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|---|-------------|---------------------|-------|---|
| Trademark Right   | Date        | February 12, 2020   | Court | Intellectual Property High Court, Second Division |
|   | Case number | 2019 (Gyo-Ke) 10125 |       |   |
| <p>- A case in which, concerning an application for registration of a position mark, consisting of three-dimensional shapes of three, almost ring-shaped flames on the ignition part of an oil stove, with the designated goods of "Convection-type oil stoves [space heaters for household purposes]", the court held that the trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act but not under Article 3, paragraph (2) of the same Act.</p> |             |                     |       |   |

Case type: Rescission of Appeal Decision of Refusal

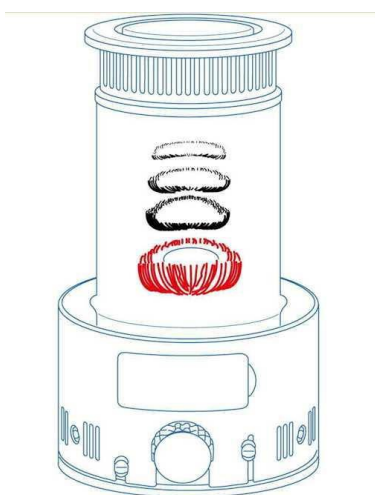
Result: Dismissed

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

Related rights, etc.: Trademark Application No. 2016-9831, Appeal against Examiner's Decision of Refusal No. 2018-7479

### Summary of the Judgment

1. The present case is a lawsuit against the JPO's decision which dismissed the appeal against an examiner's decision of refusal for an application for registration of the position mark below (a position mark consisting of three-dimensional shapes of three, almost ring-shaped flames on the ignition part of an oil stove; the three-dimensional shapes refer to the three, almost ring-like shapes of flames in the upper part of the figure below), and the issue is whether or not Article 3, paragraph (1), item (iii) and Article 3, paragraph (2) of the Trademark Act are applicable.



2. In the judgment of the present case, the court ruled as outlined below and

dismissed the Plaintiff's claims.

- (1) Regarding Reason 1 for Rescission (whether or not Article 3, paragraph (1), item (iii) of the Trademark Act is applicable)

By adopting the "three-dimensional shapes of three, almost ring-shaped flames" (hereinafter referred to as "Applied Shape") of the Applied Trademark, the impression is given that there are four ring-shaped flames inside the combustion tube of a convection-type oil stove, which helps improve the aesthetic impression of the convection-type oil stove, so that the Applied Shape is acknowledged to have been adopted to improve the aesthetic impression. In addition, according to the statement of the Description for the patent of Registered Patent No. 1508319 (hereinafter referred to as "Plaintiff's Patent"), the Applied Shape is acknowledged to have a function of improving the heating effect.

Accordingly, it cannot be said that the Applied Shape is beyond the extent of the prediction that the Applied Shape is adopted for reasons of its function or its aesthetic impression, and it is acknowledged that the Applied Trademark, which is a position mark consisting of the Applied Shape, is a trademark consisting solely of a mark in which the shape of goods or the like is used in a common manner, so that the JPO's decision to the effect that the Trademark falls under the trademark as stipulated in Article 3, paragraph (1), item (iii) of the Trademark Act is accurate.

- (2) Regarding Reason 2 for Rescission (whether or not Article 3, paragraph (2) of the Trademark Act is applicable)

While the consumers of convection-type oil stoves and radiant-type oil stoves are not exactly identical, it is acknowledged that consumers of the two types of oil stoves significantly overlap each other, and the Plaintiff's products account for approximately 2% of the sales share of the open-type stoves with natural aeration (convection-type oil stoves and radiant-type oil stoves), and the share is even lower when considered in relation to all types of oil stoves. Furthermore, given the circumstances; namely, that the number of shipments of oil stoves (Plaintiff's products) that have the shape, which is acknowledged to be the same as the Applied Shape, being shown in the glass part is approximately 29,000 units per year on average and is not very many, and that the Plaintiff's products were advertised on TV only in three programs between October and December 2012, which is very small in number, and that the Plaintiff's products were featured in TV programs only five times, and that it cannot be said that the

number of times the Plaintiff's products were featured in newspapers and magazines is many, and that it cannot be said that the advertisement which Plaintiff made for the Plaintiff's products on websites has great effect, it cannot be acknowledged, even in spite of considering facts such as that the Plaintiff's products have been sold for as long as approximately 30 years, and that there is no product that is shaped like the Applied Shape except for OEM products, and that it can be said that the Applied Shape is relatively unique, that the Applied Trademark is such that a product bearing the Applied Trademark can be recognized as pertaining to the Plaintiff's business.

Therefore, there is no error in the JPO decision that the Applied Trademark does not fall under the trademark as stipulated in Article 3, paragraph (2) of the Trademark Act.

Judgment rendered on February 12, 2020

2019 (Gyo-Ke) 10125 A case of seeking rescission of the JPO decision

Date of conclusion of oral argument: December 17, 2019

## Judgment

Plaintiff: TOYOTOMI CO., LTD.

