

Trademark Right	Date	July 14, 2022	Court	Intellectual Property High Court, First Division
	Case number	2021 (Gyo-Ke) 10110		
- A case in which a trademark consisting of the standard characters "ザプレミアム チロリアン" was determined to be similar to a cited trademark consisting of the characters "チロリアン" in a brush style font written horizontally and fall under Article 4, paragraph (1), item (xi) of the Trademark Act.				

Case type: Rescission of Trial Decision to Maintain

Result: Granted

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

Related rights, etc.: Trademark Registration No. 6205417

Decision of the JPO: Rescission Trial No. 2020-890066

Summary of the Judgment

1. The Defendant is the holder of the trademark right concerning a trademark designating Class 30, "confectioneries," as its designated goods, for which the appeal decision to grant registration was made on October 1, 2019 (a trademark consisting of the standard characters "ザプレミアムチロリアン"; hereinafter the "Trademark").

The Plaintiff filed a request for trial for an invalidation of trademark registration based on such grounds as that the Trademark is similar to Cited Trademark 1 (a trademark consisting of the characters "チロリアン" in a brush style font written horizontally) and falls under Article 4, paragraph (1), item (xi) of the Trademark Act. The Japan Patent Office (JPO) rendered a decision to dismiss the request for trial (the "JPO Decision").

The Plaintiff instituted a lawsuit to seek the rescission of the JPO Decision.

2. In the judgment, the court ruled as follows and rescinded the JPO Decision as it contained an error in finding that the Trademark did not fall under Article 4, paragraph (1), item (xi) of the Trademark Act.

(1) Where a trademark consists of a combination of multiple components, such composite trademark is distinguished from others' trademarks based on an observation of its components as a whole. Therefore, it is generally not 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. However, in trade practice, when a trademark is not found to be combined inseparably to the extent that it may be unnatural in the course of trade to observe the components separately,

such trademark is not necessarily pronounced or recognized by the entirety of all components but may sometimes be pronounced or recognized based only on a part of components. In light of this fact, it is reasonable to understand that extracting only a primary part of the components of the trademark and comparing that component with another person's trademark to determine the similarity between these trademarks is permissible, in such case as where a certain part of the components 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, where no pronunciation or concept that would serve as a source identifier would be generated from other components of the trademark, or where a certain part of the components of the trademark is found to give a considerably strong impression to traders and consumers such that the component is capable of independently functioning as an identifier of the source of goods or services.

(2) The Trademark, consisting of the standard characters "ザプレミアムチロリアン", is a composite trademark consisting of the set of character parts "ザ", "プレミアム" and the character part "チロリアン". The characters that constitute the Trademark are represented as one word with the same font and size and even character spacing, and the pronunciation "za puremiamu chirorian" is generated according to the consisting characters.

Next, it can be found that the character part "ザ" is the Japanese katakana representation of an English article "the," the character part "プレミアム" is a word denoting "high grade, upscale", and the character part "チロリアン" is generally perceived as a word denoting "Tyrolean people, or traditional ethnic outfits worn by people living in the Tyrolean mountain area stretching from the western areas of Austria to the northeastern areas of Italy" or "Tyrol district, Tyrolean". In light of the concepts and pronunciation associated with these character parts, the characters constituting the Trademark, even considering that they are represented as one word with the same font and size and even character spacing, are not considered to be inseparably combined to the extent that it is unnatural in trade practices to make the separate observation of each of the set of character parts "ザ", "プレミアム" and the character part "チロリアン".

In addition, considering that the mark "Tirolian" was widely recognized as representing a brand for the specific confectionery (the confectionery "Tirolian") among confectionery traders and consumers in areas in Kyushu centered in Fukuoka and had also gained a considerable degree of recognition nationwide at the time when the appeal decision to register the Trademark was granted, the Trademark, when used for its designated goods "confectioneries," the character part "チロリアン" among its components would attract attention of traders and consumers as representing a certain

confectionery brand and give a considerably strong impression to them.

Accordingly, as the character part "チロリアン" among the components of the Trademark is found to be capable of independently functioning as a source identifier, the court finds it permissible to extract this character part from the Trademark as its primary part and compare it with Cited Trademark 1 to determine the similarity between these trademarks.

(3) Comparing the character part "チロリアン" (in standard characters) that is the primary part of the Trademark with Cited Trademark 1, they are common in appearance as they both contain the characters "チロリアン" although in different fonts, and are identical in terms of their pronunciation and concept as they both generate the pronunciation "chirorian" and the concept of "チロリアン" representing a brand name of the specific confectionery or the concept of "Tyrolean people," or "Tyrol district," etc.

