

Trademark Right	Date	January 24, 2023	Court	Intellectual Property High Court, Second Division
	Case number	2022 (Gyo-Ke) 10062		
- A case in which, concerning a trademark whose designated goods are "pencils (other than colored pencils)" and which consists solely of a highly dark red color (DIC Color Guide Part 2 (ver. 4) 2251), the court ruled that the trademark falls under a trademark that is listed in Article 3, paragraph (1), item (iii) of the Trademark Act and does not fall under the trademark stipulated in paragraph (2) of the same Article.				

Case type: Rescission of Appeal Decision of Refusal

Result: Dismissed

References: Article 3, paragraph (1), item (iii) and Article 3, paragraph (2) of the Trademark Act

Related rights, etc.: Trademark Application No. 2015-29864

Decision of JPO: Appeal against Examiner's Decision No. 2019-13864

Summary of the Judgment

1. The Plaintiff filed an application for registration of a trademark whose designated goods are "pencils (other than colored pencils)" and which consists solely of a highly dark red color (DIC Color Guide Part 2 (ver. 4) 2251) (hereinafter referred to as "Applied Trademark"), and received a notice of rejection for the Applied Trademark. In response, the Plaintiff filed an appeal against the examiner's decision of refusal. The JPO rendered the decision that the Applied Trademark falls under a trademark that is listed in Article 3, paragraph (1), item (iii) of the Trademark Act and does not fall under the trademark stipulated in paragraph (2) of the same Article, and that "the appeal of the case was groundless" (hereinafter referred to as "Decision"). The present case is one in which the Plaintiff requested that the Decision be rescinded.

2. In the judgment of the present case, the present court maintained the Decision made by the prior court by holding that the Applied Trademark falls under a trademark that is listed in Article 3, paragraph (1), item (iii) of the Trademark Act, and does not fall under the trademark stipulated in paragraph (2) of the same Article, as described below, and thus dismissed the Plaintiff's request.

(1) Whether or not the Applied Trademark falls under a trademark listed in Article 3, paragraph (1), item (iii) of the Trademark Act

Generally speaking, in a commercial transaction, the colors that are given to goods or services in forms such as packaging of goods have been chosen from a variety of selections merely to improve the image and aesthetics and the like of the goods or services. As such, the colors having thus been selected should not immediately serve

the function as an indicator of the source for goods or services.

When the above is taken into consideration upon regarding the Applied Trademark, the following are true. The Applied Trademark consists solely of a single color without an outline. In terms of the classification according to the systematic color names of the Japanese Industrial Standards (JIS), said color is positioned in a borderline region of the three classifications of "highly dark red", "dark red", and "dark and grayish red". In terms of key color names according to JIS, said color is positioned in a region near "purplish red". In terms of basic color terms, said color is in a borderline region surrounded by "red", "purple", and "brown", and is regarded as having the hue of a dark color of either "red" or "reddish purple". In terms of approximation values according to the Munsell Color System, there are colors such as Bordeaux and Burgundy that have similar approximation values, and it is acknowledged that said color has a countless number of approximate colors. In fact, the actual situation of transactions shows that the approximate colors of the Applied Trademark are widely used on writing instruments, including pencils (other than colored pencils; the same applies hereinafter), which are the designated goods. (As explained later in (2) A below, it cannot be acknowledged that the Applied Trademark has acquired distinctiveness.)

Based on the above, it is reasonable to acknowledge that, even when the Applied Trademark is used on pencils, which are the designated goods, consumers and traders coming in contact with the Applied Trademark will merely be led to recognize that the color pertaining to the Applied Trademark is used simply to improve the image and aesthetics and the like of the goods (pencils). In that case, since it can be said that the Applied Trademark is a trademark which consists solely of a mark indicating, in a common manner, a feature of pencils (colors such as the exterior color of pencils), which are the designated goods, the Applied Trademark falls under a trademark listed in Article 3, paragraph (1), item (iii) of the Trademark Act.

(2) Whether or not the Applied Trademark falls under the trademark stipulated in Article 3, paragraph (2) of the Trademark Act

A. The pencils handled by the Plaintiff (called "uni", "Hi-uni", and "uni star" ("Uni Series"); hereinafter referred to as "Plaintiff's Goods") have been featured in newspaper articles and the like for a considerable period of time, and have been advertised in various media. As such, it is acknowledged that the Plaintiff's Product has gained a considerable degree of recognition among consumers.

However, the Plaintiff's Product bears other colors and letters in addition to the Applied Trademark, and when this fact is considered together with the actual situation

in which the approximate colors of the Applied Trademark such as Bordeaux and Burgundy are widely used on writing instruments, including pencils, which are the designated goods, it is reasonable to acknowledge that consumers coming in contact with the Plaintiff's Product would not recognize, by looking only at the Applied Trademark, that the Plaintiff's Product pertains to the Plaintiff's business. Rather, they would recognize that the Plaintiff's Product pertains to the Plaintiff's business by taking in the black color, or the black color and the gold color, which are used in combination with the Applied Trademark, as well as the gold pattern letters such as "MITSU-BISHI", "uni", "Hi-uni", and "uni☆star", which show plainly that the Plaintiff's Product belongs to the Uni Series of Mitsubishi Pencil.

