

Trademark Right	Date	July 29, 2021	Court	Intellectual Property High Court, Second Division
	Case number	2021 (Gyo-Ke) 10026		
<p>- A case concerning an application for trademark registration for a combined trademark consisting of a figure part and a character part, in which the court ruled that it is allowed to judge the similarity of trademarks by the character part alone and determined that the relevant trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act.</p>				

Case type: Rescission of Appeal Decision of Refusal

Result: Dismissed

References: Article 4, paragraph (1), item (xi) of the Trademark Act

Related rights, etc.: Trademark Application No. 2018-133311

Decision of JPO: Appeal against Examiner's Decision of Refusal No. 2020-6303

Summary of the Judgment

1. The Plaintiff filed an application for trademark registration for the following trademark (hereinafter referred to as the "Trademark") in connection with the designated goods in Class 36, "management of buildings, agency services for the leasing or rental of buildings, leasing or renting of buildings, purchase and sale of buildings, real estate agency services for the purchase or sale of buildings, real estate appraisal, land management, agency services for the leasing or rental of land, leasing of land, purchase and sale of land, real estate agency services for the purchase or sale of land, providing information on buildings or land [real estate affairs], consigned rent collection, agencies for non-life insurance, non-life insurance underwriting, life insurance brokerage, and life insurance underwriting." However, having received the examiner's decision to refuse the application, the Plaintiff filed an appeal against the examiner's decision. Afterwards, the Plaintiff received a decision made by the Japan Patent Office (JPO) to maintain the examiner's decision. This is a lawsuit filed by the Plaintiff to seek rescission of the decision of the JPO.



2. In this judgment, the court held as outlined below, and as to the Trademark, it ruled that it is allowed to judge the similarity of trademarks by the character part alone and determined that the relevant trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act. Consequently, the court dismissed the request of the Plaintiff.

(1) How to judge the similarity of combined trademarks

A. In cases where both trademarks to be compared are used for identical or similar goods, the similarity of trademarks should be determined regarding whether they are likely to cause a misunderstanding and confusion concerning the origin of the goods. All the impressions, memory, associations, etc. that the trademark used for such goods give to traders and consumers through its appearances, concepts, pronunciations, etc. should be examined totally. It is also reasonable to make a judgment based on specific transaction status as long as the actual transaction status of the goods can be clarified (the judgment of the Third Petty Bench of the Supreme Court, 1964 (Gyo-Tsu) 110, rendered on February 27, 1968). In addition, for a combined trademark where multiple component parts are combined, in cases where it is not found that each component part is combined inseparably to the extent that it is considered to be unnatural in terms of transactions to observe them separately, even if a pronunciation or concept of the trademark cannot be said to be identical or similar to a pronunciation or concept of another person's trademark, but, another pronunciation or concept of the trademark is similar to those of another person's trademark, it is reasonable to construe that both trademarks are similar (the judgment of the First Petty Bench of the Supreme Court, 1962 (O) 953, rendered on December 5, 1963).

B. It is reasonable to understand that it is allowed to observe a combined trademark by separating it "in cases where it is not found that each component part is combined inseparably to the extent that it is considered to be unnatural in terms of transactions to observe them separately" as well as "in cases where part of the component parts of a trademark is found to give a strong and dominant impression as a mark to identify the origin of goods or services to traders and consumers" and "in cases where no pronunciation or concept as a mark to identify the origin is found to arise from other parts." The judgment of the Second Petty Bench of the Supreme Court, 2007 (Gyo-Hi) 223, rendered on September 8, 2008 is not also construed to have denied the above.

C. In comprehensive consideration of the circumstances indicated in B. above, it is reasonable to determine whether it is allowed to judge the similarity of trademarks by separating and extracting part of a combined trademark.

