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judgedate

2000.07.11

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caseid

1998 (Gyo-Hi) 85

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reporter

Minshu Vol. 54, No. 6

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casetitle

Judgment concerning Article 4, paragraph (1), item (xv) of the Trademark Act, and a trademark that has the likelihood of confusion in a broad sense

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casename

Case to seek revocation of a trial decision

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caseresult

Judgment of the Third Petty Bench, quashed and decided by the Supreme Court

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court_second

Tokyo High Court, Judgment of May 28, 1998

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summary_judge

1. The scope of "trademark that is likely to cause confusion in connection with the goods or services pertaining to a business of another person" as referred to in Article 4, paragraph (1), item (xv) of the Trademark Act includes a trademark which, when used for its designated goods or services, is likely to cause people to mistake the designated

goods or services as goods or services pertaining to the business of an entity that has a close business relationship with another person, for example, a relationship between a parent company and its subsidiary or affiliated company, or a relationship of members of a group of companies that carry out product development projects under the same indication, or in other words, a trademark that has the likelihood of confusion in a broad sense.

2. Whether or not a trademark is likely to cause confusion as referred to in Article 4, paragraph (1), item (xv) of the Trademark Act should be determined comprehensively in light of factors such as the degree of similarity between the trademark and another person's indication, the degree of well-knownness, fame and creative nature of the other person's indication, and the degree of association between the designated goods or services of the trademark and the goods or services pertaining to the other person's business, as well as the commonality in terms of traders and consumers of goods or services and other circumstances of transactions. Furthermore, such determination should be made on the basis of the level of care that traders and consumers of the designated goods or services of the trademark normally have.

3. A registered trademark consisting of horizontally written katakana characters, "レー ルデュタン" (rērudyutan), for which goods including cosmetic utensils, body ornaments, hair ornaments, bags, and sacks are designated, falls under the category of trademark prescribed in Article 4, paragraph (1), item (xv) of the Trademark Act, given the following circumstances as described in the judgment: the registered trademark is identical in sound with the cited trademark and other trademarks that another company uses as indications for one of its perfumes; the cited trademark, etc. are well-known among traders who deal with perfumes and consumers who are interested in luxury perfumes and they have originality as trademarks, and said designated goods have a very close association with perfumes in terms of their primary use, that is, adorning women; and consumers of the goods related to the registered trademark and those of the goods related to the cited trademark, etc. mostly overlap.

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references

(Concerning 1 to 3) Article 4, paragraph (1), item (xv) of the Trademark Act

Trademark Act

Article 4

(1) Notwithstanding the preceding Article, no trademark shall be registered if the

trademark:

(xv) is likely to cause confusion in connection with the goods or services pertaining to a business of another person (except those listed in items (x) to (xiv) inclusive);

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maintext

The judgment in prior instance is quashed.

The trial decision rendered by the Japan Patent Office on February 24, 1997, with regard to Trial Case No. 1992-12599, is revoked.

The appellee of final appeal shall bear the total court costs.

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reason

Concerning the reasons for petition for acceptance of final appeal argued by the appeal counsel

I. The outline of the facts legally determined by the court of prior instance is as follows.

1. On May 21, 1986, the appellee of final appeal filed a trademark registration application regarding the trademark consisting of horizontally written katakana characters, "レールデュタン" (rêrudyutan), designating the goods in Class 21 "accessories and other similar goods" as prescribed in the appended table of the Order for Enforcement of the Trademark Act (prior to the amendment by Act No. 299 of 1991). This trademark was registered on December 19, 1988 (Registration No. 2099693; hereinafter referred to as the "Registered Trademark").

2. The appellant holds a trademark right for the trademark consisting of horizontally written alphabetical characters, "L'AIR DU TEMPS," for which goods in Class 4 "perfumes and other similar goods" in said appended table are designated (Registration No. 661424; hereinafter referred to as the "cited trademark"). For its perfumes, the appellant uses the trademarks of "L'Air du Temps" and "レール・デュ・タン" (rêru dyutan) (hereinafter collectively referred to as the "Trademarks in Use") as well as the cited trademark. At the time of the filing of the registration application regarding the Registered Trademark, the Trademarks in Use and the cited trademark were famous in Japan among traders who deal with perfumes and consumers who were interested in luxury perfumes as indications of one of the appellant's perfumes.

3. On July 3, 1992, the appellant filed a request for a trial to seek invalidation of the trademark registration in question with regard to some of the goods designated for the Registered Trademark, i.e. "cosmetic utensils, body ornaments, hair ornaments, bags,

sacks," on the grounds of violation of Article 4, paragraph (1), item (xv) of the Trademark Act (Trial No. 1992-12599).

4. On February 24, 1997, the Japan Patent Office (JPO) rendered a trial decision to dismiss the claim in the appellant's request for a trial (hereinafter referred to as the "JPO Decision").