Furthermore, in a market for pencils, the Plaintiff and Tombow Pencil Co., Ltd. have a market share of over 80% in total. With regard to consumers who are relatively familiar with pencils, it would seem likely that they, when questioned in a survey, would give an answer from a relatively narrow range of possible answers. Nevertheless, to the question of which brand of pencils came to their mind when they saw only the Applied Trademark, not even half of the entire respondents gave answers by recalling the Plaintiff's name or its brand name (e.g., Mitsubishi Pencil, uni). Given the foregoing, it must be said that, even if the target is restricted to persons who are relatively familiar with pencils, the number of consumers able to recall the Plaintiff or the Uni Series by looking only at the Applied Trademark is not that many.

To summarize the above, it cannot be acknowledged that the consumers for pencils, which are the designated goods, have come to recognize, based only on the Applied Trademark which consists solely of a single color, that it is a source indicator for the Plaintiff.

B. As described above, it cannot be said that the Applied Trademark has acquired, as a result of its use, recognition among consumers as an indicator of goods pertaining to the Plaintiff's business. As such, without having to determine whether or not there are acceptable circumstances, from the viewpoint of the public's interest, to allow the Plaintiff to exclusively use the Applied Trademark, the court cannot approve that the Applied Trademark falls under the trademark stipulated in Article 3, paragraph (2) of the Trademark Act.

Judgment rendered on January 24, 2023

2022 (Gyo-Ke) 10062 A Case of seeking rescission of the JPO decision

Date of conclusion of oral argument: November 16, 2022

Judgment

Plaintiff: Mitsubishi Pencil Co., Ltd.

Defendant: Commissioner of the JPO

Main text

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

Facts and reasons

No. 1 Claims

The trial decision rendered by the JPO on April 13, 2022 for the Appeal against Examiner's Decision No. 2019-13864 shall be rescinded.

No. 2 Outline of the case

The present case is a suit against the JPO's decision of dismissal of the request for appeal against the examiner's decision of refusal of an application for registration of a trademark that is shown in the attached Description of Trademark (hereinafter referred to as "Applied Trademark"). Issues in dispute are (1) whether or not the Applied Trademark falls under a trademark listed in Article 3, paragraph (1), item (iii) of the Trademark Act, and (2) whether or not the Applied Trademark falls under the trademark stipulated in paragraph (2) of the same Article.

1. Development of procedures at the JPO

On April 1, 2015, the Plaintiff filed an application for registration of a trademark (Trademark Application No. 2015-29864) for the Applied Trademark, by stating, as the detailed description of the trademark, that "the trademark for which an application for registration is filed consists solely of 'DIC Color Guide Part 2 (ver. 4 2251)", and with the designated goods of "pencils, mechanical pencils, extra lead for

mechanical pencils, pencil sharpeners (other than electric pencil sharpeners)" in Class 16 (Exhibit Ko 152). On November 28, 2018, the Plaintiff submitted a written amendment to amend the designated goods to "pencils (other than colored pencils)" in Class 16. Then, on July 12, 2019, the Plaintiff received the examiner's decision of refusal. In response, on October 17 of the same year, the Plaintiff filed an appeal against the examiner's decision of refusal (Appeal against Examiner's Decision No. 2019-13864).

On April 13, 2022, the JPO rendered the decision that "the appeal of the case was groundless" (hereinafter referred to as "Decision"), and on May 24 of the same year, a copy of the decision was delivered to the Plaintiff.

On June 22, 2022, the Plaintiff filed a suit of the present case.

2. Gist of reasons for Decision

The reasons for the Decision are as indicated in the Attachment, and the gist of the reasons is as follows.

(1) Article 3, paragraph (1), item (iii) of the Trademark Act

A. As noted separately under 1 (1) and (2) of the attached Decision, the Applied Trademark is a trademark consisting solely of a color (DIC Color Guide Part 2 (ver. 4) 2251). It is not combined with letters, figures, or other colors, has no specification as to the manner of use or mode of use when the trademark is used, and consists solely of a single color without an outline.

Next, the color for the Applied Trademark falls under a "highly dark red" color according to the classification of the systematic color names of the Japanese Industrial Standards (JIS). In terms of basic color terms, said color is in a borderline region surrounded by "red," "purple," and "brown" (Exhibit Ko 126).

B. Furthermore, in commercial transactions, a variety of colors are selected to be used on goods or their packaging in order to improve the goods' image or aesthetics. As such, while the colors originally do not serve the function as an indicator of source for the goods, the actual situation is such that, as noted separately under 2 of the attached Decision, in an industry that handles writing instruments, a variety of reddish and brownish colors (e.g., vermilion, Bordeaux, burgundy red, wine red) are selected as colors for goods (exterior colors).

C. In that case, when the Applied Trademark is used for its designated goods, consumers and traders merely recognize or understand the Applied Trademark to be a color simply intended to improve the aesthetics of the goods or the packaging, and thus the Applied Trademark merely indicates, in a common manner, a feature of the

goods (color of goods).

Accordingly, the Applied Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act.

(2) Article 3, paragraph (2) of the Trademark Act

A. The colors of goods have existed since ancient times. Usually, they are selected, as appropriate, in order to improve the image or aesthetics of goods. Since some of the colors of goods have occurred naturally or are necessary to ensure functions of the goods, any person may desire to use such colors as necessary and appropriate indications in transactions. As such, in principle, any person should be able to freely make selections and use the colors, and it is the understanding of the Court that the aforementioned purport is applicable to a trademark that consists solely of a single color.

