, or the set of characters contained in that mark, "ベガス," is capable of functioning as an identifier of source.

Consequently, the Defendant's allegations mentioned above are unacceptable.

Judgment rendered on February 3, 2021

2020 (Gyo-Ke) 10091 Case of seeking rescission of the JPO decision

Date of conclusion of oral argument: November 24, 2020

Judgment

Plaintiff: Kabushiki Kaisha VEGASVEGAS

Defendant: Kabushiki Kaisha DAIHACHI

Main text

1. The decision made by the Japan Patent Office (JPO) on June 26, 2020, concerning Rescission Trial No. 2016-300169 shall be rescinded.
2. The Defendant shall bear the court costs.

Facts and reasons

No. 1 Claim

Same as the first paragraph of the main text.

No. 2 Outline of the case

1. Outline of procedures at the JPO

(1) The Plaintiff is the holder of the trademark right for the trademark indicated below, with Trademark Registration No. 5334030 (hereinafter referred to as the "Trademark") (Exhibits Ko. 2 and 3).

Trademark: As indicated in Attachment 1

Date of application for registration: August 18, 2009

Date of registration of establishment: July 2, 2010

Designated services

Class 41: Arranging, conducting and organization of seminars, providing sports facilities, providing amusement facilities, providing facilities for movies, shows, plays, music performance or educational training, rental of game machines and apparatus

(2) A. On March 9, 2016, the Defendant filed a request for a trial for rescission of trademark registration under Article 50, paragraph (1) of the Trademark Act with regard to the registration of the Trademark in connection with the service of "providing amusement facilities," which is included in the scope of the designated services of the Trademark (hereinafter referred to as the "Trial"), and this request was registered on March 23, 2016 (Exhibit Ko 3). The JPO conducted the trial proceedings in response to

the request for the Trial as the case of Rescission Trial No. 2016-300169, and rendered a decision on May 9, 2017, to the effect that the trademark registration shall be maintained (hereinafter referred to as the "first JPO decision").

The Defendant filed a lawsuit to seek rescission of the first JPO decision (Intellectual Property High Court, 2017 (Gyo-Ke) 10126). On December 25, 2017, the Intellectual Property High Court rendered a judgment to rescind the first JPO decision (hereinafter referred to as the "judgment on the preceding lawsuit"; Exhibit Ko 12).

Dissatisfied with the judgment on the preceding lawsuit, the Plaintiff filed a petition for acceptance of final appeal (Supreme Court, 2018 (Gyo-Hi) 90), but the Supreme Court rendered a decision not to accept the final appeal on September 25, 2018, and the judgment on the preceding lawsuit became final and binding (Exhibit Ko 13).

B. The reasons for the judgment on the preceding lawsuit are as follows. [i] In the first JPO decision, the JPO found that the set of characters, "ベガス," used in the section that reads "ベガス発寒店ファンのお客様へ" (For the fans of ベガス Hassamu Parlor), indicated in the Plaintiff's flyer of the Hassam Parlor distributed on July 22, 2015 (hereinafter referred to as "Flyer 1"; Exhibit Ko 11; Exhibit Otsu 55 in the JPO trial) is capable of functioning as an identifier of source, and also found that a trademark that is found to be identical with the Trademark from the common sense perspective is affixed to Flyer 1; however, it is natural to understand that the abovementioned set of characters merely indicates an abbreviation of the name of the parlor that will be temporarily closed for renovation and does not indicate the source of the service related to Flyer 1, i.e., providing amusement facilities; therefore, the act of affixing that set of characters to Flyer 1 cannot be found to constitute the "use" of the Trademark in the meaning defined in Article 2, paragraph (3) of the Trademark Act. [ii] There is an error in the determination in the first JPO decision in which the JPO found that a trademark that is found to be identical with the Trademark from the common sense perspective is affixed to the Plaintiff's flyer of the Tomakomai Parlor distributed on January 5, 2015 (hereinafter referred to as "Flyer 2"). [iii] For these reasons, without the need to make determination on other points, there is an error in the determination in the first JPO decision in which the JPO found that the Plaintiff proved that it had used a trademark that is found to be identical with the Trademark from the common sense perspective, in connection with the designated service relevant to the request for the Trial, during the period of three years prior to the registration of the request for the Trial (hereinafter referred to as the "period subject to the requirement of proof of use").

(3) Following the judgment on the preceding lawsuit having become final and binding, the JPO resumed the proceedings of the case of Rescission Trial No. 2016-300169, and

rendered a decision on June 26, 2020, to the effect that the registration of the Trademark shall be rescinded in connection with Class 41, "providing amusement facilities," which is included in the scope of the designated services of the Trademark (hereinafter referred to as the "JPO Decision"). The certified copy of this decision was served upon the Plaintiff on July 4, 2020.

