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| Trademark Right | Date | September 21, 2021 | Court | Intellectual Property High Court, Second Division |
| | Case number | 2021 (Gyo-Ke) 10028 | | |
| <p>- A case in which the court found that the trademark in question, "ヒルドマイルド" written in standard characters, is a composite trademark consisting of the components "ヒルド" and "マイルド", and determined that it is similar to the cited trademark, "ヒルドイド".</p> | | | | |

Case type: Rescission of Trial Decision to Maintain

Results: Granted

References: Article 4, paragraph (1), items (xi) and (xv) of the Trademark Act

Related rights, etc.: Trademark Registration No. 6178213

Decision of JPO: Invalidation Trial No. 2020-890023

Summary of the Judgment

1. This is a lawsuit to seek rescission of a decision by the JPO (the "JPO Decision") that maintained the trademark registration in the invalidation trial requested based on Article 46, paragraph (1), item (i) of the Trademark Act. The issue of the case is whether the Defendant's trademark ("ヒルドマイルド" written in standard characters; the "Trademark") falls under Article 4, paragraph (1), item (xi) or item (xv) of the Trademark Act. The JPO maintained the trademark registration, holding that: [i] the Trademark is similar to neither Cited Trademark 1 ("Hirudoid") nor Cited Trademark 2 ("ヒルドイド"); and [ii] even when the Trademark is used for its designated goods, it is not likely to cause confusion with the Plaintiff's Goods bearing Cited Trademarks 1 and 2.

2. In this judgment, the court rescinded the JPO Decision, holding as follows.

(1) The Trademark can be regarded as a composite trademark consisting of the components "ヒルド" and "マイルド". The component "ヒルド" can be understood as a kind of coined word rather than an ordinary word listed in a dictionary, etc. From the fact that this component had not been used in names of any drugs other than the Plaintiff's Goods for a long period, and that it is not a commonplace term as a name of drug, it can be said that this component gives a strong impression to consumers as an identifier of the source of goods. On the other hand, the component "マイルド" is less distinctive for distinguishing one's goods from those of others when used for drugs, which are the designated goods of the Trademark, and this component cannot be found to produce a pronunciation or concept that can serve as an identifier of the source of

goods. Therefore, it should be permitted to extract only the characters "ヒルド" from the Trademark and compare this component with the cited trademarks to determine similarity.

(2) In light of the facts such as that the Plaintiff's Goods bearing Cited Trademarks 1 and 2 have been sold for more than 60 years and have enjoyed a great amount of sales, it is appropriate to find that "ヒルド" was recognized among consumers as a term meaning "ヒルドイド" at the time when the application for registration of the Trademark was filed and the time when the examiner's decision to register it was made. Accordingly, it is found that both "ヒルド" and Cited Trademark 2 would remind people of "Hirudoid, a moisturizing agent containing heparinoid," thus producing a common concept.

(3) Putting all these facts together, it must be said that the Trademark and Cited Trademark 2 have common designated goods and also have common features in the appearance, concept, and pronunciation, and that when they are used for identical or similar goods, they are unavoidably likely to cause confusion as to the source of goods; therefore, it is appropriate to find that these trademarks are similar to each other.

Judgment rendered on September 21, 2021

2021 (Gyo-Ke) 10028, Case of seeking rescission of the JPO decision

Date of conclusion of oral argument: July 27, 2021

Judgment

Plaintiff: Maruho Co., Ltd.

Defendant: KENEI Pharmaceutical Co., Ltd.

Main text

1. The decision made by the Japan Patent Office (JPO) on December 25, 2020, for the case of Invalidation Trial No. 2020-890023 shall be rescinded.
2. The Defendant shall bear the court costs.

Facts and reasons

No. 1 Decision sought by the Plaintiff

Same as the main text.

No. 2 Outline of the case

This case is a lawsuit to seek rescission of a decision by the JPO (the "JPO Decision") that maintained the trademark registration in the invalidation trial requested based on Article 46, paragraph (1), item (i) of the Trademark Act. The issue of the case is whether the Defendant's trademark falls under Article 4, paragraph (1), item (xi) or item (xv) of that Act.

1. The Trademark

The Defendant is the holder of the trademark right for the trademark shown below (hereinafter referred to as the "Trademark") (Exhibit Ko. 1).

(1) Composition of the trademark: "ヒルドマイルド" (standard characters)

(2) Registration number: 6178213

(3) Date of application: August 8, 2018

(4) Date of decision of registration: July 30, 2019 (hereinafter referred to as the "Date of Decision of Registration")

(5) Date of registration: September 6, 2019

(6) Class of goods and services and designated goods: Class 5:"Pharmaceutical preparations"

2. History of procedures at the JPO

On February 28, 2020, the Plaintiff filed a request for a trial for invalidation of the registration of the Trademark under Article 46, paragraph (1), item (i) of the Trademark Act (hereinafter referred to as the "Invalidation Trial"). The JPO conducted the trial proceedings in response to this request as the case of Invalidation Trial No. 2020-890023, and made a decision on December 25, 2020, to the effect that the trademark registration shall be maintained (hereinafter referred to as the "JPO Decision"). The certified copy of the JPO Decision was served upon the Plaintiff on January 15, 2021.