Next, in order to consider that a trademark, which consists solely of a single color and which falls under Article 3, paragraph (1), item (iii) of the Trademark Act, should fall under paragraph (2) of the same Article, it is necessary for said trademark to have become widely recognizable among consumers, as a result of use of the trademark, an indicator for goods or services pertaining to a specific business, and to have acquired distinctiveness for the goods or services as a result of such use. Furthermore, in light of the aforementioned purport of paragraph (1), item (iii) of the same Article, it is reasonable to understand that there are circumstances based on which it is acceptable, even from the viewpoint of the public's interest, to allow a specific person to use the said trademark exclusively. (Refer to Intellectual Property High Court 2019 (Gyo-Ke) 10146, judgment rendered on August 19, 2020.)

B. The Plaintiff submits evidence, and argues that the Applied Trademark has acquired the function as an indicator of source through the Plaintiff's continued use. The Plaintiff's argument is considered below.

(A) Based on the Plaintiff's evidence and argument, the following facts are acknowledged.

a. The Plaintiff is a major writing materials maker founded in 1887, and handles ball-point pens, felt-tip pens, pencils, school supplies, and the like (Exhibits Ko 1, 2).

Products handled by the Plaintiff include "pencils" by the name of "uni" (these pencils and other pencils of the same series are hereinafter referred to as "Plaintiff's Product"), and the Uni Series consist of "uni" (first sold in 1958), "Hi-uni" (first sold in 1966), and "uni star" (Exhibit Ko 1).

b. In the Plaintiff's Product, a base color that is equivalent to the Applied

Trademark is used on the sides of the body of the product, with a belt-like black color (in the case of "Hi-uni", a belt-like gold color is also used) being used on one end, and the letters of "MITSU-BISHI", "Hi-uni", "uni", or the like (some of which are colored in gold) being shown on both sides (Exhibits Ko 47, 48).

c. According to the sales results of the Plaintiff's Product, the number of "uni" pencils that were shipped out each year was between approximately 12 million and 15 million (2001-2015), and the number of "Hi-uni" pencils sold each year was between approximately 2 million and 2.7 million (2001-2015) (Exhibits Ko 93, 94).

d. In newspapers and magazines, online articles, and TV programs and the like, the Plaintiff's Product is introduced, mentioned, or advertised, or articles related to Plaintiff's Product are posted therein (including content that does not show the color pertaining to the Applied Trademark) (Exhibits Ko 2, 4 to 29, 39 to 43, 46, 120, 121, and 133).

The above articles contain introduction of the Plaintiff's Product and its colors by indicating as follows: "The characteristic feature consists of a gold logo and the 'uni' color, which is created by combining the 'red bean' color of Japan with the 'wine red' color of the west, which gives a high-class impression" (Exhibit Ko 28-9); "A mysterious color that is neither brown nor dark red. The tip is shaped like a cone, and the letters are engraved in gold" (Exhibit Ko 42); "Developed the so-called 'uni color', which is a combination of maroon, which is a traditional color of Japan, and wine red" (Exhibit Ko 46); and "The manufacturing method has not changed since then, and the design created by combining the uni color (a mixed color of maroon and wine red) with a black color remains the same." (Exhibit Ko 121).

e. A questionnaire survey which the Plaintiff commissioned to Coex Co., Ltd. to be carried out online in October 2018 (Exhibit Ko 107; hereinafter referred to as "Survey") is as follows.

(a) The survey was targeted to parents with children who use pencils, and to individuals who personally use pencils (1,200 individuals consisting of 100 male respondents and female respondents, respectively, who are in their 20s, 30s, 40, 50s, or 60s, as well as 200 respondents who are mothers).

(b) The survey took the method of showing the Applied Trademark (equivalent to what is indicated separately under 1 (1) of the attached Decision) to respondents as a "color image of a red bean color" and asking them an open-ended question of which brand comes to their mind if the image is the color used by a brand of pencils.

(c) The survey result showed that the 43.4% were able to recall, and respond

accordingly, the connection with goods pertaining to the Plaintiff ("uni", "Mitsubishi Pencil", "Mitsubishi", etc.).

(B) a. According to the above findings, the Plaintiff's Product has been sold continuously for more than 60 years since it was first sold in 1958. The Plaintiff's Product has also been continuously featured in newspapers, magazines, and online articles and the like, which seem to show that the goods have acquired a certain degree of recognition among consumers in Japan.

b. However, while the exterior of the Plaintiff's Product continues to use the color, which pertains to the Applied Trademark, as the base color, it also indicates other colors (black color and gold color) and letters (e.g., "MITSU-BISHI", "Hi-uni", "uni"), so that the Plaintiff's Product is not something that consists only of a single color pertaining to the Applied Trademark as an indicator of source for the goods.