(2) The Trademark

A. In consideration of the differences in the nature of the constituent features, the fact

that the upper side of the figure part protrudes higher than the upper side of the character part, and the fact that the character part is easily understood as a part with the pronunciation of "SANKO" or "SANKOH," the figure part and the character part are explicitly seen as being separate in appearance. Thus, it cannot be said that the figure part and the character part are combined inseparably to the extent that it is considered to be unnatural in terms of transactions to observe these parts separately.

B. As mentioned above, the character part that is understood easily as a part with a specific pronunciation accounts for a major part (70% or more) of the component of the Trademark. The characters of "SANKO" are not listed in a dictionary, etc., and therefore, they do not generate a specific concept. Based on these facts, it can be said that the character part is impressive to consumers and gives a strong impression.

C. Concerning the figure part, it is difficult to say that any pronunciation is immediately clear. However, even if the figure part is understood as a design of "S" and the pronunciation of "S" may arise, based on the fact that the first letter of the character part is "S," it can be seen that the figure part is often understood as not having an independent meaning from the character part.

D. Based on A. through C. above, concerning the Trademark, it can be said that it is allowed to judge the similarity with other trademarks based only on the character part.

(3) Similarity with each of the Cited Trademarks that consists of the characters of "SANCO" or of said characters and figures

Even if the concept of the Trademark and each of the Cited Trademarks consisting of the characters of "SANCO" or of said characters and figures cannot be compared in terms of their character parts, the appearance is similar and the pronunciation shares commonality. Therefore, in consideration of these facts together, it should be said that both trademarks are similar trademarks that are likely to be confused with each other. There are no disputes between the parties that the Trademark is used for identical or similar services to the designated services of each of the Cited Trademarks.

Judgment rendered on July 29, 2021

2021 (Gyo-Ke) 10026, Case of seeking rescission of the JPO decision

Date of conclusion of oral argument: June 15, 2021

Judgment

Plaintiff: Sanko-Jutaku Co., Ltd.

Defendant: Commissioner of the Japan Patent Office

Main text

1. The claim of the Plaintiff shall be dismissed.
2. The Plaintiff shall bear the court costs.

Facts and reasons

No. 1 Claim

The decision made by the Japan Patent Office (JPO) on December 24, 2020, concerning the case of Appeal against Examiner's Decision of Refusal No. 2020-6303 shall be rescinded.

No. 2 Outline of the case

1. In this case, the Plaintiff requested a trial against the JPO decision to reject its trademark application, but the JPO determined that the request was groundless, and therefore, the Plaintiff filed a lawsuit seeking rescission of this JPO decision.

2. Basic facts (facts not disputed between the parties, facts that are found based on the evidence stated in parentheses and the entire import of oral arguments)

(1) The Plaintiff filed an application for a trademark registration (Trademark Application No. 2018-133311; hereinafter referred to as the "Application") concerning the trademark stated in Attachment 1 List of Trademarks (hereinafter referred to as the "Trademark in the Application") on October 13, 2018 (Exhibits Ko 12 and 13; at the time of filing the application, Class 37 "construction, reform construction, construction consultancy, and reform construction consultancy" was included in the designated services, but was deleted by a written amendment dated November 22, 2019). However, the application was rejected on March 5, 2020 (a certified copy was sent on March 13, 2020) (Exhibit Ko 16), and then the Plaintiff filed a request for a trial against the JPO decision on May 9, 2020 (Exhibit Ko 17; Appeal against Examiner's Decision of Refusal

No. 2020-6303).

(2) The JPO made the decision concerning the appeal against the JPO's decision as stated in (1) above that "the request for the appeal was groundless" (hereinafter referred to as the "JPO Decision") on December 24, 2020, and sent a certified copy thereof to the Plaintiffs on January 7, 2021.

3. Grounds for the JPO Decision

(1) Trademark in the Application

The Trademark in the Application consists of a part with a mark where a vermilion semi-ellipse and a vermilion-striped semi-ellipse are combined so that they come into contact obliquely (hereinafter referred to as the "Figure Part") and a part where the slightly designed letters of "SANKO" in vermilion, which is the same color as the Figure Part, are written horizontally next to the Figure Part (hereinafter referred to as the "Character Part"). The Figure Part and the Character Part are visually and clearly recognized separately, and no circumstances are found to suggest that the Figure Part and the Character Part are always identified as a unit and generate any specific concept.

