

Date	December 8, 2016	Court	Intellectual Property High Court, Third Division
Case number	2016 (Gyo-Ke) 10143		
– A case in which the court found that the trademark "縁の会" (En no Kai) was used for unfair purposes and thus falls under Article 4, paragraph (1), item (xix) of the Trademark Act.			

Reference: Article 4, paragraph (1), item (xix) of the Trademark Act

Number of related rights, etc.: Opposition No. 2015-900098, Registration No. 5727379

### Summary of the Judgment

1. The plaintiff had the establishment of a trademark right for the trademark "縁の会" (En no Kai) (the "Trademark") registered but an opposition to trademark registration was filed with respect to the Trademark. The JPO rendered a trial decision to rescind the registration of the Trademark by finding that the Trademark falls under Article 4, paragraph (1), item (xix) of the Trademark Act. In this case, the plaintiff instituted an action seeking rescission of such JPO decision.
2. In this judgment, the court mainly held as follows and found that, under the following circumstances, it is reasonable to presume that the plaintiff, taking advantage of the fact that the cited trademark has not yet been registered, uses the Trademark for the purpose of taking a free ride on the business reputation and appeal to customers that are embodied in the cited trademark, gaining unfair profit by using the Trademark for a business similar to the relevant business, or inflicting damage on a third party. The court thus found that the Trademark falls under Article 4, paragraph (1), item (xix) of the Trademark Act.
  - (1) The plaintiff began to be involved in the business relating to the sale of personal graves for living people (hereinafter referred to as the "Business") offered to the member of "縁の会" (En no Kai; "Cited Trademark") as the joint business operator around July 1996, and after November 2006, it continued to be involved in the Business as the contractor under the "Service contract for recruitment of members of the 'En no Kai'" (hereinafter referred to as the "Service Contract"). In February 2013, or on December 31, 2014, at the latest, the Service Contract was terminated, and the plaintiff was obliged to transfer the related services to Tochoji Temple. And yet, on February 12, 2014, when the Service Contract was in force, the plaintiff filed an application for trademark registration regarding the Trademark, and had the establishment of its trademark right registered on December 19, 2014.

- (2) Furthermore, the Business would not be terminated with the completion of the sale of personal graves to members of the "縁の会" (En no Kai). Moreover, it is obvious that even after the sale of personal graves is finished, Tochoji Temple needs to continue to use the Cited Trademark as a mark for the Business, and it is easy to anticipate that if the plaintiff has the establishment of its trademark right for the Trademark registered and makes it impossible for Tochoji Temple to use the Cited Trademark, this could cause a serious problem concerning the continuation of the Business.
- (3) There is no evidence supporting the existence of an agreement between the plaintiff and Tochoji Temple to allow the plaintiff to register the establishment of its trademark right for the Trademark. Rather, evidence implies that by around May 2014, at the latest, a dispute had occurred between the plaintiff and Tochoji Temple with regard to the plaintiff's filing of an application for registration of the Trademark and its attempt to carry out a similar business with another religious corporation, using the word "縁の会" (En no Kai).
- (4) If the plaintiff had the establishment of the trademark right in question registered and acquired the exclusive right to use the Trademark, this could naturally interfere with the use of the Cited Trademark that is identical to the Trademark. Therefore, the plaintiff, as the contractor of the Business having a promise to transfer the Business to Tochoji Temple smoothly, should have naturally taken due care, in the process of registration of the establishment of the trademark right in question, to avoid putting Tochoji Temple into an insecure position, by means such as granting a license to Tochoji Temple to use the Cited Trademark. Nevertheless, nothing shows that the plaintiff took such a care regarding Tochoji Temple's position.
- (5) The Trademark and the Cited Trademark can be regarded as being identical and that by the time of the filing of the application for registration of the Trademark, the Cited Trademark had become well-known in Japan as a mark relating to the Business that is carried out by Tochoji Temple.

Judgment rendered on December 8, 2016

2016 (Gyo-Ke) 10143 Case of Seeking Rescission of JPO Decision to Rescind Trademark Registration

Date of conclusion of oral argument: October 27, 2016

### Judgment

Plaintiff: Kabushiki Kaisha Annex

Defendant: Commissioner of the Japan Patent Office

### Main text

1. The plaintiff's claim shall be dismissed.
2. The plaintiff shall bear the court costs.

### Facts and reasons

#### No. 1 Claim

The court shall rescind the decision rendered by the JPO on May 11, 2016, concerning the case Opposition No. 2015-900098.

#### No. 2 Facts on which the decision is premised (there is no dispute between the parties)

##### 1. Trademark in question

The trademark in question, registered with Registration No. 5727379 (hereinafter referred to as the "Trademark"), consists of the characters, "縁の会", written in standard characters. The Trademark was registered based on the trademark application filed by the plaintiff on February 12, 2014, and the trademark right therefor was established on December 19, 2014, for the designated services in Class 35, "agency or representative services for administration of the sale of gravesites, ossuaries and graves, agency or representative services for administration of the sale of funeral equipment," and Class 45, "performance of funerals, performance of eternal memorial services (*eitai kuyō*) and intermediary or brokerage services therefor, provision of gravesites or ossuaries, search, intermediary or brokerage services for provision of gravesites or ossuaries, management of gravesites or ossuaries, lease of altars, lease of funeral equipment."

##### 2. Developments in procedures at the JPO, etc.

On March 26, 2015, a religious corporation, "東長寺" ("Tochoji Temple"; hereinafter referred to as "Tochoji Temple"), filed an opposition to trademark registration regarding the registration of the Trademark. The JPO examined the opposition in case Opposition No. 2015-900098, and on May 11, 2016, it rendered a

decision to "rescind the trademark registration regarding Trademark Registration No. 5727379" (hereinafter referred to as the "JPO Decision"). The transcript of this decision was served on the plaintiff on May 19, 2016.

Dissatisfied with this, the plaintiff filed this action on June 15, 2016.

### 3. Summary of the reasons for the JPO Decision

The reasons for the JPO Decision are as described in the written decision on opposition (copy) attached hereto. In summary, the JPO ruled that the reasons for rescission described in the written notice of reasons for rescission, by which the JPO notified the plaintiff that the Trademark was found to have been registered in violation of Article 4, paragraph (1), item (xix) of the Trademark Act (hereinafter referred to as the "Act") and therefore its registration should be rescinded for the reasons summarized below, are reasonable. The Trademark is extremely similar to the mark in use that is widely recognized among consumers as a mark indicating the goods and services relating to Tochoji Temple's business, and thus it should be regarded as a trademark that is used for unfair purposes and therefore falling under Article 4, paragraph (1), item (xix) of the Act.

#### (2) Well-knownness of the mark in use

A. Tochoji Temple is a temple of the Soto School of Buddhism, located in Yotsuya, Shinjuku-ku, Tokyo. In 1996, as the project for the 400th anniversary of its foundation, it established an association named "縁の会" ("*En no Kai*"; hereinafter referred to as the "mark in use") to promise that the temple would perform eternal memorial services for each member of the association, and launched a business relating to the sale of personal graves for living people (hereinafter referred to as the "Business"). Specifically, in the Business, people who purchase personal graves for themselves while they are living are to join an association named "縁の会", and the temple gives a posthumous Buddhist name to each member of the association and provides various services to the members after their death, mainly including funerals (reserved while still alive), memorial service for interment of ashes, eternal memorial services, and maintenance and management of ossuaries.