Furthermore, while the color pertaining to the Applied Trademark is sometimes introduced as a color called "uni color", there are also articles mentioning that the Plaintiff's Product is characterized by a combination of said color and other colors ("uni color" combined with "gold" or "black"), and thus it is not necessarily clear whether the single color pertaining to the Applied Trademark is recognized or remembered as an indicator of source for the Plaintiff's Product.

c. Furthermore, the Survey results show that, even among consumers who are relatively familiar with pencils, fewer than 50% of the respondents were able to recall the connection between the Applied Trademark (as indicated separately under 1 (1) of the attached Decision) and the Plaintiff, and that at least half of the consumers were unable to recall the connection to the Plaintiff, so that it is believed that the degree of recognition among general consumers (including persons with infrequent use of pencils) for the designated goods of the Applied Trademark would be even lower.

d. In that case, it cannot be acknowledged that the color pertaining to the Applied Trademark has become widely recognizable among the consumers for the designated goods as an indicator of source pertaining to the Plaintiff.

e. In addition, given that there are a large number of business operators who are actually manufacturing and selling goods (stationery) that are colored in reddish and brownish colors, which can give the same impression as the Applied Trademark, as indicated separately under 2 of the attached Decision, it must be said that it is actually difficult to identify, based solely on a single color pertaining to the Applied Trademark, the source of the goods without relying on letters and other information. Furthermore, allowing a specific person to exclusively use the color pertaining to the Applied Trademark would also lead to the result of unreasonably restricting third

parties from using a color, which had been available for unrestricted use to improve the aesthetics of goods and their packaging and advertisement, so that this would cause trouble from the viewpoint of public interest (monopoly adaptability).

In addition to the above, there do not seem to be any circumstances based on which it should be permissible, from the viewpoint of public interest, to allow the Plaintiff to exclusively use the Applied Trademark.

f. As described above, the Applied Trademark has not become widely recognizable among consumers for the designated goods as an indicator for the goods pertaining to the business of a specific person (Plaintiff), and it also cannot be said that allowing a specific person (Plaintiff) to exclusively use the Applied Trademark should be permissible from the viewpoint of public interest (monopoly adaptability).

Accordingly, it cannot be acknowledged that consumers came to recognize the Applied Trademark, in relation to the designated goods and as a result of its use, as pertaining to the business of any person, so that the requirement according to Article 3, paragraph (2) of the Trademark Act is not fulfilled.

(3) Summary

In view of the above, the Applied Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act, and since it cannot be said from the actual use by the Plaintiff that the Applied Trademark has acquired a status in which consumers in Japan are able to recognize the Applied Trademark as pertaining to the goods of any person, the requirement of paragraph (2) of the same Article is not fulfilled.

(omitted)

No. 5 Judgment of this court

1. Whether or not the Applied Trademark falls under a trademark listed in Article 3, paragraph (1), item (iii) of the Trademark Act

(1) The Applied Trademark and its approximate colors

A. As indicated in the attached Description of Trademark, the Applied Trademark is a trademark consisting solely of a color (DIC Color Guide Part 2 (ver. 4) 2251). It is not combined with letters, figures, or other colors, with no specification as to the manner of use or mode of use when the trademark is used, and it consists solely of a single color without an outline.

B. The color, "DIC-2251" (Applied Trademark), that is recorded in "DIC Color Guide Part 2 (ver. 4) Vol. 5" has the systematic color name of JIS of "highly dark red", has the Munsell approximation value of "1.6R 2.5/3.9", and has the color name of

"Uni color". Furthermore, according to the systematic color names of JIS, said color is positioned in a borderline region of the three classifications of "highly dark red", "dark red", and "dark and grayish red". In terms of key color names according to JIS, said color is positioned in a region near "purplish red". In terms of basic color terms, said color is positioned in a borderline region surrounded by "red", "purple", and "brown", and is regarded as having the hue of a dark color of either "red" or "reddish purple" (Exhibit Ko 126).

From among the ways of showing colors, the Munsell color system is one in which colors are shown based on detailed encoding and quantification of the hue, brightness, and chroma. The above Munsell's approximation values (1.6R 2.5/3.9) for the Applied Trademark indicate values in the order of hue, brightness, and chroma (Exhibit Otsu 1). Approximate colors that have similar Munsell's approximation values as the Applied Trademark include "Bordeaux" (2.5R 2.5/3) and "burgundy" (10RP 2/2.5) (Exhibits Ko 2 to 4).

(2) Examples of use of approximate colors of the Applied Trademark

As described below, approximate colors of the Applied Trademark, including Bordeaux and burgundy, are widely used on pencils and other writing instruments.

A. The website of "CAINZ" indicates, in a column indicating "A set of 3 red pencils of hexagon", a photograph of goods having the color of dark red on the exterior (red pencil) (Exhibit Otsu 6).

B. On a website relating to the hometown tax donation program in Hachimantaishi, Iwate Prefecture, in a column indicating "HMG318 [Lacquered] Tamenuri style, click-type pencil (red)", there is a photograph of goods (click-type pencil) having the color of dark red on the exterior, with the following comment: "To make the most of the original dark brown color of the lacquer, the product is finished in a way that allows you to see through the red color of lacquer in the undercoating." (Exhibit Otsu 7)

C. On the website of "Rakuten Ichiba", in a column indicating "Echizen lacquerware pencil", there is a photograph of goods (pencil) having a dark red color (vermilion color) on the exterior (Exhibit Otsu 8).

D. On the website of "Mercari", in a column indicating "Lacquered pencils for writing", there is a photograph of goods (pencils) having a dark red color on the exterior, with the comment: "This is a pencil finished with the type of lacquer called 'Appinuri'" (Exhibit Otsu 9).

