

Date	June 27, 2013	Court	Intellectual Property High Court, Second Division
Case number	2012 (Gyo-Ke) 10454		
<p>– A case in which the court dismissed the plaintiff's claim, holding that there is no error in the JPO decision that found that the plaintiff's registered trademark (consisting of the alphabetic characters, "KUMA," and a figure of a bear) falls under Article 4, paragraph (1), items (vii) and (xv) of the Trademark Act, through comparison with the cited trademark (consisting of the alphabetic characters, "PUMA," and a figure of a puma).</p>			

References: Article 4, paragraph (1), items (vii) and (xv) of the Trademark Act

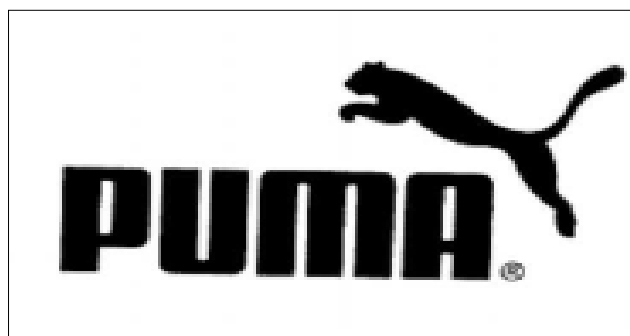
Numbers of related rights, etc.: Trademark Registration No. 4994944, Trademark Registration No. 3324304

Summary of the Judgment

The plaintiff holds a trademark right for the trademark shown below (Trademark Registration No. 4994944; the "Trademark").



The defendant filed a trial for invalidation of the registration of the Trademark (Invalidation Trial No. 2011-890089), citing the trademark shown below (Trademark Registration No. 3324304; the "Cited Trademark") and seven other trademarks that it uses.



The JPO found that the Trademark falls under Article 4, paragraph (1), items (vii) and (xv) of the Trademark Act and made a decision to invalidate the registration of the Trademark. Dissatisfied with this, the plaintiff filed an action to seek rescission of the JPO decision.

The court, finding and determining as summarized below, concluded that there is no error in the JPO decision, and dismissed the plaintiff's claim.

(1) Whether the Trademark falls under Article 4, paragraph (1), item (xv) of the Trademark Act

It can be found that the Cited Trademark had become a well-known, famous trademark widely recognized by traders and consumers in Japan as a trademark affixed to the sports shoes, clothing, bags, etc. dealt with in the defendant's business, and that it has continued to be recognized as such as of the time of examination for registration of the Trademark and thereafter.

A comparison between the Trademark and the Cited Trademark has revealed that the two trademarks are the same in terms of the features that four alphabetic characters are written horizontally in a very noticeable manner, and that a figure of a side-view silhouette of a four-legged animal (different animals, namely, bear and puma) stretching its front legs toward left and moving toward said alphabetic characters is positioned in the right, upper area of said characters. The four alphabetic characters and the sequence thereof are the same between the two trademarks except for the first character, i.e., "K" for one trademark and "P" for the other. The features of each character are extremely similar between the two trademarks. For example, each character is written by using bold, vertical lines and narrow, horizontal lines in such a way that all the vertical lines of each character look upright. Each character is written in a horizontally-long font with many rounded corners. The two trademarks give a similar impression in the sense that the four characters as a whole form an approximately horizontally-long rectangle-shaped logo. Also, the two trademarks are the same in terms of the feature that the upper ends of the characters are at the same height as that of the thighs of the hind legs of the animal. Furthermore, the two trademarks are similar in terms of the directions of the legs and tail of the animal.

The alphabetic characters "KUMA" written in a small, Gothic font positioned on top of the Trademark and the sign consisting of an extremely small alphabetic character "R" written in a circle positioned in the lower right area of the alphabetic character "A" of the Cited Trademark do not give a strong impression to viewers due to their inconspicuousness in terms of position, size, etc. On these grounds, in

consideration of the common impression given by the common configuration, the Trademark and the Cited Trademark may be considered to give viewers an extremely similar impression in terms of external appearance, if viewed from a distance.