3. Summary of the reasons for the JPO Decision

(1) Regarding whether the Trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act

Comparing the Trademark with the trademarks indicated in the Attachment (hereinafter the trademark indicated as 1 in the Attachment is referred to as "Cited Trademark 1" and the trademark indicated as 2 in the same is referred to as "Cited Trademark 2"; these trademarks are collectively referred to as the "Cited Trademarks"), there are the following differences between them in terms of the appearance: the Trademark and Cited Trademark 1 differ in that the former is written in katakana characters and the latter is written in alphabetic characters, and they can be clearly distinguished from each other; and the Trademark and Cited Trademark 2 have the same part, "ヒルド", in their beginning, but they differ from each other in terms of the number of constituent characters and the entire composition.

Next, the pronunciations arising from the Trademark, "ヒルドマイルド" (hirudomairudo) and "ヒルド" (hirudo), differ from the pronunciations arising from the Cited Trademarks, "ヒルドイド" (hirudoido), in terms of the constituent sounds (syllables) and the number of sounds, and therefore they can be clearly aurally distinguished.

The Trademark and the Cited Trademarks cannot be compared in terms of the concept because neither of them gives rise to any specific concept.

According to the above, even though the Trademark cannot be compared with the Cited Trademarks in terms of the concept, it is appropriate to regard the Trademark as a trademark that is clearly distinguishable from the Cited Trademarks in terms of the appearance and the pronunciation and therefore not similar to the Cited Trademarks.

It follows that even if the designated goods of the Trademark and those of the Cited Trademarks are identical or similar to each other, the Trademark is not similar to the Cited Trademarks, and therefore the Trademark does not fall under Article 4, paragraph (1), item (xi) of the Trademark Act.

(2) Regarding whether the Trademark falls under Article 4, paragraph (1), item (xv) of the Trademark Act

A. Whether the Plaintiff's trademarks in use are well-known and famous

The Plaintiff started selling blood-flow accelerating/skin moisturizing agents namely, "ヒルドイドクリーム0.3%" in October 1954, "ヒルドイドソフト軟膏0.3%" in July 1996, and "ヒルドイドローション0.3%" in July 2001, respectively, and the characters, "Hirudoid", are indicated on these goods, together with the respective product names in Japanese ([ヒルドイドクリーム0.3%/Hirudoid Cream][ヒルドイドソフト軟膏0.3%/Hirudoid Soft Ointment][ヒルドイドローション0.3%/Hirudoid Lotion]). Thus, "ヒルドイド" and "Hirudoid" can be regarded as being in use (hereinafter they are collectively referred to as the "Plaintiff's Trademarks in Use" and the blood-flow accelerating/skin moisturizing agents that are sold by the Plaintiff with the product names including the "Plaintiff's Trademarks in Use" are referred to as the "Plaintiff's Goods").

The Plaintiff's Goods, such as "ヒルドイドクリーム0.3%", are categorized as ethical drugs and they are not advertised to ordinary people. The articles concerning the Plaintiff's Goods in ordinary magazines do not feature the Plaintiff's Goods as ethical drugs, but rather they feature these goods as skin care goods to be used for beauty care (Exhibits Ko 25-1 to 25-6). Moreover, in these magazine articles, the Plaintiff only expressed a request that the Plaintiff's Goods be used properly as ethical drugs, and hence, the Plaintiff cannot be deemed to have advertised the Plaintiff's Goods (Exhibit Ko 29).

Although it is found that the Plaintiff's Goods attracted attention from dermatologists and were advertised in magazines for medical personnel, their advertisements were placed only about five or six times a year during the period from 2013 to 2017, thus, it must be said that they were not advertised for a long period nor advertised frequently.

Furthermore, in the field of "preparations containing heparinoid" or "blood clotting inhibitor," the Plaintiff's Goods achieved sales of 42 billion yen to 52 billion yen as topical medication for inpatients and outpatients and their market share was between 75% and 83% (on the basis of the sales amount) during the period from FY2014 to FY2017. From this fact, it can be presumed that as of the time the application for registration of the Trademark was filed in August 2018, the Plaintiff's Goods held a certain level of sales amount and market share. However, the data of these factors as of the time the decision of registration of the Trademark was made, i.e., about 18 months after the end of FY2019, are uncertain. Therefore, the sales amount and market share

of the Plaintiff's Goods as of the time the decision of registration of the Trademark was made cannot be estimated from the data of these factors during the abovementioned period.

According to the above, the Plaintiff's Goods cannot be deemed to have been widely known among consumers as of the time the application for registration of the Trademark was filed and the time the decision of registration of the Trademark was made, and therefore the Plaintiff's Trademarks in Use, which are used for the Plaintiff's Goods, cannot be found to have been widely recognized among traders and consumers as indications of the goods pertaining to the Plaintiff's business (blood-flow accelerating/skin moisturizing agents containing "heparinoid" as an active component (ethical drugs)) as of those times.