B. From around 1996 to around 2008, the Business was featured many times in nationwide newspapers and magazines, with the characters "縁の会". Also mainly from around 1996 to around 2004, Tochoji Temple actively placed advertisements in many newspapers and magazines in relation to the sale of personal graves for living people, using characters such as "東長寺『縁の会』" (Tochoji Temple '*En no Kai*'), combined with indications meaning "You can choose your own grave," "Graves for living people," "Graves for eternal memorial services, personal graves for living people," "personal

graves for living people."

C. According to these facts, it can be found that the mark in use has been used continuously for a long period of time as a mark indicating the services relating to the Tochoji Temple's business, i.e. "performance of funerals, performance of eternal memorial services (*eitai kuyō*) and intermediary or brokerage services therefor, provision of gravesites or ossuaries, search, intermediary or brokerage services for provision of gravesites or ossuaries, management of gravesites or ossuaries, lease of altars, lease of funeral equipment," and it can also be found that by the filing date of the registration application of the Trademark (February 12, 2014), it had already been widely recognized among consumers. Further, it can be found that the mark in use remained well-known as of the date of decision of registration of the Trademark (December 9, 2014).

(2) Similarity between the Trademark and the mark in use

The Trademark consists of the characters, "縁の会", written in standard characters.

On the other hand, the mark in use also consists of the characters, "縁の会".

As such, both the Trademark and the mark in use consist of the same characters, "縁の会", and because of this, they give rise to the pronunciation, "en no kai", and the concept of "assembling of people based on bonds."

Consequently, the Trademark and the mark in use can be found to be similar to each other in terms of the appearance, pronunciation, and concept to the extent that they are likely to be mistaken.

(3) Unfair purposes

A. In 1996, Tochoji Temple and the plaintiff launched a business relating to the sale of personal graves for living people (the Business) as the project for the 400th anniversary of the foundation of Tochoji Temple under the name of "縁の会" (*En no Kai*). The Business was initially called the "joint business" under the contract.

In the "Second revised contract for the joint business relating to the sale of personal graves for living people under the project for the 400th anniversary of the foundation of Tochoji Temple," dated April 1, 1998: the preparation and management of the business plan is specified as services to be carried out jointly by Tochoji Temple and the plaintiff; the development and management of ossuaries, the development and management of the environment in the area where the monuments (縁の碑 [*En no Ishibumi*]) and nameplates are to be placed, performance of memorial services including eternal memorial services under the doctrine of the Soto School, education of people who purchase personal graves, and provision of the sales office are specified as services to be carried out by Tochoji Temple; and publicity and advertising activities regarding

personal graves, sale and consignment of sale of personal graves, and the establishment, operation and management of the *En no Kai* administrative office are specified as services to be carried out by the plaintiff.

In the "Service contract for recruitment of members of the *En no Kai*," dated November 1, 2006, it is stated that Tochoji Temple would contract out the service relating to recruitment of members of the "縁の会" (*En no Kai*) to the plaintiff. It is also stated that the expenses for operation, maintenance and management of the *En no Kai* administrative office to be incurred during the period of recruitment shall principally be borne by the plaintiff, provided that the plaintiff shall transfer the operation of the administrative office to Tochoji Temple when the recruitment is finished and the contract is terminated.

In the "Memorandum on the change of the terms of the contract," dated February 14, 2013, it is stated that the service contract shall be terminated no later than the final day of December 2014, and that the plaintiff shall transfer the related services to Tochoji Temple by that date so as to ensure that Tochoji Temple would be able to operate the services by itself smoothly afterwards.

In view of these facts, coupled with the fact that the plaintiff filed an application for registration of the Trademark, "縁の会", on February 12, 2014, and had the establishment of its trademark right for the Trademark registered on December 19, 2014, it is presumed that Tochoji Temple and the plaintiff launched the Business as a joint business, and the division of the services involved in the Business between the parties was clearly specified, or more specifically, Tochoji Temple was supposed to be engaged in the management of the temple and performance of memorial services including eternal memorial services under the doctrine of the Soto School, while the plaintiff was supposed to be mainly engaged in the publicity and advertising activities regarding graves, sale and consignment of sale of graves, and establishment, operation and management of the *En no Kai* administrative office. It is also found that Tochoji Temple and the plaintiff agreed that the service contract would be terminated by the final day of December 2014 and that the plaintiff would transfer the related services to Tochoji Temple by that date so as to ensure that Tochoji Temple would be able to operate the services by itself smoothly afterwards. And yet, although the plaintiff launched the Business as a joint business with Tochoji Temple and the contract had not yet expired, the plaintiff independently obtained the trademark right for the Trademark. Furthermore, it is also found that, despite the clear division of the services involved in the Business between Tochoji Temple and the plaintiff, the plaintiff acquired the trademark right with regard to the services assigned to Tochoji Temple, namely, "performance of funerals,

performance of eternal memorial services (*eitai kuyō*), provision of gravesites or ossuaries, management of gravesites or ossuaries," without Tochoji Temple's consent.

B. Given the facts mentioned above, it is presumed that the plaintiff, by taking advantage of the fact that the mark in use had not yet been registered, filed an application for registration of the Trademark, which is similar to the mark in use, for unfair purposes including taking a free ride on the business reputation and appeal to customers that were embodied in the mark in use in order to gain unfair profit, thereby finally had the establishment of its trademark right for the Trademark registered.

In that case, the Trademark should be deemed to be a trademark that is extremely similar to the mark in use that is widely recognized among consumers as a mark indicating the services relating to Tochoji Temple's business, and thus it should be regarded as a trademark that is used for unfair purposes.

No. 3 Allegations of the parties

(omitted)

No. 4 Court decision

1. According to the facts for which the parties have no dispute, evidence (cited in the sections above), and the entire import of the oral arguments, the following facts can be found.

(1) Outline of the Business

Tochoji Temple is a temple of the Soto School of Buddhism, located in Yotsuya, Shinjuku-ku, Tokyo. Around July 1996, as the project for the 400th anniversary of its foundation, Tochoji Temple launched a business relating to the sale of personal graves for living people (the Business), by establishing an association named "縁の会" (*En no Kai*). The Business was designed in light of the background cultural factors of the recent progress in the trend toward the nuclear family, decline in the birth rate, and rise in price of gravesites, and was intended to allow a temple located in the center of the city of Tokyo to survive and meet the needs of people who wish to buy their own personal graves without being bound by the traditional family system and parishioner system. In the Business, Tochoji Temple would register people who enter into admission agreements with it as members of the "縁の会" (*En no Kai*), and provide the members with the religious services outlined below (Exhibits Ko 14-1, 18 to 24, 26 to 35, 47, 51, 52, 54 to 58, 60, 70, 76, 78 to 83, 85, 87, 88, 93, 95 to 97, and 104; Exhibits Otsu 1, 2, 14, 16, and 38).

A. Place a granite stone monument (縁の碑 [*En no Ishibumi*]) or lacquer-coated

nameplate for each member in the graveyard within the premises of the temple ("水の苑" (water garden), with the member's name inscribed thereon (personal graves for living people).

B. Give a posthumous Buddhist name of the Soto School to each member, and place the member's memorial tablet in the ossuary, with the member's name inscribed thereon.