(4) On July 31, 2020, the Plaintiff filed this lawsuit to seek rescission of the JPO Decision.

2. Summary of the reasons for the JPO Decision

The reasons for the JPO Decision are as stated in the attached written decision (copy).

The summary of the reasons is as follows. [i] The act of affixing the set of characters, "ベガス," to Flyer 1 cannot be found to constitute the "use" of the Trademark in the meaning defined in Article 2, paragraph (3) of the Trademark Act. [ii] Since a trademark that is found to be identical with the Trademark from the common sense perspective is not affixed to Flyer 2, the Plaintiff cannot be found to "use" the Trademark in the meaning defined in that paragraph. [iii] It is found that the back side of the Plaintiff's flyer of the Kitasendai Parlor distributed on June 6, 2014 (hereinafter referred to as "Flyer 3"; Exhibits Ko 14-1 and 14-2) contains a part that reads "ベガス北仙台店／パチンコ・スロット／11機種導入" (ベガス Kitasendasi Parlor / pachinko/slot / 11 types of machines introduced), and the set of characters, "ベガス," is used in this part, but the act of affixing that set of characters to Flyer 3 cannot be found to constitute the "use" of the Trademark in the meaning defined in that paragraph. [iv] It is found that the back side of the Plaintiff's flyer of the Kitasendai Parlor distributed on July 27, 2014 (hereinafter referred to as "Flyer 4"; Exhibit Ko 17) contains a part that reads "ベガス北仙台店 今月の新台ラインナップ" (ベガス Kitasendasi Parlor / This month's new machine lineup), and the set of characters, "ベガス," is used in this part, but the act of affixing that set of characters to Flyer 4 cannot be found to constitute the "use" of the Trademark in the meaning defined in that paragraph. [v] There is no other evidence to find that the Plaintiff used the Trademark in connection with the designated service relevant to the request for the Trial during the period subject to the requirement of proof of use. [vi] Thus, the Plaintiff cannot be found to have proved that the Trademark (including a trademark that is identical with it from the common sense perspective) had been used in Japan by the holder of the trademark right, exclusive right to use or non-exclusive right to use, during the period subject to the requirement of proof of use, in connection with the designated service relevant to the request for the Trial, and the Plaintiff has not demonstrated that there are legitimate reasons for not using the Trademark in connection with that designated service; consequently, the registration of the Trademark should be rescinded in connection with that designated service pursuant to the provisions of Article

50 of that Act.

3. Grounds for rescission

Error in the determination on the fact of the use of the Trademark (excluding the determination concerning Flyers 1 and 2)

(omitted)

No. 4 Judgment of this court

1. Regarding whether or not the Trademark was used in Flyers 3 and 4

(1) Regarding the distribution of Flyers 3 and 4

According to the evidence (Exhibits Ko 14-1, 14-2, and 14-15 to 14-19) and the entire import of oral arguments, the following facts can be found.

A. The Plaintiff (the trade name: Kabushiki Kaisha VEGASVEGAS) is a stock company engaging in business such as operating game parlors.

B. Around June 2014, the Plaintiff placed orders with Tokyu Agency Inc. (hereinafter referred to as "Tokyu Agency") and Nagai Printing Co. (hereinafter referred to as "Nagai Printing") and had them create and print Flyer 3 indicated in Attachment 2 (Exhibits Ko 14-1 and 14-2), and on June 6, 2014, it distributed 29,000 copies of Flyer 3 in Sendai City, by inserting them in the "Kahoku Shimpo" newspaper via the Yamashin Orikomi Center.

Also, around July 2014, the Plaintiff placed orders with Tokyu Agency and Nagai Printing and had them create and print Flyer 4 indicated in Attachment 3 (Exhibit Ko 17), and on July 27, 2014, it distributed 34,300 copies of Flyer 4 by inserting them in the "Kahoku Shimpo" newspaper.

(2) Regarding Flyer 3

A. Flyer 3 (Exhibits Ko 14-1 and 14-2) is a one-sheet flyer printed on both sides.

As indicated in Attachment 2, the front side of Flyer 3 (Exhibit Ko 14-1) indicates the heading, "ベガスベガス北仙台店" (ベガスベガス Kitasendai Parlor), in the upper part; in the center part, it indicates a statement written in large letters which means "To Be Opened at 11:00 A.M. Today, Friday, 6th," and below this, it indicates statements which mean "The opening time is different from the usual time. Please be careful not to get confused." and "Check the back side for the information on new machines!"; and in the lower part, it indicates the characters, "ベガスベガス®," written in large letters in white against a red background, below which "VEGAS VEGAS" and "北仙台店" (Kitasendai Parlor) are indicated with the address and other information of the parlor, and the map titled "ベガスベガス北仙台店店舗マップ" (Map of ベガスベガス Kitasendai Parlor) is indicated to their right.

