Date	February 25, 2015	Court	Intellectual Property High Court, First Division
Case number	2014 (Gyo-Ke) 10089		

– A case in which the court upheld the JPO decision in which the JPO invalidated the registration of the trademark "IGZO" on the grounds that the trademark, which may be recognized by business operators as an indication of raw materials of the designated goods as of the time of the examiner's decision of registration of the trademark, lacks the source-identifying function and that it would not be conducive to the public interest to allow any single person to exclusively use said trademark.

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

Number of related IP right, etc.: Invalidation Trial No. 2013-890052, Trademark No. 5451821

Summary of Judgment

1. This is a lawsuit to seek rescission of the JPO decision of invalidation made in a trial for invalidation of trademark registration (Invalidation Trial No. 2013-890052) with regard to the registration of some of the designated goods for the trademark "IGZO" (the "Trademark").

The JPO made a decision to invalidate the registration in response to a request for a trial for invalidation on the grounds that the Trademark falls under Article 3, paragraph (1), item (iii) of Trademark Act (the "Act") with regard to the designated goods for which said request was filed. The trademark right for the Trademark (the "Trademark Right") was divided into nine parts based on the plaintiff's claim after institution of this action. After the division, eight of them (the "Trademarks") were registered for the designated goods that fall within the scope of the designated goods covered by the request for a trial for invalidation.

2. In this judgment, the court made the comments in the following summary and held that the Trademarks may be considered to be consisting solely of a mark indicating the raw materials of the designated goods in a common manner. Also, the court held that the JPO decision was reasonable and found no illegality that would justify rescission of said JPO decision. In conclusion, the court dismissed the plaintiff's claim.

(1) According to the accepted facts, the term "IGZO" was, as of the time of the examiner's decision of registration of the Trademark, widely recognized by business operators such as companies that belong to the electronics industry, especially in the field of displays and semiconductors, as a word referring to indium gallium zinc oxide (the "Oxide").

(2) If the Trademark (IGZO) is used for the designated goods of Trademarks 4 to 9, which were registered after the division, i.e., "liquid crystal display TVs," "notebook

computers," "computers excluding notebook computers and tablet portable information terminals," "tablet portable information terminals," "smartphones," and "mobile phones," these designated goods usually include a display panel as one of their components. Since the performance of the display panel has a great effect on the product quality, companies, etc. engaged in the manufacturing and sale of the designated goods, in other words, the business operators who serve both as traders of the designated goods and, in some cases, as consumers of such goods, may be considered to generally recognize that the Oxide, which is indicated by the Trademark, is used for the display panels of the designated goods.

Furthermore, if the Trademark is used for the designated goods of the Trademark 1 and Trademark 2 after the division, i.e., "mobile phones, smartphones, tablet portable information terminals, telecommunication apparatus excluding liquid crystal display TVs, and applied electronic apparatus excluding tablet portable information terminals, computers, and notebook computers" or "parts for applied electronic apparatus, batteries, the machinery and appliances used for the purpose of electric distribution or control," in view of the facts that many of the designated goods are display panels or semiconductor devices themselves or contain them as one of their component parts, and that, as of the time when the examiner's decision of registration of the Trademark was made, the Oxide was considered to be a new raw material of semiconductor devices, which are indispensable components of modern electronic devices, and to be different from conventional materials in terms of performance, and to have attracted people’s attention as having a potential to improve the performance of not only displays but also a wide range of electronic devices in the future, the business operators who serve both as traders of the designated goods, and, in some cases, as consumers of such goods, would generally recognize that those designated goods contain, as a raw material, the Oxide indicated by the Trademark.

Therefore, the Trademarks may not be considered to have the source-identifying function in relation to the designated goods.

(3) Moreover, in consideration of the facts that the Oxide is a new raw material for semiconductor devices, which are indispensable components of modern electronic devices, and that the performance of the Oxide attracted people’s attention as having a potential to improve the performance of not only displays but also a wide range of electronic devices, and that research and development activities were conducted by a wide range of companies, etc. in the field of displays and semiconductors in the electronics industry with the aim of commercialization, anyone would like to use the Trademark as a necessary, appropriate indication when conducting transactions of any

of the designated goods of each of the Trademarks that could be regarded as raw materials of display panels and semiconductors. Thus, it would be unreasonable, from the perspective of the public interest to permit any single person to exclusively use the Trademark.

(4) Therefore, any of the Trademarks may be considered to be a "trademark that consists solely of a mark indicating raw materials of goods in a common manner" as specified in Article 3, paragraph (1), item (iii) of the Act.

3. This judgment held as follows with regard to the plaintiff's allegation that the JPO decision shall be rescinded on the grounds of the division of the Trademark Right.