C. After the member's death, perform a memorial service for interment of ashes, and place the member's ashes in the ossuary.

D. Perform memorial services for deceased members for *Manto Kuyō* (an event of offering many votive candles to Buddha) on the first day of the month of their death upon each anniversary year until the 33th anniversary; after that, enshrine them collectively in the common graves and continue performing memorial services for them (eternal memorial services).

E. Invite the members to events held exclusively for them, such as "one-day service" performed by Tochoji Temple, and send newsletters to them.

## (2) Involvement of Tochoji Temple and the plaintiff in the Business

A. Tochoji Temple and the plaintiff launched the Business around July 1996, and concluded a joint business contract related to the Business no later than July 10, 1997. According to the "Second revised contract for the joint business relating to the sale of personal graves for living people under the project for the 400th anniversary of the foundation of Tochoji Temple," dated April 1, 1998, the parties "conclude this contract in order to jointly carry out business including planning, building, sale, maintenance and management of personal graves for living people (...the monuments '縁の碑' [*En no Ishibumi*] and nameplates in the corridor shall be placed as grave markers; the association of purchasers of graves shall be named '縁の会' (*En no Kai*)). This contract is a revised version of the first revised contract for the joint business concluded on July 10, 1997, and hereinafter this contract shall prevail as the contract of the joint business concerned." The contract provided that the parties shall carry out the services assigned respectively to them from April 1, 1998, at the latest, and it also specified the methods for operating the business (hereinafter this contract is referred to as the "Joint Business Contract") (Exhibit Ko 48).

### (a) Services to be carried out jointly by the parties

- a. Preparation of the business plan
- b. Management of the business plan

### (b) Services to be carried out by Tochoji Temple

- a. Development and management of ossuaries
- b. Development and management of the environment in the area where the

monuments (縁の碑 [*En no Ishibumi*]) and nameplates are to be placed (water garden)

c. Performance of memorial services including eternal memorial services under the doctrine of the Soto School

d. Education of people who purchase personal graves

e. Provision of the sales office

(c) Services to be carried out by the plaintiff

a. Publicity and advertising activities regarding personal graves

b. Sale and consignment of sale of personal graves

c. Establishment, operation and management of the "*En no Kai*" administrative office

(d) Handling of sales proceeds

a. Out of the 800,000 yen to be received as the selling price of a personal grave, 40,000 yen shall be allocated as facility management expenses and 100,000 yen as publicity expenses; out of the remaining 660,000 yen, Tochoji Temple shall obtain 50% as fees for eternal memorial services, and the plaintiff shall obtain 50% as a sales commission.

b. The facility management expenses shall be handled by Tochoji Temple, and the publicity expenses shall be handled by the plaintiff.

(e) Exclusive marketing right

a. Tochoji Temple shall not consign the sale of personal graves related to the Business to any party other than the plaintiff or a third party designated by the plaintiff.

b. The plaintiff shall in principle undertake the sale of personal graves by itself.

c. If the plaintiff fails to accomplish the sales target planned for each sales term (three months) in four consecutive terms, Tochoji Temple shall become entitled to request the plaintiff to review the sales plan, by three-month prior notice, or cancel the contract. However, this shall not apply if the plaintiff accomplishes at least 50% of the annual sales target.

(f) Maintenance and management expenses

a. Maintenance and management expenses for the water garden and ossuaries shall principally be borne by Tochoji Temple.

b. Maintenance and management expenses for the area where the sales office is to be set up shall principally be borne by the plaintiff.

c. Operation, maintenance and management expenses for the *En no Kai* administrative office during the sales period shall principally be borne by the plaintiff. However, after the sale is finished and the joint business contract is terminated, the plaintiff shall transfer the operation of the *En no Kai* administrative office to Tochoji

Temple.

B. On November 1, 2006, Tochoji Temple and the plaintiff agreed that Tochoji Temple shall contract out the service relating to recruitment of members of the "縁の会" (*En no Kai*) (an association of members who purchase personal graves for their eternal memorial services) to the plaintiff, and the plaintiff shall undertake this service, and concluded the "Service contract for recruitment of members of the *En no Kai*" (hereinafter referred to as the "Service Contract"), outlined below (Exhibit Ko 49).

(a) Services to be contracted out

- a. Publicity and advertising activities for *En no Kai*
- b. Recruitment and consignment of recruitment of members of the *En no Kai*
- c. Establishment, operation and management of the *En no Kai* administrative office

(b) Services requiring cooperation of the plaintiff

- a. Preparation of the business plan
- b. Management of the business plan
- c. Consultation on publicity and advertisement materials

(c) Handling of admission fees

- a. The admission fee per member shall be 800,000 yen, of which 330,000 yen shall be paid by Tochoji Temple to the plaintiff as the recruitment commission. If the admission fee is raised to 900,000 yen in the future, 380,000 yen shall be paid by Tochoji Temple to the plaintiff.
- b. The plaintiff shall take charge of receipt and management of admission fees, tabulate the total of the amounts received and report it to Tochoji Temple at the end of each month, and remit the total amount of admission fees minus the recruitment commission to the account designated by Tochoji Temple by the 25th of the following month.

(d) Exclusive contracting right

- a. Tochoji Temple shall not contract out recruitment of members of the *En no Kai* to any party other than the plaintiff or a third party designated by the plaintiff.
- b. The plaintiff shall in principle undertake recruitment of members of the *En no Kai* by itself. If the plaintiff intends to subcontract this service to a third party, it shall report to Tochoji Temple and obtain consent beforehand.

(e) Maintenance and management expenses

- a. Maintenance and management expense for the area where the recruitment office is to be set up shall principally be borne by the plaintiff.
- b. Operation, maintenance and management expenses for the *En no Kai* administrative office during the recruitment period shall principally be borne by the

plaintiff. However, after the recruitment is finished and this contract is terminated, the plaintiff shall transfer the operation of the *En no Kai* administrative office to Tochoji Temple.

C. On February 14, 2013, Tochoji Temple and the plaintiff prepared the "Memorandum on the change of the terms of the contract," annulled the former memorandum on the change of the terms of the contract exchanged on April 30, 2010, and agreed to change the Service Contract as outlined below (Exhibit Ko 50).

- This contract shall be terminated on the day on which the total number of graves sold reaches the number of graves that remains unsold as of March 31, 2013, out of the total number of graves available for recruitment in the Rakando Hall and Senjudo Hall (12,286), or as of December 31, 2014. However, the plaintiff shall transfer the related services to Tochoji Temple by December 31, 2014, so as to ensure that Tochoji Temple will be able to operate the services by itself smoothly afterwards.

(3) Articles concerning the Business

A. Articles concerning the Business often appeared in the media, including the one in the newspaper *Yomiuri Shimbun* dated May 28, 1996 (Exhibit Ko 51), at the latest. Including this article, the articles concerning the Business that appeared in the media by 2009 and the frequency of appearance are outlined as follows (but not limited to the following).