Also as indicated in Attachment 2, the back side of Flyer 3 (Exhibit Ko 14-2) indicates the heading written in gold large letters in two lines, "ベガスベガス北仙台店" (ベガスベガス Kitasendai Parlor) and "新台入替しました" (Replaced with new machines) in the upper part; in the lower left to these headings, it indicates a double-lined circle written with a thick outer line and thin inner line, in which three sets of characters are indicated, namely, "ベガス北仙台店" (ベガス Kitasendai Parlor) written in black in the upper line, "パチンコ・スロット" (pachinko/slot) written in red in the middle line, and "11機種導入" (11 types of machines introduced) written in red in the lower line; in the center to lower parts, it indicates illustrations of pachinko and slot machines in three rows, namely, three machines on the upper row and four machines each on the middle and lower rows.

B. (A) As found in A. above, in the double-lined circle indicated on the back side of Flyer 3, three sets of characters are indicated, namely, "ベガス北仙台店" written in black in the upper line, "パチンコ・スロット" written in red in the middle line, and "11機種導入" written in red in the lower line.

The set of characters, "ベガス北仙台店," which is written in the upper line in the double-lined circle, can be observed separately from the sets of characters in the middle and lower lines which are written in a different color, and it can be recognized as an independent mark consisting of the set of katakana characters, "ベガス," and the set of Chinese characters, "北仙台店."

In view of the whole sets of characters written in the double-lined circle, it is possible to understand that the mark, "ベガス北仙台店," is a mark that indicates the name of a parlor where "11 types of" "pachinko/slot" machines have been "introduced," and that such "pachinko/slot" machines have been installed in the "ベガス北仙台店" where people can enjoy the service of providing these machines. Therefore, it is found that Flyer 3 is a flyer pertaining to the service of providing "pachinko/slot" machines and that the mark, "ベガス北仙台店," indicated in Flyer 3, is being used in the mode that consumers may recognize said service as a service pertaining to the business of a particular person.

Among the components of the mark, "ベガス北仙台店," the set of characters, "ベガス," can in itself be found to be a coined word that would remind people of "ラスベガス" (Las Vegas). In addition, given that the set of characters, "ベガスベガス北仙台店," is indicated both on the front and back sides of Flyer 3, it is found that consumers, upon seeing Flyer 3, would recognize the set of characters, "ベガス," as having an implication of an abbreviation of "ベガスベガス" as well.

On the other hand, the set of characters, "北仙台店" (Kitasendai Parlor), which is another component of the mark, "ベガス北仙台店" (ベガス Kitasendai Parlor), has an implication of a parlor that is located in the region of "北仙台" (Kitasendai or Northern

Sendai), and is recognized merely as indicating the place where the abovementioned service is provided, and hence, it cannot be regarded as functioning as an identifier of the source of the service. Accordingly, the set of characters, "ベガス," which is contained in the mark, "ベガス北仙台店," can be found to independently function as an identifier of the source of the service and therefore it constitutes the primary part of that mark.

Comparing the set of characters, "ベガス," which is contained in the mark, "ベガス北仙台店," with the Trademark indicated in Attachment 1, which consists of the set of katakana characters, "ベガス," written horizontally, although they are different in terms of the font, they both consist of the same set of characters, produce the same sound, "begasu," and have a common concept in that they would remind people of "ラスベガス" (Las Vegas). Therefore, the mark, "ベガス北仙台店," is found to be a trademark that is identical with the Trademark from the common sense perspective.

(B) According to the above, the Plaintiff's act of distributing 29,000 copies of Flyer 3, in which the mark, "ベガス北仙台店," is indicated, by inserting them in the "Kahoku Shimpo" newspaper via the Yamashin Orikomi Center on June 6, 2014, is found to constitute the act of distributing a flyer as advertisement materials relating to the service of providing "pachinko/slot" machines, to which a mark that is identical with the Trademark from the common sense perspective is affixed (Article 2, paragraph (3), item (viii) of the Trademark Act), and it is found to constitute the "use" of the Trademark.