B. Degree of similarity between the Trademark and the Plaintiff's Trademarks in Use

As mentioned in (1) above, although the Trademark and the Plaintiff's Trademarks in Use cannot be compared in terms of the concept, it is appropriate to regard them as trademarks that are clearly distinguishable in terms of the appearance and the pronunciation and therefore are not similar to each other, and thus, they are different trademarks.

C. Degree of originality of the Plaintiff's Trademarks in Use

As the terms "Hirudoid" and "ヒルドイド" contained in the Plaintiff's Trademarks in Use can be regarded as kinds of coined words that are not listed in a dictionary, etc., they can be said to have a high degree of originality.

D. Likelihood of causing confusion as to the source of goods

As mentioned in A. above, the Plaintiff's Trademarks in Use cannot be found to have been widely recognized among traders and consumers as indications of the goods pertaining to the Plaintiff's business as of the time the application for registration of the Trademark was filed and the time the decision of registration of the Trademark was made.

In addition, although the Plaintiff's Trademarks in Use can be said to have a high degree of originality, the Trademark and the Plaintiff's Trademarks in Use are different trademarks which have clear differences.

From this viewpoint, it cannot be said that there is a likelihood that if the Trademark is used for its designated good, traders and consumers who see it would be reminded of, or associate it with, the Plaintiff's Trademarks in Use, and that they then would be confused as to the source of the goods, making considerations as though those designated goods are goods related to the Plaintiff's business or goods related to the business of a party that has some economic or organizational relationship with the

Plaintiff.

Consequently, the Trademark does not fall under Article 4, paragraph (1), item (xv) of the Trademark Act.

(3) In conclusion, the registration of the Trademark cannot be invalidated under Article 46, paragraph (1) of the Trademark Act.

No. 3 Grounds for rescission of the JPO Decision argued by the Plaintiff

1. Ground for Rescission 1 (error in the determination on whether the Trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act)

2. Ground for Rescission 2 (error in the determination on whether the Trademark falls under Article 4, paragraph (1), item (xv) of the Trademark Act)

(omitted)

No. 5 Judgment of this court

1. According to the evidence mentioned below and the entire import of oral arguments, the following facts can be found.

(1) Plaintiff's Goods and Plaintiff's Trademarks in Use

A. The Plaintiff started selling a blood clotting inhibiting/blood-flow accelerating agent named "ヒルドイド" in 1954 and changed the therapeutic category of "ヒルドイド" to a blood-flow accelerating/skin moisturizing agent in 1990. Later, the Plaintiff started selling a blood-flow accelerating/skin moisturizing agent named "ヒルドイドソフト" in 1996, a blood-flow accelerating/skin moisturizing agent named "ヒルドイドローション" in 2001, and a blood-flow accelerating/skin moisturizing agent named "ヒルドイドフォーム" in 2018, respectively. The Plaintiff's Goods are heparinoid preparations and made in the form of cream, soft ointment, lotion or foam. They are packaged in a tube or bottle on which the mark "ヒルドイド" and the mark "Hirudoid" are written horizontally in two lines, with the latter mark under the former mark ([ヒルドイドクリーム/Hirudoid Cream][ヒルドイドソフト/Hirudoid Soft][ヒルドイドローション/Hirudoid Lotion]). These marks, that is, the Plaintiff's Trademarks in Use, are found to be substantially identical with the Cited Trademarks. It is presumed that the Plaintiff had used only the mark "Hirudoid" for the Plaintiff's Goods until around the time of filing an application for registration of Cited Trademark 2 (Exhibits Ko 12, 15, 16, and 92).

B. Around 1954, there was no pharmaceutical product bearing a name that started with "ヒルド" in the market. As pharmaceutical products bearing a name "ヒルド" or a name that started with "ヒルド" other than the Plaintiff's Goods, a cinnarizine

preparation named "ヒルドシン" was sold by Fuso Pharmaceutical Industries, Ltd. during the period from 1976 to 1999, but after that and until today there has been no pharmaceutical product bearing a name that starts with "ヒルド", except for the Plaintiff's Goods (Exhibits Ko 13, 46, and 47).

C. As of February 12, 2020, except for the Cited Trademarks, "ヒルドイドソフト" and "HIRUDOIDSOFT", for which the Plaintiff holds rights, and "ヒルドシン /HIRDSYN", for which Fuso Pharmaceutical Industries, Ltd. holds rights, only the Trademark, "HIRUDOMILD", "ヒルドソフト" and "HIRUDOSOFT", for which the Defendant holds rights, existed as registered trademarks that bear a name that starts with "ヒルド" or "HIRUDO" and that are designated for "pharmaceutical preparations," goods in Class 5 (all of the Defendant's trademarks mentioned here were filed for registration on August 8, 2018, and registered on September 6, 2019). Other than these, Kabushiki Kaisha Stay Free had its trademark "ヒルドプレミアム" registered on October 12, 2018, but it is designated for "cosmetics," goods in Class 3 (Exhibits Ko 14 and 68).