In addition, the Character Part is a neologism that is not listed in a dictionary, etc. and it is distinctively indicated so that it comprises a majority of the composition. Therefore, it can be said that the Character Part is impressive, memorable, and it gives a dominant impression to consumers as a mark to identify the source of services.

Consequently, it is reasonable to say that there are many cases where the Character Part alone in the composition of the Trademark in the Application contributes to transactions and therefore, when determining the similarity between the Trademark in the Application and the cited trademarks, it should be allowed to compare the Character Part with that of the cited trademarks.

Therefore, the Trademark in the Application is pronounced as "sankoh" based on the constituent characters, but it does not generate any specific concept.

(2) Cited trademarks

A. The following registered trademarks effectively exist currently.

(A) A trademark with the Registration Number 3086979 (hereinafter referred to as "Cited Trademark 1") has the composition stated in 1. of Attachment 2 List of Cited Trademarks. The registration application was filed on September 18, 1992, and it was registered on October 31, 1995, with the designated services of Class 36 "management of buildings, leasing or renting of buildings, purchase and sale of buildings, real estate agency services for the purchase or sale of buildings, purchase and sale of land, and real estate agency services for the purchase or sale of land." Subsequently, the renewal of the duration of the trademark right was registered on December 16, 2005, and July

28, 2015.

(B) A trademark with the Registration Number 3093088 (hereinafter referred to as "Cited Trademark 2") has the composition stated in 2. of Attachment 2 List of Cited Trademarks. The registration application was filed on September 29, 1992, and it was registered on November 30, 1995, with the designated services of Class 36 "purchase and sale of buildings and purchase and sale of land." Subsequently, the renewal of the duration of the trademark right was registered on December 2, 2005, and July 28, 2015.

(C) A trademark with the Registration Number 3098356 (hereinafter referred to as "Cited Trademark 3") has the composition stated in 3. of Attachment 2 List of Cited Trademarks. The registration application was filed on September 24, 1992, and it was registered on November 30, 1995, with the designated services of Class 36 "management of buildings and leasing or renting of buildings." Subsequently, the renewal of the duration of the trademark right was registered on December 22, 2005, and September 29, 2015.

(D) A trademark with the Registration Number 3331590 (hereinafter referred to as "Cited Trademark 4") has the composition stated in 4. of Attachment 2 List of Cited Trademarks. The registration application was filed on September 29, 1992, and it was registered on July 11, 1997, with the designated services of Class 36 "agencies for non-life insurance." Subsequently, the renewal of the duration of the trademark right was registered on April 17, 2007, and May 9, 2017.

B. (A) Cited Trademark 1 is composed of slightly designed letters "SANCO" written horizontally. It is pronounced as "sankoh" based on the constituent characters and the character part of "SANCO" is a neologism that is not listed in a dictionary, etc. Therefore, it does not generate any specific concept.

(B) Cited Trademarks 2 and 4 are composed of a figure wherein light blue drops seem to overlap and the slightly designed letters "SANCO" in blue written horizontally below the figure. The figure part that consists of Cited Trademarks 2 and 4 and the character part of "SANCO" are visually and clearly recognized separately and it cannot be said that each part always generates any specific integrated concept. Therefore, it is reasonable to consider that the character part independently fulfills the function of a mark to identify the services.

Therefore, Cited Trademarks 2 and 4 are pronounced as "sankoh" based on their constituent characters, and the character part of "SANCO" is a neologism that is not listed in a dictionary, etc. and does not generate any specific concept.