Even if a multiple number of designated goods or services of a registered trademark are subject to a single JPO decision of invalidation, the JPO decision of invalidation should be interpreted to be in effect for each of those designated goods or services. Thus, after the JPO decision of invalidation is made, even if the trademark right in question is divided, and, as a result, different trademark rights are registered for individual designated goods or services respectively, the JPO decision of invalidation would naturally be in effect for all of the trademark rights registered after the division. Therefore, it should be interpreted that the division would not affect the effect of a JPO decision of invalidation. In this lawsuit, the court should determine whether there are grounds for rescission of the JPO decision by deeming that the JPO decision to invalidate the registration of the Trademark is in effect for the registration of the Trademarks, which was made after the division thereof. The fact that the Trademark was divided after the JPO decision does not necessarily provide grounds for rescission of the JPO decision.

Judgment rendered on February 25, 2015

2014 (Gyo-Ke) 10089, Case of Seeking Rescission of JPO Decision

Date of conclusion of oral argument: December 18, 2014

Judgment

Plaintiff: Sharp Corporation

Defendant: Japan Science and Technology Agency

Main text

1. The plaintiff's claim shall be dismissed.

2. The court costs shall be borne by the plaintiff.

Facts and reasons

No. 1 Claim

The court shall rescind the JPO decision rendered with respect to Invalidation Trial No. 2013-890052 on March 5, 2014.

No. 2 Outline of the case

1. The plaintiff holds a trademark right for the trademark shown below (referring to the trademark before the division of the trademark right as mentioned later; hereinafter said trademark shall be referred to as the "Trademark" and the right pertaining thereto shall be referred to as the "Trademark Right"). The defendant filed a request for a trial for invalidation of trademark registration with regard to the registration of some of the designated goods for the Trademark, and the Japan Patent Office (hereinafter referred to as the "JPO") rendered a decision to invalidate the registration of some of said designated goods. In response, the plaintiff filed this lawsuit to seek the rescission of the JPO decision.

Trademark: IGZO (standard characters)

Registration No.: Trademark Registration No. 5451821

Designated goods (before the division of the trademark right as mentioned later; among the following, underlined items are the designated goods concerning which the request for a trial for invalidation of trademark registration was filed)

Class 9 "Electric flat irons; electric hair curlers; telecommunication machines and apparatus; electronic machines, apparatus and their parts; batteries and cells; electric wires and cables; and power distribution or control machines and apparatus"

2. Developments in procedures at the JPO, etc. (undisputed)

(1) The plaintiff filed an application for the registration of the Trademark on June 24, 2011. The examiner's decision of registration was rendered on October 25, 2011. The establishment of the Trademark Right was registered on November 18, 2011.

(2) On July 31, 2013, the defendant filed a request for a trial at the JPO, seeking the invalidation of the registration concerning some of the designated goods of the Trademark, namely, Class 9 "telecommunication machines and apparatus; electronic machines, apparatus and their parts; batteries and cells; and power distribution or control machines and apparatus," based on an allegation that the registration of these goods violates Article 3, paragraph (1), item (iii) or Article 4, paragraph (1), item (xvi) or (vii) of the Trademark Act.

The JPO examined the above request as Invalidation Trial No. 2013-890052. On March 5, 2014, the JPO rendered a decision to the effect that "the registration with regard to some of the designated goods of the Trademark, namely, Class 9 'telecommunication machines and apparatus; electronic machines, apparatus and their parts; batteries and cells; and power distribution or control machines and apparatus,' shall be invalidated." The certified copy of this JPO decision was sent to the plaintiff on March 13, 2014.

(3) The plaintiff filed a series of requests for the division of the Trademark Right at the JPO on May 27, June 19, and July 8 and 28, 2014. The Trademark Right was eventually divided into nine parts and registered as shown in the Appended Table. The designated goods registered for each trademark after the division are described in the left column under the "Description of designated goods" column in the Appended Table. After reorganizing and rewriting the phrase "provided, however, excluding ...," the designated goods for each of the divided trademarks can be substantially summarized as follows (see the right column under the "Description of designated goods" column in the Appended Table; Exhibits Ko 131 to 139).

[i] "Telecommunication machines and apparatus, excluding portable telephones, smartphones, tablet-type portable information terminals, and liquid crystal display televisions; and electronic machines and apparatus, excluding tablet-type portable information terminals, computers, and laptop computers" (Trademark Registration No. 5451821-1-1-1; hereinafter referred to as "Trademark 1")

[ii] "Parts for electronic machines and apparatus; batteries and cells; and power distribution or control machines and apparatus" (Trademark Registration No. 5451821-1-1-2-1; hereinafter referred to as "Trademark 2")

[iii] "Electric flat irons; electric hair curlers; and electric wires and cables" (Trademark Registration No. 5451821-1-1-2-2; hereinafter referred to as "Trademark 3")

[iv] "Liquid crystal display televisions" (Trademark Registration No. 5451821-1-2-1; hereinafter referred to as "Trademark 4")

[v] "Laptop computers" (Trademark Registration No. 5451821-1-2-2; hereinafter referred to as "Trademark 5")

[vi] "Computers, excluding laptop computers and tablet-type portable information terminals" (Trademark Registration No. 5451821-2-1-1; hereinafter referred to as "Trademark 6")

[vii] "Tablet-type portable information terminals" (Trademark Registration No. 5451821-2-1-2; hereinafter referred to as "Trademark 7")

[viii] "Smartphones" (Trademark Registration No. 5451821-2-2-1; hereinafter referred to as "Trademark 8")

[ix] "Portable telephones" (Trademark Registration No. 5451821-2-2-2; hereinafter referred to as "Trademark 9"; Trademarks 1, 2, 4 to 9 shall be collectively referred to as the "Trademarks")

3. Grounds for the JPO decision

The grounds for the JPO decision are as described in the copy of the written JPO decision attached to this judgment. It states as follows in summary.