As a consequence, the court concludes that when using the Trademark and Cited Trademark 1 for "confectioneries" that are included in the designated goods of the Trademark, there is a likelihood of confusion as to the source of products and therefore that these trademarks are similar to each other as a whole.

(4) As mentioned above, the Trademark is similar to Cited Trademark 1, and the designated goods of the Trademark, "confectioneries," are identical to the designated goods "confectioneries" of Cited Trademark 1. Therefore, the court concludes that the Trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act.

Judgment rendered on July 14, 2022

2021 (Gyo-Ke) 10110, Case of seeking rescission of the JPO decision

Date of conclusion of oral argument: April 14, 2022

Judgment

Plaintiff: Kabushiki Kaisha Chidori Manju Sohonpo

Defendant: Kabushiki Kaisha Chidoriya Soke

Main text

1. The decision made by the Japan Patent Office (JPO) on July 27, 2021, for the case of Invalidation Trial No. 2020-890066 shall be rescinded.
2. The Defendant shall bear the court costs.

Facts and reasons

No. 1 Plaintiff's claim

Same as paragraph 1 of the main text.

No. 2 Outline of the case

1. Developments in procedures at the JPO

(1) The Defendant is the holder of the trademark right for Registered Trademark No. 6205417 shown below (hereinafter referred to as the "Trademark") (Exhibits Ko. 1-1 and 2).

Trademark: "ザプレミアムチロリアン" (in standard characters)

Date of application: November 21, 2017

Date of appeal decision of registration: October 1, 2019

Date of registration of establishment of trademark right: December 13, 2019

Designated goods: Class 30: "confectioneries, bread, sandwiches, Chinese-style steamed buns, hamburgers, pizzas, hot dog sandwiches, meat pies"

(2) On September 15, 2020, the Plaintiff filed a request for a trial for invalidation of the registration of the Trademark.

The JPO conducted the trial proceedings in response to this request as the case of Invalidation Trial No. 2020-890066, and made a decision on July 27, 2021, 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 August 5, 2021.

(3) On September 2, 2021, the Plaintiff instituted this lawsuit to seek rescission of the JPO Decision.

2. Summary of the reasons for the JPO Decision

(1) The summary of reasons for the JPO Decision is as stated in the attached copy of a written decision. The JPO Decision held, in summary, that the Trademark was not to be invalidated under Article 46, paragraph (1) of the Trademark Act, as it does not fall under any of Article 4, paragraph (1), item (vii), (xi), (xv) or (xix) of the same Act and therefore its registration was not considered to have been granted in violation of any of these provisions.

(2) The reasons for the JPO Decision holding that the Trademark did not fall under Article 4, paragraph (1), item (xi) of the Trademark Act can be summarized as follows:
A. The Trademark consists of the characters, "ザプレミアムチロリアン". On the other hand, a trademark specified in 1. of the Attachment (hereinafter referred to as "Cited Trademark 1") and a trademark specified in 5. of the Attachment (hereinafter referred to as "Cited Trademark 5") consist of the characters "チロリアン" respectively; a trademark specified in 2. of the Attachment (hereinafter referred to as "Cited Trademark 2") consists of the alphabetical characters "TIRO" and "LIAN" in a designed font in two lines; a trademark specified in 3. of the Attachment (hereinafter referred to as "Cited Trademark 3") consists of the alphabetical characters "Tirolian" in a designed font written horizontally; and a trademark specified in 4. of the Attachment (hereinafter referred to as "Cited Trademark 4") consists of the sound "chirorian." Thus, the Trademark and Cited Trademarks 1 to 5 can be distinguished by their characters and styles, and there is no likelihood of confusion in the appearance.

Second, with respect to the pronunciation, the pronunciation "za puremiamu chirorian" generated by the Trademark and the pronunciation "chirorian" generated by Cited Trademarks 1 to 5 are obviously different in syllables and number of sounds, so these marks are clearly distinguishable in pronunciation.

In addition, with respect to a concept associated with these marks, the Trademark does not generate any specific concept; whereas Cited Trademarks 1 and 4 generate a concept of "Tyrolean style or taste" and Cited Trademarks 2 and 3 generate no specific concepts. Thus, there is no likelihood of any conceptual confusion between the Trademark and any of Cited Trademarks 1 to 5.

Accordingly, the Trademark and Cited Trademarks 1 to 5 are not likely to create any conceptual confusion or are incomparable, and are clearly distinguishable by their respective appearance and pronunciation. Therefore, considering the totality of the impression, memory, suggestions, etc. given to traders and consumers based on the

appearance, pronunciation and concepts, these trademarks are reasonably considered to be non-similar trademarks with no likelihood of confusion.

B. As discussed above, as the Trademark is not similar to any of Cited Trademarks 1 to 5, the Trademark does not fall under Article 4, paragraph 1, item (xi) of the Trademark Act, although the designated goods of these trademarks are identical or similar.