(3) Regarding Flyer 4

A. Flyer 4 (Exhibits Ko 17) is a one-sheet flyer printed on one side.

Flyer 4 indicates the red heading, "ベガス北仙台店 今月の新台ラインナップ" (ベガス Kitasendasi Parlor / This month's new machine lineup), written horizontally in the upper right part, and below this, it indicates illustrations of pachinko and slot machines in four rows, five machines in each row; in the upper left part, it indicates three sets of characters written vertically, namely, "元B," "Cさんが" and "北仙台店に来店" (which as a whole mean that Mr./Ms. C, former member of B, will visit the Kitasendai Parlor); in the lower part, it indicates a statement written in large red letters which means "Open at 8:00 A.M. Sunday, July 27;" and in the lower part, it indicates the characters, "ベガスベガス®," written in large letters in white against a red background, with the characters, "VEGAS VEGAS" and "北仙台店" indicated to their right, the map titled "ベガスベガス北仙台店店舗マップ" indicated to their further right, and the address and other information of the parlor indicated below them.

B. (A) As indicated in Attachment 3, in the red heading, "ベガス北仙台店 今月の新台ラインナップ," written horizontally in Flyer 4, there is a space between the set of characters, "ベガス北仙台店," and the set of characters, "今月の新台ラインナップ,"

and therefore, the set of characters, "ベガス北仙台店," can be observed separately, and it can be recognized as an independent mark consisting of the set of katakana characters, "ベガス," and the set of Chinese characters, "北仙台店."

In view of the heading, "ベガス北仙台店 今月の新台ラインナップ," written horizontally, and the illustrations of pachinko and slot machines below that heading that are indicated in four rows, five machines each, it is possible to understand that the mark, "ベガス北仙台店," is a mark that indicates the name of a parlor where "new" pachinko and slot machines have been installed, and that such "pachinko/slot" machines have been installed in the "ベガス北仙台店" where people can enjoy the service of providing these machines. Therefore, it is found that Flyer 4 is a flyer pertaining to the service of providing "pachinko/slot" machines and that the mark, "ベガス北仙台店," indicated in Flyer 4, is being used in the mode that consumers may recognize said service as a service pertaining to the business of a particular person.

Among the components of the mark, "ベガス北仙台店," the set of characters, "ベガス," can in itself be found to be a coined word that would remind people of "ラスベガス" (Las Vegas). In addition, given that the characters, "ベガスベガス®," written in large letters, are indicated in the lower part of Flyer 4, with the characters, "VEGAS VEGAS" and "北仙台店" indicated to their right and the map titled "ベガスベガス北仙台店店舗マップ" indicated to their further right, it is found that consumers, upon seeing Flyer 4, would recognize the set of characters, "ベガス," as having an implication of an abbreviation of "ベガスベガス" as well.

On the other hand, the set of characters, "ベガス," which is contained in the mark, "ベガス北仙台店," can be found to independently function as an identifier of the source of the service for the same reasons as those explained in 2. B. (A) above, and therefore it constitutes the primary part of that mark, and the mark, "ベガス北仙台店," is found to be a trademark that is identical with the Trademark from the common sense perspective. (B) According to the above, the Plaintiff's act of distributing 34,300 copies of Flyer 4, in which the mark, "ベガス北仙台店," is indicated, by inserting them in the "Kahoku Shimpo" newspaper via the Yamashin Orikomi Center on July 27, 2014, is found to constitute the act of distributing a flyer as advertisement materials relating to the service of providing "pachinko/slot" machines, to which a mark that is identical with the Trademark from the common sense perspective is affixed (Article 2, paragraph (3), item (viii) of the Trademark Act), and it is found to constitute the "use" of the Trademark.

(4) Regarding the Defendant's allegations

The Defendant alleges that the Plaintiff's act of distributing Flyers 3 and 4 to which the mark, "ベガス北仙台店," is affixed, does not constitute the "use" of the Trademark,