(1) It is found that the characters "IGZO" had been widely known as an indication of an "oxide that consists of a compound of In (indium), Ga (gallium), Zn (zinc) and O (oxygen)" not only to limited groups of people, such as researchers, but also to the electronics industries in the liquid crystal display and semiconductor fields before the examiner's decision of registration for the Trademark.

(2) Among the designated goods of the Trademark, "electronic machines, apparatus and their parts" include semiconductor devices and semiconductors for power circuits, while "telecommunication machines and apparatus" include liquid crystal displays and panels, etc. as mentioned above. Moreover, "batteries and cells" and "power distribution or control machines and apparatus" include accumulators, capacitors, etc. Some of the goods related to these items have monitors for displaying the battery charge status and liquid crystal panels that are visible in the case of power failure. It is found that said goods are parts for machines and apparatus that are traded among companies or goods related thereto, and they often include goods whose consumers (including traders) are companies that are not final consumers.

(3) Based on the comprehensive understanding of the above, it can be said that the characters "IGZO," which comprise the Trademark, were used as an indication of one of the raw materials that compose the above goods and were recognized at least among companies (traders/consumers) of the goods mentioned in (2) above at the time of the examiner's decision of registration for the Trademark. As such, if the Trademark was used for the designated goods concerning the request, it would be

recognized as an indication of a raw material of the goods. Thus, it is appropriate to say that the Trademark is unable to function as a mark for distinguishing the plaintiff's goods from others. The Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act in relation to the designated goods concerning the request. The registration should be invalidated in accordance with Article 46, paragraph (1), item (i) of the same Act, without the need for the JPO to make any determination on the rest of the matters.

4. The issue of this case is whether the Trademark or Trademarks consist solely of a mark indicating the raw materials of the goods in a common manner (whether they fall under Article 3, paragraph (1), item (iii) of the Trademark Act; hereinafter the Trademark Act may be simply referred to as the "Act" and said item may be simply referred to as "Article 3, paragraph (1), item (iii)" or "item (iii)"). In this case, the plaintiff did not make an allegation to the effect that the Trademark falls under Article 3, paragraph (2) of the Act (what is so called special distinctiveness acquired through the use).

(omitted)

No. 5 Court decision

1. Regarding the division of the trademark right

As stated in No. 2, 2(3) above, the Trademark Right was divided after the rendition of the JPO decision concerning this case. In this regard, the plaintiff alleges that, if a trademark right is divided while an action seeking the rescission of the JPO decision of invalidation is pending, [1] a judgment to dismiss the claims would force the Commissioner of the JPO to take a disposition for which the Commissioner has no competency of execution under the law, and [2] a case seeking the rescission of the JPO decision is to examine whether the disposition by the JPO (decision of invalidation) was illegal at the time of disposition, and a decision on such illegality should be made with the facts that have changed after the disposition in mind, if such facts have reasonable grounds to affect the decision on illegality of the disposition at the time of the disposition. Based on these reasons, the plaintiff alleges that the court should naturally render a decision to remand the case to the JPO to have it examine each trademark right after the division, or the court should examine grounds for invalidation for each trademark after the division with the above points in mind (No. 3, 3(1) above). Thus, the court shall make a determination on this point first.

(1) An application for trademark registration shall be filed for each trademark and designate one or more goods or services in connection with which the trademark is to be used (Article 6, paragraph (1) of the Act) and goods or services designated in accordance with the provisions of said paragraph are

referred to as "designated goods" or "designated services" (stated in the parentheses under Article 4, paragraph (1), item (xi) of the Act). When the trademark has been registered in connection with two or more designated goods or designated services, a request for invalidation trial of the trademark registration may be filed for each of the designated goods or designated services (Article 46, paragraph (1) of the Act) and the appeal/trial decision of a request for appeal/trial filed for each designated goods or designated services shall become final and binding for each designated goods or designated services (proviso to Article 55-3 of the Act). In addition, if a trial decision to the effect that the trademark registration is to be invalidated becomes final and binding, the trademark right shall be deemed never to have existed (main text of Article 46-2, paragraph (1) of the Act). For the purpose of the application of said paragraph, with respect to the trademark registration covering two or more designated goods or designated services, the trademark shall be deemed to have been registered or the trademark right shall be deemed to exist for each of the designated goods or designated services (Article 69 of the Act). When there are two or more designated goods or designated services for a trademark, the trademark right may be divided for each of the designated goods or designated services (Article 24, paragraph (1) of the Act). The division of the trademark right may be filed even when a request for invalidation trial or an action to seek the rescission of the JPO decision is pending (see paragraph (2) of the same Article).