(omitted)

No. 4 Judgment of this court

1. Facts found by the court

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

A. History of the sale of the confectionery "Tirolian" by the Plaintiff and the Defendant
(A) Chidoriya is a long-established Japanese-style confectionery maker selling products including "Chidori Manju (cakes with bean paste)" in areas such as Iizuka City, Fukuoka Prefecture, since the beginning of the Showa Era. Its origin traces back to Shogetsudo, a confectionery maker established by F in an area that is now a part of Saga Prefecture.

Chidoriya expanded its business area to Fukuoka City in 1949. After the death of G, a business owner at that time, in 1954, his wife E succeeded to the business (hereinafter referred to as "Chidoriya run by E"; Exhibits Ko 7 and 61 and Exhibit Otsu B3 (including branch numbers, if any; the same applies hereinafter)).

G and E had their first son, A (born in November 1936), their second son, B (born in July 1938), their third son, C (born in June 1942), and their fifth son, D (born in November 1946).

(B) Chidoriya run by E started selling a confectionery "Tirolian" (a roll cookie stuffed with cream, named "Tirolian") in 1962. Soon after launch, this confectionery "Tirolian" achieved popularity among customers and became a signature product of Chidoriya run by E in addition to Chidori Manju.

Then, Chidoriya run by E increased its stores and distributors centered in Fukuoka Prefecture, and came to have more than 100 stores (including commissioned sales outlets) in 1979 (Exhibits Ko 7 and 61, and Exhibits Otsu B5, 6, 9 and 12).

(C) In 1964, A started his own business independent from E and opened a sole proprietorship confectionery maker named Tokyo Chidoriya in Tokyo. After starting the production and sale of the confectionery "Tirolian," Tokyo Chidoriya developed its stores and distributors channel in Kanto area.

In 1973, C opened a sole proprietorship confectionery maker Chidoriya in Amagasaki City, Hyogo Prefecture, where he started the production and sale of the confectionery "Tirolian" and developed the stores and distributors channel in Kansai area. On November 11, 1986, C incorporated the Defendant (the trade name at the time of incorporation was Kabushiki Kaisha Chidoriya, which was changed to Kabushiki Kaisha Chidoriya Soke on January 15, 2008; Exhibits Otsu B1-12 and 13) and took the office of representative director. The production and sale of the confectionery "Tirolian" were also started at stores operated by the Defendant under the name "Chidoriya" (C's sole proprietorship "Chidoriya" and stores operated by the Defendant using the name "Chidoriya" may be hereinafter collectively referred to as "Osaka Chidoriya" in some cases).

In this way, lines of "Chidoriya" products, including the confectionery "Tirolian," came to be also sold at Tokyo Chidoriya and Osaka Chidoriya, in addition to Chidoriya run by E centered in Fukuoka Prefecture (Exhibits Ko 61, 63 and 92, and Exhibits Otsu B4, 8 to 11, 18, 50 and 51).

(D) The production function of Chidoriya run by E was transferred to Kabushiki Kaisha Tirolian incorporated on August 5, 1986 (Exhibits Otsu B1-1 and 2), and the sales function was transferred to Chidoriya Hanbai Kabushiki Kaisha incorporated on March 16, 1995 (hereinafter referred to as "Chidoriya Hanbai"; Exhibits Otsu B1-3 and 4), respectively.

By 1997, the production and sale of the confectionery "Tirolian" were undertaken by both Kabushiki Kaisha Tirolian and Chidoriya Hanbai (Exhibits Otsu B13, 23 and 29).

E died on December 1, 1995, during the period when the above events took place.

(E) After the death of E, there arose a variety of disputes concerning the business of "Chidoriya" among A, B, C and D (Exhibit Otsu B21).

For example, A, B and D started to dispute the business ownership of Kabushiki Kaisha Tirolian in 1996. The Plaintiff and Chidoriya Hanbai entered into a dispute after B incorporated the Plaintiff (Exhibits Otsu B1-7 and 26) in Fukuoka City on August 1, 1997 (Exhibits Otsu B22, 24, 25, 27 and 29).

On May 26, 2006, D incorporated Kabushiki Kaisha Chidoriya Honke (hereinafter referred to as "Chidoriya Honke"; Exhibit Otsu B1-5) in Iizuka City, Fukuoka Prefecture, which later started the production and sale of the confectionery "Tirolian" in Fukuoka Prefecture.

(F) On September 1, 2010, A incorporated Chidoriya Sohonke Kabushiki Kaisha in Tokyo (Exhibit Otsu B1-9) that assumed his sole proprietorship business of Tokyo

Chidoriya and started the production and sale of the confectionery "Tirolian."