The designated goods of the Trademark are the same as goods for which the Cited Trademark has been used for years. The usage, purpose, quality, points of sale, etc. of the goods are also the same and the level of similarity between the two trademarks is extremely high. The two trademarks are also the same in terms of the point that the goods carrying those trademarks are sold to general consumers. Based on these grounds, the use of the Trademark for the designated goods could cause confusion with regard to the source of the goods because traders and consumers would pay attention to the combination of the four distinctive alphabetic characters written in a conspicuous manner and the figure of the bear-shaped silhouette, and then associate it with the Cited Trademark, which has become well-known and famous among consumers, and mistakenly believe that the goods pertain to the business of the defendant or the business of a company that has an economic or any other relationship with the defendant.

Therefore, there is no error in the JPO decision that the Trademark falls under Article 4, paragraph (1), item (xv) of the Trademark Act.

(2) Whether the Trademark falls under Article 4, paragraph (1), item (vii) of the Trademark Act

It may be found that the company that is the registered applicant of the Trademark (which is not a party to this case), being aware that the Cited Trademark is famous, created the Trademark consisting of four alphabetic characters intentionally written in almost the same manner as the Cited Trademark and a figure of a bear as a replacement of the puma used in the Cited Trademark in order to ensure that the overall configuration of the Trademark looks extremely similar to that of the Cited Trademark so that traders and consumers who come across the Trademark would associate the Trademark with the Cited Trademark, and having created the Trademark in such manner, said company filed an application for registration of the Trademark, and had it registered for the illicit purpose of free-riding the reputation, honor, and customer appeal embodied by the Cited Trademark. The plaintiff may be found to have acquired the Trademark assigned from said company while knowing such circumstances.

It may be found that the use of the Trademark for the designated goods could dilute the source-indicating function of the Cited Trademark and damage the reputation, honor, and customer appeal embodied by the Cited Trademark and eventually the defendant's business reputation.

On these grounds, it may be found that the Trademark was created by imitating the features of the Cited Trademark and registered through an application for registration for the purpose of making an unfair profit by free-riding the reputation, honor, and customer appeal embodied by the Cited Trademark. Such act should be considered to disturb fair business practices and go against business ethics, being against the purpose of the Trademark Act (Article 1 of the Trademark Act), i.e., the maintenance of business confidence of persons who use trademarks and the protection of the interests of consumers through the protection of trademarks.

Therefore, there is no error in the JPO decision that the Trademark falls under Article 4, paragraph (1), item (vii) of the Trademark Act.

Judgment rendered on June 27, 2013

2012 (Gyo-Ke) 10454 Case of Seeking Rescission of a JPO Decision

Date of conclusion of oral argument: April 25, 2013

Judgment

Plaintiff: Hokkaido Design Kabushiki Kaisha

Counsel attorney: SUGIYAMA Hisashi

Counsel patent attorney: SAGAWA Shingo

Same as above: KOBAYASHI Motoko

Same as above: TAKAHASHI Shiori

Defendant: Puma SE (as of the time of the JPO decision, Puma AG Rudolf Dassler Sport)

Counsel patent attorney: SOGA Michiharu

Same as above: OKADA Minoru

Same as above: SAKAGAMI Masaaki

Same as above: SUZUKI Noboru

Main text of the judgment

1. The plaintiff's claims shall be dismissed.
2. The plaintiff shall bear the court costs.

Facts and reasons

No. 1 Judgment sought by the plaintiff

A judgment to rescind the decision made by the JPO on November 27, 2012, about the case, Invalidation Trial No. 2011-890089.

No. 2 Background

This is a lawsuit to seek rescission of a JPO decision that invalidated a trademark registration (the "Trademark Registration"). The issue in this case is the applicability of Article 4, paragraph (1), items (vii) and (xv), of the Trademark Act (the terms "item (vii)," "item (xi)," and "item (xv)" hereinafter means those items of Article 4, paragraph (1), of the Trademark Act).

1. Progress of procedures at the JPO

(1) The plaintiff is the holder of the following trademark (the "Trademark"). NIPPON KANKO SHOJI Co., Ltd. ("NIPPON KANKO SHOJI") originally filed an application for said trademark and had it registered. On October 17, 2012, the trademark right for the Trademark (the "Trademark Right") (Exhibits Ko No. 1, No. 2, and No. 32) was assigned to the plaintiff by specified succession.