E. On the website of "Stabilo Japan", in a column indicating "Opera A pencil that cannot be broken easily", there is a photograph of goods (pencils) having a

dark red color on the exterior (Exhibit Otsu 10).

F. On the website of "HOLBEIN", in a column indicating "Colored pencils for artists OP060 Wine red", there is a photograph of goods (color pencils) having a dark red color (wine red) on the exterior (Exhibit Otsu 11).

G. On the website of "Tokyu Hands Net Store", in a column indicating "Pilot Legno ball-point pen Dark red", there is a photograph of goods (ball-point pen) having a dark red color on the exterior (Exhibit Otsu 12).

H. On the website of "Pen Boutique Shosaikan Aoyama", in a column indicating "PILOT Customized 74 Deep red", there is a photograph of goods (fountain pen) having a dark red color on the exterior (deep red) (Exhibit Otsu 13).

I. On the website of "Askul", in a column indicating "Gel ink ball-point pen Sarasa Clip 0.5 mm Red black 10 red pens", there is a photograph of goods (ball-point pen) having a dark red (red black) on the exterior (Exhibit Otsu 14).

J. On the website of "PILOT", in a column indicating "Customized 743", there is a photograph of goods (fountain pen) having a dark red color (deep red) on the exterior, under the name, "FKK-3000R-DR- (pen nib)" (Exhibit Otsu 15).

K. On the website of "Kodawari Bunguno Article", in a column indicating "[CARAN d'ACHE] 849 Claim-Your-Style Edition 2 Ball-point pen Oil-based ink Burgundy", there is a photograph of goods (ball-point pen) having a dark red color (burgundy) on the exterior (Exhibit Otsu 16).

L. On the website of "PayPay mall", in a column indicating "Moomin Click Gold 0.5 mm Burgundy", there is a photograph of goods (ball-point pen) having a dark red color (burgundy) on the exterior (Exhibit Otsu 17).

M. On the website of "PARKERTIME", in a column indicating "Parker 51 Burgundy CT Fountain pen", there is a photograph of goods (fountain pen) having a dark red color (burgundy) on the exterior (Exhibit Otsu 18).

N. On the website of "BicCamera.com", in a column indicating "Limited Energel Clena 04 Black Burgundy", there is a photograph of goods (ball-point pen) having a dark red color (burgundy) on the exterior (Exhibit Otsu 19).

O. On the website of "Yahoo! Shopping", in a column indicating "Pentel Water-based ink Plaman Burgundy", there is a photograph of goods (water-based ink pen) having a dark red color (burgundy) on the exterior (Exhibit Otsu 20).

P. On the website of "Cartier", in a column indicating "Santos de Cartier ball-point pen", there is a photograph of goods (ball-point pen) having a dark red color (Bordeaux) on the exterior, with the following comment for "Product Features": "Bordeaux Color Lacquer" (Exhibit Otsu 21).

Q. On the website of "Montblanc® JP", in a column indicating "Meisterstuck Le Petit Prince Classic roller ball", there is a photograph of goods (ball-point pen) having a dark red color (burgundy red) on the exterior with the following comment: "The burgundy red lacquer is memorable ..." (Exhibit Otsu 22).

R. On the website of "Sakura Color Products Corporation", in a column indicating "Pigma Postcard Pen", there is a photograph of goods (pen) having a reddish brown color on the exterior (Exhibit Otsu 23).

S. On the website of "PILOT", in a column for pens indicted as "Bordeaux" from among the pens indicated as "Frixion ball 3 Biz", there is a photograph of goods (ball-point pen) having a dark red color (Bordeaux) on the exterior (Exhibit Otsu 25).

T. On the website of "Freiheit", in a column indicating "Kaweco Classic Sport Ball-point pen [axial color: Bordeaux]", there is a photograph of goods (ball-point pen) having a dark red color (Bordeaux) on the exterior (Exhibit Otsu 26).

U. On the website of "Sailor Shop", in a column indicating "Legras fountain pen [Bordeaux]", there is a photograph of goods (fountain pen) having a dark red color (Bordeaux) on the exterior (Exhibit Otsu 27).

V. On the website of "INHERITPEN", in a column indicating "Aurora Ball-point pen Talentum D32-X Bordeaux", there is a photograph of goods (ball-point pen) having a dark red color (Bordeaux) on the exterior (Exhibit Otsu 28).

W. On the website of "Sekaino Hikkigu Pen-House", in a column for "Aurora Ball-Point Pen Epsilon B31/X Bordeaux", there is a photograph of goods (ball-point pen) having a dark red color (Bordeaux) on the exterior (Exhibit Otsu 29).

X. On the website of "Yahoo! Shopping", in a column indicating "KITA-BOSHI PENCIL W07-600AZ [Pencil seller's mechanical pen W07 Azuki]", there is a photograph of goods (mechanical pencil) having a dark red color (Azuki (red bean) color) on the exterior (Exhibit Otsu 30).

Y. On the website of "Tanomail", in a column indicating "KOKUYO Mechanical pencil 0.9 mm (axial color: Wine red) PS-P100DR-1P", there is a photograph of goods (mechanical pencil) having a dark red color (wine red) on the exterior (Exhibit Otsu 31).

