

Trademark Right	Date	September 2, 2020	Court	Intellectual Property High Court, Fourth Division
	Case number	2019 (Gyo-Ke) 10166		
<p>- A case in which the court held that being "well known among customers" as stipulated in Article 64, paragraph (1) of the Trademark Act means that the Original Registered Trademark is recognized nationwide among the relevant customers of all or some of the designated goods for the Original Registered Trademark as that indicating the designated goods pertaining to the business of the holder of trademark right, and that the recognition has attained the level of being famous.</p>				

Case type: Rescission of Appeal Decision of Refusal

Result: Dismissed

References: Article 64, paragraph (1) of the Trademark Act

Related rights, etc.: Trademark Application No. 2014-99711; Trademark Registration No. 4509260

Decision of JPO: Appeal against Examiner's Decision of Refusal No. 2017-8819

#### Summary of the Judgment

1. Plaintiff filed an application for registration of a defensive mark in connection with the trademark of Trademark Registration No. 4509260, which consists of the letters, "Tuché", written horizontally (designated goods: "Clothing; Footwear [other than special footwear for sports]; Clothes for sports; Special footwear for sports" in Class 25; hereinafter referred to as "Original Registered Trademark"), for a mark that consists of the same letters, "Tuché", written horizontally, and received a decision of refusal. In turn, Plaintiff filed an appeal against an examiner's decision of refusal (meanwhile, the designated goods were amended and eventually became "Sanitary panties; Sanitary shorts" in Class 5), and received a decision to the effect that the request for a trial is groundless. The present case is one in which Plaintiff filed a lawsuit seeking rescission of the JPO decision.
2. In the judgment of the present case, the court held that it is reasonable to interpret the defensive mark registration system as follows. It is a system for broadening the scope of extension of the right of prohibition for the Original Registered Trademark so as to include, in the coverage of said right, goods or services that are not similar. On the other hand, considering that there is a risk of restricting a third party's selection or usage of a trademark, it is reasonable to interpret that the part, "well known among customers", according to Article 64, paragraph (1) of the same Act, refers to the case where the Original Registered Trademark is recognized nationwide among the customers of all or some of the

designated goods for the Original Registered Trademark as that indicating the designated goods pertaining to the business of the holder of trademark right, and that the recognition has attained the level of being famous.

Next, the court reviewed whether or not the Original Registered Trademark fulfills the requirement of being "well known among customers" on the premise that the relevant customers are those for "Stockings", "Women's socks / tights", and "Women's innerwear". The court held that given the circumstances, such as that the stockings bearing the Original Registered Trademark on their packages have been continuously sold nationwide for more than 19 years, it is acknowledged that the Original Registered Trademark came to be recognized among a considerable number of customers as that indicating the stockings pertaining to Plaintiff's business, but that, on the other hand, given the circumstances such as that the sales amount has been on the decline each year, and that the market share has also been on the decline, it cannot be said that, at the time of the JPO Decision, the majority of customers recognized the Original Registered Trademark as that indicating the stockings pertaining to Plaintiff's business, and thus it cannot be acknowledged that the recognition of the Original Registered Trademark by customers has attained the level of being famous, and that the same is true of the customers for women's socks and tights as well as for women's innerwear. Therefore, the court dismissed Plaintiff's claim.

Judgment rendered on September 2, 2020

2019 (Gyo-Ke) 10166 A case of seeking rescission of the JPO decision

Date of conclusion of oral argument: July 8, 2020

## Judgment

Plaintiff: Gunze Limited

Defendant: Commissioner of JPO

### Main text

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

### Facts and reasons

#### No. 1 Claim

The decision made by JPO on October 29, 2019 for Appeal against Examiner's Decision of Refusal No. 2017-8819 case shall be rescinded.

#### No. 2 Outline of the case

##### 1. History of procedures at JPO, etc.

- (1) On November 26, 2014, Plaintiff filed an application for registration of a defensive mark (Trademark Application No. 2014-99711; hereinafter referred to as "Application") for a mark consisting of the letters, "Tuché", (hereinafter referred to as "Applied Mark"), as shown in Attachment 1, with the designated goods and services which belong to Classes 5, 18, 24, and 35 as shown on the application form (Exhibit Ko 23), as a defensive mark for the trademark of Trademark Registration No. 4509260 (hereinafter referred to "Original Registered Trademark") as shown in Attachment 2.
- (2) Plaintiff received a rejection decision dated April 4, 2017 (Exhibit Ko 27), and on June 16 of the same year, filed an appeal against the examiner's decision of refusal (Exhibit Ko 28), along with a procedural amendment to amend the designated goods and services for the Applied Mark to "Sanitary panties; Sanitary shorts" in Class 5 (Exhibit Otsu 1).

The JPO examined the above request as Appeal against Examiner's Decision of Refusal No. 2017-8819 case, and on October 29, 2019, rendered a

decision to the effect that "the request for a trial of the present case is groundless" (hereinafter referred to as "JPO Decision"), and a certified copy of the decision was delivered to Plaintiff on November 12 of the same year.

