

Date	June 27, 2001	Court	Tokyo High Court, 13th Civil Division
Case number	2000 (Gyo-Ke) 422		
– A case in which the court found that all of the trademarks in use, i.e. "ALOE\MAGIC", "LIPMAGIC" and "MAGIC COLOR", cannot be found to be identical with the registered trademark "Magic" from a common sense perspective.			

Reference: Article 50 of the Trademark Act

Number of related rights, etc.: Registration No. 0644077, Trial No. 30327 of 1999

Summary of the Judgment

1. Background, etc.

The plaintiff is a holder of a trademark right for a trademark which consists of horizontally written alphabet characters "Magic" and which is registered by designating goods such as "cosmetics and other goods that belong to this Class" (Registration No. 0644077; hereinafter referred to as the "Trademark").

The defendant filed a request for a trial for rescission of trademark registration in relation to the Trademark on the grounds of non-use thereof, and the JPO rendered a trial decision ("JPO Decision") to rescind the registration of the Trademark. The plaintiff instituted an action seeking rescission of the JPO Decision alleging that PICASO COSMETIC LABORATORY LIMITED, which holds a non-exclusive right with respect to the Trademark, had sold the cream in question ("Cream"), which is one of the designated goods of the Trademark, using other trademarks which are found to be identical with the Trademark from a common sense perspective (hereinafter referred to as the "trademarks in use") in Japan within the three-year period prior to the preliminary registration date.

The trademark in use attached to the container of the Cream is expressed by writing the set of characters "ALOE" and "MAGIC" horizontally in two lines and in white alphabet characters and the characters that constitute the character parts, "ALOE" and "MAGIC", are written in the same font and size. Moreover, the space between the character part "ALOE" written on the upper line and the character part "MAGIC" written on the lower line is about one-fifth or one-sixth the size of each character, in other words, the two character parts are placed extremely near, and while the length in the lateral direction of the character part "ALOE" written on the upper line is somewhat shorter than that of the character part "MAGIC" written on the lower line, the centers of the character parts in the lateral direction are justified while the parts of the character part written on the lower line that do not overlap with the character part written on the upper line have been placed to have the same length in the front and rear ends. Furthermore,

the character parts of the upper and lower lines are as a whole arranged in a united manner. The trademarks in use include the trademark "LIP MAGIC" attached to the outer case of a lipstick and the trademark "MAGIC COLOR" attached to the outer case of the container of an eye shadow.

2. Summary of the court decision

The court dismissed the plaintiff's claims on the grounds that the Trademark and the trademarks in use are not identical from a common sense perspective and thus the Trademark has not been used by a holder of non-exclusive right.

The reasons are summarized as follows.

- (1) Even if the trademark in use "ALOE\MAGIC" is expressed in two lines, the trademark in use should be found to have an extremely close unity. On the other hand, it is extremely unnatural for traders and consumers who deal with the trademark in use to understand that the character part "ALOE" is indicating the raw materials of the Cream and to recognize that the character part "MAGIC" written on the lower line alone is an independent trademark. Therefore, it is appropriate to find that the trademark in use is expressed by a coined word "ALOE MAGIC", which consists of the combination of the term "ALOE" that originates in the raw materials and the term "MAGIC" that means "magic", and constitutes one trademark as a whole.

In addition, while the Trademark can be found to give rise to the pronunciation of "majikku" and the concept of "magic" in accordance with its structure, the trademark in use is, as mentioned above, found to give rise to the pronunciation of "aloe majikku" but not any specific or concrete concept. Thus, the trademark in use is different from the Trademark in terms of appearance, pronunciation and concept. Accordingly, the trademark in use cannot be found to be a trademark deemed identical with the Trademark from a common sense perspective.

- (2) It is appropriate to construe that, in the other two trademarks in use, i.e. "LIP MAGIC" and "MAGIC COLOR", the characters as a whole have the function to distinguish its own goods from those of others. Therefore, they differ from the Trademark in terms of pronunciation and concept and cannot be found to be a trademark deemed identical with the Trademark from a common sense perspective.

Judgment rendered on June 27, 2001

2000 (Gyo-Ke) 422, Case of Seeking Rescission of JPO Decision (Date of conclusion of oral argument: May 16, 2001)

Judgment

Plaintiff: A

Defendant: Isambert K.K.

Main text

The plaintiff's claims shall be dismissed.

The court costs shall be borne by the plaintiff.

Facts and reasons

No. 1 Judicial decisions sought by the parties

1. Plaintiff

The JPO decision rendered with respect to Case of 1999 Trial No. 30327 on September 4, 2000 shall be rescinded.

The court costs shall be borne by the defendant.

