

Trademark Right	Date	November 11, 2024	Court	Intellectual Property High Court, Fourth Division
	Case number	2024 (Gyo-Ke) 10028		
<p>- A case in which the court determined that the Trademark comprised of standard letters of characters "AWG 治療" is identical to the cited trademark and the designated services of the Trademark and designated services of the cited trademark are similar so that the Trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act, and the court rescinded the trial decision to the effect that the request for trial for invalidation of trademark registration is groundless since the goods and services in question are not similar to those of the cited trademark</p>				

Case type: Rescission of Trial Decision of Invalidation

Result: Granted

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

Trial decision: Invalidation Trial No. 2023-890053

Summary of the Judgment

1. This case is a lawsuit to seek rescission of a decision made by the Japanese Patent Office (JPO) to the effect that a request for a trial for invalidation of a trademark registration is groundless since the Trademark does not fall under Article 4, paragraph (1), item (xi) of the Trademark Act.

The JPO determined that [i] the Trademark and the cited trademark are identical in appearance and have a common pronunciation; and that [ii] the "lending of medical apparatuses and instruments" (Designated Service: the lending of medical apparatuses and instruments) from among the designated services of the Trademark and "medical apparatuses and instruments other than walking aids, and crutches" (Designated Goods: medical apparatuses and instruments) of the cited trademark are different in terms of the manufacturer, seller, and provider, intended use, place of sale, and place of provision; even if part of the scope of consumers is the same, they are different, when comprehensively taking into consideration the actual circumstances of general and constant transaction together; and therefore, the Trademark does not fall under Article 4, paragraph (1), item (xi) of the Trademark Act (JPO Decision).

2. In this judgment, the court determined, as stated below, that the Designated Services, the "lending of medical apparatuses and instruments," and the Designated Goods, "medical apparatuses and instruments," are found to be similar goods and services, and that the Trademark falls under Article 4, paragraph (1), item (xi) of the Trademark Act.

Ruling that the JPO Decision that determined that they are not similar contains an error, the court rescinded the JPO Decision.

(1) Similarity of the goods and services specified in Article 4, paragraph (1), item (xi) of the Trademark Act should be determined, when an identical or similar trademark is used for these goods or services, by considering whether they are in a relationship where said goods and services may be misidentified by traders and consumers to be goods and services manufactured, sold or provided by an identical business body. In concrete terms, it is reasonable to make a determination in consideration of the following points comprehensively: existence and degree of actual circumstances where goods are manufactured and sold and services are provided by an identical business operator; commonality of intended use of goods and services; identicalness of the place of sale of goods and the place of provision of services; and overlapping status of consumers of goods and services, etc.

(2) The Designated Services, the "lending of medical apparatuses and instruments," and the manufacturing and selling of the Designated Goods, "medical apparatuses and instruments," are often conducted by an identical business operator. In many cases, their intended use is the same and the place of sale of goods and the place of provision of services are identical. The scope of consumers substantially overlaps. In consideration of these actual circumstances of transactions, in cases of using a trademark with the same configuration for the Designated Services, the "lending of medical apparatuses and instruments," and the Designated Goods, "medical apparatuses and instruments," they may be misidentified by traders and consumers to be goods and services manufactured, sold or provided by an identical business body.

(3) If the registration of the Trademark is effective, it is usually natural to find that the lending (naturally including "delivery") of medical apparatuses and instruments by affixing the trademark of "AWG 治療" constitutes the use of the trademark related to the Trademark and the scopes where the trademark right is effective may overlap or conflict. Based on the above, it is appropriate to determine that the Designated Services, the "lending of medical apparatuses and instruments," and the Designated Goods, "medical apparatuses and instruments," are similar.

Judgment rendered on November 11, 2024

2024 (Gyo-Ke) 10028 Case of seeking rescission of the JPO decision

Date of conclusion of oral argument: September 25, 2024

Judgment

Plaintiff: G-WAVE CO., LTD.