From around 2012, due to the deterioration of its business performance, Chidoriya Sohonke Kabushiki Kaisha entrusted the Plaintiff to make the confectionery "Tirolian" for Tokyo Chidoriya, and the Plaintiff started the production based on this entrustment.

Meanwhile, A obtained registration for Cited Trademarks 1 to 3 as specified in the Attachment. With respect to Cited Trademarks 1 to 3, the transfer of trademark rights from A to his grandchild, H, and from H to the Plaintiff, was registered on April 19, 2010 and March 17, 2014 (dates of acceptance of application for registration), respectively (Exhibits Ko 62-1 to 3).

B. Sales turnover of the confectionery "Tirolian"

(A) The Plaintiff sells the confectionery "Tirolian" at its own branch stores centered in Fukuoka Prefecture. Additionally, in 2015 and 2016, the Plaintiff also sold the confectionery "Tirolian" to its resellers in Aomori, Iwate, Miyagi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Niigata, Toyama, Nagano, Gifu, Shizuoka, Aichi, Kyoto, Osaka, Hyogo, Tottori, Okayama, Hiroshima, Yamaguchi, Ehime, Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima and Okinawa Prefectures and these resellers also sold the confectionery "Tirolian" to their customers (Exhibits Ko 42, 76 and 77).

After recording the sales exceeding 1.2 billion yen in fiscal 1997, the Plaintiff maintained annual sales exceeding 2 billion yen until fiscal 2009, and from 1.7 billion to 1.9 billion yen between fiscal 2010 and 2017 (Exhibit Ko 54).

(B) Tokyo Chidoriya's sales turnover exceeded 0.6 billion yen in fiscal 1977, and then increased to over one billion yen in fiscal 1988 and reached 2.9 billion yen in fiscal 1997 (Exhibit Otsu C14).

Meanwhile, Osaka Chidoriya's sales turnover exceeded ●● yen in fiscal 1983, and continued to increase after it hit ●●● yen in fiscal 1991, recording ●●● yen in fiscal 1999, maintaining ●●● yen or more each fiscal year until fiscal 2005. The Defendant's annual sales exceeded ●●● yen in fiscal 2009, and maintained roughly over ●●● yen from fiscal 2010 (Exhibits Otsu C9 and 13).

C. Advertisements of the confectionery "Tirolian"

(A) a. In 2007, the Plaintiff produced and ran TV commercials of the confectionery "Tirolian" (Exhibits Ko 17, 46 and 48). The Plaintiff's commercials included a version consisting of the characters "チロリアン" in designed bold face written horizontally on the screen, and also a version featuring the sound of a woman's voice consisting of verbal elements of the word "chirorian."

From November 2012 to January 2013, the Plaintiff also ran radio commercials of

the confectionery "Tirolian" through CROSS FM (a radio station based in Fukuoka Prefecture) and Kyushu Asahi Broadcasting (a radio station that covers the northern Kyushu area centered in Fukuoka Prefecture and also other prefectures including Yamaguchi and Ehime) (Exhibits Ko 18, 50 and 51).

The Plaintiff's advertisement of the confectionery "Tirolian" was posted on Sankei Shimbun dated December 15, 18, 19, 22 and 25 of 2015 (Exhibits Ko 10 to 14). The advertisement featured the characters "チロリアン" in designed bold face written horizontally.

b. The Plaintiff's advertisement expenses exceeded 140 million yen in fiscal 1997, decreased to about 60 million yen in fiscal 2002 but turned to increase again to reach about 100 million yen in fiscal 2005. After fiscal 2008, the advertisement expenses turned to decrease, down to about 20 million yen in fiscal 2009, but then increased again to exceed 40 million yen in fiscal 2011 and continued to exceed about 50 million yen after fiscal 2014 (Exhibit Ko 54).

(B) a. A pamphlet published by Kabushiki Kaisha Tirolian and Chidoriya Hanbai in around 1998 contained the confectionery "Tirolian" (Exhibit Otsu B58-1).

Further, an advertisement of the confectionery "Tirolian" of "Chidoriya" sold by Chidoriya Hanbai also appeared in the magazine "Fujin Gaho" published from April to September 1996 (Exhibits Otsu B56 and 67).

The pamphlet and advertisement mentioned above contained the characters "チロリアン" in designed bold face written horizontally.

On or around 1997, Chidoriya Hanbai produced and ran a television commercial of the confectionery "Tirolian" (Exhibit Otsu B52 and 56).

b. In a flyer published by Chidoriya Honke from around 2011 to 2015, the characters "チロリアン" in designed bold face written horizontally were indicated. In addition, a catalogue published by Chidoriya Honke in or around 2016 featured the confectionery "Tirolian," with the characters "チロリアン" in mincho font written horizontally (Exhibits Otsu B58-3 to 7).

c. The aggregate annual advertisement expenses of Kabushiki Kaisha Tirolian and Chidoriya Hanbai for fiscal years from 1995 to 1997 were between 300 million yen and 450 million yen (Exhibits Ko C5 and 6).