on the following grounds. [i] Given that [a] Flyers 3 and 4 have a composition in which the characters written in large letters, "ベガスベガス," with the indication of a registered trademark, "®," and the characters written in large letters, "VEGAS VEGAS" and "ベガスベガス北仙台店," are placed close to the characters written in smaller letters, "ベガス北仙台店," and the characters, "ベガス北仙台店," are not used alone but are always used together with the characters, "ベガスベガス," "VEGAS VEGAS" and/or "ベガスベガス北仙台店," [b] the parlor that exists in the location indicated in Flyers 3 and 4 is the parlor whose name is "ベガスベガス北仙台店," not "ベガス北仙台店," and [c] the areas where Flyers 3 and 4 were distributed are limited areas where there are consumers who know the parlor called "ベガスベガス北仙台店" and are likely to use that parlor, it is natural for consumers, upon seeing Flyers 3 and 4, to understand that the characters, "ベガス," contained in "ベガス北仙台店," only indicate an abbreviation of the name of a parlor containing "ベガスベガス" or "VEGAS VEGAS." Accordingly, in Flyers 3 and 4, the characters, "ベガス北仙台店," or the characters contained therein, "ベガス," cannot be observed separately or independently. Therefore, neither of these sets of characters is capable of functioning as an identifier of the source of the service, and what is more, their use does not, in terms of form or appearance, constitute the "use" in the meaning set forth in the items of Article 2, paragraph (3) of the Trademark Act, and hence, it should be determined that these sets of characters are "not used as all" in that meaning. [ii] Even if the characters, "ベガス北仙台店," can be observed separately and independently in Flyers 3 and 4, the characters, "ベガス北仙台店," cannot be regarded as a trademark that is identical with the Trademark from the common sense perspective. In addition, recognizing the use of the abbreviation, "ベガス," as the "use" of the Trademark would be equal to going as far as to protect the Plaintiff's goodwill embodied in "ベガス," which is different from "ベガスベガス" or "VEGAS VEGAS," and therefore it is inappropriate to do so in light of the purpose of the system of a trial for rescission of registered trademark not in use.

However, with regard to the allegation mentioned in [i], whether the characters, "ベガス北仙台店," which are indicated in the double-lined circle on the back side of Flyer 3, can be observed separately and independently is a matter that should be ascertained by appearance in light of their features such as their size, intervals, layout, and color. Therefore, the facts that [a] the name of the Plaintiff's parlor, "北仙台店," is "ベガスベガス北仙台店," there is no parlor called "ベガス北仙台店," and "ベガス北仙台店" is an abbreviation of "ベガスベガス北仙台店," and [b] the characters, "ベガス," contained in the characters, "ベガス北仙台店," are understood as an abbreviation of "ベガスベガス," cannot be regarded as a reason for denying that the characters, "ベガス北

仙台店," can be observed separately and independently from other components indicated in Flyer 3, as found in 2. B. (A) above. The same applies to the characters, "ベガス北仙台店," indicated in Flyer 4, as found in 3. B. (A) above.

In addition, it is a common trading practice to indicate both a trademark of a specific brand name and a trademark of an abbreviation of that brand name in one advertisement material (Exhibits Ko 45 to 47), and it is not particularly unnatural that both of such trademarks can be recognized as identifiers of the source of the services provided by the same business operator. Therefore, the fact that the mark, "ベガスベガス北仙台店," is indicated in Flyer 3 and it is capable of functioning as an identifier of source cannot be regarded as a reason for negating or denying that the mark, "ベガス北仙台店," which serves as an abbreviation of "ベガスベガス北仙台店" or "ベガスベガス," or the set of characters contained in that mark, "ベガス," is capable of functioning as an identifier of source.

With regard to the allegation mentioned in [ii], as found in 2. B. (A) and 3. B. (A) above, the mark, "ベガス北仙台店," is found to be a trademark that is identical with the Trademark from the common sense perspective, and it cannot be said that it is contrary to the purpose of the system of a trial for rescission of registered trademark not in use for the same business operator to hold a trademark of a specific brand name and a trademark of an abbreviation of the brand name and use both trademarks.

Consequently, the Defendant's allegations mentioned above are unacceptable.

(5) Summary

According to the above, it is found that the Plaintiff has proved that it had used a trademark that is identical with the Trademark from the common sense perspective, in Japan during the period from June 6 to July 27, 2014, which is subject to the requirement of proof of use, for the advertisement materials related to the service of providing "pachinko/slot" machines, which is included in the scope of the designated services relevant to the request for the Trial, and therefore, without the need to make determination on other points, the grounds for rescission argued by the Plaintiff are well-founded.

2. Conclusion

For the reasons stated above, the grounds for rescission argued by the Plaintiff are well-founded, and therefore the JPO Decision should be rescinded.

Consequently, the judgment is rendered as indicated in the main text.

Intellectual Property High Court, First Division

Presiding judge: OTAKA Ichiro

Judge: KOBAYASHI Yasuhiko

Judge: TAKAHASHI Aya

(Attachment 1) Trademark

ベガス

(Attachment 2) Flyer 3 (Back side)



(Front side)



ベガスベガス北仙台店

営業時間変更のご案内

本日6日 FRI **金**

午前11時開店予定

開店時間が通常と異なりますので
お間違えの無いよう、ご案内申し上げます。

入場券 10/43
9/9

新台情報は裏面をチェック!

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(Attachment 3) Flyer 4

ベガス北仙台店 今月の新台ラインナップ

7月27日 SUN [日] 朝8時オープン

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