2. Defendant

Same as the main text.

No. 2 Facts undisputed by the parties

1. Developments in procedures at the JPO

The plaintiff is a holder of a trademark right for a trademark, which consists of horizontally written alphabet characters "Magic" and is registered by designating the goods covered in Class 4 "Cosmetics and other goods that belong to this Class" under the classification of articles of the Appended Table of the Ordinance for Enforcement of the Trademark Right prior to the amendment by Cabinet Order No. 299 of 1991 (Registration No. 0644077; Application for trademark registration filed on December 26, 1962; Establishment of trademark right registered on June 3, 1964; Renewal of duration registered on May 21, 1984, and July 28, 1994, respectively; hereinafter referred to as the "Trademark").

The defendant filed against the plaintiff as the claimee a request for a trial for rescission of trademark registration with respect to the Trademark on the grounds of non-use thereof on March 17, 1999, and the preliminary registration of such request was made on April 7 of the same year (hereinafter referred to as the "preliminary registration date").

The JPO, after examining said request as Case of 1999 Trial No. 30327, rendered a trial decision ("JPO Decision") to rescind the registration of the Trademark (Registration No. 0644077) on September 4, 2000, and the transcript thereof was served to the plaintiff on October 10 of the same year.

2. Reasons for the JPO decision

As stated in the attached copy of the transcript of the JPO Decision, the JPO held that the trademark registration of the Trademark should be rescinded pursuant to the provisions of Article 50 of the Trademark Act for the following reasons: [i] there is no choice but to find that the Trademark has not been used in Japan in connection with its designated goods within the three-year period prior to the preliminary registration date by any of the holder of trademark right, the holder of the exclusive right to use, or the holder of non-exclusive right; and [ii] no just causes can be found for non-use of the Trademark.

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

The Trademark has been used in Japan in connection with its designated goods by the holder of non-exclusive right within the three-year period prior to the preliminary registration date (Grounds for Rescission No. 1). In addition, a trademark which was in a relationship of associated trademarks with the Trademark had been used in Japan in connection with the designated goods of the Trademark by the holder of the non-exclusive right within the three-year period prior to the preliminary registration date and by the abolition of the associated trademark system (Grounds for Rescission No. 2). Accordingly, the JPO Decision contains defects that affect its conclusion and thus should be rescinded for being illegal.

(omitted)

No. 5 Court decision

1. Regarding Grounds for Rescission No. 1 (use of the Trademark)

(1) The plaintiff alleges that PICASO COSMETIC LABORATORY LIMITED, which holds a non-exclusive right with respect to the Trademark, had sold the cream in question ("Cream"), which is one of the designated goods of the Trademark, using another trademark (hereinafter referred to as the "trademark in use") in Japan within the three-year period prior to the preliminary registration date and such trademark in use should be found to be a trademark deemed identical with the Trademark from a common sense perspective. Therefore, this court will examine the abovementioned plaintiff's allegations.

According to the picture of the container of the Cream (Exhibit Ko 1-2), the following facts are found with respect to the configurations, etc. of the trademark in use: [i] the trademark in use is expressed by writing the set of characters "ALOE" and "MAGIC" horizontally in two lines and in white alphabet characters on a green background on the side of the cylindrical container of the Cream; [ii] the characters that constitute the character parts, "ALOE" and "MAGIC," are written in the same font and size; and [iii] the space between the character part "ALOE" written on the upper line and the character part "MAGIC" written on the lower line is

about one-fifth or one-sixth the size of each character, in other words, the two character parts are placed extremely near, and while the length in the lateral direction of the character part "ALOE" written on the upper line is somewhat shorter than that of the character part "MAGIC" written on the lower line, the centers of the character parts in the lateral direction are justified while the parts of the character part written on the lower line that do not overlap with the character part written on the upper line have been placed to have the same length in the front and rear ends; the character parts of the upper and lower lines are as a whole arranged in a united manner.

In light of the abovementioned configurations, etc., even if it is expressed in two lines, the trademark in use should be found to have an extremely close unity. On the other hand, according to the statements in the brochure of the Cream (Exhibit Ko 7), the ingredients of the Cream can be found to be a combination of ALOE VERA and JOJOBA OIL. However, in light of the configuration of the abovementioned trademark in use, it is extremely unnatural for traders and consumers who deal with the Cream to understand that the character part "ALOE" is indicating the raw materials of the Cream and recognize that the character part "MAGIC" written on the lower line alone is an independent trademark. Therefore, it is appropriate to find that the trademark in use is expressed by a coined word "ALOE MAGIC," which consists of the combination of the term "ALOE" that originates in the raw material and the term "MAGIC" that means "magic" and constitutes one trademark as a whole.