(C) A flyer published by Tokyo Chidoriya from around 1964 to 1998 featured the confectionery "Tirolian" (Exhibit Otsu B80).

Many of the flyers mentioned above contained the characters "チロリアン" in designed bold face written horizontally.

A pamphlet published by Tokyo Chidoriya from around 1969 to 2005 featured the

confectionery "Tirolian" (Exhibit Otsu B81).

Many of the pamphlets mentioned above contained the characters "チロリアン" in designed bold face written horizontally.

(D) After fiscal 2009, the Defendant's annual advertisement expenses exceeded about ●● yen (Exhibit Otsu C13).

E. Articles in books, magazines and websites

(A) A book published in January 1990, "Fukuoka Miyagehin Gaido, Fukuoka Meibutsu (Guidebook on Fukuoka souvenirs)," contains an article that refers to Chidori Manju, describing: "This is one of Chidoriya's signature confectioneries, alongside Tyrol Kogen Meika Tirolian" (Exhibit Otsu B17).

(B) A television program broadcasted by TV Asahi in January 2007, "Wide! Scramble," introduced the Plaintiff and B, as well as the confectionery "Tirolian" as the Plaintiff's signature product (Exhibits Ko 23 and 58).

(C) In a television program broadcasted by Fukuoka Broadcasting System in September 2009, "Night Shuffle," the Plaintiff and the confectionery "Tirolian" as its signature product were introduced (Exhibits Ko 24 and 56).

In addition, the Plaintiff and the confectionery "Tirolian" as its signature product were featured in a television program broadcasted by Fukuoka Broadcasting System in November 2009, "Mentai Wide" (Exhibits Ko 25 and 57).

(E) A magazine "Gekkan Hakata (Hakata Monthly)" published in December 2015 mentions: "Chidori Manju Sohonpo has another signature product. This month, we will continue the interview with the company President, Mr. I, to ask him how that famous confectionery 'Tirolian' was born. Everyone might be reminded of this confectionery by a commercial with a melody 'Tirolian'" (Exhibit Ko 20).

(D) In September 2017, on a website, "My Navi News," the article titled "The secret of famous commercials of 'Tirolian,' Fukuoka's famous confectionery" was posted. The article says: "If you ask people from Fukuoka about commercials they recall, some of them will answer by singing the sound logo 'Tirolian.' An adorable package, delicious baked confectionery, and stylish commercials perfectly matching the product image attracted children of that time" (Exhibit Ko 55-3).

(F) A book published in February 2018, "Shin Madaaru. Daihyakka Okashihen (New encyclopedia of long-sellers: Confectionery)," also features an article titled "1962, Tirolian, Chidori Manju Sohonpo," describing the confectionery as follows: "It is one of the most popular confectioneries in Fukuoka. When the author was a child, thanks to a television commercial featuring the melody 'Tirolian' in a clear and resounding boy soprano voice, it gained recognition as a major confectionery also in Tokyo to a level

that everyone knew it. It is produced by Chidori Manju Sohonpo, a long-established western confectionery maker." "Although it is a local specialty of Fukuoka, it has also been well-recognized and popular in Tokyo since a long time ago thanks to television commercials." "Most people of my generation who hear the word 'Tirolian' would be reminded of these television commercials. Commercials had many versions, but basically featured children wearing ethnic outfits, dancing and playing, and eating 'Tirolian' on green grass surrounded by the Tyrolean mountains. The commercials always end with the melody 'Tirolian' sung in soprano voice, echoing on the Alps mountains" (Exhibit Ko 55-1).

(G) An article published on "FOOD PORT" website, titled "Fukuoka's standard, Chidoriya's 'Tirolian': 'Japanese wrapping papers' by Tsutsumi Nobuko, paper collector," which was updated in October 2018, says: "Hakata kids' favorite treat, 'Tirolian' produced by 'Chidoriya,' a long-established confectioner in my hometown Fukuoka," ... "It is not too much to say that 'Hakata kids grow by Tirolian' 'Tirolian' is one of the most famous long-selling confectioneries representing Fukuoka. ... In Showa 40's when I was in elementary school, Tirolian was very popular as a pretty, classy treat" (Exhibit Ko 55-2).

(H) An article on a website, "Entertainers' recommended local specialties that you can order from home," mentions that the Plaintiff's confectionery "Tirolian" was introduced in a television program "Waratte Iitomo" in December 2006 as a very famous confectionery in Fukuoka (Exhibit Ko 55-4).