According to these provisions, even if a multiple number of designated goods or services of a registered trademark are subject to a single JPO decision of invalidation, the JPO decision of invalidation should be interpreted to be in effect for each of those designated goods or services. Thus, after the JPO decision of invalidation is made, even if the trademark right in question is divided, and, as a result, different trademark rights are registered for individual designated goods or services respectively, the JPO decision of invalidation would naturally be in effect for each of the trademark rights registered after the division. Therefore, it is appropriate to construe that the division of the trademark right has no influence on the effect of the JPO decision of invalidation. Moreover, plaintiff's allegation [1] as stated above to the effect that a judgment to dismiss the claims rendered in an action seeking the rescission of the JPO decision of invalidation after the division would force the Commissioner of the JPO to take a disposition for which the Commissioner has no competency of execution is unreasonable, because even if a trademark right is divided after an action seeking the rescission of the JPO decision is filed and the JPO decision to the effect that the trademark registration should be invalidated becomes final and binding with a judgment to dismiss the claims, the Commissioner of the Patent Office would only have to register that a JPO decision has become final and binding for each of the trademark rights after the division (a preliminary registration of the

invalidation trial concerning the Trademark before the division is also stated among the registered matters of the Trademarks after the division; Exhibits Ko 131 to 139).

(2) Meanwhile, the division of a trademark right takes effect when it is registered (Article 35 of the Act and Article 98, paragraph (1), item (i) of the Patent Act). Therefore, there did not exist any right that was identical to the Trademark Right at the time of the conclusion of the oral argument of this action, as the division had already been registered then. However, as stated in (1) above, the division was not something that would cause any substantial changes to the subject of the trial examination. Therefore, in this action, the JPO decision to the effect that the registration of the Trademark should be invalidated should be deemed as being rendered in relation to the registrations of the Trademarks after the division, when determining whether there is any reason to rescind said JPO decision. It cannot be said that the mere fact of the division after the rendition of the JPO decision can be a reason to rescind the JPO decision as a matter of course. Therefore, plaintiff's allegation [2] above is also unreasonable and cannot be a reason that this case should naturally be remanded to the JPO.

The court agrees with a part of plaintiff's allegation [2] above in that whether the Trademark falls under item (iii) should be determined with respect to individual designated goods after the division. Whether there is any reason to rescind the JPO decision shall be examined below in relation to whether the Trademark falls under Article 3, paragraph (1), item (iii).

2. Accepted facts

Based on the exhibits (stated in the middle of the text or at the end of paragraphs) and the entire import of the oral argument, the court finds the following facts.

(1) Regarding indium gallium zinc oxide

A. In 1995, Professor Hideo Hosono at Tokyo Institute of Technology (hereinafter referred to as "Professor Hosono") proposed a design concept for a new material, a transparent amorphous oxide semiconductor (TAOS) at the 16th International Conference on Amorphous Semiconductors (Exhibits Ko 2-1, Ko 9, and Otsu 15, and the entire import of the oral argument). A semiconductor is a material that has an electrical conductivity value falling between that of a conductor and an insulator ("Kōjien (sixth edition)"). Semiconductors are widely used for transistors and integrated circuits. (Typically, the term "semiconductor" is also used as a term referring to a semiconductor chip itself that is cut from a wafer of a semiconductor that has undergone a series of manufacturing processes for producing a function as a semiconductor device). An "amorphous (non-crystalline) semiconductor" refers to non-crystalline materials with semiconducting properties, which lack periodic structural patterns that are seen among crystalline materials ("Dictionary of Semiconductor Terms (first edition)" Nikkan Kogyo Shimbun, Ltd).

B. In 2004, Professor Hosono, et. al. succeeded in producing under room temperature a thin-film transistor (TFT) made with a film of an oxide consisting of indium (In), gallium (Ga), and zinc (Zn) (also referred to as "indium gallium zinc oxide"; hereinafter referred to as the "Oxide"; the Oxide is a semiconductor), which is a kind of transparent amorphous oxide semiconductor. In November 2004, they publicized an article on these results in the U.K. scientific magazine "Nature." A "transistor" is a semiconductor device used to amplify or switch electronic signals in an electronic circuit and is an indispensable component for today's electronic devices. A "TFT" is a thin transistor formed upon a substrate (Exhibits Ko 2-1 and Otsu 15).

Traditionally, amorphous silicon (an amorphous semiconductor made of silicon) has been used as a material for semiconductors. TFTs using the Oxide have 10 to 20 times the electron mobility of TFTs using amorphous silicon. They also have such properties as ability for deposition through low-temperature process and transparency to visible light (Exhibits Ko 2-1, Ko 19-1 and 19-2, and Otsu 15).

TFTs are used for a variety of electronic devices today. When TFTs are used for displays, their performance has a significant impact on the performance of the displays (Exhibit Otsu 15). Since TFTs using the Oxide have higher electron mobility than traditional TFTs as stated above, they allow for a significantly higher resolution than before. In addition, due to their ability for deposition through low-temperature processes, they can be easily produced not only on glass but also on plastic films. It was expected that TFTs would bring about 3D televisions and televisions with larger screens using liquid crystal panels or organic EL panels (Exhibits Ko 2-2, Ko 19-1 and 19-2, and Otsu 15).