- (3) On December 11, 2019, Plaintiff filed the lawsuit of the present case seeking rescission of the JPO Decision.

## 2. Outline of reasons for the JPO Decision

The reasons for the JPO Decision are as shown in the attached written decision (copy).

In sum, the court held that while it can be said that the Original Registered Trademark has been used since 2000 on goods such as women's socks, tights, stockings, and women's innerwear and housedresses, which pertain to Plaintiff's business, it cannot be said that the Original Registered Trademark is well known among customers as that indicating the designated goods pertaining to Plaintiff's business, so that even if another person uses the Original Registered Trademark on designated goods of the Application which are not similar to the designated goods of the Original Registered Trademark, it cannot be said that there is a risk of creating confusion between said other person's goods and the designated goods pertaining to Plaintiff's business as to the source of the goods, so that the Applied Mark does not fulfill the requirement stipulated in Article 64, paragraph (1) of the Trademark Act.

## 3. Reasons for rescission

Incorrect determination on the requirement stipulated in Article 64, paragraph (1) of the Trademark Act concerning the Applied Mark

(omitted)

## No. 4 Judgment of this court

### 1. Determination on the requirement of being "well known among customers"

#### (1) Findings

The following facts are recognized when evidences (Exhibits Ko 1 to 22, Ko 24, Ko 26, Ko 32 to 43, Exhibits Otsu 4, Otsu 6 to 38 (including suffixed numbers where applicable)) and the entire import of oral argument are comprehensively taken into consideration.

#### A. Manners of use of Original Registered Trademark

- (A) In 2000, Plaintiff launched the new brand called "Tuché" pertaining to the Original Registered Trademark as a brand for products related to

women's legwear including stockings, women's socks, and tights, and began using the Original Registered Trademark on packages of the products or the like. Later, Plaintiff broadened the product genre of the "Tuché" brand and subsequently released innerwear such as women's undergarments and lingerie as well as men's legwear such as men's socks and tights.

(B) Packages of stockings for the "Tuché" brand (Plaintiff's Products) include the following; namely, one in which the letters, "Tuché" (Original Registered Trademark), are shown slightly to the left and above the center of the image of the leg part of a woman wearing stockings, with the letters, "GUNZE", shown in the upper left corner alongside the size of "M to L" or the like, and one in which words such as "黒がきわだつ" [meaning "strikingly black" in Japanese], "脚を細くみせる" [meaning "making legs look thinner" in Japanese], and "上品な輝き" [meaning "classy and shiny" in Japanese] are shown slightly above the center of the image of the leg part of a woman wearing stockings, with the letters, "Tuché" (Original Registered Trademark), shown at the center of the upper end, and the letters, "GUNZE", shown in the upper left corner, and the size, "M to L" or the like, shown in the upper right corner (Exhibit Ko 13-12, etc.).

B. How the products bearing Original Registered Trademarks are sold

(A) Sales areas and sales routes

Since 2000, Plaintiff has continuously sold products bearing Original Registered Trademarks through major appliance stores that operate nationwide, major convenience stores, department stores, specialty shops, and online stores (electronic commerce), catalogue sales, and the like.

(B) Sales amounts

a. In 2001, Plaintiff sold printed stockings (spider pattern, diamond checkered pattern, etc.) by the name of "Tuché Uno Collection", which were produced by "A", under the "Tuché" brand, and it became a big hit, selling five million pairs per year (Exhibits Ko 1-6, 1-9, Ko 32, Exhibits Otsu 10 to 15). Later, Plaintiff continued selling the stockings of "Tuché Uno Collection" until 2011 (Exhibit Ko 32).

b. Between fiscal 2010 and fiscal 2017, sales amounts from Plaintiff's Product (stockings) and those from the women's socks

and tights and the like bearing Plaintiff's Original Registered Trademark were as follows (Attachment 2 of Exhibit Ko 14).

	(Stockings)	(Women's socks, tights, etc.)
fiscal 2010	Approx. 3,281,000,000 yen	Approx. 1,140,000,000 yen
fiscal 2011	Approx. 2,552,000,000 yen	Approx. 971,000,000 yen
fiscal 2012	Approx. 2,283,000,000 yen	Approx. 738,000,000 yen
fiscal 2013	Approx. 1,757,000,000 yen	Approx. 1,532,000,000 yen
fiscal 2014	Approx. 1,669,000,000 yen	Approx. 1,839,000,000 yen
fiscal 2015	Approx. 1,829,000,000 yen	Approx. 2,182,000,000 yen
fiscal 2016	Approx. 1,226,000,000 yen	Approx. 2,407,000,000 yen
fiscal 2017	Approx. 1,046,000,000 yen	Approx. 2,400,000,000 yen

(C) Market shares

Between 2010 and 2017, market shares of Plaintiff's Product (stockings) and those of the women's socks and tights bearing Plaintiff's Registered Trademark were as follows. Market shares were calculated by using the production volume, which is indicated in the "Transition in Production of Hosiery by Type (New Statistics)", made available by The Japan Society for Hosiery, as the denominator, and the sales volume by Plaintiff as the numerator (Exhibits Ko 35, Ko 43).