Defendant: Commissioner of the Japan Patent Office

## Main text

1. Plaintiff's claims shall be dismissed.
2. The court costs shall be borne by Plaintiff.

## Facts and reasons

### No. 1. Claims

The JPO decision rendered by the Japan Patent Office on August 20, 2019 for the Appeal against Examiner's Decision of Refusal No. 2018-7479 case shall be rescinded.

### No. 2. Outline of the case

1. This case is a case in which Plaintiff received the decision of refusal of the trademark application filed by Plaintiff and made a request for an appeal against the examiner's decision of refusal, but the JPO issued a decision that the request was not established and thus, Plaintiff claimed rescission thereof.

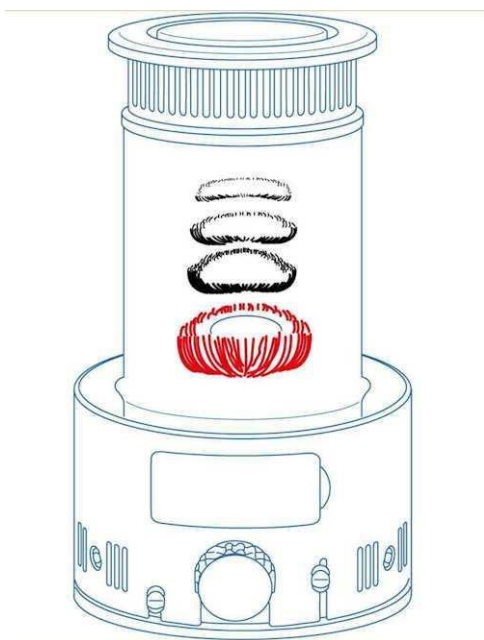
2. Basic facts (facts which are undisputable between the parties and facts found by the set-down evidences and the entire purport of oral argument)

(1) Plaintiff filed an application for trademark registration for the position trademark (Trademark Application No. 2016-9831) below on January 29, 2016 (Exhibit Ko 23, hereinafter, this application shall be referred to as the "Present Application"), but

received a decision of refusal as of February 27, 2018 (Exhibit Ko 28) and thus, made a request for an appeal against the examiner's decision of refusal on June 1 of the same year (Exhibit Ko 29, Appeal against Examiner's Decision of Refusal No. 2018-7479).

Plaintiff amended by procedural amendment as of July 17, 2018 that the designated goods of the Present Application are Class 11 "convection-type oil stoves", and the "detailed description of the trademark" is "the trademark to be granted trademark registration (hereinafter, referred to as the 'trademark') is a position trademark in which a position where the trademark is placed is specified and the trademark is made of a three-dimensional shape of three substantially ring-shaped flames appearing by reflection in a floating state at an interval in a vertical direction on a center area inside a transparent combustion cylinder when a combustion portion of an oil stove is combusted. The three substantially ring-shaped portions indicated in black illustrated in the figure show the three-dimensional shape of the flame appearing by reflection, and the portion indicated in red shows that the combustion portion of the oil stove is combusting. The portions indicated in blue and red show an example of the shape and the like of the oil stove and are not elements constituting the trademark". (Exhibit Ko 31, hereinafter, the designated goods after the amendment shall be referred to as the "Present Designated Goods", and the trademark after the amendment shall be referred to as the "Trademark of the Present Application".)

#### Remarks



(2) The Japan Patent Office rendered the decision for the request for an invalidation trial in the aforementioned (1) that "the present request for a trial is not established." on August 20, 2019 (hereinafter, referred to as the "Present JPO Decision") and a certified copy of this JPO decision was serviced to Plaintiff on the 30th of the month.

### 3. Points of reasons of the Present JPO Decision

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

A. Shapes of goods and the like are employed for the purpose of contribution to functions or an aesthetic impression of the goods and the like in many cases, and it is reasonable to interpret that the shape objectively found to be employed for such purpose falls under Article 3, paragraph (1), item (iii) of the Trademark Act as a trademark made of only marks used in a method of ordinarily using the shape of goods and the like, unless there are special circumstances.

Moreover, the specific shapes of the goods and the like are employed for the purpose of contribution to the functions or the aesthetic impression of the goods and the like, while there is usually a certain degree of selection under the restriction based on the application, and the nature and the like of the goods. However, if the goods and the like of the same type are within a range that can be expected to be a selection of the shape with the reason of the functions or the aesthetic impression, even if the shape has a feature, it should be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act as the shape for the purpose of contribution to the functions or the aesthetic impression of the goods and the like.

Moreover, even in the case of the goods and the like having an outrageous shape that would not be expected by customers, when the shape has been selected exclusively from a viewpoint of function improvement of the goods and the like, it should be considered to fall under Article 3, paragraph (1), item (iii) of the same Act by considering the purport of Article 4, paragraph (1), item (xviii) of the Trademark Act.