[Trademark]



- Registration No. 4994944

- Designated goods Class 25 "Non-Japanese-style outer clothing, coats, sweaters and the like, shirts and the like, nightwear, underwear [underclothing], swimwear [bathing suits], swimming caps [bathing caps], Japanese traditional clothing, aprons [clothing], socks and stockings, scarves [scarfs], gloves and mittens [clothing], neckties, mufflers, headgear for wearing, belts for clothing, clothes for sports, special footwear for sports [other than "horse-riding boots"]

Part of the registration of the Trademark related to some of the designated goods, i.e., "Nightwear, swimwear [bathing suits], swimming caps [bathing caps], Japanese traditional clothing, clothes for sports, special footwear for sports [other than "horse-riding boots"], was deleted based on the notice of partial cancellation (received on July 31, 2012).

-Application date: April 3, 2006

- Registration date: October 13, 2006

(2) On October 12, 2011, the defendant sought a JPO trial for invalidation of the registration of the Trademark (Invalidation Trial No. 2011-890089).

On November 27, 2012, the JPO made a decision that "The registration (Registration No. 4994944) shall be invalidated." and had a certified copy of said decision served to the plaintiff on December 6, 2012.

(3) The defendant alleged that the Trademark Registration falls under items (vii) and (xv), which constitutes the grounds for invalidation of the Trademark Registration.

(4) In the JPO trial, the following trademarks were cited by the defendant and used by the JPO as the grounds for the JPO decision of invalidation. While the defendant also cited another trademark consisting solely of characters, "PUmA" as Cited Trademark 2 in addition to the aforementioned cited trademark, Cited Trademark 2 will not be

examined in this judgment because it was not examined in the JPO trial.

[Cited trademarks]



1) Registration No. 3324304 (Exhibit Ko No. 3-1)

Category of goods and services: Class 25

2) Registration No. 3328662 (Exhibit Ko No. 3-2)

Category of goods and services: Class 18

3) Registration No. 4161424 (Exhibit Ko No. 3-3)

Category of goods and services: Class 41

4) Registration No. 4291078 (Exhibit Ko No. 3-4)

Category of goods and services: Class 3

5) Registration No. 4322373 (Exhibit Ko No. 3-5)

Category of goods and services: Class 16

6) Registration No. 4726776 (Exhibit Ko No. 3-6)

Category of goods and services: Class 24

7) Registration No. 4907491 (Exhibit Ko No. 3-7)

Category of goods and services: Class 9

8) Registration No. 5280935 (Exhibit Ko No. 3-8)

Category of goods and services: Class 14

(omitted)

No. 5 Court decision

1 Grounds for Rescission 2 (Erroneous determination about the applicability of item (xv))

(1) Trademark

The Trademark consists of alphabetic characters "KUmA," which are written in a unique, bold, angular font and form an approximately horizontally-long rectangle-shaped logo. In the right upper area of those alphabetic characters, a figure

that looks like a silhouette of a bear is positioned in such a way that the bear looks as if it were slouchingly walking leftward on two legs. On top of the alphabetic characters, alphabetic characters "KUMA" are written in small, gothic font.

(2) Cited trademarks

Each of the cited trademarks consists of alphabetic characters "PUmA," which are written in a unique, bold, angular font and form an approximately horizontally-long rectangle-shaped logo. In the right upper area of those alphabetic characters, a figure that looks like a silhouette of a puma is positioned in such a way that the puma looks as if it were jumping up leftward. In the right lower area of the alphabetic character, "A," a small sign consisting of the capital letter "R" in a circle is placed.

The aforementioned eight cited trademarks (hereinafter collectively referred to as the "Cited Trademark") that share the configuration presented above were claimed in the applications filed during the period from December 20, 1994, to May 15, 2009, and registered during the period from June 20, 1997, to November 13, 2009.

(3) How well-known and famous the Cited Trademark is

A. According to Exhibits Ko No. 4 to No. 11 and Exhibits Otsu No. 1 and No. 2 (including the branch numbers) and the entire import of oral argument, the following facts may be found.