Z. On the website of "Yodobashi.com", in a column indicating "PLATINUM PEN PGB-3000 71 1649713 [Balance Wine red Fountain pen M (medium) Converter/cartridge type], there is a photograph of goods (fountain pen) having a dark red color (wine red) on the exterior (Exhibit Otsu 32).

(3) Review

Generally speaking, in a commercial transaction, the colors that are given to

goods or services in forms such as packaging of goods have been chosen from a variety of selections merely to improve the image and aesthetics and the like of the goods or services. As such, the colors having thus been selected should not immediately serve the function as an indicator of source for the goods or services.

When the above is taken into consideration upon regarding the Applied Trademark, the following are true. As described above in (1), the Applied Trademark consists solely of a single color without an outline. In terms of the classification according to the systematic color names of JIS, said color is positioned in a borderline region of the three classifications of "highly dark red", "dark red", and "dark and grayish red". In terms of key color names according to JIS, said color is positioned in a region near "purplish red". In terms of basic color terms, said color is in a borderline region surrounded by "red", "purple", and "brown", and is regarded as having the hue of a dark color of either "red" or "reddish purple". In terms of approximation values according to the Munsell Color System, there are colors such as Bordeaux and burgundy that have similar approximation values, and it is acknowledged that said color has a countless number of approximate colors. In fact, the actual situation of transactions show, as described above in (2), that the approximate colors of the Applied Trademark are widely used in writing instruments, including pencils, which are Designated Goods. (As explained later in 2 (2) below, it cannot be acknowledged that the Applied Trademark has acquired distinctiveness.)

Based on the above, it is reasonable to acknowledge that, even when the Applied Trademark is used on pencils (other than colored pencils; the same applies hereinafter), which are Designated Goods, consumers and traders coming in contact with the Applied Trademark will merely be led to recognize that the color pertaining to the Applied Trademark is used simply to improve the image and aesthetics and the like of the goods (pencils). In that case, since it can be said that the Applied Trademark is a trademark which consists solely of a mark indicating, in a common manner, a feature of pencils (colors such as the exterior color of pencils), which are Designated Goods, the Applied Trademark falls under a trademark listed in Article 3, paragraph (1), item (iii) of the Trademark Act. There is no error with the Decision which was rendered with the same purport as the above.

2. Whether or not the Applied Trademark falls under the trademark stipulated in Article 3, paragraph (2) of the Trademark Act

(1) A trademark consisting solely of a single color, and Article 3, paragraph (2) of the Trademark Act

In order to say that a trademark, which consists solely of a single color and which falls under a trademark listed in Article 3, paragraph (1), item (iii) of the Trademark Act, falls under the trademark stipulated in paragraph (2) of the same Article, which is a "trademark that has become recognizable by consumers, as a result of its use, as pertaining to the goods or services of the business of any person", said trademark must have become widely recognizable among consumers, as a result of its use, as an indicator for the goods or services pertaining to the business of a specific person, and must have acquired distinctiveness, as a result of its use, in terms of goods or services. Furthermore, it is reasonable to understand that granting permission to a specific person to exclusively use the trademark requires circumstances, based on which such permission is acceptable from the viewpoint of public interest.

(2) Distinctiveness of the Applied Trademark

A. Findings

When the evidence recorded as well as the entire import of the oral argument are taken into consideration, the following facts are acknowledged.

(A) The Plaintiff is a major corporation of writing instruments, having been founded in 1887 (the trade name of the time: Masaki Pencil Manufacturing Company). In 1952, the trade name was changed to the current name (Exhibits Ko 2, 42).

(B) In 1958, the Plaintiff began manufacturing and selling the pencils called "uni", and later in 1966, began manufacturing and selling the pencils called "Hi-uni". Currently, the Plaintiff also manufactures and sells pencils called "uni star" (Exhibits Ko 1, 2).

(C) The Plaintiff's Product ("uni", "Hi-uni", and "uni star") bears the color pertaining to the Applied Trademark as the base color for the most part of the six sides of a pencil. A black color (for "uni" and "uni star") or a black color and a gold color (for "Hi-uni") are placed at the rear-end portion of a pencil. On one side of the six sides of a pencil, gold pattern letters such as "MITSU-BISHI", "uni", "Hi-uni", and "uni☆star" are engraved (Exhibits Ko 47, 48, 148 to 150).

(D) Since the latter half of the 1950s, the Plaintiff or the Plaintiff's Products have been featured in articles in many newspapers, magazines, TV programs, and websites, and in events and the like, and the Plaintiff's Product bearing the Applied Trademark has likewise been advertised (Exhibits Ko 2 to 29, 36, 37, 39 to 43, 114 to 121, 124, and 133).

(E) In 2015, the Plaintiff's share in the market for pencils was 53.7%, and the share held by Tombow Pencil Co., Ltd. in the same year was 27.4%, coming in second

after the Plaintiff (Exhibit Ko 35). According to the sales results of the Plaintiff's Product during the period from 2001 until 2015, the number of "uni" pencils that were shipped out each year was between approximately 12 million and 15 million, and the number of "Hi-uni" pencils sold each year was between approximately 2 million and 2.7 million (Exhibits Ko 93 and 94).