(a) In 1996

*Yomiuri Shimbun* (2 times); *Mainichi Shimbun* (2 times); *Asahi Shimbun* (3 times), *ASANTE*, separate volume of *Shukan Asahi* (1 time)

(b) In 1997

*Yomiuri Shimbun* (1 time); *Hontou no Jidai* (1 time); *Sakuraai* (1 time); *SPA* (1 time); *Shukan Asahi* [extra volume], '97 *Rōgo no Sekkkei* (planning for aging) (1 time); *Shōkō Nippon* (1 time); *Shūkyō to Gendai* (2 times); *Gekkan Venture link* (1 time); *Mainichi Graph Amuse* (1 time); *pink* (1 time); *Ikiiki* (1 time)

(c) In 1998

*Yomiuri Shimbun* (1 time); *Nihon Keizai Shimbun* (1 time); *Nikkan Gendai* (1 time); *Fureai Netto* (1 time); *Photo* (1 time); *Shūkyō to Gendai* (1 time); *Hontou no Jidai* (1 time)

(d) In 1999

*Mainichi Shimbun* (1 time); *Kyodo News* (3 times); *Ikiiki* (2 times); *Hōmu Taun* (1 time); *Health Tribune* (1 time); *Gekkan Tera to Seikatsu* (1 time), *Fureai Netto*, extra volume (1 time)

(e) In 2000

*Yomiuri Shimbun* (1 time); *Ikiiki* (2 times); *Miman* (1 time); *relife* (1 time)

(f) In 2001

*Yomiuri Shimbun* (1 time); *Mainichi Shimbun* (1 time); *Nihon Keizai Shimbun* (2 times); *Ikiiki* (2 times); *SOGI* (1 time); *Yomigaeru* (1 time)

(g) In 2002

*Mainichi Shimbun* (1 time); *Asahi Shimbun* (1 time); *Ikiiki* (2 times); *Yomiuri Weekly* (1 time)

(h) In 2003

*Ikiiki* (2 times); *Benesse*, "Anata ni Ēru" (Cheer you up) (1 time); *Shūkan Josei Seven* (1 time)

(i) In 2004

*Tokyo Shimbun* (1 time); *Ikiiki* (2 times)

(j) In 2005

*Ikiiki* (1 time); *Mainichi ga Hakken* (1 time)

(k) In 2006

*dacapo* (1 time)

(l) In 2008

*Shūkan Diamond* (1 time)

(m) In 2009

*Tsūhan Seikatsu* (1 time)

B. These articles contain the statements exemplified in the sections below, including a statement to the effect that Tochoji Temple carries out the Business, the descriptions of the Business, and interviews of the association members and priests of Tochoji Temple. In these articles, words such as "縁の会" (*En no Kai*), "東長寺『縁の会』" (Tochoji Temple "*En no Kai*"), "東長寺の縁の会" (*En no Kai* of Tochoji Temple), "東長寺縁の会" (Tochoji Temple *En no Kai*), and "東長寺 縁の会" (Tochoji Temple *En no Kai*) are used as marks indicating the Business.

Some of these articles indicate the points of contact as follows:

"東長寺『縁の会』事務局" (Tochoji Temple "*En no Kai*" administrative office; Exhibits Ko 51 and 85); "東長寺・縁の会事務局" (Tochoji Temple, *En no Kai* administrative office; Exhibit Ko 52); "東長寺『縁の会』" (Tochoji Temple "*En no Kai*"; Exhibit Ko 63); "東長寺・縁の会" (Tochoji Temple, *En no Kai*; Exhibit Ko 80); "縁の会事務局" (*En no Kai* administrative office; Exhibits Ko 81 and 82); "東長寺 縁の会事務局" (Tochoji Temple *En no Kai* administrative office; Exhibits Ko 80, 83, 95, and 99; Exhibit Otsu 3); "東長寺縁の会事務局" (Tochoji Temple *En no Kai* administrative office; Exhibit Ko 84); "曹洞宗東長寺 縁の会事務局" (Soto School Tochoji Temple

*En no Kai* administrative office; Exhibit Ko 88); "『東長寺』縁の会事務局" ("Tochoji Temple" *En no Kai* administrative office; Exhibit Ko 93); "事業主体／宗教法人 東長寺縁の会 (Business organizer / Religious corporation Tochoji Temple *En no Kai*; Exhibits Ko 18 to 21, 23 to 26, 28 to 30, 33, 34, and 96; hereinafter the sign "/" represents a line break); the words "東長寺縁の会" (Tochoji Temple *En no Kai*) are placed to the right of the words "事業主体／宗教法人" (Business organizer / Religious corporation), and written in the font size of the height that is almost equal to the total height of these two lines of words "事業主体／宗教法人"); "事業主体／宗教法人 曹洞宗 東長寺 縁の会" (Business organizer / Religious corporation Soto School Tochoji Temple *En no Kai*; Exhibit Ko 22; the words "曹洞宗 東長寺 縁の会" (Soto School Tochoji Temple *En no Kai*) are placed to the right of the words "事業主体／宗教法人" (Business organizer / Religious corporation)); "事業主体 宗教法人／東長寺縁の会" (Business organizer Religious corporation / Tochoji Temple *En no Kai*; Exhibit Ko 27); "事業主体 宗教法人 東長寺縁の会" (Business organizer Religious corporation Tochoji Temple *En no Kai*; Exhibits Ko 31 and 32); and "東長寺" (Tochoji Temple; Exhibit Ko 100).

None of these articles suggests that the plaintiff is the business organizer.

(a) "A 'temple in an urban area' having trouble with high maintenance costs finds a means for survival"; "Tochoji Temple in Yotsuya"; "Recruiting 'members,' not parishioners"; "Provides graves for living people"; "Promotes friendship through participation in events"; "Tochoji Temple of the Soto School, located in Yotsuya, Shinjuku-ku..., which is known for its unique cultural activities, has begun recruiting 'members,' not parishioners, and offering to place their 'graves' within its premises"; "Priest B says: 'It may not be appropriate for us to call them members, but we have proposed a new style that may enable a temple in an urban area to survive' "; "We plan to recruit members from July 1...the administrative office of "縁の会" (*En no Kai*), an association of members..."; "We cannot say anything for sure until we actually recruit members, but we think most members will be young people and people in of middle age', said Priest B expectantly." (Exhibit Ko 51)

(b) "(Priest B of) Tochoji Temple, a temple of the Zen school located in Yotsuya, Shinjuku-ku, has been trying to become an open temple...In anticipation of the shortage of gravesites in an urban area, (the temple) will launch a graveyard business (paid service), '縁の会' (*En no Kai*), in July"; "The business '縁の会' (*En no Kai*) to be launched by the temple in July. Mr./Ms. C from the administrative office of *En no Kai* explains it as a 'membership system for people in an urban area who do not want to cause trouble for their families after death or who do not want to be bound by the

traditional parishioner system of temples.' " (Exhibit Ko 52)

(c) "In July this year, (Priest B of) Tochoji Temple of the Soto School, located in an area in Yotsuya, Shinjuku-ku, which is surrounded by apartments and office buildings, began offering common graves for eternal memorial services, named '縁の碑' (*En no Ishibumi*)...People who purchase graves at 600,000 yen will be registered as members of the '縁の会' (*En no Kai*) and given posthumous Buddhist names. Members can participate in cultural lectures and memorial services held by the temple on the first day of each month." (Exhibits Ko 56 to 58)

(d) "I interviewed Priest B. '...We have established a system named '縁の会' (*En no Kai*) in June last year to meet the needs of such people..." (Exhibit Ko 61)