	(Stockings)	(Women's socks, tights, etc.)
2010	5.3%	4.7%
2011	4.5%	3.8%
2012	4.4%	3.0%
2013	4.0%	4.2%
2014	3.9%	4.8%
2015	5.2%	5.4%
2016	3.3%	6.7%
2017	3.0%	6.3%

(D) Rankings in Internet sales

- a. As of January 24, 2020, "Hot-Selling Ranking of Women's Stockings" (Exhibit Otsu 27) on the website at Amazon.co.jp (Exhibit Otsu 27) showed "Atsugi Stocking 引きしめて美しい (3 pairs)" [meaning "tightened to give a beautiful look" in Japanese] by Atsugi ranked first, and "Stockings 10 pairs" by Cecille ranked second, and Plaintiff's "Stockings Sabrina なめらかゾッキ PS 3

pairs" [meaning "smooth single yarn panty stockings" in Japanese], and "Tuché Garter Free Stockings", which is Plaintiff's Product, ranked 63rd.

In addition, the "Stockings Ranking" (Exhibit Otsu 28) on the website of Rakuten co.jp as of the same date (Exhibit Otsu 28) showed "Pierre Mantoux Tights" being ranked first, Plaintiff's "SABRINA panty stockings" being ranked second, "弾性ストッキング着圧ストッキングシリーズ最高着圧" [meaning "Elastic stockings Compression stocking series Most compression"] being ranked third, and "Tuché 脚を細く見せる" [meaning "Making legs look thin"], which is Plaintiff's Product, being ranked 63rd.

- b. Plaintiff's "SABRINA" brand stockings are a long-time seller that began to be sold in 1995 (Exhibit Ko 32). Also, Plaintiff's documents for its General Shareholders' Meeting for March 2016 (Exhibit Ko 17-1) indicate, for the item of "Legwear" for "Apparel Business", that "Main Brand, 'SABRINA', continues to show strong Sales from the top-selling item, 'Legging pants', are also on the increase" (page 13), and Plaintiff's documents for its General Shareholders' Meeting for March 2018 (Exhibit Ko 17-3) indicate, for the item of "Legwear" for "Apparel Business", that "18 SS New Product 'SABRINA' is expanding display panels at major GMS and drug stores" (page 13).

### C. Advertising

#### (A) Magazines, etc.

Between September 2008 and December 2019, articles introducing the stockings, women's socks, tights, and innerwear of "Tuché" brand appeared in fashion magazines and women's magazines such as "STORY", "non-no", "MORE", "With", "CanCam", "AneCan", "CLASSY", "Domani", "Josei7", and "Josei Jishin", as well as on websites ("Web Domani", "ELLE ONLINE", and "ALL About") (Exhibits Ko 39, Ko 40-1 to 184).

From among the above, the manners in which the "Tuché" brand stockings were shown in the magazines which were issued in 2017 to 2019 include the following: [i] one in which stockings were introduced in an article titled "賢すぎる♡ ドレスレンタル" [meaning "Very wise♡ Dress rental" in Japanese] in "non-no" (January 2017 issue)

(Exhibit Ko 40-149); [ii] one in which stockings were introduced in an article titled "読モが試着！目的別ベスト・ストッキング選手権" [meaning "Our reader models have tried them on! Stockings Championship according to intended purposes" in Japanese], along with images of product packages, in "andGIRL" (March 2017 issue) (Exhibit Ko 40-152); [iii] one in which stockings were introduced in an article titled "実力派ストッキング大研究" [meaning "Everything about high-performance stockings" in Japanese], along with images of product packages, in "non-no" (March 2017 issue) (Exhibit Ko 40-153); [iv] one in which stockings were introduced in an article titled "千円以下の『優秀ストッキング』ランキング" [meaning "Ranking of 'Excellent Stockings' Costing Less than 1,000 Yen" in Japanese], along with images of product packages, in "Domani" (June 2017 issue) (Exhibit Ko 40-154), and the stockings by the name of "トウシェ きゅうくつさゼロ感覚" [meaning "Tuché No feeling of tightness" in Japanese] being ranked first under the "Stress-Free Category"; [v] one in which stockings were introduced in an article titled "実際にはき比べ！この目的にはこの商品" [meaning "Let's actually try them on! Which product best suits which usage" in Japanese], along with images of product packages, in "Bijinhyakka" (July 2017 issue) (Exhibit Ko 40-155), and the stockings by the name of "トウシェ にごりのない無垢感" [meaning "Tuché Clarity and sense of innocence" in Japanese] being ranked third under the "Unnoticeable Scratches and Insect Bites Category", and the stockings by the name of "トウシェ 上品な輝き" [meaning "Classy Shine" in Japanese] being ranked first under the "Skin Beautiful Category"; [vi] one in which stockings were introduced in an article titled "おしゃれ偏差値がぐっと上がる『ストッキングの選び方』教えます" [meaning "Guide on 'how to select stockings' for a more sophisticated look" in Japanese] in "PRESIDENT WOMAN" (September 2017 issue) (Exhibit Ko 40-156), along with images of product packages; [vii] one in which stockings were introduced in an article titled, "なりたい脚は『自分に合ったストッキング』で叶える！" [meaning "Realize your ideal legs with the 'right stockings'!" in Japanese], along with images of product packages, in "non-no" (February 2018 issue) (Exhibit Ko 40-168); [viii] one in which stockings were introduced in an article titled "防臭靴&ストッキング×