The plaintiff alleges that, in the trademark in use, it is the character part "MAGIC" that serves the function of distinguishing its own goods from those of others. However, in light of the configuration of the trademark in use mentioned above and considering that the characters "ALOE MAGIC" can be sequentially and smoothly pronounced as "aloe majikku," it is appropriate to construe that, in the trademark in use, the characters "ALOE MAGIC" as a whole have the function to distinguish its own goods from those of others. Therefore, the abovementioned plaintiff's allegations cannot be accepted.

In addition, while the Trademark can be found to give rise to the pronunciation of "majikku" and the concept of "magic" in accordance with its structure, the trademark in use is, as mentioned above, found to give rise to the pronunciation of "aloe majikku" but not any specific or concrete concept and is obviously and prominently different from the Trademark in terms of appearance. Therefore, the trademark in use cannot be found to be a trademark deemed identical with the Trademark from a common sense perspective.

Accordingly, even if the trademark in use was used for the designated goods of the Trademark, such use cannot be found to be a use of the Trademark in connection with its designated goods.

(2) The plaintiff further alleges that PICASO COSMETIC LABORATORY LIMITED, which

holds a non-exclusive right with respect to the Trademark, has sold lipsticks that are one of the designated goods of the Trademark using the trademark "LIP MAGIC" and eye shadows that are one of the designated goods of the Trademark using the trademark "MAGIC COLOR" in Japan within the three-year period prior to the preliminary registration date and that the trademarks "LIP MAGIC" and "MAGIC COLOR" should be found to be trademarks deemed identical with the Trademark from a common sense perspective. Therefore, this court will examine the abovementioned plaintiff's allegations.

(A) According to the two pictures of the outer case of the lipstick manufactured by PICASO COSMETIC LABORATORY LIMITED and sold by JE T'AIME CO., LTD. (Exhibits Ko 2-1 and 9-1), the following facts are found: [i] a trademark consisting of the two sets of alphabet characters "JE T'AIME" and "LIP MAGIC" written horizontally in two lines is attached on one rectangular shaped side of the outer case; [ii] the character part "LIP MAGIC" contained in the abovementioned trademark has a color different from that of the character part "JE T'AIME" and the constituent characters of the first-mentioned character part are expressed in small size; and [iii] looking at the character part "LIP MAGIC" alone, the width of the characters constituting the character part "LIP" contained in the first-mentioned character part is approximately one-third the width of the characters that constitute the character part "MAGIC" but the character part "LIP MAGIC" as a whole is arranged in a united manner by using the same font and color for each character.

As such, even if the character part "LIP MAGIC" may be a distinct trademark independent from the character part "JE T'AIME" due to the difference in the size and color of the constituent characters and the fact that the term "JE T'AIME" is French while the term "LIP MAGIC" is English, in light of the abovementioned configuration of the character part "LIP MAGIC," it can be found that the part as a whole constitutes one trademark. The plaintiff alleges that the character part "LIP" contained in the trademark "LIP MAGIC" indicates the intended purpose of the goods and that it is the character part "MAGIC" that serves the function of distinguishing its own goods from those of others. However, in light of the abovementioned configuration of the character part "LIP MAGIC" and considering the facts including the one that the characters "LIP MAGIC" can be sequentially and smoothly pronounced as "rippu majikku," it is appropriate to find that said trademark is expressed by a coined word "LIP MAGIC," which consists of the combination of the term "LIP" that is related to the intended purpose of the goods and the term "MAGIC" that means "magic," and the characters "LIP MAGIC" as a whole have the function to distinguish its own goods from those of others. Therefore, the abovementioned plaintiff's allegations cannot be accepted.

In addition, as stated above, the trademark "LIP MAGIC" can be found to give rise to the pronunciation of "rippu majikku" but not any specific or concrete concept and thus is different

from the Trademark in terms of pronunciation and concept. As such, the trademark "LIP MAGIC" cannot be found to be a trademark deemed identical with the Trademark from a common sense perspective.

Accordingly, even if the trademark "LIP MAGIC" is used for the designated goods of the Trademark, such use cannot be found to be a use of the Trademark in connection with its designated goods.