(3) Similarity between the Trademark in the Application and cited trademarks

The letters of "SANCO" in Cited Trademarks 1, 2, and 4 share with the Trademark

in the Application the letters of "S," "A," and "N" at the beginning of the word and "O" at the end of the word. The 4th characters "K" and "C" in the overall spelling are different. There are slight differences in the design of the letters. However, it is reasonable to say that the overall impressions are similar.

Then, in terms of the comparison of character parts that fulfill a function as a mark to identify the services independently between the Trademark in the Application and Cited Trademarks 1, 2, and 4, even if the concept cannot be compared, their appearances are similar and they share the pronunciation "sankoh." In consideration of these facts comprehensively, it should be said that these trademarks are similar trademarks to a point where they are likely to be indistinguishable.

(4) Similarity in designated services between the Trademark in the Application and cited trademarks

Class 36 "management of buildings, agency services for the leasing or rental of buildings, leasing or renting of buildings, purchase and sale of buildings, real estate agency services for the purchase or sale of buildings, real estate appraisal, land management, agency services for the leasing or rental of land, leasing of land, purchase and sale of land, real estate agency services for the purchase or sale of land, and providing information on buildings or land [real estate affairs]" from among designated services of the Application are the same as or similar to Class 36 "management of buildings, leasing or renting of buildings, purchase and sale of buildings, real estate agency services for the purchase or sale of buildings, purchase and sale of land, and real estate agency services for the purchase or sale of land" that are the designated services of Cited Trademark 1 and Class 36 "purchase and sale of buildings and purchase and sale of land" that are the designated services of Cited Trademark 2.

In addition, Class 36 "agencies for non-life insurance, non-life insurance underwriting, life insurance brokerage, and life insurance underwriting" from among designated services of the Application are the same as or similar to Class 36 "agencies for non-life insurance" that are the designated services of Cited Trademark 4.

(5) Consequently, the Trademark in the Application is a trademark similar to Cited Trademarks 1, 2, and 4 and is used for services that are the same as or similar to the designated services of Cited Trademarks 1, 2, and 4, and therefore, it falls under Article 4, paragraph (1), item (xi) of the Trademark Act.

(omitted)

No. 3 Judgment of this Court

1. How to make a determination on the similarity in combined trademarks

(1) In cases where both trademarks to be compared are used for identical or similar goods, the similarity of trademarks should be determined regarding whether it is likely to cause a misunderstanding and confusion concerning the source of the goods. All the impression, memory, association, etc. that the relevant trademarks used for the goods give to traders and consumers through their appearances, concepts, pronunciations, etc. should be examined on a total basis. Also, it is reasonable to make a determination based on specific transaction status as long as the actual transaction status of the goods can be clarified (see 1964 (Gyo-Tsu) 110, the judgment of the Third Petty Bench of the Supreme Court of February 27, 1968; Minshu Vol. 22, No. 2, at 399). In addition, for a combined trademark where multiple component parts are combined, if it is not found that the respective component parts are combined inseparably to an extent that it is considered to be unnatural to observe them separately in terms of transactions, and when it may not be said that a certain pronunciation or concept generated by the combined trademark is identical or similar to the pronunciation or concept of another person's trademark, but another pronunciation or concept generated thereby is similar to that of another person's trademark, it is reasonable to construe that both trademarks are similar (see 1962 (O) 953, the judgment of the First Petty Bench of the Supreme Court of December 5, 1963; Minshu Vol. 17, No. 12, at 1621).

(2) In this regard, the Plaintiff alleged that making a determination regarding the similarity of trademarks by separating and extracting part of a combined trademark should be limited to in "cases where part of the component parts of a trademark is found to give a strong and dominant impression as a mark to identify the source of goods or services to traders and consumers" and "cases where it is found that no pronunciation or concept as a mark to identify the source arises from other parts." However, in addition to the cases listed by the Plaintiff, it is reasonable to understand that it is allowed to observe a combined trademark by separating it in "cases where it is not found that the respective component parts are combined inseparably to an extent that it is considered to be unnatural to observe them separately in terms of transactions." The judgment of the Supreme Court cited by the Plaintiff (2007 (Gyo-Hi) 223, the judgment of the Second Petty Bench of the Supreme Court of September 8, 2008; Saibanshu Minji, No. 228, at 561) is also not construed as denying the above.