(e) "縁の会 (*En no Kai*), a new type of personal graves for living people that is not bound by the traditional parishioner system"; "'Tochoji Temple' established a membership system '縁の会' (*En no Kai*), which provides graves for living people while respecting their wishes." (Exhibit Ko 83)

(f) "Tochoji Temple, aspiring to be an 'open temple,' established '縁の会' (*En no Kai*)... in July last year." (an interview of Priest B of Tochoji Temple; Exhibit Ko 79)

(g) "Tochoji Temple, aspiring to be an 'open temple' through the membership-based graveyard business"; "Said Mr./Ms. C, who has been engaged in the "縁の会" (*En no Kai*) administrative office at Tochoji Temple (Soto School, Priest B), located in Yotsuya, Tokyo"; "Among others, the graveyard business '縁の会' (*En no Kai*) launched in July last year has been attracting attention." (Exhibit Ko 76)

(h) "One full year has passed since '縁の会' (*En no Kai*) of Tochoji Temple (Soto School), located in Shinjuku-ku, Tokyo, launched the business of offering common graves for eternal memorial services. The temple will began recruitment for the second term in July this year. (Exhibit Ko 77)

(i) "A challenge by Tochoji Temple, an ancient temple offering 'personal graves for living people'; "Even if you are not a parishioner, you can have your own grave within the temple's premises for 700,000 yen if you become a member...'Member' mentioned here means a member of the '東長寺縁の会 (Tochoji Temple *En no Kai*).'...If you become a member of '縁の会' (*En no Kai*), a new graveyard system, you can choose two types of graves." (Exhibit Ko 85)

(j) "Last summer, the temple began recruiting members and performing 'eternal memorial services' for their ashes...The temple says it named the association of members '縁の会' (*En no Kai*)." (Exhibit Ko 59)

(k) "Tochoji Temple, being aware of its status as a temple in an urban area in modern age, takes various measures to produce a place where people assemble and have contact

with Buddhism. These measures can be roughly divided into three types. [i] '縁の会' (*En no Kai*) graveyard business..."; "Tochoji Temple's '縁の会' (*En no Kai*) is a system which enables people to purchase their personal graves based on their own choices, without being bound by the traditional family system or their relationships by blood." (Exhibit Ko 82)

(l) "Tochoji Temple in Shinjuku-ku, Tokyo, ...provides personal graves for the members of an association named '縁の会' (*En no Kai*)." (Exhibit Ko 89)

(m) "In July 1996, Tochoji Temple established a system for offering personal graves for living people called '縁の会' (*En no Kai*)." (Exhibit Ko 60)

(n) "Tochoji Temple operates a system for offering personal graves for living people named '縁の会' (*En no Kai*)." (Exhibit Ko 87)

(o) "Tochoji Temple *En no Kai*" (Exhibit Ko 67)

(p) "Tochoji Temple's '縁の会' (*En no Kai*), which enables people to have their own graves based on their own choices while they are living"; "Tochoji Temple in Yotsuya, Tokyo...established an association of owners of personal graves for living people named '縁の会' (*En no Kai*), apart from the conventional parishioner system..." (Exhibit Ko 94)

(q) "Four years ago, Tochoji Temple in Yotsuya, Tokyo, began recruiting members for a graveyard of personal graves purchased under living contracts, named '縁の会墓苑' (*En no Kai Graveyard*)..." (Exhibit Ko 68)

(r) "Tochoji Temple of the Soto School, located in Shinjuku-ku, Tokyo. In July 1996, the temple began recruiting purchasers of personal graves for living people..."; "Having established an association named '縁の会' (*En no Kai*), consisting of members, not parishioners, the temple holds cultural lectures and events for 'creating new bonds with others beyond bonds based on community or bonds by blood'." (Exhibit Ko 70)

(s) "Five years ago, Tochoji Temple in Shinjuku, Tokyo, established an association '縁の会' (*En no Kai*)." (Exhibit Ko 71)

(t) "Tochoji Temple in Yotsuya, Tokyo...the secular names of the members of its system for offering eternal memorial services '縁の会' (*En no Kai*) are inscribed..." (Exhibit Ko 73)

(u) "Tochoji Temple in Yotsuya, Shinjuku-ku...is one of the successful cases. It began recruiting purchasers of graves in 1996 and established a membership association of purchasers '縁の会' (*En no Kai*)...The temple sends quarterly newsletters to the members...develops the bonds between the temple and the members and among the members." (Exhibit Ko 75)

(v) "'水の苑' (*Mizu no Niwa*; water garden), the graveyard of '縁の会' (*En no Kai*)

operated by Tochoji Temple of the Soto School, Makiyama, in Yotsuya, Tokyo, is a graveyard of graves purchased by people while they are living..."; "At that time, I happened to learn of the '水の苑' (water garden) of Tochoji Temple *En no Kai* in a TV program." (Exhibit Ko 103)

(4) Advertisements concerning the Business

A. Advertisements concerning the Business often appeared in the media, including the one in the newspaper *Yomiuri Shimbun* dated July 27, 1996 (Exhibit Ko 35), at the latest. Including this advertisement, the advertisements concerning the Business that appeared in the media by 2014 and the frequency of appearance are outlined as follows (but not limited to the following).

(a) In 1996

*Yomiuri Shimbun* (1 time); *Tokyo Shimbun* (1 time)

(b) In 1997

*Asahi Shimbun* (2 times); *Sankei Shimbun* (2 times); *Nihon Keizai Shimbun* (1 time); *Bungei Shunjū* (March special issue) (1 time)

(c) In 1998

*Yomiuri Shimbun* (1 time)

(d) In 1999

*Asahi Shimbun* (1 time)

(e) In 2000

*Yomiuri Shimbun* (1 time); *Asahi Shimbun* (2 times)

(f) In 2001

*Ikiiki* (1 time)

(g) In 2002

*Sankei Sports* (Sunday special edition) (1 time)

(h) In 2005

*Yomiuri Shimbun* (2 times); *Asahi Shimbun* (4 times); *The New Key* (1 time); *The Family* (1 time); *Teinen Jidai* (1 time)

(i) In 2006

*Yomiuri Shimbun* (2 times); *Asahi Shimbun* (1 time); *The Family* (1 time); *High Carat Est* (2 times)

(j) In 2007

*Yomiuri Shimbun* (2 times); *Asahi Shimbun* (2 times); *Nihon Keizai Shimbun* (1 time); *Tokyo Shimbun* (1 time); *The Family* (1 time)

(k) In 2008

*Yomiuri Shimbun* (2 times); *Asahi Shimbun* (1 time); *Sankei Shimbun* (1 time); *The New*

Key (1 time)

(l) In 2009

*Yomiuri Shimbun* (3 times); *Asahi Shimbun* (2 times); *Sankei Shimbun* (1 time); *Nihon Keizai Shimbun* (1 time); *Teinen Jidai* (1 time)

(m) In 2010

*Yomiuri Shimbun* (2 times); *Mainichi Shimbun* (1 time); *Asahi Shimbun* (1 time); *Sankei Shimbun* (1 time); *Nihon Keizai Shimbun* (1 time); *Living Tama* (1 time)

(n) In 2011

*Yomiuri Shimbun* (2 times); *Mainichi Shimbun* (1 time); *Asahi Shimbun* (1 time)

(o) In 2012

*Asahi Shimbun* (3 times); *Tokyo Shimbun* (1 time)

(p) In 2013

*Yomiuri Shimbun* (4 times); *Asahi Shimbun* (4 times); *Nihon Keizai Shimbun* (2 times); *Tokyo Shimbun* (1 time)

(q) In 2014

*Yomiuri Shimbun* (3 times); *Mainichi Shimbun* (1 time); *Asahi Shimbun* (6 times); *Sankei Shimbun* (1 time); *Nihon Keizai Shimbun* (1 time); *Tokyo Shimbun* (1 time)

B. These advertisements contain the statements exemplified in the sections below, including a statement to the effect that Tochoji Temple carries out the Business, and the descriptions of the Business.