(A) The defendant is a world-famous company engaged in the manufacturing and sale of sports gear, sportswear, etc. It was originally established by two brothers, namely, Adi Dassler and Rudolf Dassler, in 1920 as Dassler Brothers Sports Shoe Company. Subsequently, the brothers became independent from each other in 1948. Then, the older brother founded the defendant.

(B) From 1949, the defendant started using a mark consisting of the characters "PUMA" and the figure of a puma as its brand mark for sports shoes. "PUMA" was taken from American "Puma" lions which are known for their agility and ability to track down their prey. As an agent in Japan, Cosa Liebermann Kabushiki Kaisha handled some of the defendant's goods, i.e., "shoes, bags, and accessories" from 1972 to 2002. On May 1, 2003, Puma Japan, which is Puma's Japanese subsidiary, succeeded to the business of Cosa Liebermann. Regarding sportswear, the Japanese licensee, i.e., Hit Union Kabushiki Kaisha, had been engaged in the manufacturing and sale of such goods since 1972 until January 2006, in which the defendant's Japanese corporation, Puma Apparel Japan, was established to produce apparel-related goods carrying the Cited Trademark in Japan. Hit Union assigned its business rights to Puma Apparel Japan.

(C) The Cited Trademark has long been used for jackets, jogging pants, trousers, T-shirts, swimwear, caps, belts for clothing, sports shoes," etc.

(D) According to the "Sports apparel/Ranking of domestic shipments by brand" included in the White Paper Concerning the Sports Apparel Industry published in 2003 to 2008 (Exhibits Ko No. 7-3 to No. 7-6), the Puma brand was ranked third from 2001 to 2004 and fourth in 2005 and 2006. Regarding football wear, the shares of the five top brands in terms of shipments in 2006 were as follows: "Adidas" was ranked top with the shipments of 9.8 billion yen, accounting for 26.8 percent, "Puma" was ranked second with the shipments of about 8.0 billion yen. The three top brands, namely, "Adidas," "Puma," and "Nike," accounted for as much as 65% in terms of market share.

(E) During the period from 2005, which is prior to the filing of the application for registration of the Trademark, until 2006, which is after the completion of the examination for registration of the Trademark, the Cited Trademark was used for sports shoes, bags, sportswear (tops and bottoms), T-shirts, swimwear, etc. that appeared in many product catalogs, magazines, etc. published in Japan and also used in many TV commercials during that period.

B. Based on the facts described above, the defendant may be considered to have started using, as the defendant's brand mark, the characters "PUMA" and a figure of a puma from 1949, and started manufacturing and selling sportswear, shoes, bags, and accessories through its agent or licensee or Japanese corporation from 1972, and started continuously advertising in various newspapers and magazines such as "Runners" its products including sports shoes, bags, sportswear, and other clothing such as T-shirts carrying the Cited Trademark from around 2005 at the latest.

The Cited Trademark consists of alphabetic characters forming an approximately horizontally-long rectangle-shaped logo and a figure that looks like a silhouette of a puma positioned in the right upper area of those alphabetic characters in such a way that the puma looks as if it were jumping up leftward. This unique configuration of the Cited Trademark gives a strong impression to consumers.

This means that the Cited Trademark had become a well-known, famous trademark widely recognized by traders and consumers in Japan as a trademark affixed to the defendant's sports shoes, clothing, bags, etc. The Cited Trademark may be recognized to have maintained such recognition as of the time of examination for registration of the Trademark and thereafter.

One of the trademarks used by the defendant has the structure where the Cited Trademark is positioned in the upper area with the characters "puma.com" positioned in the lower area. While the plaintiff alleged that this trademark is different from the Cited Trademark in terms of configuration, this trademark in use clearly has the structure of the Cited Trademark. Since the "puma.com" part positioned in the lower area is the

defendant's domain name and cannot fulfil the source-indicating function, the essential feature of the trademark in use consists of the Cited Trademark. Thus, the trademark in use may be considered to be equivalent to the Cited Trademark.