(3) It is understood to be reasonable to judge whether it is allowed to make a determination on the similarity of trademarks by separating and extracting part of a combined trademark by comprehensively considering the circumstances indicated in (2) above..

2. Trademark in the Application

(1) The Trademark in the Application consists of the Figure Part with a mark where a vermilion semi-ellipse and a vermilion-stripped semi-ellipse are combined so that they come into contact obliquely and the Character Part where slightly designed letters of "SANKO" in vermilion, which is the same color as the Figure Part, are written horizontally next to the Figure Part. In addition to the differences in the constituent features, such as the figure and characters, etc., and the fact that the upper Figure Part sticks out more than the upper Character Part, according to the fact that the Character Part is easily understood as a part with the pronunciation "sanko" or "sankoh," the Figure Part and Character Part are explicitly recognized separately in appearance. Thus, it cannot be said that the Figure Part and the Character Part are combined inseparably to the extent where it is considered to be unnatural to observe these parts separately in terms of transactions.

(2) As mentioned above, the Character Part that is understood easily as a part with a specific pronunciation accounts for a major part (70% or more) of the component of the Trademark in the Application. The character part of "SANKO" is not listed in a dictionary, etc., and therefore, it does not generate any specific concept. Based on these facts, it can be said that the Character Part is impressive to consumers and gives a strong impression.

(3) On the other hand, it is difficult to say concerning the Figure Part that it is immediately clear at a glance whether it is a figure that has no pronunciation or whether it is made by designing specific characters. However, considering that it is construed that there are not a few cases where part of characters of the name of a company, etc. are designed in trademarks and that the first letter of the Character Part is "S," the Figure Part can be understood to be a design of a letter "S" and then the pronunciation "esu" can be generated from the Figure Part.

Based on the fact that the first letter of the Character Part is "S," if it is construed that the Figure Part is a design of a letter "S," the Figure Part may often be understood as being only the first letter of the Character Part, "S," that is extracted, specially designed, and placed, and as having no meaning independent from the Character Part.

(4) Based on (1) through (3) above, with regard to the Trademark in the Application, it can be said that it is allowed to make a determination on the similarity of trademarks based only on the Character Part.

Therefore, the Trademark in the Application is pronounced as "sankoh" or "sanko" based on the constituent characters, but it does not generate any specific concept.

3. Cited Trademarks 1, 2, and 4

(1) According to evidence (Exhibits Otsu 3, 5, and 6), Cited Trademarks 1, 2 and 4 are found in line with the findings by the JPO, as stated in No. 2, 3. (2) A. (A), (B), and (D) above.

(2) Cited Trademark 1 is composed of slightly designed letters "SANCO" written horizontally. It is pronounced as "sankoh" or "sanko" based on the constituent characters. The character part of "SANCO" is not listed in a dictionary, etc., and therefore, it does not generate any specific concept.

(3) Cited Trademarks 2 and 4 are composed of a figure wherein light blue drops seem to overlap and the slightly designed letters "SANCO" in blue written horizontally below the figure. The figure part that consists of Cited Trademarks 2 and 4 and the character part of "SANCO" are visually and clearly recognized separately and it cannot be said that each part always generates any specific integrated concept. Therefore, it is reasonable to consider that the character part independently fulfills the functions of a mark to identify the services. Accordingly, Cited Trademarks 2 and 4 are pronounced as "sankoh" or "sanko" based on the constituent characters. The character part of "SANCO" is not listed in a dictionary, etc., and therefore, it does not generate any specific concept.

4. Similarity between the Trademark in the Application and Cited Trademarks 1, 2, and 4

It can be said that the letters of "SANCO" in Cited Trademarks 1, 2, and 4 are similar to the Character Part, "SANKO," in terms of the impression of the overall appearance.