Many of these advertisements contain words such as "事業主体" (Business organizer), "宗教法人" (Religious corporation), "東長寺縁の会" (Tochoji Temple *En no Kai*), and "東長寺 縁の会" (Tochoji Temple *En no Kai*). These words are written in various manners, such as the letters "事業主体 宗教法人" are written in one line and the words "東長寺 縁の会" are written in a line below that (Exhibits Ko 37 and 41). In many of these advertisements, the words "事業主体" and "宗教法人" are written in two lines, and the words "東長寺縁の会" or "東長寺 縁の会" are written to the right of said two lines in the font size of the height that is almost equal to the total height of said two lines (Exhibits Ko 12-21, 12-28, 12-30, 12-31, 36, 38 to 40, 42 to 44, 46, and 104; Exhibits Otsu 4, 5, 10, 13, 17 to 20, 22, 23, 26, 28 to 37, 39 to 40, 42 to 44, and 46 to 73). The words "事業主体" and "宗教法人" are written in almost the same font size in some of these advertisements (Exhibits Ko 36, 38, and 39), but in most cases, the latter word is written in a bigger font size than the former.

(a) "This graveyard is offered for people who become members of an association '東長寺縁の会' (Tochoji Temple *En no Kai*)"; "Place one gravestone, '縁の碑' (*En no Ishibumi*), for each member of '縁の会' (*En no Kai*)."  
(this appeared twice); "Religious

- corporation Tochoji Temple *En no Kai* administrative office" (Exhibit Ko 35)
- (b) "The new graveyard of Tochoji Temple, '水の苑' (water garden), is offered for members of an association called '縁の会' (*En no Kai*), instead of parishioners under the system based on family graves." (Exhibit Ko 36)
- (c) "Yotsuya, Tokyo / Tochoji Temple of the Soto School. '縁の会' (*En no Kai*)..."; "The new graveyard of Tochoji Temple, '水の苑' (water garden), ...a membership association named '縁の会' (*En no Kai*)..." (Exhibit Ko 37)
- (d) "Yotsuya, Tokyo Tochoji Temple '縁の会' (*En no Kai*)"; "Tochoji Temple of the Soto School...established a revolutionary membership association '縁の会' (*En no Kai*), which provides graves for living people while respecting their wishes."; "Point of contact for Tochoji Temple '縁の会' (*En no Kai*)" (Exhibit Ko 105)
- (e) "Yotsuya, Tokyo / Tochoji Temple of the Soto School / 縁の会 (*En no Kai*)..." (Exhibits Ko 38 to 40, and 42)
- (f) "Yotsuya, Tokyo Soto School Tochoji Temple 縁の会 (*En no Kai*)..." (Exhibit Ko 41)
- (g) "Yotsuya, Tokyo, Soto School / Tochoji Temple 縁の会 (*En no Kai*), Graveyard / '水の苑' (water garden)" (Exhibit Ko 44; Exhibits Otsu 17 and 42)
- (h) "Choose your own graves—Tochoji Temple 縁の会 (*En no Kai*)—"; "Business organizer / Religious corporation Tochoji Temple 縁の会 (*En no Kai*)" (Exhibit Ko 45)
- (i) "Yotsuya, Tokyo, Soto School Tochoji Temple 縁の会 (*En no Kai*)..." (Exhibits Ko 25 and 46)
- (j) "Soto School Tochoji Temple 縁の会 (*En no Kai*)"; "Tochoji Temple of the Soto School in Yotsuya, Shinjuku-ku...In 1996, this temple established an association, '縁の会' (*En no Kai*), with the aim of providing graves that will fit the urban lifestyle of this time."; "Business organizer / Religious corporation Tochoji Temple, 縁の会 (*En no Kai*)" (Exhibit Ko 47)
- (k) "Personal graves for living people Tochoji Temple 縁の会 (*En no Kai*)"; "Business organizer / Religious corporation Soto School Tochoji Temple" (Exhibit Ko 104; the words "曹洞宗 東長寺" (Soto School Tochoji Temple) are written to the right of the words "事業主体" (Business organizer) and "宗教法人" (Religious corporation) written in two lines.)
- (l) "Yotsuya, Tokyo, Soto School Tochoji Temple / 縁の会 (*En no Kai*)" (Exhibits Otsu 4, 10, 13, 20, 29, 46, 50, 51, 53 to 56, and 59 to 61)
- (m) "Yotsuya, Tokyo Soto School Tochoji Temple 縁の会 (*En no Kai*)" (Exhibits Otsu 5, 18, 19, 26, 28, 30, and 31)

- (n) "Graveyard '水の苑' (water garden) of Tochoji Temple 縁の会 (*En no Kai*), covered by NHK" (Exhibits Otsu 6 and 27)
- (o) "A new style of graves covered by NHK—Tochoji Temple 縁の会 (*En no Kai*)" (Exhibits Otsu 7 and 15)
- (p) "I choose my own grave. Soto School Tochoji Temple, 縁の会 (*En no Kai*)" (Exhibit Otsu 8 and 38)
- (q) "Toshoji Temple / 縁の会 (*En no Kai*)"; "Tochoji Temple located in Yotsuya, Shinjuku-ku, Tokyo...In 1996, the temple established an association '縁の会' (*En no Kai*), with the aim of providing graves that will fit the urban lifestyle of this time." (Exhibit Otsu 9)
- (r) "Personal graves for living people to be used for eternal memorial services / Tochoji Temple 縁の会 (*En no Kai*)" (Exhibits Otsu 12 and 21)
- (s) "Personal graves for living people to be used for eternal memorial services Tochoji Temple 縁の会 (*En no Kai*)" (Exhibits Otsu 14 and 16)
- (t) "Soto School Tochoji Temple 縁の会 (*En no Kai*) graveyard" (Exhibits Otsu 22 and 23)
- (u) "Personal graves for living people, for eternal memorial services / Soto School Tochoji Temple 縁の会 (*En no Kai*) (Yotsuya, Tokyo) / Soto School Shinkoji Temple 縁の会 (*En no Kai*) (Sodegaura, Chiba)"; "Tochoji Temple of the Soto School located in Yotsuya, Shinjuku-ku...In 1996, this temple established an association, '縁の会' (*En no Kai*), with the aim of providing graves that will fit the urban lifestyle of this time...This fall, Shinkoji Temple of the Soto School located in Sodegaura, Chiba, also established an association, '真光寺縁の会' (Shinkoji Temple *En no Kai*), for the 450th anniversary of its foundation." (Exhibit Otsu 25)
- (v) "Yotsuya, Tokyo, Soto School Tochoji Temple 縁の会 (*En no Kai*)" (Exhibits Otsu 32 to 37, 39, 40, 47, 52, and 65 to 72)
- (w) "Ossuaries of Tochoji Temple 縁の会 (*En no Kai*)" (Exhibit Otsu 41)
- (x) "Your own choice / Graves for eternal memorial services, for your peace of mind / Tochoji Temple 縁の会 (*En no Kai*)" (Exhibit Otsu 43)
- (y) "Yotsuya, Tokyo, Soto School / Tochoji Temple 縁の会 (*En no Kai*)" (Exhibits Otsu 44, 57, 58, and 62 to 64)
- (z) "Tochoji Temple 縁の会 (*En no Kai*) / <http://www.tochoji.com>"; "Tochoji Temple of the Soto School established an association '縁の会' (*En no Kai*), which promises to offer eternal memorial services after death" (Exhibit Otsu 45)
- (aa) "Yotsuya, Tokyo Soto School Tochoji Temple 縁の会 (*En no Kai*)..." (Exhibits Ko 12-21, 12-28, 12-30, and 12-31)