Defendant: Hauru Kabushiki Kaisha

Main text

1. The portion of the trial decision made by the Japan Patent Office (hereinafter referred to as the "JPO") on February 8, 2024 concerning Invalidation Trial No. 2023-890053 related to the designated services of "rental of medical apparatuses and instruments" of Trademark Registration No. 6320554 shall be rescinded.
2. The Defendant shall bear the court costs.

Facts and reasons

[Abbreviations]

The following abbreviations are used in this case.

- The Trademark: The following trademark related to Trademark Registration No. 6320554 (trademark holder: the Defendant)
 - Configuration of the trademark: A trademark comprised of standard letters of characters "AWG 治療 (AWG Treatment)"
 - Designated services: The services stated in No. 2, 1. (1) below, including Class 44 "rental of medical apparatuses and instruments."
 - Applied for registration on October 21, 2019, and obtained a registration of establishment on November 25, 2020
- Cited Trademark: The following trademark related to Trademark Registration No. 6217436 (trademark holder: the Plaintiff)
 - Configuration of the trademark: A trademark comprised of standard letters of characters "AWG 治療 (AWG Treatment)"
 - Designated goods: Class 10 "medical apparatuses and instruments (other than "walking aids and crutches"), electric massage apparatus for household purposes"
 - Applied for registration on April 25, 2019, and obtained a registration of establishment on January 17, 2020
- "Rental of medical apparatuses and instruments" in the designated services of the Trademark is referred to as the Designated Services, "Rental of Medical Apparatuses

and Instruments," and "medical apparatuses and instruments (other than "walking aids and crutches")" in the designated services of the Cited Trademark is referred to as the Designated Goods, "Medical Apparatuses and Instruments."

No. 1 Claim

Same as the main text.

No. 2 Outline of the case

1. Outline of procedures at the JPO (There are no disputes between the parties.)

(1) ASIAS Corp. filed an application for registration of the Trademark with the following designated services on October 21, 2019, and obtained a registration of establishment on November 25, 2020, after going through the registration examination on November 17, 2020.

- Class 41: "Educational and instruction services relating to arts, crafts, sports or general knowledge; arranging, conducting and organization of seminars; providing electronic publications; arranging, conducting, or providing qualifying examinations; services of reference libraries for literature and documentary records; book rental; publication of books; production of radio or television programs; production of videotape film in the field of education, culture, entertainment or sports (not for movies or television programs and not for advertising or publicity); providing sports facilities; rental of records or sound-recorded magnetic tapes; rental of image-recorded magnetic tapes; rental of books; photography; rental of film negatives; and rental of reversal film"

- Class 44: "Beauty salon services; barbershops; providing bath houses; massage and therapeutic Shiatsu massage; chiropractic; moxibustion; treatment for dislocated joints, sprains, bone fractures [judo-seifuku]; bodywork therapy; acupuncture; providing medical information; physical examination; providing information on preparation and dispensing of medications; dietary and nutritional guidance; rest home services, rental of medical apparatuses and instruments; and rental of apparatuses and instruments for use in beauty salons or barbers' shops"

(2) ASIAS Corp. transferred the trademark right related to the Trademark to the Defendant on August 29, 2022.

(3) The Plaintiff requested a trial for invalidation of trademark registration on June 30, 2023, on the grounds of falling under Article 4, paragraph (1), item (xi) of the Trademark Act with regard to Class 44 "massage and therapeutic Shiatsu massage; chiropractic: moxibustion; treatment for dislocated joints, sprains, bone fractures [judo-seifuku]; bodywork therapy; acupuncture; and rental of medical apparatuses and instruments" from among the designated services for the Trademark.

The JPO examined the appeal as a case of Invalidation Trial No. 2023-890053 and

made the decision that "the examiner's decision of refusal is maintained" (hereinafter referred to as the "JPO Decision") on February 8, 2024. A certified copy of the decision was served upon the Plaintiff on February 19, 2024.

(4) The Plaintiff filed this lawsuit to seek rescission of the JPO Decision on March 19, 2024, and subsequently changed the appeal to change (restrict) the purport of the claim to the main text.