洗えるジャケット" [meaning "Deodorant shoes & stockings × Washable jackets" in Japanese], which introduced combinations on dressing, along with images of product packages in "Oggi" (July 2018 issue) (Exhibit Ko 40-171); [ix] one in which stockings were introduced in an article titled, "冬もスカートであったか！細見え！" [meaning "Stay warm in a skirt even in winter! Look slim!" in Japanese], along with images of product packages, in "LEE" (November 2018 issue) (Exhibit Ko 40-172); [x] one in which stockings were introduced in an article titled "進化形[セットアップ]は組み合わせ自在！" [meaning "Evolved 'co-ords' can be matched freely!" in Japanese] in "LEE" (January 2019 issue) (Exhibit Ko 40-174); [xi] one in which stockings were introduced in an article titled "真夏の通勤を快適にする涼感ニュース" [meaning "Cool news that give comfort to summer commute" in Japanese], along with images of product packages, in "BAILA" (July 2019 issue) (Exhibit Ko 40-176); [xii] one in which stockings were introduced in an article titled, "夏のもうイヤ！を解決 100問100答" [meaning "100 questions and 100 answers for summer nuisances!" in Japanese], along with images of product packages, in "Biteki" (July 2019 issue) (Exhibit Ko 40-177); [xiii] one in which stockings were introduced in an article titled, "みんなが求めていたのは美脚&美肌だった！理想の脚になれるストッキングを探せ！" [meaning "What everyone was looking for was beautiful legs & beautiful skin! Search for stockings that give you the ideal look!" in Japanese], along with images of product packages, in "Steady" (October 2019 issue) (Exhibit Ko 40-178); [xiv] one in which stockings with foot covers were introduced in an article titled "今年のタイツ新作 News!" [meaning "News on new tights of this year!" in Japanese] in "Marisol" (October 2019 issue) (Exhibit Ko 40-179), along with images of product packages; [xv] one in which stockings were introduced in an article titled, "技ありストッキングで生脚風でもあったか" [meaning "Stay warm with stockings equipped with special tricks while making legs look bare" in Japanese] in "Bijinhyakka" (December 2019 issue) (Exhibit Ko 40-182), along with images of product packages; and [xvi] one in which stockings were introduced in an article about magazine reporters' best and favorite goods in "STORY" (December 2019 issue) (Exhibit Ko 40-184), along with images of product

packages.

In these magazines, in many cases stockings of the "Tuché" brand are introduced alongside stockings of other brands, and from among the articles shown, only the magazines of [xii], [xv], and [xvi] indicate the brand name in Roman letters whereas the brand name is shown as "トウシエ" in katakana characters in other magazines.

(B) Advertising costs

Advertising costs between fiscal 2014 and fiscal 2017 in the legwear business for the "Tuché" brand are as shown below (Exhibit Ko 38, Table 1).

From among the above, advertising costs for magazines were 2,415,000 yen in fiscal 2015 and 9,735,515 yen in fiscal 2016.

fiscal 2014	32,138,688 yen
fiscal 2015	65,106,184 yen
fiscal 2016	53,400,587 yen
fiscal 2017	42,590,674 yen

D. Questionnaire results

- (A) A Questionnaire titled "Consumer awareness and purchasing situation of 'Stockings' Results of consumer survey on the Internet", which was posted in "White Paper on Innerwear Market for 2012" (Exhibits Ko 10, Ko 12) was carried out by Yano Research Institute Ltd. with the "research purpose" of verifying the awareness and purchasing situation of "Stockings" by consumers.

The outline of the Questionnaire is as follows: [i] The "survey target" consists of women in the age groups of 20s to 50s living in the Tokyo metropolitan area (Tokyo, Kanagawa, Chiba, Saitama); [ii] "survey period" is the end of August 2012; [iii] "survey method" is "survey by the questionnaire through online monitoring system"; and [iv] from among "survey items", "Survey 2" is one in which 100 women in the age groups of 20s to 50s who purchase "Stockings" at least once a year and wear them at least once a week are surveyed on their purchasing situation.

Specifically, the survey asks "Q8. Do you know the following brands of stockings?", to which respondents choose an answer from among four options of "No", "Yes, but never purchased", "Intend to purchase", and "Purchased before", and the "following brands" consist

of the eight brands of "満足" [read as "Manzoku" in Japanese], "SABRINA", "MIRACARAT", "Tuché", "ASTIGU / 肌・魅・輝... [meaning "skin", "attractive", and "shine" in Japanese] (a total of 11 types), "Relish", "f-ing", and "Mirica".

(B) Results of the Questionnaire are as follows.

a. According to the overall response on recognition by all age groups, "満足" came in first place, "SABRINA" in second place, "MIRACARAT" in third place, and "Tuché" in fourth place.