(bb) "Tokyo Yotsuya Soto School Tochoji Temple / Ossuaries of 縁の会 (*En no Kai*)" (Exhibit Otsu 48)

(cc) "Yotsuya, Tokyo Soto School Tochoji Temple / Tochoji Temple 縁の会 (*En no Kai*)..." (Exhibit Otsu 49)

(dd) "Eighteen years have already passed since the establishment of Tochoji Temple 縁の会 (*En no Kai*). / Many people have become members of the 縁の会 (*En no Kai*)..."; "The ossuary of 縁の会 (*En no Kai*), Senjudo Hall..." (Exhibits Otsu 72 and 73)

(5) The number of members registered with the Business

As mentioned above, the Business was launched in July 1996. The number of members registered with the Business has shown trends as outlined below, reaching the quorum of 12,286 by around the end of 2014, at the latest.

- At the end of June 1997: More than 1,000

- At the end of June 1998: 2,000

- In February 2000: More than 3,000

- In January 2002: More than 4,000

- In October 2003: More than 5,500

- In October 2004: 6,300

- In September 2007: More than 9,000

- In March 2009: 10,000

2. The organizer of the Business and the mark used for the Business

(1) The organizer of the Business

A. According to the facts as found in Section 1 above, the core parts of the Business for customers (consumers) include: building personal graves for living people (inscribing the secular name on the gravestone and placing the gravestone in the graveyard); giving a posthumous Buddhist name, placing the memorial tablet with that name inscribed thereon in the ossuary, performing a memorial service for interment of ashes and placing the ashes in the ossuary; performing eternal memorial services (performing a memorial service at *Manto Kuyō* (an event of offering many votive candles to Buddha) for all deceased members on the first day of the month of their death upon each anniversary year until the 33th anniversary; after that, enshrining them collectively in the common graves and continuing to perform memorial services for them); offering invitations to memorial services and events to be held by Tochoji Temple for members; and sending the temple's newsletters. All of these services are religious activities that can be carried out only by Tochoji Temple, a religious corporation. It is understood that this is the reason why most of the advertisements concerning the Business contain the

words "事業主体 宗教法人 東長寺" (Business organizer Religious corporation Tochoji Temple), and moreover, the word "東長寺" (Tochoji Temple) was emphasized by using letters of the largest font, and the words "宗教法人" (Religious corporation) were also emphasized by using letters that were slightly larger than those of the words "事業主体" (Business organizer). In light of the details of the core parts of the Business and the descriptions regarding the business organizer indicated in advertisements, etc., it is clearly found that the organizer of the Business is Tochoji Temple, and hence it should be said that the Business is "another person's business" when viewed from the plaintiff's standpoint (consequently, the cited trademark is a trademark indicating services relating to another person's business).

B. In this connection, the plaintiff alleges that the Business has been carried out by the plaintiff independently or jointly with Tochoji Temple. This allegation can be interpreted as alleging that the Business is not "another person's business" when viewed from the plaintiff's standpoint.

However, in view of the details of the core parts of the Business as found in Section A., and the facts as found in Sections 1 (1) and (2) above, it is difficult to consider that the plaintiff has been acting as the business organizer for the whole or part of the Business, regardless of whether the Business has been conducted under the Joint Business Contract or the Service Contract. Rather, it is sufficiently possible to consider that the plaintiff has always been in the position of the contractor, regardless of the name of the contract. Even if this point is not taken into account, at least after the Business began to be conducted based on the Service Contract, the plaintiff was placed in the position of the contractor and it is clear that the plaintiff can hardly be regarded as the business organizer. There are no circumstances due to which the plaintiff should still be considered to be the independent or joint business organizer (although the plaintiff points out, inter alia, that the plaintiff has carried out publicity and advertising activities at its own expense, it is understood that both the Joint Business Contract and the Service Contract provide that the publicity and advertising activities shall be carried out at the plaintiff's expense, and hence the plaintiff cannot be found to be the organizer of the Business only on the grounds of the fact that the plaintiff incurred the relevant expenses).

The plaintiff further alleges that Tochoji Temple and "Tochoji Temple *En no Kai*" are different legal entities and that the right to the mark of "東長寺縁の会" inherently belongs to the organization or association, "東長寺縁の会" (Tochoji Temple *En no Kai*). However, if the plaintiff means to argue that the cited trademark is a trademark indicating the business relating to "東長寺縁の会" (Tochoji Temple *En no Kai*)," not

Tochoji Temple, even if this is so, there is no doubt that the cited trademark is a trademark indicating the business relating to another person's business, and thus it is inappropriate for the plaintiff to make such argument.

(2) The mark used for the Business

According to the facts as found in Sections 1 (3) and (4) above, various marks such as "東長寺縁の会" and "東長寺『縁の会』" can be regarded as marks indicating the Business. It is obvious that among these marks, "縁の会" has been frequently used as such mark.

Also as mentioned above, the Business is characterized by the fact that it comprehensively provides members of a membership-based association called "縁の会" (*En no Kai*) with various services related to funerals and rituals with a focus on individuality of members, which is different from the conventional parishioner system. It can be said that many of the newspaper articles, etc. covering the Business use the mark "縁の会" (*En no Kai*) not only as a mark indicating the membership-based association but also indicating the Business itself, which provides such services for members.

In addition, in some of the marks used for the Business, the words "東長寺" and "縁の会" are combined as one unit, such as "東長寺縁の会," but in many others, these words can be recognized as being intentionally separated, like "東長寺『縁の会』" and "東長寺 縁の会". As mentioned above, when viewed from the standpoint of customers (consumers), the Business can be carried out only by Tochoji Temple, a religious corporation, and the involvement of Tochoji Temple can be deemed to be a prerequisite for the Business. In light of this point, it can be said that marks in which the words "東長寺" and "縁の会" can be recognized as being intentionally separated in some ways would naturally be understood as emphasizing the word "縁の会" as representing "the membership-based association named '縁の会' for the Business that is operated by Tochoji Temple or the Business itself," and thus said word can be deemed to function as the identifier of the source of services independently.

Taking all these circumstances comprehensively, it can be said that the mark "縁の会" has been used as the mark indicating the Business from the time when the Business was launched.