B. Plaintiff held the patent of the patent registration No. 1508319 which expired on July 25, 2000 (hereinafter, referred to as "Plaintiff's Patent"), and Figure 1 in the patent gazette publishing Plaintiff's Patent illustrates four images (shapes) expressing an image (shape) of a burning flame inside the heater by dotted shapes (hereinafter, referred to as the "shape of Plaintiff's Patent"), and the shape of Plaintiff's Patent is included in the technical scope of the invention according to Plaintiff's Patent.

And regarding the shape of Plaintiff's Patent, light generated from the burning flame is made to interfere with itself and forms images of many burning flames or red hot bodies colored in each color so that heat waves generated from the burning flame

and the red hot bodies reach from many directions, which improves a heating effect. The images of many burning flames and red hot bodies are extremely beautiful, improve a visual heating effect, and generate an excellent design effect by crossing light and thus, they were employed for the purpose of contribution to the functions or the aesthetic impression of the goods and the like.

The "three-dimensional shape of three substantially ring-shaped flames" of the trademark of the Present Application (hereinafter, referred to as the "Shape of the Present Application") has the position and shape resembling the shape of Plaintiff's Patent and can be considered to be within a range that can be expected to be the selection of the shape for the reason of the functions or the aesthetic impression.

Moreover, the shape of Plaintiff's Patent is included in the technical scope of the invention according to Plaintiff's Patent, has the requirement prescribed in the Patent Act, and was granted an exclusive right and thus, to give protection by the trademark right to the Shape of the Present Application which does not impair identity with the shape of Plaintiff's Patent would generate the result that allows an exclusive right to a specific person semi-permanently beyond the duration of the right pursuant to the Patent Act for the shape of the goods and the like on the basis of a point that the trademark right can be held semi-permanently by repeating renewal of the duration, which falls under unjust restriction on free competition and is contrary to the public interest.

Therefore, the trademark of the Present Application should be considered to fall under Article 3, paragraph (1), item (iii) of the Trademark Act.

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

In 1980, Plaintiff started manufacture and sales of an oil stove on which the shape found to have identity with the Shape of the Present Application is indicated on a glass portion (Hereinafter, referred to as "Plaintiff's Use Goods") and has manufactured and sold Plaintiff's Use Goods throughout approximately 30 years since then until at least 2016, although there were some periods during which the manufacture was stopped.

However, customers' evaluation on the Shape of the Present Application at online shopping sites on the Internet where Plaintiff's Use Goods are sold was on a function of the oil stove, which is to make warm, and good appearance as well as beauty of the oil stove such that "flames are very beautiful", "flames are bright and emit literally pretty rainbow", "visual warmth can be felt by the brightness of the flame", and "flames are reflected in three stages across the glass, and more than several times of warm air can be felt". In view of the facts that the customers see the Shape of the

Present Application simply as the function or ornaments of the stove, and an image of the stove actually being used with flames is run in a catalog of Plaintiff's Use Goods but the Shape of the Present Application is not shown so as to be particularly conspicuous, it cannot be considered that the Shape of the Present Application is recognized to singularly have the function as a mark for identifying a place of origin or cannot be understood as the mark for identifying the place of origin of the claimant only by the Shape of the Present Application.

And Plaintiff asserts that he/she produces and sells Plaintiff's Use Goods in approximately 30,000 units a year recently, but even on the basis of the assertion, the market share of Plaintiff's Use Goods in the entire stove market including convection-type oil stoves can be presumed to be remarkably low.

Moreover, regarding advertisement for Plaintiff's Use Goods, TV CM was broadcasted only for three months from October to December in 2012 during the 30 years. Plaintiff's Use Goods were taken up in a news program approximately 5 times and in advertisements in magazines and newspaper articles and the like in approximately 5 cases, which is not often.

Furthermore, Plaintiff's Use Goods were introduced in moving images, personal blogs, search engines, and the like and won Good Design Award in 2005. But Plaintiff's Use Goods used in these advertisements and the like including the advertisements in TV CM, magazines, and the like are images of the entire Plaintiff's Use Goods; that is, the oil stove, and such a fact is not found that the Shape of the Present Application is used as a mark for identifying its own goods from the others such that the shape portion of the Present Application is shown in a particularly conspicuous mode.

According to the above, it cannot be considered that the trademark of the Present Application has been recognized as a mark for indicating the place of origin of the goods or for identifying its own goods from the others for customers.

Therefore, the trademark of the Present Application does not fall under the trademark in Article 3, paragraph (2) of the Trademark Act.

(omitted)

No. 3 Judgment of this court

1. Reason 1 for rescission

(1) Article 3, paragraph (1), item (iii) of the Trademark Act prescribes that the trademark consisting solely of a mark indicating, in a common manner, in the case of goods, the place of origin, place of sale, quality, raw materials, efficacy, intended



purpose, shape (including shape of packaging. ...), the method or time of production or use or other features, quantity or price, or, in the case of services, the location of provision, quality, articles to be used in the provision, efficacy, intended purpose, modes, method, or features including time, quantity, or price of provision may not be registered. Since the marks set down in the item are marks indicating/describing place of origin, place of sale, and other characteristics of the goods and anyone wants to use them as indication required at transactions and thus, approval of monopolistic use thereof by a specific person is not appropriate in view of public interest, and they are marks which are used in general, lack capability to discriminate one's own goods from those of others, and cannot exercise the function as a trademark in many cases and thus, registration may not be allowed.