D. According to Encise FY2017 Snapshot (NHI Price Based), the Plaintiff's Goods ranked 19th in terms of annual sales of ethical drugs in FY2017. According to the NDB Open Data, during the period from FY2014 to FY2018, the Plaintiff's Goods achieved sales of 41.7 billion yen, 46.4 billion yen, 47.2 billion yen, 52.1 billion yen, and 48.2 billion yen, respectively, and their share of the market for preparations containing heparinoid or blood clotting inhibitors was 69%, 65%, 61%, 57%, and 53%, respectively, in sales volume (all rounded off to the nearest whole number; the same applies hereinafter) and 83%, 81%, 79%, 76%, and 73%, respectively, in sales amount. The Plaintiff's Goods are sold nationwide (Exhibits Ko 20, 36, 52, and 53).

E. The Plaintiff carried out advertising activities for the Plaintiff's Goods, such as placing advertisements of the Plaintiff's Goods bearing the Plaintiff's Trademarks in Use in medical journals, etc. and distributing pamphlets of the Plaintiff's Goods to hospitals and other medical institutions and spent ●●●●●●●●●● (rounded down to the nearest 10,000 yen) per year during the period from October 2007 to September 2019. In addition, the Plaintiff publishes explanations of the Plaintiff's Goods on the specific pages of its website, which are expected to be referred to only by medical personnel. Incidentally, there are a number of medical literature written by physicians regarding the efficacy of ヒルドイド (Plaintiff's Goods). The Plaintiff was awarded the FY2007 Porter Prize for its success in adding a new efficacy against "asteatosis" to ヒルドイド (Plaintiff's Goods) (Exhibits Ko 15 to 18, 21, 23, 48, 50, 51, 90, and 91; Exhibit Otsu 13-3).

F. The Plaintiff's Goods gained a reputation as moisturizing cream with an anti-aging effect or an effect of preventing rough or dry skin, and during the period from 2014 to 2017, multiple women's magazines and blog sites featured various ways of using the Plaintiff's Goods, such as using them as makeup base, rubbing them into the skin for night skin care, and using them as a substitute for beauty essence or emulsion (Exhibits Ko 24 and 25).

G. In September 2017, the National Federation of Health Insurance Societies published a report titled "Research and Study on the Analysis of Health Insurance Claims in order to Contribute to Policy Making," in which the federation pointed out that in recent several years, it has been in fashion among women who are conscious about beauty to go to see dermatologists, etc., complain about "dry skin (asteatosis)," etc., and obtain "ヒルドイド" (in various types; including generics) prescribed as a substitute for cosmetics, and the federation proposed measures such as reducing the insurance coverage for prescriptions of "ヒルドイド" as moisturizing agents (Exhibit Otsu 19).

H. On October 18, 2017, the Plaintiff released a document titled "Notice on Proper Use of ヒルドイド," making it clear that the Plaintiff would continue to take strict measures against articles that might be taken as recommending the use of the Plaintiff's Goods for beauty care (Exhibit Ko 29; Exhibit Otsu 20).

I. In February and March 2021, NERA Economic Consulting conducted a questionnaire survey targeting people who had any skin problem such as dryness, blemishes/wrinkles, or eczema/rash, and who were using or had used within one year a prescribed or OTC skin drug (topical cream). According to this survey, 44% of all survey subjects and 60% of female survey subjects were reminded of a moisturizing agent by the term "ヒルドイド". In addition, upon seeing the package of the Plaintiff's Goods, 92% of those who were reminded of a moisturizing agent by the term "ヒルドイド" answered that it was the package of "ヒルドイド"(Exhibit Ko 56).

(2) Regarding other preparations containing heparinoid

A. The article dated December 6, 2018, posted on the website of Nikkei Woman stated "OTC drugs and cosmetics containing heparinoid, a component of the ethical moisturizing agent known as 'ヒルドイド', were released one after another in the autumn of 2018," and introduced products such as "ヒルメナイド油性クリーム" [Hirumenaïdo oil-based cream] (Matsumotokiyoshi) and "ヒルセリンローション" [Hiruserine lotion] (Cogit Corporation) (Exhibit Ko 26-1). Furthermore, there was a case around October 2018 wherein ヒルメナイド油性クリーム was sold with a POP card at the store that indicated the characters meaning "same prescription as ヒルドイドソフト軟膏" and the photo of the Plaintiff's Goods (Exhibit Ko 27-1).