C. Following the publication of the article by Professor Hosono as stated in B above, domestic and overseas display manufacturers launched applied research towards the practical application of TFTs using the Oxide. Electronics companies in the display and semiconductor fields started to conduct active development projects (Exhibits Ko 2-1 and 2-2, Ko 9 to 19 (including branch numbers), Ko 21-1 to 21-7, and Otsu 15).

The International Workshop on Transparent Amorphous Oxide Semiconductors held at Tokyo Institute of Technology in January 2010 was attended by approximately 400 participants, of which the majority were representatives from companies. At this workshop, domestic and international companies, including the plaintiff, NEC, Hitachi, Canon, Toppan Printing, Dai Nippon Printing, JX Nippon Mining & Metals, Mitsui Mining & Smelting, and Toshima Manufacturing, gave presentations on their research projects concerning the Oxide (Exhibits 2-2, Ko 9, and Otsu 15).

The Oxide was seen as a promising new material with many characteristics that are not seen among traditional semiconducting materials. It was expected that the Oxide would be used not only for

displays but also in other different areas, including solar cells, non-volatile memories that can retrieve stored information even after having been turned off, and ultraviolet sensors (Exhibits Ko 2-2, Ko 19-1 and 19-2).

(2) Regarding the use of the term "IGZO"

At the international conference in 1995, Professor Hosono proposed the term referring to the Oxide, "IGZO," which is an abbreviation consisting of the initial letters (alphabet letters) of the constituent elements of the Oxide indicated in a Japanese hiragana order (Exhibits Ko 2-2, Ko 9, and Otsu 15, and the entire import of the oral argument). In the semiconductor field, there are other examples in which names of materials are indicated using words consisting of the initials of the constituent elements of the material, such as "ITO," which is an abbreviation referring to indium tin oxide (also referred to as tin-doped indium oxide) (Exhibits Ko 8-1 to 8-5, 8-7, 8-8, 8-14, 8-17, 8-18, 8-21, 8-25, 8-26, Ko 21-2 to 21-4, and Otsu 14).

The situation of the use of the term "IGZO" in the patent gazettes, newspapers, magazines, public relations materials of companies, etc. from the above point to the date of the examiner's decision of registration of the Trademark, namely October 25, 2011, is described in A to D below.

A. Patent gazettes

(A) Before 2004, there were only two applications that used the term "IGZO" in the scope of claims or descriptions concerning patents for which applications were filed at the JPO (those for which the patent gazettes were disclosed and publicized by June 25, 2013). On the other hand, there were 1,025 applications using the term in approximately seven years from 2005 to the date of the examiner's decision of registration of the Trademark, namely October 25, 2011. Many of the applicants were leading companies from the domestic and overseas electronics industries (Exhibit Ko 4).

Based on the results of the review of the patent gazette concerning the hundred oldest applications among those mentioned above, there were six cases in which the term "IGZO" was used alone, while in most cases the term appeared along with such phrases as "In-Ga-Zn-O," "InGaZnO," and "InGaZnOx" and the description of the specific composition of elements (Exhibit Ko 146 and the entire import of the oral argument).

(B) There were 446 patent applications that used the term "IGZO" in the descriptions in the full text of the patent gazettes that were disclosed and publicized from 1996 to the date of the examiner's decision of registration of the Trademark. The applicants were 53 companies, including Fujifilm Corporation (109 applications), Semiconductor Energy Laboratory Co., Ltd. (78 applications), Canon Inc. (33 applications), Sony Corporation (24 applications), LG Innotek Co., Ltd. (20 applications), Idemitsu Kosan Co., Ltd. (18 applications), Konica Minolta, Inc. (15 applications), Mitsubishi Electric

Corporation (14 applications), Panasonic Corporation (12 applications), Seiko Epson Corporation (10 applications), and Toppan Printing Co., Ltd. (9 applications) (Exhibits Ko 7-1 and 7-2).

In the above patent gazettes, the term "IGZO" was used in such phrases as follows: "IGZO thin film," "indium gallium zinc oxide (IGZO)," "indium-gallium-zinc oxide (IGZO)," "IGZO (indium, gallium, zinc, oxygen)," "IGZO (In-Ga-Zn-O-based compound oxide)," "oxide of In, Ga, and Zn (IGZO)," "IGZO (InGaZnO)," "IGZO (InGa-ZnO)," "In-Ga-Zn-O (IGZO)," "IGZO (indium gallium zinc oxide)," "oxide semiconductors (ZuO, IGZO, IZO, ZTO, etc.) are included," and "as it is well known, IGZO is an amorphous oxide semiconductor that consists of In (indium)-Ga (gallium)-Zn (zinc)-O (oxygen)."