(B) According to the two pictures of the container and the outer case of the eye shadow manufactured by PICASO COSMETIC LABORATORY LIMITED and sold by JE T'AIME CO., LTD. (Exhibits Ko 3-1 and 10-1), the following facts are found: [i] a trademark consisting of the horizontally written alphabet characters "MAGIC COLOR" is attached on one rectangular shaped side of said outer case; and [ii] the characters constituting said trademark are arranged in a united manner by using the same size, font and color for each character. In addition, in light of the configuration of said trademark, it is found that the characters "MAGIC COLOR" as a whole constitute one trademark. The plaintiff alleges that the character part "COLOR" contained in the trademark "MAGIC COLOR" indicates the function of the goods and it is the character part "MAGIC" that serves the function of distinguishing its own goods from those of others. However, in light of the abovementioned configuration of the character part "MAGIC COLOR" and considering the facts including the one that the characters "MAGIC COLOR" can be sequentially and smoothly pronounced as "majikku karā," it is appropriate to find that said trademark is expressed by a coined word "MAGIC COLOR," which consists of the combination of the term "MAGIC" that means "magic" and the term "COLOR" that is related to the function of the goods, and that the characters "MAGIC COLOR" as a whole have the function to distinguish its own goods from those of others. Therefore, the abovementioned plaintiff's allegations cannot be accepted.

In addition, as stated above, the trademark "MAGIC COLOR" can be found to give rise to the pronunciation of "majikku karā" but not any specific or concrete concept and thus is different from the Trademark in terms of pronunciation and concept. As such, the trademark "MAGIC COLOR" cannot be found to be a trademark deemed identical with the Trademark from a common sense perspective.

Accordingly, even if the trademark "MAGIC COLOR" is used for the designated goods of the Trademark, such use cannot be found to be a use of the Trademark in connection with its designated goods.

(3) Based on the abovementioned findings, the plaintiff's allegations that the Trademark has been used in connection with its designated goods in Japan within the three-year period prior to the preliminary registration date by PICASO COSMETICS LABORATORY LIMITED, which is a holder of non-exclusive right for the Trademark, cannot be accepted without the need to

make determination on other points.

2. Regarding Grounds for Rescission 2 (use of an associated trademark)

According to the copy of the trademark registry pertaining to the Trademark (Exhibit Ko 5) as well as the copy of the trademark registry (Exhibit Ko 13) and Publication of Examined Trademark Application (Exhibit Ko 14) pertaining to the related trademark, it can be found that the related trademark consists of the alphabet characters "MAGIC" and Katakana character "マジック(magic)" written horizontally in two lines and that the Trademark and the related trademark was in a relationship of associated trademarks (Article 7 of the Trademark Act prior to the amendment by the 1996 Amendment Act), which were allowed until the associated trademark system was abolished by the amendment of the Trademark Act by the 1996 Amendment Act. In this regard, the plaintiff alleges that PICASO COSMETICS LABORATORY LIMITED, which holds a non-exclusive right with respect to the related trademark, had sold the Cream, which is one of the designated goods related to the request for the trial in question ("Request for the Trial"), using the trademark in use in Japan within the three-year period prior to the preliminary registration date and by March 31, 1997 (the day immediately prior to the date of enactment of the 1996 Amendment Act), and thus the trademark in use should be found to be a trademark deemed identical with the related trademark from a common sense perspective. Therefore, this court will examine the abovementioned plaintiff's allegations.

As found in 1.(1) above, the trademark in use is expressed by a coined word "ALOE MAGIC," which consists of the combination of the term "ALOE" that originates in the raw materials and the term "MAGIC" that means "magic" and constitutes one trademark as a whole, and further, it gives rise to the pronunciation of "aloe majikku" but no specific or concrete concept. The related trademark is found to give rise to the pronunciation of "majikku" and the concept of "magic" in accordance with its structure and thus the trademark in use differs from the related trademark in terms of pronunciation and concept and cannot be found to be a trademark deemed identical with the related trademark from a common sense perspective.

According to the transcript of the JPO decision rendered with respect to Case of 1999 Trial No. 30323 (Exhibit Ko 15), said JPO decision can be found to have determined that the trademark in use is identical with the related trademark from a common sense perspective but such determination cannot be accepted.

Therefore, even if the trademark in use has been used for the designated goods of the Trademark, it cannot be deemed to be a use of the related trademark in connection with the designated goods related to the Request for the Trial. Accordingly, the plaintiff's allegation that the trademark which was in a relationship of associated trademarks with the Trademark had been used in connection with the designated goods of the Trademark in Japan within the

three-year period prior to the preliminary registration date and by the abolition of the associated trademark system by PICASO COSMETICS LABORATORY LIMITED, which is a holder of non-exclusive right for the Trademark, cannot be accepted without the need to make determination on other points.

3. As described above, the grounds for rescission of the JPO Decision alleged by the plaintiff lack legal basis and the JPO Decision contains no other defects that will serve as the grounds to rescind it.

Accordingly, the plaintiff's claims shall be dismissed, and by applying Article 7 of the Administrative Case Litigation Act and Article 61 of the Code of Civil Procedure, 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: MIYASAKA Masatoshi