The plaintiff alleged that Exhibits Ko No. 6 to No. 11, submitted to prove that the Cited Trademark is famous, present many marks that are completely different from the Cited Trademark and have therefore failed to prove that the Cited Trademark is famous and that the inconsistent manner of using those marks has caused unclarity as to whose goodwill is embodied by those marks. However, the configuration of most of the trademarks consisting of the characters "PUmA" and a figure of a puma is the same as the configuration of the Cited Trademark. Even if some trademarks have adopted a configuration that uses only a part of the Cited Trademark or uses a different font for the characters "PUmA," they may be considered to have adopted such configurations as variations of the Cited Trademark to take advantage of the Cited Trademark being well-known and famous. Therefore, the existence of such variations only proves the correctness of the recognition that the Cited Trademark is well-known and famous, but does not disprove it.

(4) Similarity between the Trademark and the Cited Trademark

A comparison between the Trademark and the Cited Trademark has revealed that the two trademarks are the same in terms of the features that four alphabetic characters are written horizontally in a very noticeable manner, and that a figure of a side-view silhouette of a four-legged animal (different animals, namely, bear and puma) stretching its front legs toward left and moving toward said alphabetic characters is positioned in the right, upper area of said characters. The four alphabetic characters and the sequence thereof are the same between the two trademarks except for one character, i.e., "K" for one trademark and "P" for the other. The features of each character are extremely similar between the two trademarks. For example, each character is written by using bold, vertical lines and narrow, horizontal lines in such a way that all the vertical lines of each character look upright. Each character is written in a horizontally-long font with many rounded corners. The two trademarks give a similar impression in the sense that the four characters as a whole form an approximately horizontally-long rectangle-shaped logo. Also, the two trademarks are the same in terms of the feature that the upper ends of the characters are at the same height as that of the thighs of the hind legs of the animal. Furthermore, the two trademarks are similar in terms of the directions of the legs and tail of the animal.

The alphabetic characters "KUMA" written in a small, Gothic font positioned on top of the Trademark and the sign consisting of an extremely small alphabetic character "R"

written in a circle positioned in the lower right area of the alphabetic character "A" of the Cited Trademark do not give a strong impression to viewers due to their inconspicuousness in terms of position, size, etc.

The plaintiff alleged that the four alphabetic characters used in the Trademark are different from those used in the Cited Trademark in terms of line width and the space between characters. However, the detailed examination of those characters has revealed that the slight differences such as the difference between the two trademarks in terms of the space between the vertical lines used in each character would not affect the viewers' impression and memory and therefore would not overshadow the common features mentioned above.

On these grounds, in consideration of the common impression given by the common configuration, the Trademark and the Cited Trademark may be considered to give viewers an extremely similar impression in terms of external appearance, if viewed from a distance.

(5) Transaction practices

Designated goods of the Trademark are the same as those for which the Cited Trademark has been used for years, i.e., "Jackets, jogging pants, trousers, T-shirts, swimwear, caps, belts for clothing, sports shoes," etc. The usage, purpose, quality, points of sale, etc. of the goods are also the same and the level of similarity between the two trademarks is extremely high. The two trademarks are also the same in terms of the point that the goods carrying those trademarks are sold to general consumers, who do not have detailed knowledge about trademarks and brands and do not pay much attention when they choose and purchase goods.

In the case of clothing, shoes, etc., a trademark is often indicated as a small one-point mark. In such case, the details of the trademark would not be expressed clearly. In many cases, consumers would be impressed by the overall image of the trademark and fail to notice the difference in details.

While the plaintiff alleged that the plaintiff's goods are sold as souvenirs in souvenir shops, souvenirs are sold not only in souvenir shops but also department stores, shopping arcades, etc. Since those places sell clothing in addition to souvenirs, the goods carrying the Trademark may be considered to be sold in the same place as the goods carrying the Cited Trademark (Exhibits Otsu No. 4 and No. 5).

(6) Risk of causing confusion

Based on a comprehensive evaluation of the facts described above, the use of the Trademark for the designated goods could cause confusion with regard to the source of the goods because traders and consumers would pay attention to the combination of the

four distinctive alphabetic characters written in a conspicuous manner and the figure of the bear-shaped silhouette, and then associate it with the Cited Trademark, which has become well-known and famous among consumers, and mistakenly believe that the goods pertain to the business of the defendant or the business of a company that has an economic or any other relationship with the defendant.