The shapes of the goods and the like in the marks set down in the same item are selected for the purpose of more effective exertion of the functions expected for the goods or the like and of making the aesthetic impression of the goods or the like more excellent and the like in many cases, and those used as marks for indicating the origin of the goods/services and identifying one's own goods/services from others' are fewer. And it can be considered that customers also recognize the shapes of the goods or the like as selected for making the functions and the aesthetic impression of the goods conspicuous, unlike the marks shown planarly by characters, figures, signs, and the like and do not recognize those selected for identification of indication of the place of origin in many cases. Moreover, regarding the shapes for the purpose of contribution to the functions or the aesthetic impression of the goods or the like, those involved in the same types of goods or the like want to use the shapes and thus, to allow a specific person to monopolize the shape with the reason only of the prior trademark application is not appropriate in view of the public interest.

Therefore, it is reasonably understood that the shape of the goods or the like is applicable to the same item as the trademark consisting solely of a mark used in a common manner, unless there are special circumstances such that the same type of goods has a shape exceeding a range expected to be employed for the reasons of function or aesthetic impression.

(2) The trademark of the Present Application is the trademark described in the aforementioned No. 2, 2(1) and is a position trademark that specifies a position where the "three-dimensional shape of three substantially ring-shaped flames" (shape of the Present Application) is placed.

And by employing the Shape of the Present Application, since it looks like there are four ring-shaped flames in the combustion cylinder of the convection-type oil

stove, which improves the aesthetic impression of the convection-type oil stove, the Shape of the Present Application was found to be a shape employed for improvement of the aesthetic impression. Moreover, Plaintiff's Patent has the scope of claims that "1. A heater in which a combustion cylinder positioned so as to surround a combustion chamber or a red hot body and constituting an outer shell of the combustion chamber is made having a ring-shaped surface projecting-and-recessed part formed and fabricated by a heat resistant transparent or translucent substance, and metal such as Ti, Zr, Fe or the like or a metal composition film is made to adhere to the surface of this combustion cylinder. 2. A heater described in the first clause of the scope of claims constituted such that light emitted from a burning flame or the red hot body can be seen in multiple layers and in a rainbow-like state by interference and refraction characteristics by the metal film." Moreover, such effects are exerted that "since the combustion cylinder was formed having the ring-shaped surface projecting-and-recessed part, the heat generating/heat-generating portion appears in multiple layers, which is enlarged into a lens state by the projecting-and-recessed portion so that a large flame ring in many layers can be reliably recognized by a viewer. As described above, in this invention, the heat waves at a wavelength which is the most suitable for heating can be favorably transmitted by a simple structure that a metal film or a metal compound film is formed on the transparent or translucent combustion cylinder, and many images of the combustion flames and red hot bodies colored in each color are formed by making the light emitted from the combustion flame interfere with each other by the film so that the heat waves generated from the combustion flames and red hot bodies reach from many directions and are seen. At the same time, the heating effect is improved by the lens effect by the ring-shaped projecting-and-recessed part and moreover, the many images of the combustion flames and the red hot bodies colored in each color are extremely beautiful, improve a visual heating effect, and generate an excellent design effect by crossing light." (fourth paragraph, lines 8 to 24). Since the attached drawing is attached as Figure 1 to the patent gazette, the Shape of the Present Application is found to have the function of improving the heating effect.

Then, the Shape of the Present Application cannot be considered to exceed the range expected to be employed for the reason of the functions or the aesthetic impression, and the trademark of the Present Application which is a position trademark made of the Shape of the Present Application is found to be a trademark consisting solely of a mark using the shape of the goods or the like in a common manner.

Therefore, the trademark of the Present Application should be considered to fall under the trademark pursuant to Article 3, paragraph (1), item (iii) of the Trademark Act.

(3) Plaintiff's assertion

A. Plaintiff asserts that, since trademarks identical or similar to the trademark of the Present Application are not used by the other companies of the same trade, and the Good Design Award was won, the trademark of the Present Application does not fall under the "monopoly not-allowed trademark" or "trademark lacking capability to discriminate one's own goods from the others".

However, the trademark of the Present Application falls under the trademark pursuant to Article 3, paragraph (1), item (iii) of the Trademark Act as described in the aforementioned (2), and the facts asserted by Plaintiff do not affect the aforementioned determination on conformity to the same item.

B. Plaintiff asserts that the trademark of the Present Application is not a physical shape or the shape of a component of an oil stove but it is similar to a pattern and does not fall under the "shape of the goods" in Article 3, paragraph (1) item (iii) of the Trademark Act.