(2) Based on the findings in (1) above, the following facts are found: [i] The confectionery "Tirolian" launched by Chidoriya run by E in 1962 grew to become Chidoriya's signature product. Chidoriya run by E increased the number of its retail outlets centered in Fukuoka Prefecture. Tokyo Chidoriya established by A in 1964 expanded its store and reseller channels in Kanto area, and Osaka Chidoriya established by C in 1973 and Osaka Chidoriya opened by the Defendant that was incorporated in 1986 expanded its store and reseller channels in Kansai area. Both of these "Chidoriya" sold the confectionery "Tirolian." [ii] After the death of E in 1995, there arose a variety of disputes concerning the business of "Chidoriya" among her sons, A, B, C and D. [iii] The Plaintiff is a company incorporated in Fukuoka City by B in 1997 and sells the confectionery "Tirolian" through its branches in areas centered in Fukuoka Prefecture and resellers in all areas in Japan, with annual sales turnover exceeding one billion yen. [iv] The Plaintiff advertised the confectionery "Tirolian" by way of producing and running television and radio commercials and posting advertisements in newspapers, using the characters "チロリアン". The Plaintiff recorded annual advertisement

expenses exceeding 100 million yen several times. [v] The confectionery "Tirolian" was sold by Kabushiki Kaisha Tirolian and Chidoriya Hanbai that assumed the business of Chidoriya run by E, as well as by Chidoriya Honke, a company established by D in Iizuka City, Fukuoka Prefecture, in 2006, using the characters "チロリアン" for advertisement. [vi] The Defendant, which was also a seller of the confectionery "Tirolian," had continued to record annual sales turnover exceeding ●●● yen since fiscal 2009. [vii] Since 1990, the confectionery "Tirolian" has been mentioned in television programs, magazines, books and websites as the "popular confectionery everyone knows."

Based on the total evaluation of the abovementioned facts, it is found that the mark "チロリアン" was widely recognized as representing a brand for the specific confectionery (the confectionery "Tirolian") among confectionery traders and consumers in areas in Kyushu centered in Fukuoka Prefecture, and had also gained a considerable degree of recognition nationwide, at the time when the appeal decision to register the Trademark was granted (October 1, 2019).

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

(1) Method for making a judgment concerning similarity

Where a trademark consists of a combination of multiple components, such composite trademark is distinguished from others' trademarks based on an observation of its components as a whole. Therefore, it is generally not 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. However, in trade practice, when a trademark is not found to be combined inseparably to the extent that it may be unnatural in the course of trade to observe the components separately, such trademark is not necessarily pronounced or recognized by the entirety of all components but may sometimes be pronounced or recognized based only on a part of components. In light of this fact, it is reasonable to understand that extracting only a primary part of the components of the trademark and comparing that component with another person's trademark to determine the similarity between these trademarks is permissible, in such case as where a certain part of the components 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, where no pronunciation or concept that would serve as a source identifier would be generated from other components of the trademark, or where a certain part of the components of the trademark is found to give a considerably strong impression to traders and consumers such that the component is capable of

independently functioning as an identifier of the source of goods or services.

On the basis of the abovementioned findings, the court decides whether the Trademark falls under a trademark similar to Cited Trademark 1 (Article 4, paragraph (1), item (xi) of the Trademark Act) as follows:

(2) Issue of whether extracting only the primary part of the Trademark is permissible
A. The Trademark, consisting of the standard characters "ザプレミアムチロリアン", is a composite trademark consisting of the set of character parts "ザ", "プレミアム" and the character part "チロリアン". The characters that constitute the Trademark are represented as one word with the same font and size and even character spacing, and the pronunciation "za puremiamu chirorian" is generated according to the consisting characters.

Next, it can be found that the character part "ザ" is the Japanese katakana representation of an English article "the," the character part "プレミアム" is a word denoting "high grade, upscale" (Kojien 7th Edition), and the character part "チロリアン" is generally perceived as a word denoting "Tyrolean people, or traditional ethnic outfits worn by people living in the Tyrolean mountain area stretching from the western areas of Austria to the northeastern areas of Italy" (Buritanika Kokusai Dai Hyakka Jiten (Britannica International Encyclopaedia)) or "Tyrol district, Tyrolean" (Kojien 7th Edition). In light of the concepts and pronunciation associated with these character parts, the characters constituting the Trademark, even considering that they are represented as one word with the same font and size and even character spacing, are not considered to be inseparably combined to the extent that it is unnatural in trade practices to make the separate observation of each of the set of character parts "ザ", "プレミアム" and the character part "チロリアン".