Moreover, in the scope of claims and descriptions of a patent application filed by the plaintiff before the date of the examiner's decision of registration of the Trademark, the plaintiff used the term "IGZO" as a word referring to the Oxide (Exhibits Ko 20 to 26 and 29). In some parts, the term "IGZO" is used alone in such phrases as "said oxide semiconductor is IGZO" (Exhibit Otsu 24), "said oxide semiconductor layer is made of IGZO" (Exhibit Otsu 26), and "said oxide semiconductor film consists of an IGZO film" (Exhibit Otsu 29).

B. Newspapers

In approximately one year and six months from February 2010 to a day prior to the date of the examiner's decision of registration of the Trademark, the term "IGZO" was used in a total of 10 articles in the Nikkei, Nikkei Sangyo Shimbun, and Asahi Shimbun as shown below.

(A) The Nikkei Sangyo Shimbun dated February 3, 2010 (Exhibit Ko 2-2) includes the following descriptions. Under the headline saying "New Oxide Semiconductor Originated in Japan," it introduces the International Workshop on Transparent Amorphous Oxide Semiconductors (TAOS 2010) held at Tokyo Institute of Technology in January 2010 and states "the highlight of the presentations was a new oxide semiconductor called 'indium gallium zinc oxide (IGZO),' which was first presented by Professor Hosono at an international conference in 1995." Under the headline saying "Speeding up TFTs," it states "researchers at Samsung Electronics explained reasons why IGZO is necessary for high-definition displays of a resolution equal to or higher than that of full HD televisions (1920 × 1080 pixels)." Finally, under the headline of "Also for Solar Cells," it states "the former vice president of the LCD department at Samsung Electronics ... commented as follows during the speech: 'IGZO can be used not only for displays but also in other different areas, including solar cells, non-volatile memories that can retrieve stored information even after having been turned off, and ultraviolet sensors'."

(B) The Nikkei dated March 27, 2010 (Exhibit Ko 10) includes the following descriptions under the

headline saying "New Material for Liquid Crystal Panels Originated in Japan – Fujifilm Leads the Research (Technology Watch) (end)." "Research and development activities for indium gallium zinc oxide (IGZO), a new material used for liquid crystal panels for flat-screen televisions, etc., are heating up." "Fujifilm is taking the lead in this area. At an academic conference on oxide semiconductors held at Tokai University (Hiratsuka City, Kanagawa Prefecture) this month, five among the 11 presentations were made by the company, demonstrating their motivation for IGZO." "JX Nippon Mining & Metals is working on the improvement of manufacturing methods for IGZO thin films. ... The company has also created a giant board-like material of 2.65 m in length that can be used for the manufacturing of large liquid crystal screen televisions. Mitsui Mining & Smelting is also speeding up the development of a similar IGZO material." "Kumahara, chief engineer at JX Nippon Mining & Metals, expressed his expectation saying 'IGZO thin films can be manufactured under lower temperature and lower vacuum compared to silicon thin films, so we could cut down the production costs.' IGZO was originally developed by a researcher at Tokyo Institute of Technology. As home appliance and video game manufacturers move toward the expansion of 3D product lines one after another, material makers are striving to establish the Japanese technologies as the international standards for the next-generation displays."

(C) The Nikkei Digital Section dated May 28, 2010 (Exhibit Ko 9) includes the following descriptions under the headline saying "A Dilemma – Korean Companies Outpace Japanese Companies in the Application of a Japanese Cutting-edge Material." "The highlight of the presentations was indium gallium zinc oxide (IGZO), the world's first TAOS proposed by Professor Hosono at Tokyo Institute of Technology at an international conference in 1995. IGZO has a one-digit higher electron mobility, which is an index for the mobility of electrons, compared to amorphous silicon used for the current TFTs for liquid crystal displays. IGZO makes it possible to further expand the size of screens and enhance the liveliness of liquid crystal televisions. It also allows for the manufacturing of full-fledged 3D televisions. ... At SID 2007, Samsung Electronics presented a large display using IGZO-TFT."

(D) The Nikkei Sangyo Shimbun dated October 19, 2010 (Exhibit Ko 14) includes the following descriptions under the headline saying "Focus on Semiconductors and Liquid Crystal Materials." "ULVAC, a leading semiconductor manufacturing device maker, is expanding its material business for electronic components and liquid crystal panels. ... The Institute for Super Materials is engaged in the development of new materials. It handles a wide range of materials, from indium tin oxide (ITO), which is used for transparent electrodes, and target materials for liquid crystal panels, such as indium gallium zinc oxide (IGZO), to metal materials, such as aluminum, molybdenum, and tantalum."

(E) The Nikkei Digital Section dated November 9, 2010 (Exhibit Ko 11) includes the following

descriptions under the headline saying "Samsung's 70-inch Liquid Crystal Screen Using Oxide Semiconductor TFT is Compatible with 4k x 2k at 240 Hz." "An oxide semiconductor TFT is one of the driving elements that is currently under development for use for super high-definition liquid crystal panels and large organic EL panels. IGZO (In-Ga-Zn-O) is the most expected amorphous oxide semiconducting material."