During the period from September 2018 to December 2019 at the earliest, Cogit Corporation, on its website, made explanations that "ヒルセリンクリーム" and "ヒルセリンローション", which are quasi-drugs, "contain 'heparinoid,' the same component as 'ヒルドイド'" (Exhibit Ko 27-3). During the period ranging from September 2018 to, at the earliest, December 2019, NALC Inc., on its website, posted a statement, "Greatest moisturizing emulsion containing the same active component as well-known ヒルドイド, 'NALC 薬用ヘパリンミルクローション' [NALC Medicated Heparinoid Milk Lotion] will be released by NALC this autumn!" (Exhibit Ko 27-4). In addition, in September and December 2019, and February 2020, many online shops sold quasi-drugs and OTC drugs containing heparinoid (other than the Plaintiff's Goods), indicating terms and phrases such as "ヒルドイド," "same active component as ヒルドイド," "generic of ヒルドイド," "containing 'heparinoid' which is famous for ヒルドイド," and the like (Exhibits Ko 27-5, 30, and 31).

B. Regarding "ヒルドプレミアム"

Kabushiki Kaisha Stay Free sells cream and lotion as cosmetics or quasi-drugs containing heparinoid named "ヒルドプレミアム" [HIRUDO PREMIUM]. In customer reviews submitted by purchasers on the online shop sites selling this product and social media posts that were observed during the period from March to June 2021, multiple reviewers and posters mistook that product for the Plaintiff's Goods or their OTC version, stating, "I found a premium version] of ヒルドイド[Hirudoid]," "OTC product of ヒルドイド," and "I ordered this product as I heard ヒルドイド is effective." There were also comments by the purchasers who confused this product as being the Plaintiff's Goods and called it "ヒルドイドプレミアム" [Hirudoid premium], introduced their experience of having purchased it by mistaking it for the Plaintiff's Goods ("I thought it was ヒルドイド," and "I mistook it"), or stated that its product name and package resemble those of the Plaintiff's Goods (Exhibits Ko 71 to 83).

C. During the period from January 2019 to February 2021, the Plaintiff heard personnel at hospitals and clinics, which were its customers, saying the following about ヒルドプレミアム[Hirudo premium]: "On the internet, it appears like a premium version of ヒルドイド[Hirudoid]"; "As it looks so much like ヒルドイド, I was surprised, with my patient, thinking Maruho released the OTC version"; when a patient said that he/she used up the prescribed drug (the Plaintiff's Goods) and "bought something very much like ヒルドイドソフト軟膏, which was named ヒルドイドプレミアム," I said, "Many kinds of similar goods are at the stores as OTC drugs"; and about ヒルメナイド: "I thought Maruho finally released it"; and "Its name resembles ヒルドイド, so Maruho should take some countermeasures" (Exhibits Ko 32, 38, and 44).

D. Regarding "ヒルマイルド"[Hirumild]

(A) On June 29, 2020, the Defendant started selling a dry skin remedy as a non-prescription drug containing 0.3% of heparinoid, "ヒルマイルド" (ヒルマイルドクリーム and ヒルマイルドローション; hereinafter collectively referred to as "ヒルマイルド"), and on September 12, it started airing TV commercials (Exhibits Ko 39-1 and 39-2).

(B) There was a drug store that displayed a POP card stating, "Launch of that ヒルドイド[Hirudoid] as OTC drugs!" at the time of the release of ヒルマイルド[Hirumild]. In addition, the Plaintiff received questions from several dozens of hospitals and clinics, which were its customers, on the assumption that ヒルマイルド was the Plaintiff's goods, or regarding the possibility of the Plaintiff's involvement in the sale of ヒルマイルド (Exhibits Ko 41 and 43).

(C) The Plaintiff filed a petition with the Osaka District Court for a provisional disposition against the Defendant to seek an injunction against the sale, etc. of ヒルマイルド under Article 36, paragraphs (1) and (2) of the Trademark Act and Article 3, paragraphs (1) and (2) of the Unfair Competition Prevention Act. However, on July 9, 2021, that court dismissed the petition, holding that the mark of ヒルマイルド and the Cited Trademarks were not similar (Exhibit Otsu 10).

(D) Looking at the comments by readers on the online news about the petition for a provisional disposition mentioned in (C) above (1,845 comments in total), there were comments in which the readers thought that the Plaintiff's Goods or goods that were the same as the Plaintiff's Goods became available at drug stores. Including these comments and other comments stating that the product name and package of ヒルマイルド are similar to those of the Plaintiff's Goods, 56% of the total stated to the effect that the Plaintiff's Goods and ヒルマイルド were similar, whereas the comments stating to the effect that they were not similar were 2% of the total (Exhibits Ko 83 and 84).

(3) In general, pharmaceutical manufacturers obtain marketing license for some ethical drugs that meet certain requirements and sell them as OTC drugs, using the same active components, dose regimen and dosage as ethical drugs. These drugs are called switch OTC drugs; ロキソニンS [Loxonin S] and アレグラFX [Allegra FX] are such kinds of drugs (Exhibits Ko 64 and 65).