In this connection, the plaintiff alleges, inter alia, that the mark used for the Business is "東長寺縁の会", not "縁の会". However, there are no circumstances which suggest that only one or the other of these marks has been used. Furthermore, even if the mark "縁の会" can be recognized as referring to "東長寺縁の会" based on the content of the relevant newspaper articles, etc., this is not incompatible with the fact that

the mark "縁の会", which is not combined with "東長寺", has served as an indication of the Business. Consequently, the plaintiff's allegation on this point is unacceptable.

(3) Based on these grounds, it can be concluded that Tochoji Temple has continuously used the indication "縁の会" as an indication of the Business, which constitutes the services relating to its business. There is no error in the JPO Decision that found the mark "縁の会" as the mark in use for the Business and selected it as the cited trademark.

### 3. Well-knownness of the cited trademark

According to the newspaper articles concerning the Business, the advertisements concerning the Business, and the facts regarding the number of registered members of the *En no Kai*, as found in Sections 1 (3) to (5) above, the cited trademark can be found to have been widely recognized, both as of the date of filing of the application for registration of the Trademark and the date of decision to register the Trademark, at least among consumers in Japan, including people who wish to purchase their own graves while they are alive, as a mark indicating the Business that is carried out by Tochoji Temple as the business organizer. The plaintiff's allegation contrary to this is unacceptable.

### 4. Similarity between the Trademark and the cited trademark

While the Trademark consists of the characters "縁の会" written in standard characters, the cited trademark also consists of the characters "縁の会". There is no dispute between the parties with regard to the fact that these trademarks are identical.

### 5. Unfair purposes

(1) According to the facts as found in Section 1, the plaintiff began to be involved in the Business as the joint business operator around July 1996, and after November 2006 it continued to be involved in the Business as the contractor under the Service Contract. In February 2013, or on December 31, 2014, at the latest, the Service Contract was terminated, and the plaintiff was obliged to transfer the related services to Tochoji Temple. And yet, on February 12, 2014, when the Service Contract was in force, the plaintiff filed an application for trademark registration regarding the Trademark, and had the establishment of its trademark right registered on December 19, 2014.

Furthermore, the Business would not be terminated with the completion of the sale of personal graves to members of the "縁の会" (*En no Kai*), but it is supposed that provision of various religious services for the members continues from while they are living until the period after they are deceased. In light of this, it is obvious that even after the sale of personal graves is finished, Tochoji Temple needs to continue to use the cited trademark as a mark for the Business, and it is easy to anticipate that if the plaintiff

has the establishment of its trademark right for the Trademark registered and makes it impossible for Tochoji Temple to use the cited trademark, this could cause a serious problem concerning the continuation of the Business. The plaintiff, which has been involved in the Business as described above and knows its content well, could have naturally foreseen such situation.

Moreover, there is no evidence supporting the existence of an agreement between the plaintiff and Tochoji Temple to allow the plaintiff to register the establishment of its trademark right for the Trademark. Rather, evidence implies that by around May 2014, at the latest, a dispute had occurred between the plaintiff and Tochoji Temple with regard to the plaintiff's filing of an application for registration of the Trademark and its attempt to carry out a similar business with another religious corporation (Jozaiji Temple), using the word "縁の会" (*En no Kai*) (Exhibits Ko 106 and 107). Furthermore, if the plaintiff had the establishment of the trademark right in question registered and acquired the exclusive right to use the Trademark, this could naturally interfere with the use of the cited trademark that is identical to the Trademark. Therefore, the plaintiff, as the contractor of the Business having a promise to transfer the Business to Tochoji Temple smoothly, should have naturally taken due care, in the process of registration of the establishment of the trademark right in question, to avoid putting Tochoji Temple into an insecure position, by means such as granting a license to Tochoji Temple to use the cited trademark. Nevertheless, nothing shows that the plaintiff took such a care regarding Tochoji Temple's position (Exhibit Ko 107 is an incomplete, undated document, and it is difficult to find based on this document that the plaintiff granted a license to Tochoji Temple to use the cited trademark). This point also proves the plaintiff's treachery.

In addition to these circumstances, taking into consideration the facts mentioned above, such as that the Trademark and the cited trademark can be regarded as being identical and that by the time of the filing of the application for registration of the Trademark, the cited trademark had become well-known in Japan as a mark relating to the Business that is carried out by Tochoji Temple, it is reasonable to presume that the plaintiff, taking advantage of the fact that the cited trademark has not yet been registered, uses the Trademark for the purpose of taking a free ride on the business reputation and appeal to customers that are embodied in the cited trademark, gaining unfair profit by using the Trademark for the business it carries out jointly with another religious corporation, which is similar to the Business, or to cause trouble concerning the continuation of the Business and thereby inflict damage on Tochoji Temple. This presumption is not affected even if it is taken into account that the plaintiff carries out

the business similar to the Business jointly with Shinkoji Temple under the name of "真光寺縁の会" and that Tochoji Temple seems to have given consent to it (Exhibits Ko 12-1 to 12-4, 12-8 and 12-9, 12-12 to 12-14, 12-16, 12-19, 12-21 to 12-24, 12-26, 12-28, 12-30, and 12-31; Exhibits Otsu 22, 23, 25, 34, 74, and 75). In view of the fact that the plaintiff has caused a dispute with Tochoji Temple with regard to its attempt to carry out the business jointly with Jozaiji Temple under the name of "常在寺縁の会", it is difficult to see that Tochoji Temple has broadly permitted the plaintiff to carry out a business similar to the Business using the cited trademark.

Consequently, the plaintiff is found to be using the Trademark for unfair purposes.

(2) In this connection, the plaintiff alleges that it has no such unfair purposes.

However, even though the plaintiff carried out publicity and advertising activities under the agreement with Tochoji Temple, that is, the Joint Business Contract or the Service Contract, incurred the relevant expenses, and took charge of the management of the administrative office of the membership-based association for the Business, all these acts are nothing more than the plaintiff's performance of its obligations under the Joint Business Contract or the Service Contract, and they cannot necessarily be regarded as circumstances which can overturn the abovementioned findings regarding the existence of unfair purposes on the part of the plaintiff at the time of filing the application for registration of the Trademark and registering the establishment of its trademark right.

Furthermore, as mentioned above, at least since November 2006, when the Service Contract was concluded, the organizer of the Business has been Tochoji Temple, not the plaintiff. In addition, the cited trademark has functioned as a mark indicating the Business that is organized by Tochoji Temple. In view of these circumstances, even if the plaintiff has intended to carry out the Business not only with Tochoji Temple but also with other religious corporations as a collaborative business model, this is the matter that is concerned with the plaintiff alone, and it does not justify the plaintiff's use of the Trademark.

Even if other circumstances pointed out by the plaintiff are taken into account, the plaintiff's allegations on this point are unacceptable.

## 6. Conclusion

Based on the grounds as mentioned above, the Trademark is identical with the cited trademark that is widely recognized among consumers in Japan as a mark indicating the services relating to Tochoji Temple's business (the Business), and it constitutes a trademark that is used for unfair purposes (Article 4, paragraph (1), item (xix) of the Act). Consequently, there is no error in the JPO Decision that ruled that the registration of the Trademark should be rescinded under Article 43-3, paragraph (2) of the Act.

Therefore, this court dismisses the plaintiff's claim as it is groundless, and renders a judgment in the form of the main text.

Intellectual Property High Court, Third Division

Presiding judge: TSURUOKA Toshihiko

Judge: SUGIURA Masaki

Judge: TERADA Toshihiko