2. Summary of the grounds for the JPO Decision

Among the grounds for the JPO Decision, a summary of the part related to the claim in this lawsuit (related to the "rental of medical apparatuses and instruments" in the designated services of the Trademark) is as stated below. The Trademark and the Cited Trademark are identical or similar; however, the designated goods and designated services of both trademarks are not similar goods and services. Therefore, the Trademark does not fall under Article 4, paragraph (1), item (xi) of the Trademark Act.

(1) Similarity between the Trademark and the Cited Trademark

The Trademark and the Cited Trademark are identical in appearance and have the common pronunciation of "eidaburyujii chiryo." Therefore, although their concepts cannot be compared (no specific concepts generated), they are similar trademarks that may cause confusion.

(2) Similarity between the Designated Services, "Rental of Medical Apparatuses and Instruments" and the Designated Goods, "Medical Apparatuses and Instruments"

A. When identical or similar trademarks are used for the designated goods or the designated services related to both trademarks whose similarity is to be determined based on circumstances such as where the goods or services are usually manufactured, sold, or provided by the same business body, the similarity of goods or services should be determined by considering whether they are in a relationship where said goods or services may be misidentified as goods and services manufactured, sold, or provided by the same business body. In this case, it is reasonable to make a decision by comprehensively considering, for example, whether it generally can be said that the goods are manufactured and sold and the services are provided by the same business operator, whether the intended use of the goods and services are identical, whether the place for selling said goods and the place for providing said services are identical, and whether the scope of consumers is identical.

B. Business operators

Evidence submitted by the petitioner (Exhibits Ko 5 through 7 in the trial; Exhibits Ko 7 through 9 in this trial; evidence with branch numbers includes branch numbers; the same applies hereinafter) only explains the status of the Japan Medical Industry

Association, which is a group in the industry handling medical apparatuses and instruments. Therefore, the evidence does not represent the general tendency of business operators handling medical instruments. Based on the above, it cannot be said that business operators related to the Designated Services, "Rental of Medical Apparatuses and Instruments," and business operators related to the Designated Goods, "Medical Apparatuses and Instruments," are identical, and that business operators providing the Designated Services, "Rental of Medical Apparatuses and Instruments," and business operators manufacturing and selling the Designated Goods, "Medical Apparatuses and Instruments," are always identical.

C. Intended use

The essence of "Rental of medical apparatuses and instruments" is to rent articles (medical apparatuses and instruments) at the request of another person. Its intended use is "for the rental of medical apparatuses and instruments." On the other hand, the intended use of "medical apparatuses and instruments" is the "medical" goods themselves. Therefore, these intended uses are not always identical.

D. Place for providing services and place for selling goods

In general, medical apparatuses and instruments are sold by a company, etc. that is a manufacturer having obtained a license for marketing. On the other hand, medical apparatuses and instruments are leased and rented by a company that has obtained a license for the rental of medical apparatuses and instruments. Based on these circumstances, the place for selling goods and the place for providing services are not always identical.

E. Scope of consumers

Consumers of the Designated Goods, "Medical Apparatuses and Instruments," include not only hospitals, clinics, and other medical institutions, but also general customers, etc. Consumers of the Designated Services, "Rental of Medical Apparatuses and Instruments," are understood to be hospitals, clinics, and other medical institutions that use the leasing and rental services. Based on these circumstances, there are cases where part of the scope of consumers for said goods and services is identical.

F. Based on the above, concerning the Designated Services, "Rental of Medical Apparatuses and Instruments," and the Designated Goods, "Medical Apparatuses and Instruments," manufacturers, sellers, and providers, intended use, and the place for selling goods and the place for providing services are different. Even if part of the scope of consumers is identical, in consideration of the actual circumstances of general and constant transactions together, said services and goods are different. Consequently, the designated goods and designated services of both trademarks are not similar goods and

services without the possibility of causing misidentification and confusion even if identical or similar trademarks are used therefor.