In addition, considering that, as determined in 1.(2) above, the mark "Tirolian" was widely recognized as representing a brand for the specific confectionery (the confectionery "Tirolian") among confectionery traders and consumers in areas in Kyushu centered in Fukuoka and had also gained a considerable degree of recognition nationwide at the time when the appeal decision to register the Trademark was granted (October 1, 2019), the Trademark, when used for its designated goods "confectioneries," the character part "チロリアン" among its components would attract attention of traders and consumers as representing a certain confectionery brand and give a considerably strong impression to them.

Accordingly, as the character part "チロリアン" among the components of the Trademark is found to be capable of independently functioning as a source identifier, the court finds it permissible to extract this character part from the Trademark as its

primary part and compare it with Cited Trademark 1 to determine the similarity between these trademarks.

B. On the other hand, the Defendant alleged that it is not appropriate to extract the character part "チロリアン" from the Trademark as its primary part while raising the following grounds. [i] Considering that the Trademark consists of the standard characters "ザプレミアムチロリアン" in one line and in a coordinated way with the same size and font and even character spacing, such as to form an integrated and unified sequence of characters, the set of character parts "ザ", "プレミアム" and the character part "チロリアン" are inseparably combined to the extent that it is unnatural in the course of trade to observe them separately. [ii] The marks "チロリアン" and "TIROLIAN" are not considered to have been widely recognized among traders and consumers as trademarks that identify products pertaining to the Plaintiff's business at the time of the filing of the application and the granting of the appeal decision for registration of the Trademark. Accordingly, the character part "チロリアン" among the components of the Trademark is not considered to give a strong, dominant impression to traders and consumers of the designated goods of the Trademark as an identifier of source of the Plaintiff's product. [iii] For the confectionery "Tirolian," immediately after the launch of the product, several business entities started using the mark "チロリアン" and selling the confectionery separately, and after 1996, many disputes arose among the business entities that use the mark "チロリアン", and the mark "チロリアン" had not been managed integrally. Considering these situations, it would be difficult for traders and consumers to recognize the business entity to which the character part "チロリアン" of the Trademark is attributed, and therefore the character part "チロリアン" does not fall under a part giving a strong and dominant impression as an identifier of source of the Plaintiff's products. [iv] Up until now, no economic or organizational group of manufacturers and distributors of the confectionery "Tirolian" has been formed. Therefore, there is no room to evaluate that the character part "チロリアン" gives a strong, dominant impression as an identifier of such group. [v] It is socially unacceptable to make a component-by-component observation of a composite trademark based on the wrongful evaluation that the character part "チロリアン" can function as a source identifier although in fact it does not, and to attribute the registered trademarks "チロリアン" including Cited Trademarks 1 to 3 exclusively to the Plaintiff, with less track record of using the mark "チロリアン" compared to other business entities.

However, as explained in (1) above, for a trademark that is not found to be combined inseparably to the extent that it may be unnatural in the course of trade to observe the

components separately, it is reasonably understood that extracting only a certain part of the components of the trademark as its primary part and comparing that component with another person's trademark to determine the similarity between these trademarks is permissible, in such case as where a certain part of the components 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, and also where a certain part of the components of the trademark is found to give a considerably strong impression to traders and consumers such that it can independently function as a source identifier.

Further, the evaluation of whether a certain part of the components of a trademark is found to give a considerably strong impression to traders and consumers and therefore can independently function as a source identifier should be made from the standpoint of which component of the trademark comes to the attention of traders and consumers who observe the trademark and their impression of the component. Considering this, it is reasonable to understand that, as long as a component is such that it enables traders and consumers to perceive it as an identifier of some specific source, it does not need to enable them to exactly understand the specific source from which the product originates (for example, a name of specific business entity, a form of business or whether the product originates from one or more sources).

With respect to [i] of the Defendant's allegation, as mentioned in A. above, in light of the concepts and pronunciation of the set of character parts "ザ", "プレミアム" and the character part "チロリアン" respectively, even considering that the characters constituting the Trademark are represented as one word with the same font and size and even character spacing, the set of character parts "ザ", "プレミアム" and the character part "チロリアン" of the Trademark are not considered to be combined inseparably to the extent that it may be unnatural in the course of trade to observe them separately.

The Defendant's allegations [ii] through [iv] are based on the premise that the character part "チロリアン" of the Trademark needs to be such as to enable traders and consumers to exactly recognize the specific entity from which the product originates (for example, the name of a specific business entity) and require that the character part must be recognized as an identifier of the source of the Plaintiff's product. These allegations are unacceptable in terms of the premise they are based on.

In addition, with respect to [v] of the Defendant's allegation, as mentioned above, the determination of whether a certain part of the components of a composite trademark may be extracted as its primary part is an issue that relates to the recognition and impression of traders and consumers who observe the composite trademark. So, in relation to the Trademark, this determination is not affected by the level of the Plaintiff's

track records of using the mark "チロリアン" and therefore this allegation is unacceptable in terms of its premise.