II. In this case, the appellant seeks revocation of the JPO Decision. Given the facts mentioned above, the court of prior instance dismissed the appellant's claim, holding as follows.

At the time of the filing of the registration application regarding the Registered Trademark, although the Trademarks in Use and the cited trademark were famous in Japan among traders who deal with perfumes and consumers who were interested in luxury perfumes as indications or marks for specific goods for one of the appellant's perfumes, they cannot be deemed to have been known and famous among the general public. In addition, since the Registered Trademark cannot be considered to have the same sound as the cited trademark, it cannot be deemed to be likely to cause confusion as to the source of goods.

III. However, we cannot affirm the holding of the court of prior instance mentioned above, on the following grounds.

1. It is appropriate to construe that the scope of "trademark that is likely to cause confusion in connection with the goods or services pertaining to a business of another person" as referred to in Article 4, paragraph (1), item (xv) of the Trademark Act includes not only a trademark which, when used for its designated goods or services, is likely to cause people to mistake these goods or services as another person's goods or services, but also a trademark which is likely to cause people to mistake the designated goods or services as goods or services pertaining to the business of an entity that has a close business relationship with such other person, for example, a relationship between a parent company and its subsidiary or affiliated company, or a relationship of members of a group of companies that carry out product development projects under the same indication (hereinafter such likelihood is referred to as "likelihood of confusion in a broad sense"). The purpose of the provisions of said item is to prevent free ride on a well-known indication or famous indication and dilution of such indication and protect a trademark's function of distinguishing the trademark holder's goods from others, thereby ensuring the maintenance of business confidence of persons who use trademarks and protecting the interests of consumers. In light of such purpose, in order to protect legitimate interests of users of well-known or famous indications for goods or services according to changes in corporate forms and markets, as represented by

diversification of corporate management, formation of a corporate group in which member companies are bound together by carrying out product development projects under the same indication, and establishment of famous brands, it is necessary to exclude trademarks that have the likelihood of confusion in a broad sense from the scope of registrable trademarks.

Whether or not a trademark is likely to cause confusion should be determined comprehensively in light of factors such as the degree of similarity between the trademark and another person's indication, the degree of well-knownness, fame and creative nature of the other person's indication, and the degree of association in terms of nature, use or purpose between the designated goods or services of the trademark and the goods or services pertaining to the other person's business, as well as the commonality in terms of traders and consumers of goods or services and other circumstances of transactions. Furthermore, such determination should be made on the basis of the level of care that traders and consumers of the designated goods or services of the trademark normally have.

2. The Registered Trademark is identical at least in sound and similar in appearance when compared with one of the Trademarks in Use, "レール・デュ・タン" (rêru dyu tan). Furthermore, in view of the spelling of the cited trademark and its designated goods, the cited trademark, when pronounced in French, can be deemed to make a sound of "レールデュタン" (rêrudyutan), and thus the Registered Trademark is identical in sound with the cited trademark as well. In addition, the Trademarks in Use and the cited trademark are famous among traders who are dealing with perfumes and consumers who are interested in luxury perfumes as indications of one of the appellant's perfumes, and they have originality as trademarks. Moreover, some of the designated goods of the Registered Trademark which were named in the request for a trial for invalidation, i.e. "cosmetic utensils, body ornaments, hair ornaments, bags, sacks," have a very close association with perfumes in terms of their primary use, that is, adorning women, and hence consumers of these goods mostly overlap. In light of these circumstances, when the Registered Trademark is used for "cosmetic utensils, body ornaments, hair ornaments, bags, sacks," it can be said that the Registered Trademark has the likelihood of confusion in a broad sense among traders and consumers of these goods, that is, it is likely to cause these parties to mistake said goods as those pertaining to the business of an entity that has a close relationship as mentioned above with the appellant. The fact that the Trademarks in Use and the cited trademark are used as marks for specific goods cannot affect this determination, in light of the degree of famous nature of the Trademarks in Use and the close association between the goods of

the Trademarks in Use and those of the Registered Trademark.

IV. On grounds that are contrary to the above, the court of prior instance dismissed the appellant's claim for revocation of the JPO Decision. Such determination involves violation of laws and regulations that apparently affects the judgment. The appeal counsel's arguments are well-grounded as they allege this point, and the judgment in prior instance should inevitably be quashed. According to the explanation given above, the appellant's claim for revocation of the JPO Decision should be upheld.

Therefore, the judgment has been rendered in the form of the main text by the unanimous consent of the Justices.

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presiding

Justice OKUDA Masamichi

Justice CHIKUSA Hideo

Justice MOTOHARA Toshifumi

Justice KANATANI Toshihiro

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note_other

(This translation is provisional and subject to revision.)