3. Grounds for rescission

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

No. 4 Decision of this court

1. Determination method as to the similarity of trademarks

The similarity of the goods and services specified in Article 4, paragraph (1), item (xi) of the Trademark Act should be determined, when an identical or similar trademark is used for those goods or services, by considering whether they are in a relationship where said goods and services may be misidentified by traders and consumers as goods and services manufactured, sold, or provided by the same business body (the judgment of the Third Petty Bench of the Supreme Court on June 27, 1961; Minshu Vol. 15, No. 6, at 1,730). In concrete terms, it is reasonable to make a determination in consideration of the following points comprehensively: the existence and degree of actual circumstances where goods are manufactured and sold and services are provided by the same business operator; the commonality of intended use of goods and services; the identicalness of the place for selling goods and the place for providing services; and overlapping status of consumers of goods and services, etc.

2. The aforementioned elements for consideration

(1) Business operators

A. According to the evidence (Exhibits Ko 12 through 21, 44, 52, and 54 through 57), it is found that many medical instrument manufacturers, etc., including the following, engage in both manufacture/sale and rental (rental and lease) of medical apparatuses and instruments: ASIAs Corp., NIHON MEDIX CO., LTD., FUKUDA DENSHI CO., LTD., IMI CO., LTD., Kabushiki Kaisha Sanshodo, Sakura Medical Kabushiki Kaisha, CENTRAL MEDICAL co., ltd., GM MEDICAL CO., LTD., Nambu co., ltd., Nakajima Medical Supply Co., Ltd., KONICA MINOLTA, INC., RF Co., Ltd., OMRON HEALTHCARE Co., Ltd., MITSUI-ONNETSU Co., Ltd., Ito Co., Ltd., etc.

In addition, concerning CANON MEDICAL SYSTEMS CORPORATION (manufacture and sale) and Canon Medical Finance Co., Ltd. (Lease) (Exhibit Ko 50), and PARAMOUNT BED CO., LTD (manufacture and sale) and PARAMOUNT CARE SERVICE CO., LTD. (rental) (Exhibit Ko 53), they are affiliated companies engaging in business using an identical house-mark, and their consumers include general consumers, who are not considered to be very interested in the difference in said

corporate status between affiliated companies (see (4) below). In consideration of these circumstances, their cases are equivalent to "cases where goods are manufactured and sold and services are provided by the same business operator."

In this regard, the Defendant argued that "the same business operator" refers to the same business operator that causes confusion by a narrow definition and the parent and subsidiary companies and affiliated companies, etc. are not included. However, it is common for company business strategies to use corporate statuses where a specific business division is spun off into a separate company or a holding company supervises multiple business companies under its umbrella, etc., while using the same brand (in particular, the same house-mark) for the purpose of developing diversified businesses smoothly, etc. In such case, if a business is developed formally by a different corporation, it is not construed to be uncommon for external third party (in particular, general consumers) to recognize it as a business operated by the same business body. The possibility of misidentification of the business body related to the goods and services that are stated in 1. above should be determined based on the recognition of traders and consumers. Therefore, in "cases where it is no wonder that a business developed by a different corporation is recognized as being a business operated by the same business body" due to the aforementioned reasons, it is reasonable to deem it to be equivalent to "cases where goods are manufactured and sold and services are provided by the same business operator."

The aforementioned argument of the Defendant in this regard overlooked the fact that the possibility of misidentification of the business body related to the goods and services should be determined based on the recognition of traders and consumers, and therefore, cannot be accepted.

B. Next, according to the evidence (Exhibits Ko 7 through 9), in the Japan Medical Industry Association, which is a group with member companies engaging in the manufacture, sale, rental, etc. of medical apparatuses and instruments, it is found that there are 77 companies that have a license, etc. for marketing or for the selling or renting of medical apparatuses and instruments, including 53 companies (68.8%) that have licenses, etc. for both the marketing and the selling and renting. As many as approximately two-thirds of those companies engaging in the manufacture and sale, can also engage in the rental business.