However, as described in the aforementioned (2), it is obvious that the trademark of the Present Application is a position trademark of a three-dimensional shape consisting of three substantially ring-shaped flames. And since the three-dimensional shape falls under the "shape of goods" in Article 3, paragraph (1), item (iii) of the Trademark Act, the three-dimensional shape of the trademark of the Present Application should be considered to also fall under the "shape of goods" of the same item.

(4) As described above, since the judgment of the present JPO decision on the conformity to Article 3, paragraph (1), item (iii) of the Trademark Act has no errors, Plaintiff's assertion on the reason 1 for rescission has no grounds.

2. Reason 2 for rescission

(1) As described in the aforementioned 1, the Shape of the Present Application does not exceed the range expected to be employed for the reasons of the functions or the esthetic impression and thus, the trademark of the Present Application should be considered to be a trademark consisting solely of a mark using the shape of goods or the like in a common manner, but even in the case of such trademark, if it obtains the capability to discriminate one's own goods from others' by use, the trademark can be registered pursuant to Article 3, paragraph (2) of the Trademark Act.

And whether or not the position trademark consisting of a three-dimensional shape as the trademark of the Present Application has obtained the capability to discriminate its own goods from others' by use is reasonably determined by comprehensively considering circumstances such as the shape of the trademark, a use period and a use area thereof, sales quantity of the goods to which the trademark is placed, the period and scale of advertisements thereof, presence of other goods having a shape similar to the shape of the trademark, and the like.

(2) Thus, whether the trademark of the Present Application has obtained the capability to discriminate its own goods from others' by use or not will be examined below.

A. According to the basic facts in the aforementioned No. 2, 2, evidences set down later, and the entire purport of oral argument, each of the following facts is found. The standard time of determination in this case is the time of the present JPO decision and thus, the facts until that time were found.

(A) Oil stoves are classified into an open type, a semi-closed type, and a closed type according to a difference in a method for supplying air required for combustion and a method for ejecting combustion exhaust gas, and the semi-closed type and closed-type oil stoves are fixed and are discriminated from the open-type oil stove capable of being carried.

Open-type oil stoves are classified into a natural ventilation-type oil stove which naturally ventilates warmed air, and a forced ventilation-type oil stove of forced ventilation by using an incorporated blower or the like, but the forced ventilation-type oil stove needs a power supply, which is different from the natural ventilation-type oil stove. The natural ventilation-type oil stoves are classified into a convection-type oil stove and a reflection-type oil stove, and the convection-type oil stove is suitable to be placed at a center of a room, heat is emitted to an upper part, and warm air is naturally circulated by convection so as to warm a wide range of the room, while the reflection-type oil stove is suitable to be placed close to a wall of the room so that the heat is radiated to the front of the equipment and to warm mainly the front of the equipment.

(Exhibit Ko 3-1, 2, Exhibits Ko 34 to 36, Exhibit Ko 60-1,2)

(B) The trademark of the Present Application has the "three-dimensional shape of three substantially ring-shaped flames" (shape of the Present Application) placed above the flame at a center part in the combustion cylinder of the convection-type oil stove.

Plaintiff's Use Goods are a convection-type oil stove in which the Shape of the Present Application appears in use, and the Shape of the Present Application can be

recognized in use, while the Shape of the Present Application cannot be recognized while not in use.

(C) Plaintiff's Use Goods have been manufactured and sold since 1980 with the name of the goods as "Rainbow", and the manufacture/sales has been continued until the present JPO decision, although the manufacture was stopped for a period from 1994 to 2004. There have been no goods having the Shape of the Present Application other than the Plaintiff's Use Goods, except the goods named "Snow Peak rainbow stove" whose production was licensed by Plaintiff and which was sold by Snow Peak Inc.

In the advertisement on the Internet of the aforementioned "Snow Peak rainbow stove", there is no description that the goods were manufactured by Plaintiff, but it has indication of "TOYOTOMI" on the nameplate portion of the goods.

The Sankei News on February 9, 2017 has a description that "'Rainbow stove' which is a limited version of an oil stove of an outdoor brand 'Snow Peak' released last autumn is so popular that even seven units were sold a day at Yodobashi Camera Multimedia Umeda shop, a home-appliance mass merchandise store in Osaka City." and "TOYOTOMI who sells Rainbow stove (omitted)".

(Exhibit Ko 1, Exhibit Ko 8-1, Exhibit Ko 33-2-3, Exhibit Ko 63, Exhibit Otsu 5)

(D) Plaintiff's Use Goods were shipped to all over Japan, and the number of shipped units was 5,642 to 7,574 a year from fiscal 2007 to fiscal 2010, but was between 27,476 to 41,710 a year in fiscal 2011 and after. The annual average number of shipped units from fiscal 2011 to fiscal 2016 is approximately 29,000 (Exhibits Ko 5, Ko 37, Ko 68).