As for each age group, women in their 20s recognized the brands in the order of "SABRINA", "Tuché", and "満足", and their purchase history showed "SABRINA" at the top followed by "満足" and "Tuché". Women in their 30s recognized and showed the purchase history of brands in the order of "満足", "SABRINA", and "Tuché". Women in their 40s and 50s recognized and showed the purchase history of brands in the order of "満足", "SABRINA", and "MIRACARAT".

b. As for "Tuché", the overall response of all age groups consisted of 24.8% for "Purchased before", 7.5% for "Intend to purchase", and 15.0% for "Yes, but never purchased" (a total of 47.3%) whereas 52.8% responded "No".

Also, as for recognition by each age group, 25% of the respondents in their 20s chose "Purchased before", 12% chose "Intend to purchase", and 14% chose "Yes, but never purchased" (a total of 51%). In the case of respondents in their 30s, 40% chose "Purchased before", 10% chose "Intend to purchase", and 15% chose "Yes, but never purchased" (a total of 65%). In the case of respondents in their 40s, 19% chose "Purchased before", 4% chose "Intend to purchase", and 20% chose "Yes, but never purchased" (a total of 43%). In the case of respondents in their 50s, 15% chose "Purchased before", 4% chose "Intend to purchase", and 11% chose "Yes, but never purchased" (a total of 30%).

(2) Meaning of being "well known among customers" as stipulated in Article 64, paragraph (1) of the Trademark Act

A. Article 64, paragraph (1) of the Trademark Act provides as follows. Where a registered trademark pertaining to goods is well known among customers as that indicating the designated goods in connection with the

business of a holder of trademark right, the holder of trademark right may, where the use by another person of the registered trademark in connection with goods other than the designated goods pertaining to the registered trademark or goods similar thereto or in connection with services other than those similar to the designated goods is likely to cause confusion between said other person's goods or services and the designated goods pertaining to his or her own business, obtain a defensive mark registration for the mark identical with the registered trademark in connection with the goods or services for which the likelihood of confusion exists. The items of Article 67 of the same Act provide that the use of the registered defensive mark in connection with the designated goods or services constitutes infringement of a trademark right.

According to these provisions, the purport of Article 64, paragraph (1) of the same Act is interpreted as follows. If a "registered trademark pertaining to goods" (Original Registered Trademark) is "well known among customers" as that indicating the designated goods in connection with the business of a holder of trademark right, in the event that the Original Registered Trademark is used by a third party for goods or services that are not similar to the designated goods or services and over which the original effect of the Original Registered Trademark (Articles 36 and 37 of the same Act) does not extend, there is still a risk of causing confusion as to the source and harming the capacity as a source indicator or harming the authenticity, so that in order to prevent the occurrence of such confusion in a broad sense of the term, a defensive mark should be registered for a mark that is the same as the Original Registered Trademark, so that the scope of extension of the right of prohibition is broadened to include goods or services that are not similar.

As such, the defensive mark registration system broadens the scope of extension of the right of prohibition of the Original Registered Trademark to include goods or services that are not similar. On the other hand, there is a risk of restricting a third party from selection or usage of a trademark. In light of these circumstances, it is reasonable to interpret that the part, "well known among customers", according to Article 64, paragraph (1) of the same Act, refers to the case where the Original Registered Trademark is recognized nationwide among the customers for all or some of the designated goods for the Original Registered Trademark as that indicating

the designated goods pertaining to the business of the holder of the trademark right, and that the recognition has attained the level of being famous.

- B. Regarding this point, Plaintiff asserts that in the present case, the Original Registered Trademark ("Tuché") fulfills the requirement of being "well known among customers" provided that the Original Registered Trademark is well known and famous among the customers for the designated goods of "Stockings", "Women's socks and tights", and "Women's innerwear" for the Original Registered Trademark (women in their 10s to 40s) who overlap with the customers for the designated goods of "Sanitary panties; Sanitary shorts" for the Application.

In view of the above, given that the designated goods for the Original Registered Trademark are "Clothing; Footwear [other than special footwear for sports]; Clothes for sports; Special footwear for sports" in Class 25, and that "Clothing" includes "Stockings", "Women's socks and tights", and "Women's innerwear", customers for these goods fall under the customers for the designated goods for the Original Registered Trademark.

On the other hand, for example, in the case of "Stockings", the Nikkei Business Daily dated November 5, 2012 (Exhibit Otsu 39) contained an article under the title, "Socks manufacturers taking aim at younger generation Fashionable stockings Atsugi, GUNZE (market report)", writing about "Naigai" by using words such as "the company focuses on its licensed brand 'LANVIN' and the customers mostly consist of women in their 60s or older". The Nikkei MJ dated July 15, 2013 (Exhibit Otsu 40), contained articles with words such as "Stockings have become popular recently among women in their 10s and 20s who are trying to make their legs look beautiful", "According to a survey by Atsugi targeted to women in their 20s to 60s, an average of 66.8% of women 'wore stockings daily', among which those in their early 20s were at the top (76%), followed by those in their 50s (72.5%). Women in their 20s and 50s showed similarity in their interest of transparency and other factors". As such, it is acknowledged that customers for "Stockings" are not limited to women in their 10s and 40s but instead, they consist of a wide age range.