In this regard, according to Exhibit Ko 43, it is found that the number of licenses granted for marketing of medical instruments was 2,799 at the end of fiscal year 2020, but it cannot be said that the 77 target companies out of the member companies of said association are too small as a sample size. In addition, no circumstances are seen where

the difference in being a member company or non-member company of the Japan Medical Industry Association causes a substantial difference in the percentage of obtaining licenses for selling and renting of medical apparatuses and instruments. Then, it cannot be denied for the aforementioned trend that many business operators engaging in the marketing of medical instruments also have a license for the rental business based only on the difference in the parameters of the company group subject to the comparison.

In addition, according to the evidence (Exhibits Ko 10 and 42), in the forms of "Application for a license for marketing/renting of specially controlled medical devices" (Form No. 87) and "Notification of the marketing/renting businesses of controlled medical devices" (Form No. 88) used by the Tokyo metropolitan government, the default pattern is to file an application for licenses and/or notification of the "marketing" and "renting" businesses in one document. It is found that there is a cautionary statement in sample entries that "If you engage in either" the marketing or renting business, "please delete unnecessary letters." This is understood to show the actual status where there are many cases where an application for licenses or notification of both the marketing and renting businesses of medical instruments.

C. In addition, the Defendant pointed out that major manufacturers of medical apparatuses and instruments (Exhibit Ko 33) and major business operators providing leasing services of medical apparatuses and instruments (Exhibits Ko 35 and 36) or business operators providing rental services thereof (Exhibit Ko 37) are not identical in Japan, and argued that it is not widespread for the same business operator to engage in both the manufacture and sale of apparatuses and instruments and the rental of apparatuses and instruments.

However, major business operators in the industry are selected only by various standards of company business activity sizes (sales volume, etc.) and the contents of goods and services. Even if a business operator engages in both the marketing and renting, on which business it places focus naturally differs depending on each company's business strategy, etc. Therefore, it cannot be asserted that there are only a small number of business operators engaging in both the marketing and rental businesses immediately based on the fact that major companies in the marketing business and major companies in the renting business are not identical.

(2) Intended use

Rental of medical apparatuses and instruments refers to renting the apparatuses and instruments at the request of another person (Exhibit Ko 34). The act of renting refers not only to engaging in the act of renting out, but also naturally to intending to have consumers use the apparatuses and instruments (see Article 601 of the Civil Code).

Therefore, the intended use of the rental is the use of the medical apparatuses and instruments for medical purposes, and it is common to the intended use of the Designated Goods, "Medical Apparatuses and Instruments."

(3) Place for providing services and place for selling goods

As mentioned above, in consideration of the circumstances of transactions where many business operators engaging in the manufacture and sale of medical apparatuses and instruments are also engaging in the rental business at the same time and where business operators accept applications and inquiries by establishing their websites and give explanations on selling and renting together (Exhibits Ko 68 through 71), the place for selling medical apparatuses and instruments and place for providing rental services are found to be the location of a business office of each company and their website on the internet (identical website), etc. Based on the above, it can be said that the place for providing services and the place for selling goods are identical in many cases for the Designated Services, "Rental of Medical Apparatuses and Instruments," and the Designated Goods, "Medical Apparatuses and Instruments."

On the other hand, the Defendant argued that since everything is rented or sold on websites on the internet in today's society, it is ridiculous to say that the place for providing services is identical because the sale of goods and provision of services are also conducted on websites on the internet in this case. However, the identicalness of the place for providing services and place for selling goods are deemed to be independent elements for consideration when determining the similarity of goods and services, in addition to the existence and degree, etc. of actual circumstances where the manufacture and sale of goods and the provision of services are conducted by the same business operator. This is because there is a case where goods and services are handled by the same business operator, but the business operator adopts totally different operation styles between the relevant goods and services. Different from such case, if the same business operator engages in the businesses of both the sale of goods and the provision of services on the same website, such as their own website, etc., it is natural to consider such circumstances in the direction of affirming the similarity of the goods and services. The aforementioned argument of the Defendant is groundless.

(4) Scope of consumers

There are no disputes between the parties that the Designated Goods, "Medical Apparatuses and Instruments," are not limited to those used by medical institutions, but also include those used at general homes depending on individuals' health conditions, and that consumers thereof are not only medical institutions, but also include general consumers, etc. In addition, according to the evidence (Exhibits Ko 48, 53, 56, and 57),

it is also found that there are cases where a wide range of general consumers (users) are presumed for the Designated Services, "Rental of Medical Apparatuses and Instruments," and therefore, the consumers of both goods and services substantially overlap.