(F) The Nikkei Sangyo Shimbun dated December 6, 2010 (Exhibit Ko 15) includes the following descriptions under the headline saying "Power Circuits Formed on Various Substrates/New Technology by Fujitsu Laboratories." "Fujitsu Laboratories has developed a technology that can produce power semiconductors for power circuits on various substrates. The semiconductors are coated with special films using indium gallium zinc oxide (IGZO) so that they can withstand high voltage. ... The pressure resistance was enhanced by forming a polymer film on the circuit made with IGZO."

(G) The Nikkei Digital MOL News dated March 1, 2011 (Exhibit Ko 12) includes the following descriptions under the headline saying "New Product/Technology ◇Hitachi – Production Costs for IC Tags Cut Down to a Tenth; Batteries for Mobile Terminals Become Unnecessary." "Hitachi has developed a technology that can reduce the production costs for RFID (radio frequency identifier) chips to be used for IC tags, etc. The production costs can be cut down to a tenth of the current costs by using a thin-film transistor of an oxide semiconductor, which can dramatically reduce the temperature for manufacturing semiconductors for the chips. The company expects that the technology can be used for mobile terminals that do not use batteries, such as small electronic paper. The developed chip uses indium gallium zinc oxide (IGZO), a transparent semiconductor discovered by Professor Hosono et. al. at Tokyo Institute of Technology. The chip consists of a power circuit for converting received radio waves into direct voltage, a logic circuit for processing signals, and a transmitter circuit for sending out the processed data." "IGZO can be also used for TFTs for liquid crystal televisions. Samsung Electronics (Korea) has already developed such products and they are expected to be launched onto the market soon. Hitachi expects that it can create electronic paper that supplies electricity wirelessly by using IGZO for RFID chips and using the chips in combination with liquid crystals."

In addition, the Nikkei Sangyo Shimbun dated on March 2, 2011 (Exhibit Ko 16) also has similar descriptions.

(H) The Asahi Shimbun dated April 22, 2011 (Exhibit Ko 17) includes the following descriptions under the headline saying "Production Shifts to Small- and Middle-sized Panels; Sharp Focuses on Demands for Smartphones [Osaka]." "On 21, Sharp announced that it will put an oxide semiconductor

(IGZO) into practical use as a material for small- and medium-sized panels for smartphones, etc. for the first time in the world. ... IGZO allows for higher resolutions and reduces power consumption compared to the common material, amorphous silicon."

(I) The Nikkei Digital Section dated May 20, 2011 (Exhibit Ko 13) includes the following descriptions under the headline saying "Achieving High Image Quality by Reducing Unevenness; Sony Develops an Organic EL Panel with a New Method." "Sony developed an organic EL panel with high image quality by reducing unevenness in brightness. The company presented the product at the world's largest display-related academic conference, '49th SID International Symposium, Seminar & Exhibition (Display Week 2011)' (SID 2011)." "Sony ... has developed a new manufacturing process technology. It roughly consists of four phases. (1) Forming an IGZO film, which is an oxide semiconductor, gate insulator film, and a gate electrode on a glass substrate and then implement pattern processing using the dry etching method."

C. Magazines

(A) The magazine "NIKKEI ELECTRONICS" issued on May 5, 2008 (Exhibit Ko 19-1) includes an article by Jang Yeon Kwon from Samsung Group (Korea) titled "Developing Display Using Oxide TFT/Powerful Candidate for Organic EL Televisions." The article states "we studied various characteristics of a TFT produced with an amorphous oxide semiconductor whose main components are indium (In), gallium (Ga), zinc (Zn), and oxygen (O) (IGZO TFT) by applying it to active matrix-type displays. ... We will also introduce you to an organic EL panel using an IGZO TFT we are working on." It also states "The new TFT technology, IGZO TFT, has small characteristic variations and the change in the current over time is minor. Since it can be applied for a large area, IGZO TFT can make a strong candidate as a TFT technology for organic EL panels."

(B) April 2009 issue of the magazine "NIKKEI MICRODEVICES" (Exhibit Ko 19-2) includes an article concerning a discussion titled "Evaluating Oxide Semiconductor TFTs/Basic Technology Established; Finding New Applications is the Key to Practical Use." The article states "'high mobility,' 'high reliability,' 'transparency,' 'film formation under low temperature' – InGaZnO (IGZO) is an oxide semiconductor that has many characteristics that the current amorphous Si lacks as a material for TFTs that drive FPDs. It is a promising new material whose potential is praised by everyone." This issue also includes a figure titled "Electronic paper utilizing the transparency of amorphous IGZO, developed by Toppan Printing" in relation to the content explaining that Toppan Printing was currently working on the development of electronic paper with various characteristics utilizing oxide semiconductors.

D. Public relations materials of companies, etc.

(A) The "Sustainability Report 2010" by JX Nippon Mining & Metals Corporation (Exhibit Ko 21-1) reports the company's activities in 2009, stating "exhibiting an IGZO target ... at 'FPD International 2009' (October)." The "Sustainability Report 2011" (Exhibit Ko 21-2) includes the term "IGZO" in its glossary section, explaining the word as follows: "Indium gallium zinc oxide. A transparent conducting material used for FPDs." The term "target" refers to a metal block of a semiconductor material (the Oxide) used for deposition on a wafer for making a film of a semiconductor thereon.