(7) Summary

Therefore, it may be found that there is no error in the JPO decision that the Trademark falls under item (xv) and that Grounds for Rescission 2 lack grounds.

2. Grounds for Rescission 1 (Erroneous determination about the applicability of item (vii))

The similarity and the risk of misleading consumers and causing confusion between the Trademark and the Cited Trademark are as described above.

The fact found in 1 (3) (A) above has clarified that the defendant is a famous multinational company engaged in the global manufacturing and sale of sports shoes, clothing, bags, etc., that the Cited Trademark has been widely recognized among traders and consumers as a distinctive trademark that indicates the goods pertaining to the business of the defendant, that some of the designated goods of the Trademark overlap with the goods for which the Cited Trademark has been used, that the website where goods carrying the Trademark are sold displays the following warnings: "Sold in Hokkaido Only; hot-selling Parody Kuma," "'クーマ' 'Kuma' T-shirts with red front prints. This is not プーマ/PUMA," "Warning: This is not プーマ/PUMA," "'クーマ' 'Kuma' T-shirts with black front prints, Warning: This is not プーマ/PUMA," "This looks like the プーマ/PUMA logo?," "'クーマ' 'Kuma' T-shirts with black back prints. Warning: This is not プーマ/PUMA," "This looks like the プーマ/PUMA logo, or maybe not" (Exhibits Ko No. 18 and No. 19). While the plaintiff is a license management company of NIPPON KANKO SHOJI (the entire import of oral argument), NIPPON KANKO SHOJI have filed many applications for registration of not only the Trademark but also trademarks consisting of four alphabetic characters and a logo shaped not as a puma but as a horse or pig and other trademarks that retain the basic configurations of other famous trademarks even after some modifications (Exhibits Ko No. 4, No. 5, No. 14) and have consequently received a warning that its act of selling goods carrying those trademarks constitutes copyright infringement (Exhibits Ko No. 15, No. 16).

Based on a comprehensive evaluation of these facts, it may be recognized that NIPPON KANKO SHOJI, which was aware that the Cited Trademark is famous, created the Trademark consisting of four alphabetic characters intentionally written in

almost the same manner as the Cited Trademark and a figure of a bear as a replacement of the puma used for the Cited Trademark in order to ensure that the overall configuration of the Trademark looks extremely similar to that of the Cited Trademark so that traders and consumers who come across the Trademark would associate the Trademark with the Cited Trademark. NIPPON KANKO SHOJI created the Trademark, filed an applications for registration of the Trademark, and had it registered for the illicit purpose of free-riding the reputation, honor, and customer appeal embodied by the Cited Trademark. The plaintiff may be recognized to have had the Trademark assigned from NIPPON KANKO SHOJI with the awareness of the circumstances described above.

It may be found that the use of the Trademark for the designated goods could dilute the source-indicating function of the Cited Trademark and damage the reputation, honor, and customer appeal embodied by the Cited Trademark and eventually the defendant's business reputation.

On these grounds, it may be found that, for the purpose of making an unfair profit, NIPPON KANKO SHOJI created the Trademark by imitating the features of the Cited Trademark and registered it by filing an application for registration of the Trademark. This act should be considered to disturb fair business practices and go against business ethics, being against the purpose of the Trademark Act (Article 1 of the Trademark Act), i.e., the maintenance of business confidence of persons who use trademarks and the protection of the interests of consumers through the protection of trademarks.

Therefore, since there is no error in the JPO decision that the Trademark falls under item (vii), Grounds for Rescission 1 may be found to be groundless.

No. 6 Conclusion

On these grounds, all of the grounds for rescission alleged by the plaintiff may be found to be groundless. Thus, the court dismissed the plaintiff's claims and rendered the judgment in the form of the main text.

Intellectual Property High Court, Second Division

Presiding judge: SHIOTSUKI Shuhei

Judge: IKESHITA Akira

Judge: SHINTANI Takaaki