(4) In the field of medical care, there is no end to the occurrence of incidents of mix-up of drugs due to the similarity of names, and multiple pharmaceutical manufacturers have issued warnings to medical personnel. The (prescription) drug ordering system under which drugs can be searched by entering the initial three characters of a drug name has resulted in a significant decrease in the percentage of mix-up with drugs of a

different name (Exhibits Ko 7 to 10, 60, and 62).

(5) The term "マイルド" (mild) is listed in ordinary Japanese dictionaries as a word meaning "moderate in degree or a person's character or behavior" and "has less stimulus" and it is commonly used. In the field of medication, in particular, this term is used to mean the second lowest level following "ウイーク (weak)" in the five-stage scale of strength of steroid topical medication, or express that the drug efficacy or effect is rather weak ("the efficacy is mild" and "mild effect"), or it is recognized as a word to express that the drug has less stimulus, such as an eye drop and eye wash that are easy on the eye, and oral medicine that is easy to drink. It is used as part of the product name, in combination with the brand name, as a word to express that the drug has rather weak efficacy or stimulus, such as "ロート アルガード クリアマイルド[Rohto Alguard Clear Mild]," "スマイル 40EX ゴールドマイルド[Smile 40EX GOLD Mild]," and "アイボンマイルド[Eyebon Mild]" (Exhibits Ko 4 to 6, 58, and 59).

2. Regarding the similarity between trademarks

Whether two trademarks are similar or not should be determined by examining whether these trademarks subject to comparison are likely to mislead people or cause confusion as to the source of goods when they are used for identical or similar goods. In making this determination, the impression, memory, suggestion, etc. given to traders and consumers by the appearance, concept, pronunciation, etc. of the trademark[s] used for such goods should be examined comprehensively and integrally, and it is appropriate to make the above determination based on the specific state of transactions of such goods to the extent that the actual state of transactions of the goods can be identified (see 1964 (Gyo-Tsu) No. 110, judgment of the Third Petty Bench of the Supreme Court, February 27, 1968, Minshu Vol. 22, No. 2, at 399).

Furthermore, in the case of a composite trademark consisting of a combination of multiple components, if the components of the trademark are not found to be combined inseparably to the extent that it may be unnatural in transactions to observe them separately, such as when a component of the trademark is found to give a strong, dominant impression to traders and consumers as an identifier of the source of goods or services, or when no pronunciation or concept that would serve as a source identifier would be produced from other components of the trademark, it should be permitted to extract only part of the components of the trademark and compare that component with another person's trademark to determine the similarity between these trademarks (see 1962 (O) No. 953, judgment of the First Petty Bench of the Supreme Court, December 5, 1963, Minshu Vol. 17, No. 12, at 1621; 1991 (Gyo-Tsu) No. 103, judgment of the Second Petty Bench of the Supreme Court, September 10, 1993, Minshu Vol. 47, No. 7,

at 5009; and 2007 (Gyo-Hi) No. 223, judgment of the Second Petty Bench of the Supreme Court, September 8, 2008, Saibanshu Minji No. 228, at 561).

3. The Trademark and the Cited Trademarks

(1) Regarding the Trademark

A. The Trademark consists of seven standard characters, "ヒルドマイルド", and it gives rise to the pronunciation, "hirudomairudo."

In light of the facts that the Trademark consists of seven characters and thus it has a sufficient length to assume that it is possible to observe only a part of it, and that the set of characters, "マイルド", which is part of the composition of the Trademark, is commonly used as a word meaning "moderate in degree or a person's character or behavior" and "has less stimulus" as mentioned in 1. (5) above, and it can be strongly recognized as a unit that is a word, the Trademark can be regarded as a composite trademark consisting of the components "ヒルド" and "マイルド".

The component "ヒルド" can be understood as a kind of coined word instead of an ordinary word listed in a dictionary, etc. From the fact that this component had not been used in names of any drugs other than the Plaintiff's Goods for a long period as mentioned in 1. (1) above, and that it is not a commonplace term as a name of drug, it can be said that this component gives a strong impression to consumers as an identifier of the source of goods. On the other hand, the component "マイルド" is less distinctive for distinguishing one's goods from those of others when used for drugs, which are the designated goods of the Trademark, because, in the field of medication, "マイルド" is a word that is frequently used as part of a product name along with the brand name of a drug as a word meaning that the drug effect or stimulus is rather weak as mentioned in 1. (5) above, and this component cannot be found to produce a pronunciation or concept that can serve as an identifier of the source of goods.

Accordingly, it should be permitted to extract only the characters "ヒルド" from the Trademark and compare this component with the Cited Trademarks to determine similarity between the Trademark and the Cited Trademarks.

B. Consequently, it is appropriate to compare the Trademark with the Cited Trademarks based on the premise that the appearance and pronunciation of "ヒルド" are produced from the Trademark, in addition to the appearance and pronunciation of "ヒルドマイルド". It should be noted that "ヒルド" can be understood as a kind of coined word which has no specific meaning, instead of being an ordinary word listed in a dictionary, etc., and therefore the Trademark does not give rise to any specific concept. However, according to what is stated in 1. (5) above, it is appropriate to find that if "ヒルドマイルド" is used for drugs, the concept of "'ヒルド' with a rather weak drug effect or

stimulus" could be produced.