In conclusion, the abovementioned allegations of the Defendant are found to be groundless.

(3) Similarity between the Trademark and Cited Trademark 1

A. As specified in 1. of the Attachment, Cited Trademark 1 consists of the characters "チロリアン" in a brush style font written horizontally, and generates the pronunciation "chirorian," according to the consisting characters.

As mentioned in 1.(2) above, it is found that the mark "チロリアン" was widely recognized among confectionery traders and consumers as a brand name referring to the specific confectionery (the confectionary "Tyrolean") in areas in Kyushu centered in Fukuoka Prefecture and had also gained a considerable degree of recognition nationwide, at the time when the appeal decision to register the Trademark was granted (October 1, 2019).

Then, it is reasonably understood that Cited Trademark 1, consisting of the characters "チロリアン" written horizontally, also generates the concept of "チロリアン" as a brand name of the specific confectionery.

B. Comparing the character part "チロリアン" (in standard characters) that is the primary part of the Trademark with Cited Trademark 1 specified in 1. of the Attachment, they are common in appearance as they both contain the characters "チロリアン" although in different fonts, and are identical in terms of their pronunciation and concept as they both generate the pronunciation "chirorian" and the concept of "チロリアン" representing a brand name of the specific confectionery or the concept of "Tyrolean people, or traditional ethnic outfits worn by people living in the Tyrolean mountain area stretching from the western areas of Austria to the northeastern areas of Italy" or "Tyrol district, Tyrolean."

As a consequence, the court concludes that when using the Trademark and Cited Trademark 1 for "confectioneries" that are included in the designated goods of the Trademark, there is a likelihood of confusion as to the source of products and therefore that these trademarks are similar to each other as a whole.

Accordingly, the Trademark is determined to be similar to Cited Trademark 1.

The Defendant's allegations contrary to the above are groundless.

(4) Summary

As mentioned above, the Trademark is similar to Cited Trademark 1, and the designated goods of the Trademark, "confectioneries," are identical to the designated goods "confectioneries" of Cited Trademark 1. Therefore, the court concludes that the

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

As the JPO decision denying this is erroneous, the court finds Ground for Rescission 1 alleged by the Plaintiff to be well-grounded, without the need to make determinations concerning the remaining points.

No. 5 Conclusion

Based on the foregoing findings, as Ground for Rescission 1 alleged by the Plaintiff is well-grounded, the JPO decision should be rescinded, without the need to make determinations concerning the other grounds for rescission.

Intellectual Property High Court, First Division

Presiding judge: OTAKA Ichiro

Judge: OGAWA Takatoshi

Judge: TOYAMA Atsushi

(Attachment) Cited Trademarks

1. Registration No. 614146

Composition of trademark:

チロリアン

Date of application: April 17, 1962

Date of registration of establishment of trademark right: May 23, 1963

Designated goods: Class 30: "confectioneries and bread" (registration of change effected on September 24, 2003)

Trademark holder: Kabushiki Kaisha Chidori Manju Sohonpo

2. Registration No. 768600

Composition of trademark:

TIRO
LIAN

Date of application: April 30, 1966

Date of registration of establishment of trademark right: January 26, 1968

Designated goods: Class 30: "confectioneries and bread" (registration of change effected on July 23, 2008)

Trademark holder: Kabushiki Kaisha Chidori Manju Sohonpo

3. Registration No. 4358641

Composition of trademark:

Tirolian

Date of application: June 22, 1998

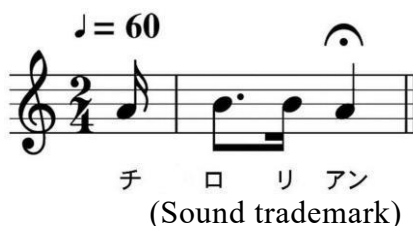
Date of registration of establishment of trademark right: February 4, 2000

Designated goods: Class 30: "confectioneries and bread"

Trademark holder: Kabushiki Kaisha Chidori Manju Sohonpo

4. Registration No. 5969132

Composition of trademark:



Date of application: December 26, 2016

Date of registration of establishment of trademark right: August 4, 2017

Designated goods: Class 30: "confectioneries and bread"

Trademark holder: Kabushiki Kaisha Chidori Manju Sohonpo

5. Registration No. 5998540

Composition of trademark: チロリアン (standard characters)

Date of application: April 24, 2017

Date of registration of establishment of trademark right: November 24, 2017

Designated goods: Class 35: "retail or wholesale services relating to confectionery and bakery products"; Class 43: "Services for providing food and drink"

Trademark holder: Kabushiki Kaisha Chidori Manju Sohonpo