Next, in light of the words of Article 64, paragraph (1) of the Trademark Act, "Where a registered trademark pertaining to goods is well known among customers as that indicating the designated goods in

connection with the business of a holder of trademark right", and the purport of the same paragraph (as described above in A), the " customers " according to the part, "well known among customers ", are interpreted to mean the customers for the "registered trademark pertaining to goods" (Original Registered Trademark), so that there is no reason to restrict the scope of the above " customers " to the scope which overlaps with the customers for the designated goods for the Application, which is an application for registration of a defensive mark.

Accordingly, from among the above assertion made by Plaintiff, the part about restricting the age group of customers to those in their "10s to 40s" cannot be accepted.

As such, whether or not the Original Registered Trademark fulfills the requirement of being "well known among customers " shall be determined below based on the premise of customers being those for "Stockings", "Women's socks and tights", and "Women's innerwear".

- (3) Whether or not the requirement of being "well known among customers " is fulfilled

A Configuration and manners of use of Original Registered Trademark

(A) As per Attachment 1, the Original Registered Trademark consists of the letters, "Tuché", written horizontally, and the "é" from among the configuration is an "e" with the French accent aigu placed thereon. The Original Registered Trademark is a coined word that does not generate any specific concept. Ever since the "Tuché" brand for the Original Registered Trademark was launched as a brand for goods related to goods such as stockings, women's socks, and tights in 2000, Plaintiff has pronounced the letters, "Tuché", as "*too-shay*".

According to the manners of use of the Original Registered Trademark, as per the findings of the above (1) A (B), packages of stockings for the "Tuché" brand (Plaintiff's Products) include, for example, ones in which the letters, "Tuché" (Original Registered Trademark), are shown slightly to the left and above the center of the image of the leg part of a woman wearing stockings, with the letters, "GUNZE", shown in the upper left corner with the size, "M to L" or the like shown alongside, and ones in which words such as "黒がきわだつ" [meaning "strikingly black" in Japanese], "脚を細くみせる"

[meaning "making legs look thinner" in Japanese], and "上品な輝き" [meaning "classy and shiny" in Japanese] are shown slightly above the center of the image of the leg part of a woman wearing stockings, with the letters, "Tuché" (Original Registered Trademark), at the center in the upper end and the letters, "GUNZE", in the upper left corner, with the size, "M to L" or the like shown in the upper right corner (Exhibit Ko 13-12, etc.).

The letters, "GUNZE", shown on the packages of Plaintiff's Product use a smaller font than the letters, "Tuché". However, given that "GUNZE" is a famous trademark that indicates Plaintiff and that words that indicate product functions such as "黒がきわだつ" [meaning "strikingly black" in Japanese], "脚を細くみせる" [meaning "making legs look thinner" in Japanese], and "上品な輝き" [meaning "classy and shiny" in Japanese] are shown in a noticeable place near the center of the package of Plaintiff's Product, it is acknowledged that customers would focus on the product image showing patterns and colors and the like as well as on these letters. On the other hand, it is acknowledged that the pronunciation of "*too-shay*" does not naturally occur from the letters of "Tuché" to customers who are not familiar with the accent aigu sign.

In that case, it cannot be acknowledged immediately that the Original Registered Trademark shown on the package of Plaintiff's Product is very memorable or unforgettable.

(B) Regarding this point, Plaintiff argues that although customers coming in contact with Plaintiff's Product may focus on the letter part of "GUNZE", the letter part of "GUNZE" is merely shown in a small font in a corner of the package of Plaintiff's Product, so that the manner of indication is clearly unnoticeable compared to the Original Registered Trademark, and furthermore, that it can be said that most of the customers would recognize "GUNZE" as the company emblem indicating the manufacturer of the product, and the Original Registered Trademark of "Tuché" as the main brand name, and phrases such as "スマート裏起毛" [meaning "slim-look wool lining" in Japanese], "ほっそり引き締め" [meaning "slender and toned look" in Japanese], and "引き締め美脚" [meaning "toned beautiful legs" in Japanese] as sub-brand names, and thus the main brand name of "Tuché" is very memorable to customers.

However, as per the findings of the above (A), in light of the configuration and the manners of use of the Original Registered Trademark, it cannot be said that "Tuché" is very memorable to customers, so that the above assertion by Plaintiff cannot be accepted.