(2) Regarding the Cited Trademarks

A. Cited Trademark 1 consists of eight alphabetic characters, "Hirudoid", and produces the pronunciation, "hirudoido." This can be understood as a kind of coined word which has no specific meaning, instead of being an ordinary word listed in a dictionary, etc., and therefore it does not give rise to any specific concept.

B. Cited Trademark 2 consists of five katakana characters, "ヒルドイド", and produces the pronunciation, "hirudoido." This can be understood as a kind of coined word which has no specific meaning, instead of being an ordinary word listed in a dictionary, etc., and therefore it does not give rise to any specific concept.

4. Similarity between the Trademark and Cited Trademark 2

In light of the counsel's arguments, whether the Trademark and Cited Trademark 2 are similar to each other is examined.

(1) The designated goods of the Trademark are "pharmaceutical preparations" and the designated goods of Cited Trademark 2 include "pharmaceutical preparations"; thus, the designated goods of these trademarks are identical.

(2) A. Among the seven characters that constitute the Trademark, five characters except for the fourth character "マ" and the sixth character "ル", that is, "ヒルド", "イ", and "ド", are the same as the characters that constitute Cited Trademark 2, and the order of these characters is also the same. Regarding the pronunciation, the Trademark and Cited Trademark 2 have in common the five component sounds, "hirudo," "i," and "do," and the order of these sounds is also the same. Although the Trademark has two more sounds than Cited Trademark 2, "ma" and "ru," the initial three sounds that are impressive and the last one sound are the same. As mentioned in 3. (1) above, when the Trademark is used for drugs, it would suggest "ヒルド" with a rather weak drug effect or stimulus."

B. Comparing the components of the Trademark, "ヒルド", and Cited Trademark 2, all of these three characters are the same as the initial three characters of Cited Trademark 2, and all of the three component sounds are the same as the initial three component sounds of Cited Trademark 2. Both "ヒルド" and Cited Trademark 2 are coined words which have no specific meaning, and they do not independently give rise to any specific concept.

(3) Although the Plaintiff's Goods are ethical drugs, the consumers who use them are not limited to medical personnel, and their end users are patients. What is more, as mentioned in 1. (2) above, it is presumed that "ヒルドイド" is known among purchasers of OTC moisturizing agents, which is shown by the fact that in magazine articles and online shop sites, OTC preparations containing heparinoid are explained as

containing the "component of the ethical moisturizing agent known as 'ヒルドイド'". From this it should also be said that the consumers of the Plaintiff's Goods bearing the Plaintiff's Trademarks in Use include not only physicians and other medical personnel but also patients. Although there are no goods bearing the Trademark, this finding regarding the consumers of the Plaintiff's Goods would not be affected even if, as argued by the Defendant, the Trademark is used only for ethical drugs.

Based on the above, the actual state of transactions is examined. As mentioned in 1. (1) and (2) above, the following facts are found: the Plaintiff's Goods bearing Cited Trademark 1 have been sold for more than 60 years, and for about 40 years during this period, Cited Trademark 2 has also been indicated on these goods; the Plaintiff has continuously carried out advertising activities for the Plaintiff's Goods to a certain extent; the Plaintiff's Goods have enjoyed a great amount of sales, achieving the 19th place in the ranking of annual sales of ethical drugs in FY2017; during the period from FY2014 to FY2018, the share of the Plaintiff's Goods in the market for preparations containing heparinoid or blood clotting inhibitors has been gradually decreasing but has exceeded 70% in sales amount and has also exceeded 50% in sales volume throughout the period; around 2017, the Plaintiff's Goods were featured in women's magazines, etc. as moisturizing cream with an anti-aging effect or an effect of preventing rough or dry skin, and they became an issue because in some cases, they were suspected of being prescribed for beauty care; after the Plaintiff issued warnings to request proper use, multiple OTC products (drugs or quasi-drugs) containing heparinoid as in the Plaintiff's Goods went on sale, and manufacturers and retailers explained these products as "containing 'heparinoid' which is famous for ヒルドイド"; and according to the questionnaire survey conducted in February and March 2021, 44% of those who were using or had used within one year a skin drug for dry skin, etc. recognized "ヒルドイド" as a moisturizing agent. In view of these facts, it is found that by around 2017, a considerable percentage of consumers had come to be reminded of the Plaintiff's Goods, which are "moisturizing agents containing heparinoid," by the coined word "ヒルドイド", and it is appropriate to find that this state, which had been created over a long period of time, continued to exist as of the date of application for registration of the Trademark and the Date of Decision of Registration.