The number of shipped units of the convection-type oil stoves was 70,170 in fiscal 2010 but it rapidly increased to 139,247 in fiscal 2011 and between 99,839 to 168,827 a year in fiscal 2012 and after, and the annual average number of shipped units from fiscal 2011 to fiscal 2018 was approximately 129,000. On the other hand, the number of shipped units of the reflection-type oil stoves was 1,236,036 in fiscal 2010 but it rapidly increased to 2,326,276 in fiscal 2011 and was between 862,969 to 1,829,664 in fiscal 2012 and after, and the annual average number of shipped units from fiscal 2011 to fiscal 2018 was approximately 1,281,000 (Exhibits Ko 6, Ko 38).

Therefore, the average share of units of Plaintiff's Use Goods sold in fiscal 2011 and after is approximately 22.5% in the convection-type oil stoves, but it is approximately 2% in the natural ventilation open-type stoves (convection-type oil stoves and reflection-type oil stoves).

(E)a. The catalog of heating equipment made by Plaintiff (1982 to 1993, 2005 to 2016, hereinafter, referred to as "Plaintiff's Catalog") provides Plaintiff's Use Goods with photos thereof in use, and the present features can be sufficiently recognized by the photos.

Plaintiff's Catalog provides that an upper limit of an area of a room that can be handled by the oil stove, excluding industrial ones, is approximately 7 to 17 tatami mats in the case of the convection-type oil stoves, while it is approximately 5 to 10 tatami mats in the case of the reflection-type oil stoves in a wooden building.

Moreover, Plaintiff's Catalog in 1982 (Exhibit Ko 1-1) provides a quick chart of targeted heating, and the list shows the convection-type oil stoves and the reflection-type oil stoves so that the two types of stoves can be compared. Furthermore, Plaintiff's Catalog in 2007 (Exhibit Ko 1-14) provides a list of functions of the convection-type oil stoves, reflection-type oil stoves, and kerosene cooking stoves so that the functions of each type of the goods can be compared, and Plaintiff's Catalog in 2012 (Exhibit Ko 1-19-1) provides the convection-type oil stoves and the reflection-type oil stoves in a category of portable oil stoves.

(Exhibit Ko 1)

b. The other companies' catalogs of heating equipment include a list of specifications of the convection-type oil stoves and the reflection-type oil stoves altogether, a list of specifications of the convection-type oil stoves and the reflection-type oil stoves altogether along with a list of specifications of fan heaters (forced ventilation-type open oil stoves) provided as another list, and those providing the reflection-type oil stoves, convection-type oil stoves, and kerosene cooking stoves with the title of "oil stoves (reflection type/convection type) / kerosene cooking stoves" and "oil stoves (reflection type) / oil stoves (convection type) / kerosene cooking stoves" (Exhibits Ko 2-1 to 3, 5, 9, 10, 13 to 15, 17, 20, 23, 26, 28 to 30, 33).

(F) Plaintiff's Use Goods are advertised on Plaintiff's web site, the advertisement portion provides the photo of Plaintiff's Use Goods in use, and the present features can be sufficiently recognized in the photos (Exhibit Ko 33).

(G) A TV commercial of Plaintiff's Use Goods was broadcasted in "Hanamaru market" (TBS), "TV tackle by Beat Takeshi" (TV Asahi), and "News Special" (TBS) from October to December in 2012, and in that commercial, the present features were given special attention in some scenes (Exhibit Ko 7-1, 2).

(H) Plaintiff's Use Goods were introduced in "World Business Satellite" (TV Tokyo) and "Hotto Evening" (NHK), which are TV programs, in November in 2011 and "Ippou" (CBC), which is a TV program, in October in 2014, and "Let's go to a

factory" (TV Aichi) and "Joshi-bana" (Nagoya TV), which are TV programs, in December in the same year, and moving images in which the present features could be sufficiently recognized were seen at that time (Exhibits Ko 7-2 to 6).

(I) Plaintiff's Use Goods were introduced in Chubu Keizai Shinbun (the Mid-Japan Economist) on August 10, 2011 and on September 25, 2012, and the articles carried photos (black-and-white) of the goods in use and described that the ring of flames glitters in seven colors (Exhibit Ko 8-4, 5). Moreover, Sankei News, Nikkei MJ, and the Hokkaido Shimbun introduced Plaintiff's Use Goods and described that rings of flames appearing in layers are features (Exhibits Ko 8-1 to 3).

Moreover, Plaintiff's Use Goods were introduced with the photos of the goods in use in an information magazine "Mizuho Furimo", the December issue in 2014, issued in Nagoya City; a magazine "AUTO CAMPER", the December issue in 2012; a magazine "Diamond Home Center", the September issue in 2011 and the September issue in 2013; a magazine "Otona-no-Ippin", the winter issue in 2013, and "Hekikai Report", the summer issue in 2015, issued by the Hekikai Shinkin Bank (Exhibits Ko 8-8 to 13).

Furthermore, advertisement of Plaintiff's Use Goods was carried with the photo of the goods in use on the Yahoo! top page on December 1, 2015, and page views per day of the Yahoo! top page exceed 200 million (Exhibit Ko 9).