B. Conditions of sale, advertising, etc. for products bearing Original Registered Trademark

(A) According to the findings of the above (1), the following facts are acknowledged: [i] For more than 19 years since 2000, Plaintiff has continuously sold products bearing Original Registered Trademarks through major appliance stores that operate nationwide, major convenience stores, department stores, specialty shops, and online stores (electronic commerce), catalogue sales, and the like; [ii] From among the products bearing Original Registered Trademark, Plaintiff's Product (stockings) became a big hit by 2001, selling approximately 5,000,000 pairs annually as the product produced by "A", and the sales amount from fiscal 2010 until fiscal 2017 totaled approximately 3,281,000,000 yen in fiscal 2010, approximately 2,552,000,000 yen in fiscal 2011, approximately 2,283,000,000 yen in fiscal 2012, approximately 1,757,000,000 yen in fiscal 2013, approximately 1,669,000,000 yen in fiscal 2014, approximately 1,829,000,000 yen in fiscal 2015, approximately 1,226,000,000 yen in fiscal 2016, and approximately 1,046,000,000 yen in fiscal 2017, and the annual total during the seven years exceeded one billion yen each year; [iii] According to estimates by Plaintiff, market shares for Plaintiff's Product between fiscal 2010 and fiscal 2017 (as calculated by using the production volume, which is indicated in the "Transition in Production of Hosiery by Type (New Statistics)", made available by The Japan Society for Hosiery, as the denominator, and the sales volume by Plaintiff as the numerator) show that market shares shifted within the range of approximately 3 to 5.3% as follows: 5.3% in 2010; 4.5% in 2011; 4.4% in 2012; 4.0% in 2013; 3.9% in 2014; 5.2% in 2015; 3.3% in 2016; and 3.0% in 2017.

According to the above findings, of the products bearing Original Registered Trademark, Plaintiff's Product has been continuously sold nationwide for more than 19 years, and given the sales amounts between 2010 and 2017 as well as the market shares, it is acknowledged

that, at the time of the JPO Decision (rendered on September 19, 2019), a considerable number of customers recognized Original Registered Trademark as that indicating the stockings pertaining to Plaintiff's business.

(B) On the other hand, according to the findings of the above (A), the sales amount from Plaintiff's Product showed decline each year, and the sales amount for fiscal 2017 was about one-third of the sales amount for fiscal 2010, and the market share was also on the decline, remaining at 3.0% in 2017. In addition, as per the findings of the above A (A), it cannot be acknowledged immediately that the Original Registered Trademark shown on the package of Plaintiff's Product is memorable or unforgettable.

Next, according to the advertising of products bearing Original Registered Trademark, as per the findings of the above (1) C (A), articles introducing the stockings, women's socks, tights, and innerwear of the "Tuché" brand appeared in fashion magazines and women's magazines such as "STORY", "non-no", "MORE", "With", "CanCam", "AneCan", "CLASSY", "Domani", "Josei7", and "Josei Jishin" as well as on websites ("Web Domani", "ELLE ONLINE", "ALL About") (Exhibits Ko 39, Ko 40-1 to 184) between September 2008 and December 2019. From among the above, many of the manners in which articles on stockings of the "Tuché" brand appear in magazines that were issued between 2017 and 2019 give such introductions along with introductions of stockings of other brands, and only three of the magazines indicate the brand name in Roman letters in the articles whereas other magazines introduce the brand as "トウシエ" using katakana characters, so that it cannot be said that the manner in which the Original Registered Trademark ("Tuché") is shown is memorable. Also, as per the findings of the above (1) C (B), given that the advertising costs were 32,138,688 yen for fiscal 2014, 65,106,184 yen for fiscal 2015, 53,400,587 yen for fiscal 2016, and 42,590,674 yen for fiscal 2017, from among which advertising costs for magazines remained at 2,415,000 yen for fiscal 2015 and 9,735,515 yen for fiscal 2016, it cannot be said that the scale of advertising is great. Naturally, while it can be acknowledged that Plaintiff's Product became a big hit by 2001 as the product produced by "A", and that sales continued to

increase thereafter, given that the contract between Plaintiff and "A" had ended by 2011 (Exhibit Ko 32), and that the sales from Plaintiff's Product decreased thereafter, it can be said that the effect of advertising through collaboration with "A" is limited at present.

In addition, the "Hot-Selling Ranking of Women's Stockings" (Exhibit Otsu 27) on the website at Amazon.co.jp as of January 24, 2020 (Exhibit Otsu 27) showed "Atsugi Stocking 引きしめて美しい (3 pairs)" [meaning "tightened to give a beautiful look" in Japanese] by Atsugi coming in first place, and "Stocking 10 pairs" by Cecille coming in second place, and Plaintiff's "Stockings Sabrina なめらかゾッキ PS 3 pairs" [meaning "smooth single yarn panty stockings" in Japanese] coming in third place, and "Tuché Garter Free Stockings", which is Plaintiff's Product, remained in 63rd place. In addition, the "Stockings Ranking" (Exhibit Otsu 28) on the website of Rakuten co.jp as of the same date showed "Pierre Mantoux Tights" coming in first place, Plaintiff's "SABRINA panty stockings" coming in second place, and "弾性ストッキング着圧ストッキングシリーズ最高着圧" [meaning "Elastic stockings Compression stocking series Most compression"] coming in third place, and Plaintiff's Product, "Tuché 脚を細く見せる" [meaning "Making legs look thin"], remained in 63rd place (as described above in (1) B (D) a). When these circumstances are taken into consideration, it is acknowledged, as described above in (A), that at the time of the JPO Decision, a considerable number of customers recognized Original Registered Trademark as that indicating the stockings pertaining to Plaintiff's business, but it cannot be said that such customers were the majority, and it cannot be acknowledged that the recognition by the customers had attained the level of being famous.