(F) In October 2018, the Plaintiff commissioned Coex Co., Ltd. to carry out a Survey as follows (Exhibit Ko 107).

a. Target

(a) Parents having children who use pencils (mothers between the ages of 20 and 59)

(b) Individuals who personally use pencils (males and females between the ages of 20 and 69)

b. Number of responses collected 1,200 samples (100 male respondents and female respondents, respectively, who are in their 20s, 30s, 40s, 50s, and 60s (a total of 1,000 individuals), as well as 200 respondents who are mothers)

c. Survey method: First, the color that is equivalent to what is indicated under 1 of the attached Description of Trademark was shown to the respondents as a "color image of the Azuki color". Next, respondents were asked to answer the following question: "The image shown earlier is a color that is used for a particular brand of pencils. What is the name of the brand that came to your mind when you saw the image? Write down your answer freely in the column provided below."

d. Result of responses: From among the respondents, 43.4% responded that they recalled the Plaintiff's name or its brand name (e.g., Mitsubishi Pencil, uni).

B. Consideration

According to the findings described above, the Plaintiff's Product has been featured in newspaper articles and the like, and has been advertised in various media, for a considerable period of time. As such, it is acknowledged that the Plaintiff's Product (pencils called by the names of "uni", "Hi-uni", or "uni star") has gained a considerable degree of recognition among consumers.

However, as per the above findings, the Plaintiff's Product bears other colors and letters in addition to the Applied Trademark, and when this fact is considered together with the actual situation, as described above in 1 (2), in which the approximate colors of the Applied Trademark such as Bordeaux and burgundy are widely used on writing instruments, including pencils, which are Designated Goods, it is reasonable to acknowledge that the consumers coming in contact with the Plaintiff's Product would not recognize, by looking only at the Applied Trademark, that the

Plaintiff's Product pertains to the Plaintiff's business. Rather, they would recognize that the Plaintiff's Product pertains to the Plaintiff's business by taking in the black color, or the black color and the gold color, which are used in combination with the Applied Trademark, as well as the gold pattern letters such as "MITSU-BISHI", "uni", "Hi-uni", and "uni☆star", which show plainly that the Plaintiff's Product belongs to the Uni Series of Mitsubishi Pencil.

Furthermore, as per the above findings, in a market for pencils, the Plaintiff and Tombow Pencil Co., Ltd. have the market share of over 80% in total. With regard to consumers who are relatively familiar with pencils, it seems likely that they, when questioned in the Survey, would give an answer from a relatively narrow range of possible answers. Nevertheless, to the question of which brand of pencils came to their mind when they saw only the Applied Trademark, not even half of the entire respondents gave answers by recalling the Plaintiff's name or its brand name (e.g., Mitsubishi Pencil, uni). Given the foregoing, it must be said that, even if the target is restricted to persons who are relatively familiar with pencils, the number of consumers able to recall the Plaintiff or the Uni Series by looking only at the Applied Trademark is not that many.

To summarize the above, it cannot be acknowledged that the consumers for pencils, which are Designated Goods, have come to recognize, based only on the Applied Trademark which consists solely of a single color, that it is a source indicator pertaining to the Plaintiff.

(3) Summary

As described above, it cannot be said that the Applied Trademark, as a result of its use, has become widely recognizable among consumers as an indicator for goods pertaining to the Plaintiff's business, and has acquired distinctiveness for the goods or services as a result of such use. As such, without having to determine whether or not there are acceptable circumstances, from the viewpoint of the public's interest, to allow the Plaintiff to exclusively use the Applied Trademark, the Court cannot approve that the Applied Trademark falls under the trademark stipulated in Article 3, paragraph (2) of the Trademark Act ("if, as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person"). There is no error with the Decision which was rendered with the same purport as the above.

3. Plaintiff's arguments

(1) The Plaintiff argues that the Applied Trademark is a unique color selected

by the Plaintiff, and that, since it is inconceivable that a business operator of good faith, other than the Plaintiff, would use the color by accident, the Applied Trademark functions as an indicator that distinguishes one's goods from those of others.

However, the background to the Plaintiff's selection of the trademark (color), which consists solely of a single color, and the fact that there is no one who uses the trademark, which is identical to the trademark concerned, for certain designated goods and designated services, are not directly related to the question of whether or not the trademark concerned serves the function as an indicator for goods or services. As such, the Plaintiff's above argument cannot be accepted. (The Plaintiff also argues that in order to say that the Applied Trademark lacks distinctiveness, it is necessary for the same trademark as the Applied Trademark to have been already used for Designated Goods as the color of the goods concerned. However, this is merely the Plaintiff's own view and cannot be accepted.)

(2) The Plaintiff (i) has had the Applied Trademark featured in a number of articles in newspapers and magazines and the like, and (ii) has had the Plaintiff's Product, which uses the Applied Trademark, advertised in newspapers and TV and the like over the years, and (iii) has a very large share in the market for pencils, and a large number of the Plaintiff's Product that uses the Applied Trademark are sold in a great many shops all over Japan, and (iv) the Unrelated Trademarks 1 and 2 are registered trademarks. Given these circumstances, the Plaintiff argues that the Applied Trademark has functioned as an indicator of distinctiveness as a famous trademark.