Then, in terms of the comparison of character parts between the Trademark in the Application and Cited Trademarks 1, 2, and 4, even if the concept cannot be compared, their appearances are similar and they share the pronunciation of "sankoh" or "sanko." In consideration of these facts comprehensively, it should be said that these trademarks are similar trademarks to a point where they are likely to be indistinguishable.

5. As mentioned above, there are no disputes between parties that the Trademark in the Application is a trademark similar to Cited Trademarks 1, 2, and 4 and is used for services that are the same as or similar to the designated services of Cited Trademarks 1, 2, and 4.

Consequently, there was no error in the determination of the JPO Decision where it determined that the Trademark in the Application falls under Article 4, paragraph (1), item (xi) of the Trademark Act and grounds for the rescission of the JPO Decision alleged by the Plaintiff are not accepted.

6. Allegation of the Plaintiff

(1) The Plaintiff alleged that, in the same manner as the Trademark in the Application,

there are multiple examples of use of trademarks where a figure is displayed side by side in the position of the prefix part on the left of the character part and that there are many registered trademarks where the initial letter "S" at the left end of the mark of the name of a company, etc. is designed and the figure is placed on the left of the character part. However, even if there are the aforementioned examples of use and examples of registration, it cannot be said that in the Application, the Figure Part and the Character Part cannot be observed separately.

In addition, the Plaintiff alleged that the overall Trademark is displayed in vermilion in its appearance and it has the following structure: the lower part is at the same height; the Figure Part leans to the "S" on the left of the Character Part so that they are in close contact and connect; and the semi-ellipse part on the upper right of the Figure Part gives the impression of covering a part of the Character Part. Even so, the Figure Part and the Character Part can be observed separately in the Application, as held in 2. above.

(2) The Plaintiff alleged concerning the designated services of the Application that there are multiple registered trademarks that are pronounced as "sanko" or "sankoh" and that, in the field of designated services of the Application, many trademarks pronounced as "sankoh" or "sankou" are used according to information obtained from the Internet. Even if there are said examples of registration or examples of use, it cannot be said that the function of the Character Part as a mark to identify one's services is weak.

(3) The Plaintiff alleged that the Figure Part generates the pronunciation "esu." As held in 2. above, even in that case, it may often be understood that the Figure Part does not have an independent meaning from the Character Part. Therefore, this allegation does not have an impact on the determination stated in 4. above that the Trademark in the Application and Cited Trademarks 1, 2, and 4 are similar.

(4) The Plaintiff alleged that the Plaintiff has been using the Trademark in the Application for a long time in a transaction status. However, even based on the evidence (Exhibits Ko 2, 4 through 7, 15, 17, and 18), it should be said that no transactional circumstances that have impact on the determination in 4. above are found.

No. 4 Conclusion

Consequently, the claim of the Plaintiff has no grounds and therefore it is dismissed, and the judgment is rendered as indicated in the main text.

Intellectual Property High Court, Second Division

Presiding judge: MORI Yoshiyuki

Judge: NAKAJIMA Tomohiro

Judge: KATSUMATA Kumiko

(Attachment 1)

List of the Trademark

1. Trademark



2. Designated services

Class 36 Management of buildings, leasing or renting of buildings, leasing or renting of buildings, purchase and sale of buildings, real estate agency services for the purchase or sale of buildings, real estate appraisal, land management, agency services for the leasing or rental of land, leasing or renting of land, purchase and sale of land, agency services for the purchase or sale of land, providing information on buildings or land [real estate affairs], rent collection, agencies for non-life insurance, non-life insurance underwriting, life insurance brokerage, and life insurance underwriting.

(Attachment 2)

List of cited trademarks

1. Trademark Registration Number 3086979

The logo consists of the word "SANCO" in a bold, blue, sans-serif font.

2. Trademark Registration Number 3093088



3. Trademark Registration Number 3098356



4. Trademark Registration Number 3331590