### C. Results of Questionnaire

A Questionnaire was conducted at the end of August 2012, which is more than seven years before the time of the JPO Decision. Given that fashion brands have trends, and that in the field of stockings, products from new brands were released one after another by Plaintiff and other companies between 2001 and 2013 (Exhibits Otsu 34 to 37, Otsu 39, Otsu 40), it cannot be said that the Questionnaire is appropriate as a document for definitively determining the level of recognition of Original Registered Trademark by customers at the time of the JPO Decision.

Also, as per the findings of the above (2) B, customers for stockings consist of a wide age range, but the target of the Questionnaire is restricted to "women in the age groups of 20s to 50s living in the Tokyo metropolitan area", and does not include women in their 10s and 60s or above, or women not living in the Tokyo metropolitan area, so that the results of the Questionnaire merely reflect part of the recognition of stockings by customers.

Furthermore, results of the Questionnaire show that, with regard to the stockings of the "Tuché" brand, the overall response of all age groups consisted of 24.8% for "Purchased before", 7.5% for "Intend to purchase", and 15.0% for "Yes, but never purchased" (a total of 43.8%) whereas 52.8% responded "I don't know them", and thus the majority of respondents answered "I don't know them".

As described above, the timing at which the Questionnaire was conducted is not recent, and the Questionnaire targets only part of the customers for stockings, so that the Questionnaire is not appropriate as a document for definitively determining the level of recognition of Original Registered Trademark by customers at the time of the JPO Decision, and furthermore, it cannot be said that the results of the Questionnaire show that Original Registered Trademark was recognized by the majority of customers, so that it cannot be said that the Questionnaire supports the argument that the recognition of Original Registered Trademark attained the level of being famous.

#### D. Summary

Based on what is described above, it is acknowledged that Plaintiff's Product has been continuously sold nationwide for more than 19 years since 2000, and that, according to the sales amount and the market share, a considerable number of customers recognized Original Registered Trademark as that indicating the stockings pertaining to Plaintiff's business. On the other hand, the sales amount from Plaintiff's Product showed decline each year, and the sales amount for fiscal 2017 was about one-third of the sales amount for fiscal 2010, and the market share was also on the decline, and it cannot be acknowledged immediately that the Original Registered Trademark shown on the package of Plaintiff's Product is very memorable or unforgettable, and the advertising of Plaintiff's Product is not of a large scale so that the advertising effect is restrictive, and the timing at

which the Questionnaire was conducted is not recent, and the Questionnaire targets only part of the customers for stockings, so that the Questionnaire is not appropriate as a document for definitively determining the level of recognition of Original Registered Trademark by customers at the time of JPO Decision, and furthermore it cannot be said that the results of the Questionnaire show that Original Registered Trademark is recognized by the majority of customers. When all these circumstances are taken into consideration, it cannot be said that the majority of customers recognized Original Registered Trademark as that indicating the stockings pertaining to Plaintiff's business at the time of the JPO Decision, so that the recognition by the customers pertaining to Original Registered Trademark cannot be considered to have attained the level of being famous.

Furthermore, in the present case, there is not sufficient evidence to acknowledge that Original Registered Trademark was, in its relationship with products other than stockings such as women's socks and tights and women's innerwear, recognized among customers as that indicating the goods pertaining to Plaintiff's business at the time of the JPO Decision, and that the recognition had attained the level of being famous.

Accordingly, it cannot be acknowledged that, at the time of the JPO Decision (rendered on October 29, 2019), the Original Registered Trademark was "well known among customers" as that indicating the designed goods pertaining to Plaintiff's business.

The assertion made by Plaintiff to the contrary cannot be accepted.

(4) Overview

As described above, it cannot be acknowledged that Original Registered Trademark was "well known among customers " as that indicating the designated goods pertaining to Plaintiff's business at the time of the JPO Decision (rendered on October 29, 2019). Accordingly, without having to determine other points, the court holds that the Applied Mark does not fulfill the requirement of Article 64, paragraph (1) of the Trademark Act.

Therefore, the JPO Decision, which was rendered to the same effect, is correct, and thus the grounds for rescission as asserted by Plaintiff are unreasonable.

No. 5 Conclusion

Based on the above, the grounds for Plaintiff's claim of rescission are

unreasonable, and the JPO Decision does not contain any illegality based on which the JPO Decision shall be rescinded.

Therefore, Plaintiff's claim shall be dismissed.

Intellectual Property High Court, Fourth Division

Presiding Judge: OTAKA Ichiro  
Judge: MOTOYOSHI Hiroyuki  
Judge: OKAYAMA Tadahiro

(Attachment 1)

T u c h é

(Attachment 2)

Trademark of Trademark Registration No. 4509260

Trademark configuration

# Tuché

Date of application for registration:	July 15, 1999
Date of establishment of registration:	September 28, 2001
Date of registration of renewal:	April 26, 2011
Designated goods:	"Clothing; Footwear [other than special footwear for sports]; Clothes for sports; Special footwear for sports" in Class 25