(J)a. Plaintiff's Use Goods ranked seventeenth in the sales ranking and ranked fourth and twelfth in the attention-attracting ranking of "stove/heater" in the ranking on the Rakuten site as of November 7, 2017 (Exhibit Ko 10-1) and ranked third, fifth, twelfth, and thirteenth in the sales ranking, ranked first, third, seventh, eleventh, and thirteenth in the attention-attracting ranking, and sixth, eighth, and tenth in the satisfaction ranking in the ranking of "oil stoves" (Exhibit Ko 10-2).

b. Plaintiff's Use Goods ranked first, third, eleventh, sixteenth, and eighteenth in the hot-item ranking and ranked second, third, sixth, and thirteenth in the popular gift ranking, and ranked first, third, fifth, eighth, and fifteenth in the wanted item ranking of the "oil stove" rankings on the Amazon site as of November 9, 2017 (Exhibits Ko 11-1-1 to 3).

c. Plaintiff's Use Goods were ranked first in the satisfaction ranking of "heater/stove" of the Price site as of November 7, 2017 and ranked first and third in the hot-item ranking of "stove" (Exhibit Ko 12-1, 2).

d. The goods name and the like in the column of each of the goods ranked in the ranking pages of each site in the aforementioned a to c form link buttons to detailed pages of the goods, and a click on the link button of Plaintiff's Use Goods enables

transfer to the detailed page of Plaintiff's Use Goods in which the photos of Plaintiff's Use Goods in use are carried, and many reviews with high evaluation of Plaintiff's Use Goods are carried (Exhibits Ko 10 to 12, Ko 47).

(K) When a search was made with wordings such as "camp oil stove", "outdoor oil stove", and "disaster prevention oil stove" by using Google search engine on November 8, 2017, nine articles introducing Plaintiff's Use Goods with the photos thereof in use were among the results (Exhibits Ko 14, Ko 15).

(L) When a search was made with words "Toyotomi rainbow" on the YouTube site on November 10, 2017, many moving images of the states where Plaintiff's Use Goods are being used were found, and the number of views ranged from 10,396 to 64,639. As the result of a similar research on October 23, 2019, many moving images of the states of use of Plaintiff's Use Goods had been carried since more than one year before (Exhibits Ko 13, Ko 48).

(M) The photo of Plaintiff's Use Goods in use from which the present feature can be recognized is used in the advertisement of the Petroleum Association of Japan, and the advertisement appeared in Nihon Keizai Shimbun on September 19, 2012 and in "Nikkei Business" issued on December 10 of the same year and was also posted at the platform of Kasumigaseki Station of Tokyo Metro, the underground at Otemachi Station of Tokyo Metro, and the platform of Nagatacho Station of Tokyo Metro (Exhibits Ko 17, Ko 50, Ko 51).

In the aforementioned advertisement, there is no explanation that the goods in the photo are Plaintiff's Use Goods.

(N) Plaintiff's Use Goods won the Good Design Award in 2005 (Exhibit Ko 16).

B. Examination shall be made as follows on the premise of the finding in the aforementioned A.

(A) First, in view of the facts that the open-type oil stoves can be carried, while the semi-closed type and the closed-type oil stoves cannot be carried, the natural ventilation-type oil stoves and the forced ventilation-type oil stoves in the open-type oil stoves are different in points of whether or not a blower is incorporated and whether or not a power supply is needed, it cannot be considered that the customers are not necessarily the same between the open-type oil stoves and the semi-closed type and closed-type oil stoves and between the natural ventilation-type oil stoves and the forced ventilation-type oil stoves. However, they are both nevertheless stoves and the customers cannot be totally different. In fiscal 2011, immediately after the Great East Japan Earthquake, shipments of the natural ventilation-type oil stoves



increased to approximately twice those in the previous year and thus, it is found that the natural ventilation-type oil stoves and the forced ventilation-type oil stoves share demands by the same customers in some cases.

In the natural ventilation-type oil stoves, the convection-type oil stoves warm the entire periphery, while the reflection-type oil stoves warm mainly the front of the equipment and thus, the convection-type oil stoves are suitable for a relatively small room, while the reflection-type oil stoves are suitable for a relatively large room and are also suitable for camps and in a disaster. Thus, they are different from each other in those points. However, they are both nevertheless stoves, and even the convection-type oil stoves include a type which can handle a relatively small room. The two types of stoves are overlapped in view of the size of the room to be handled in some cases. Moreover, Plaintiff's Catalog carries a list capable of comparing the functions and the like between the convection-type oil stoves and the reflection-type oil stoves, and the convection-type oil stoves and the reflection-type oil stoves are categorized as portable oil stoves; that is, the convection-type oil stoves and the reflection-type oil stoves are treated as the same category. Furthermore, in catalogs of heating equipment of other companies, too, a list of specifications carrying the convection-type oil stoves and the reflection-type oil stoves altogether and a list of specifications of fan heaters (forced ventilation-type open-type oil stoves) are provided as separate lists, and the reflection-type oil stoves, convection-type oil stoves, and kerosene cooking stoves are described with the title of "oil stoves (reflection type), oil stoves (convection type), kerosene cooking stoves", which indicates that the convection-type oil stoves and the reflection-type oil stoves are treated as the same category.