In addition, in light of the facts that except for "ヒルドシン", which was sold during the period between 1976 and 1999, there has been no pharmaceutical product bearing a name that starts with "ヒルド" other than the Plaintiff's Goods, and that after the Plaintiff issued warnings to request proper use, multiple OTC products (drugs or quasi-drugs) containing heparinoid as in [the case of] the Plaintiff's Goods went on sale,

and one of those quasi-drugs had a name starting with "ヒルド" and some consumers purchased it by mistaking it for an OTC version of the Plaintiff's Goods, it is appropriate to find that "ヒルド" was recognized among consumers as a term meaning "ヒルドイド" as of the date of application for registration of the Trademark and the Date of Decision of Registration. Accordingly, it is found that both "ヒルド" and Cited Trademark 2 would remind people of "ヒルドイド, a moisturizing agent containing heparinoid," thus producing a common concept.

(4) Regarding the Defendant's allegations

The Defendant alleges that there are multiple cases in which both a trademark consisting of a term and a trademark consisting of a combination of that term and "マイルド" [mild] are registered. However, in these cases of registered trademarks, the same person filed applications for registration of both trademarks, or the term in question is a word which is commonly used and has a specific meaning, such as "クリア" [clear], "ハロー" [hello], and "サン" [sun]" (Exhibit Otsu 1), and thus, the facts of these cases are different from those of this case. Furthermore, with regard to the case of the JPO decision in which the JPO denied similarity between the trademark consisting of standard characters, "ウフェナ", and the cited trademark consisting of the characters, "ウフェナマイルド" and "UFENAMILD", written horizontally in two lines (Exhibit Otsu 2), the composition of that cited trademark is different from that of the Cited Trademarks of this case, and moreover, the JPO did not take into consideration the actual state of transactions in that case, and thus, the facts of that case of the JPO decision are different from those of this case.

The Defendant also alleges that there are drugs, other than the Plaintiff's Goods, which have names that start with "ヒルド". However, there are no circumstances under which it should be found that the component of "ヒルド" in the Trademark has lost its function as an identifier of the source of goods due to the fact that, other than the Plaintiff's Goods, multiple products which have names that start with "ヒルド" have continuously been sold for a long period of time. Therefore, the existence of these products does not affect the determination on the similarity between the Trademark and Cited Trademark 2.

(5) Putting all these facts together, it must be said that the Trademark and Cited Trademark 2 have the same designated goods and also have common features in the appearance, concept, and pronunciation, and that when they are used for identical or similar goods, they are unavoidably likely to mislead people or cause confusion as to the source of goods; therefore, it is appropriate to find that these trademarks are similar to each other.

5. As stated above, the Trademark is similar to Cited Trademark 2, which is another person's trademark registered based on the application for trademark registration filed prior to the filing date of the application for registration of the Trademark, and it is designated for goods that are identical or similar to the designated goods of Cited Trademark 2. Thus, the Trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act and therefore it is unregistrable. Ground for Rescission 1 argued by the Plaintiff is well-founded.

It follows that without the need to make a determination on other issues, the JPO Decision should inevitably be rescinded.

No. 6 Conclusion

As stated above, the Plaintiff's claim is well-grounded, and therefore, the JPO Decision shall be rescinded, and the judgment shall be rendered as indicated in the main text.

Intellectual Property High Court, Second Division

Presiding judge: HONDA Tomonari

Judge: ASAI Ken

Judge: KATSUMATA Kumiko

Attachment (Cited Trademarks)

1. Trademark Registration No. 459931

Composition of the trademark: "Hirudoid"

Date of application for registration: May 12, 1954

Date of registration of establishment: February 10, 1955

Date of registration of updated classification: October 19, 2005

Designated goods: Class 5 "Pharmaceutical preparations (except for mosquito-repellent incenses and other fumigants for mosquito control, and medicinal soap and medicinal alcohol beverage under the Japanese Pharmacopoeia), quinine salt, morphine, tinctures, syrups, decoctions, liquid medicine, infusions, pills, plaster, medicinal powder, tablets, electuaries, crude drugs, medicinal oil, lime, sulfur (pharmaceutical), mineral water, dusting powder, moxa, charred drugs, antiseptics, deodorants (other than for human beings), antiparasitic preparations, adhesive plasters, bandages for dressings, cotton gauze, pledget, absorbent cotton, medical sponge, oblate (drug delivery agents in the form of edible wafers for wrapping powdered pharmaceuticals)

2. Trademark Registration No. 1647949

Composition of the trademark: "ヒルドイド"

Date of application for registration: January 30, 1981

Date of registration of establishment: January 26, 1984

Date of registration of updated classification: November 4, 2004

Designated goods: Class 5 "Pharmaceutical preparations, oiled paper for medical purposes, sanitary masks for personal use, oblate (drug delivery agents in the form of edible wafers for wrapping powdered pharmaceuticals), gauze for dressings, empty capsules for pharmaceuticals, eyepatches for medical purposes, ear bandages, menstruation bandages, menstruation tampons, sanitary napkins, sanitary panties, absorbent cotton, adhesive plasters, bandages for dressings, liquid bandages, breast-nursing pads"; and goods in Class 1 and Class 10 as specified in the trademark register