On the other hand, the Defendant argued that the medical apparatuses and instruments subject to rental are entirely expensive apparatuses and instruments and their consumers are limited to business operators, i.e., medical institutions. It is not difficult to imagine that there are relatively more expensive medical apparatuses and instruments that are subject to rental than those subject to sale. There may be relative differences in the scope of consumers in association thereto. However, it is true that there are cases where the rental services of medical beds, home therapy equipment, rehabilitation equipment, etc. are handled in advertisements for general consumers (Exhibits Ko 53, 56, and 57). The Defendant's argument that consumers of the Designated Services, "Rental of Medical Apparatuses and Instruments," are "limited to medical institutions" must be an extreme argument that is not based on evidence.

Eventually, although there is a relative difference in the scope of consumers of the Designated Services, "Rental of Medical Apparatuses and Instruments," and the Designated Goods, "Medical Apparatuses and Instruments," it should be said that their consumers substantially overlap in that the scope includes medical institutions and general consumers, etc.

(5) Summary

Based on the above, there are many cases where the Designated Services, "Rental of Medical Apparatuses and Instruments," and the manufacture and sale of the Designated Goods, "Medical Apparatuses and Instruments," are conducted by the same business operator, their intended use is common, and there are many cases where the place for selling goods and place for providing services are identical, and the scope of consumers substantially overlaps. In consideration of the actual circumstances of transactions, in cases of using a trademark with the same configuration ("AWG 治療") for the Designated Services, "Rental of Medical Apparatuses and Instruments" and the Designated Goods, "Medical Apparatuses and Instruments," they may be misidentified by traders and consumers as goods and services manufactured, sold or provided by the same business body.

The Designated Goods, "Medical Apparatuses and Instruments" exclude "walking aids and crutches" and it is different from the Designated Services, "Rental of Medical Apparatuses and Instruments," where walking aids and crutches are not excluded. However, this difference does not have an impact on determining the similarity of the

goods and services.

3. Adverse effects from the perspective of the effects of the trademark right

The Plaintiff is a trademark right holder of the Cited Trademark related to the prior application. If a third party delivers medical apparatuses and instruments after affixing the trademark, "AWG 治療," the Plaintiff is able to exercise the prohibitive right due to infringement of the trademark right (Article 36, Article 37, item (i), and Article 2, paragraph (3), item (ii) of the Trademark Act). However, if the registration of the Trademark is effective, it is commonly natural to find that the act of renting medical apparatuses and instruments after affixing the trademark, "AWG 治療," (naturally including "delivery") is the use of a trademark related to the Trademark (Article 2, paragraph (3), item (iii) of the Trademark Act) and the scope where the trademark right is effective may overlap or come into conflict. Causing said situation is not preferable from the perspective of consistent interpretation of the Trademark Act as a whole, although the issue of the scope of the right and the issue of requirements for registration are logically different issues. Based on the aforementioned reasons, it is appropriate to determine that the Designated Services, "Rental of Medical Apparatuses and Instruments," and the Designated Goods, "Medical Apparatuses Instruments" are similar.

4. Conclusion

Based on the above, the Designated Services, "Rental of Medical Apparatuses and Instruments," and the Designated Goods "Medical Apparatuses and Instruments," are found to be similar goods and services. Different from the above, there are errors in the JPO Decision where the JPO determined that the Trademark does not fall under Article 4, paragraph (1), item (xi) of the Trademark Act on the assumption that the aforementioned goods and services are not similar, and there are grounds for the claim of the Plaintiff. Consequently, the JPO Decision shall be rescinded and the judgment is rendered as indicated in the main text.

Intellectual Property High Court, Fourth Division

Presiding judge: MIYASAKA Masatoshi

Judge: MOTOYOSHI Hiroyuki

Judge: IWAI Naoyuki