However, while the points made above in (i) to (iii) provide the basis for the fact that the Plaintiff's Product has a considerable degree of recognition among consumers, as described above in 2 (2), if the actual circumstances such as the existence of colors other than the Applied Trademark and the letters, which are placed on the Plaintiff's Product, and the fact that approximate colors of the Applied Trademark, including Bordeaux and burgundy, are widely used on writing instruments including pencils, which are Designated Goods, it cannot be said that, even despite the facts mentioned above in (i) through (iii), consumers coming in contact with the Plaintiff's Product would have the recognition, based on the Applied Trademark alone, that said Plaintiff's Product pertains to the Plaintiff's business. Furthermore, in regard to the point made above in (iv), the Unrelated Trademarks 1 and 2 both consist of the combination of the color pertaining to the Applied Trademark and other colors, and are such that they specify said colors and color combinations (Exhibits Ko 137 and 138), so that they are considerably different from the Applied Trademark, which

consists solely of a single color without an outline. As such, the fact that the Unrelated Trademarks 1 and 2 have been granted registration does not provide basis for the argument that the Applied Trademark has distinctiveness on its own.

Give the above, the Plaintiff's arguments above cannot be accepted.

(3) The Plaintiff argues that the Applied Trademark, which consists of the "uni color", is a direct indication that the goods pertain to the Plaintiff's business, and that since it is particularly famous, it serves as an indicator of distinctiveness.

Certainly, as described above in 1 (1) B, the "DIC-2251" (the Applied Trademark) which is recorded in "DIC Color Guide Part 2 (ver. 4) Vol. 5" indicates the color name as "uni", and the website of "Bunguno Kogaya" indicates, as an explanation of goods for the "uni pencil holder", the following: "The axial part of the main body uses real wood, and is decorated with the arranged original color (so-called "uni color"), or the image color of "uni", along with "black" and "gold" colors." (Exhibit Ko 29). Although the color pertaining to the Applied Trademark is sometimes called "uni color", when the explanation provided above in 2 (2) is taken into consideration, it is difficult to say that consumers are able to recognize, based only on the "uni color", that the pencils, which are Designated Goods, pertain to the business of the Plaintiff. As such, the Plaintiff's above argument cannot be accepted.

(4) The Plaintiff argues that consumers coming in contact with the goods (pencils), on which the Applied Trademark is used, recognize the source of the goods based not on the letter trademark that is placed on the narrow part of the goods, but that they recognize the source of the goods based on the Applied Trademark, which constitutes a majority of the goods, and thus, given such significance of the Applied Trademark, the Applied Trademark possesses distinctiveness.

However, when the actual situation is taken into consideration; namely, the existence of colors other than the Applied Trademark as well as the letters, which are placed on the Plaintiff's Product (said letters plainly show that the Plaintiff's Product belongs to the Uni Series of Mitsubishi Pencil), and the fact that approximate colors of the Applied Trademark, including Bordeaux and burgundy, are widely used on writing instruments that include pencils, which are Designated Goods, consumers coming in contact with the Plaintiff's Product would not be able to acknowledge, based only on the Applied Trademark, that said Plaintiff's Product pertains to the business of the Plaintiff, as explained above, and this is not something that is influenced if the area covered by the color pertaining to the Applied Trademark is greater than the area covered by other colors on the surface of the Plaintiff's Product (pencil). (Based on the evidence (Exhibits Ko 47, 48, 148 to 150), it cannot be said

that the letters placed on the Plaintiff's Product are not eye-catching to consumers.)

As such, the Plaintiff's above argument cannot be accepted.

(5) The Plaintiff argues that the fact that there are counterfeit goods of the Plaintiff's Product means that the Applied Trademark has served the function as an indicator of distinctiveness.

However, the counterfeit goods as claimed by the Plaintiff (Exhibits Ko 109, 110) are not goods that consist only of the color pertaining to the Applied Trademark, or the approximate colors thereof, placed on the surface of the pencil, but instead, said goods have a belt-like black color placed thereon or gold pattern letters placed thereon, so that it cannot be said, based only on the existence of such counterfeit goods, that the color pertaining to the Applied Trademark possesses distinctiveness in itself. As such, the Plaintiff's above argument cannot be accepted.

(6) The Plaintiff argues that since the JPO exhibited, as a sample of the Unrelated Trademark 1, a pencil (uni star) that does not fall under a sample of the Unrelated Trademark 1, the JPO, too, acknowledged that, based mostly on the Applied Trademark, the pencil constitutes goods that pertain to the Plaintiff's business. However, even if the JPO made such mistake as claimed by the Plaintiff, it does not mean that the color pertaining to the Applied Trademark possesses distinctiveness in itself. As such, the Plaintiff's above argument cannot be accepted.

4. Conclusion

From what is described above, the grounds for rescission of the JPO decision, as claimed by the Plaintiff, are unreasonable, and thus the Plaintiff's claim for rescission is groundless.

Intellectual Property High Court, Second Division

Presiding judge: HONDA Tomonari

Judge: ASAI Ken

Judge: NAKAJIMA Tomohiro

(Attachment)

Description of Trademark

1. The trademark for which an application for registration is filed (As per the original of the application for trademark registration (Trademark Application 2015-29864).)



2. Detailed explanation of the trademark

The trademark for which an application for registration has been filed consists solely of "DIC Color Guide Part 2 (ver. 4) 2251".

End of document

(The attachment of the Decision is omitted)