According to the above, the customers of the convection-type oil stoves and the reflection-type oil stoves are not totally the same but are found to overlap to a considerable degree.

(B) Thus, by examining the sales share of Plaintiff's Use Goods in the natural ventilation-type open-type stoves (convection-type oil stoves and reflection-type oil stoves), an average share in fiscal 2011 and after is approximately 2%, and its share is further lower among all oil stoves. Moreover, the number of shipments of Plaintiff's Use Goods is approximately 29,000 units in fiscal 2012 and after, which is not so large at all.

The Shape of the Present Application does not appear when Plaintiff's Use Goods are not in use and thus, those who come to a shop to select and purchase oil stoves could not recognize the Shape of the Present Application only by looking at the

displayed Plaintiff's Use Goods, and opportunities of the customers to recognize the trademark of the Present Application is considered to be limited in view of the special circumstances of the trademark of the Present Application as above.

Moreover, according to the holding in the aforementioned 1, the Shape of the Present Application is recognized to be employed from the viewpoint of the esthetic impression and functions, and such points attract attention.

(C) The TV advertisement of Plaintiff's Use Goods was broadcasted only in three programs from October to December in 2012, which is very little, and Plaintiff's Use Goods were taken up in TV programs only five times. The goods were introduced in the newspapers, magazines and the like to such a degree in the aforementioned A(I), which is not often at all.

Moreover, the advertisement of Plaintiff's Use Goods was carried on the Yahoo! top page on December 1, 2015, but there is insufficient evidence to find that the advertisement was carried continuously.

Furthermore, the method of distribution, distributed areas, and the number of distribution of Plaintiff's Catalog are not known, and such circumstances were not found that the scale thereof is larger than the same type of advertisements of other oil stoves or that special efforts were made for attracting attention in the advertisements of Plaintiff's Use Goods in the Plaintiff's web site, and the advertisement cannot be found to have a great effect.

(D) Plaintiff's Use Goods ranked top in various rankings on the Rakuten site, the Amazon site, and the Price site, and the goods names and the like in the column of the Plaintiff's Use Goods on the same page are link buttons to transfer to a page where the photos of Plaintiff's Use Goods in use and reviews of Plaintiff's Use Goods are carried and thus, those who searched the goods on the ranking page had a chance to recognize the details of the Shape of the Present Application and reviews with high evaluation, but even if the ranking pages are viewed, if a viewer was not interested in Plaintiff's Use Goods, the viewer would not press the link button to recognize the details of the Shape of the Present Application or the reviews with high evaluation. And the number of persons who pressed the link button and recognized them is not known.

Moreover, Plaintiff's Use Goods were taken up in the article on the Internet, and the photos thereof in use were also carried at that time, but the numbers thereof were as described in the aforementioned A(K), which is not so large.

Furthermore, the photos of Plaintiff's Use Goods in use were used in the advertisement of the Petroleum Association of Japan, the advertisement was carried in the newspapers and magazines and posted at platforms in subway stations and the like,

but since there is no explanation that the goods in the photos were Plaintiff's Use Goods in the advertisement, those who saw the photos could not recognize the source of the Shape of the Present Application in the photos. Then, the advertisement is not found to specially contribute to acquisition of the capability to discriminate the goods of the trademark of the Present Application from others'.

As the result of a search with words "Toyotomi rainbow" on the YouTube site, many images of Plaintiff's Use Goods in a state of use are found and thus, the site is found to carry many moving images of the use situation of Plaintiff's Use Goods, but since it is not obvious to what degree each of the moving images could be viewed when a search was made with those other than the words "Toyotomi rainbow", it cannot be considered that each of the moving images was effective in prompting those who did not know Plaintiff's Use Goods to recognize the trademark of the Present Application. Moreover, even if the view number of times of those moving images is large, it is not obvious to what degree the view is associated with identification of the goods in the moving images as Plaintiff's Use Goods.

(E) From the circumstances described above, even by considering that Plaintiff's Use Goods which are goods having the Shape of the Present Application have been sold for as long as approximately 30 years, there are no other goods having the Shape of the Present Application except the OEM goods, the Shape of the Present Application has a relatively conspicuous feature, and Plaintiff's Use Goods won the Good Design Award, it cannot be found that the trademark of the Present Application can be recognized as representing the goods according to the business of Plaintiff.

(3) As described above, since the determination in the present JPO decision on the conformity to Article 3, paragraph (2) of the Trademark Act has no errors, Plaintiff's claim on the reason 2 for rescission has no grounds.

#### No. 4 Conclusion

As described above, since Plaintiff's claim has no grounds, that shall be dismissed, and the judgment shall be rendered as in the main text.

Intellectual Property High Court, Second Division

Presiding Judge: MORI Yoshiyuki

Judge: SANO Shin

Judge: KUMAGAI Daisuke

Drawings

Figure 1