(B) The website of JX Nippon Mining & Metals Corporation (Exhibit Ko 21-4) has an article titled "Participating in 'FPD International 2011' [JX Nippon Mining & Metals]" (October 26 to 28, 2011) under the "CSR Activity Topics" section. The article states as follows: "The trade show was attended by 274 companies from panel display industries, including the next-generation super high-definition liquid crystal television, plasma display panel, touch panel, and organic EL panel industries, as well as other related industries, such as the inspection device, parts, design assistance, and application product industries. We ... called attention to our high technological competence by also presenting ... an 'IGZO target,' an oxide semiconductor that many panel companies are considering using."

(C) A document titled "Financial Results Briefing (June 2011)" by ULVAC, Inc. dated August 15, 2011 (Exhibit Otsu 14) reports the situation of its material business under the title of "Progress in the Areas of Focus (June 2011) (1)," stating "establishing IGZO target manufacturing facilities." Under the headline saying "Rehabilitation of Loss-making Departments," the report states "achieving differentiation with an integrated large-sized target using oxide targets, such as IGZO," explaining the company's plan for the future development of the material business. Under the headline of "Estimation and Forecasts for Vacuum Application Department (other departments)," the report states "Recent ordering environment: there is a high demand in the FPD industry for new material business, including IGZO (transparent oxide semiconductor) targets."

(3) From around November 2012 after the registration of the Trademark, the plaintiff started to post advertisements of smartphones and tablet products indicating that they are equipped with "IGZO displays" (Exhibits Ko 116-1 to 117). From around the same month, the products started to be featured by magazines, such as "Get Navi," "Digimono Station," "DIME," "mobileASCII," and "Weekly Ascii," and by online media (Exhibits Ko 102 to 115), which included such descriptions as "featuring the next-generation display 'IGZO'" and "featuring an IGZO display utilizing power saving technologies."

In addition, in a news release dated May 29, 2012 after the date of examiner's decision of registration of the Trademark (Exhibit Ko 6), the plaintiff announced as follows: "Sharp and the Japan Science and Technology Agency (hereinafter referred to as the "JST") entered into a license agreement on a

patent concerning thin-film transistors using an oxide semiconductor (IGZO) on January 20 this year. Since we have launched the full production of liquid crystal panels using IGZO, we would like to announce to this effect based on an agreement with the JST." The same news release adds a note for the term "IGZO," explaining that it is "an oxide consisting of In (indium), Ga (gallium), and Zn (zinc)." The plaintiff thus used the term "IGZO" as a word referring to the Oxide.

3. Whether the Trademark falls under Article 3, paragraph (1), item (iii) of the Trademark Act

(1) With respect to a trademark used in connection with goods pertaining to the business of an applicant, Article 3, paragraph (1), item (iii) of the Trademark Act provides that a trademark may not be registered if the trademark "consists solely of a mark indicating, in a common manner, in the case of goods, the place of origin, place of sale, quality, raw materials..." The reasons why such a trademark as provided in said item lacks requirements for trademark registration are as follows: [1] since such a trademark is a mark indicating and describing the place of origin, place of sale, and other characteristics of the goods, which anyone would hope to use as a proper indication in the course of trade, it would not be conducive to the public interest to allow any single person to exclusively use said trademark; and [2] such a trademark is a mark commonly used and often lacks the source-identifying function, and thus it should be construed that it cannot perform the function as a trademark (see judgment of the Third Petty Bench of the Supreme Court on April 10, 1979, Minshu No. 126, at 507 [Waikiki Case]).

According to the purpose of item (iii) above, in order to say that a trademark concerning an application for trademark registration constitutes a trademark "indicating, in a common manner, in the case of goods, raw materials" as provided under Article 3, paragraph (1), item (iii), the designated goods are not necessarily required to actually use the material indicated by the trademark as their raw material. Rather, it should be said that the requirement would be satisfied when consumers or traders would generally recognize that the designated goods use the material indicated by the trademark as their raw material (to the same effect concerning "a trademark indicating, in a common manner, in the case of goods, the place of origin or place of sale" as provided in item (iii); see judgment of the First Petty Bench of the Supreme Court on January 23, 1986, Minshu No. 147, at 7 [Georgia Case]).

(2) Based on the above, the court examines whether the Trademarks fall under Article 3, paragraph (1), item (iii).

A. The Trademark consists of an indication of the term "IGZO" in standard characters. According to the accepted fact stated in 2 above, the following findings can be made. [1] The term "IGZO" was presented and came into use as a word referring to "an oxide consisting of In (indium), Ga (gallium), Zn (zinc), and O (oxygen)" (the Oxide), which was announced as a new material in 1995. [2] From

around 2004, companies in the electronics industries in the display and semiconductor fields started to conduct active research and development activities concerning the Oxide. Many people from domestic companies participated in the international workshop held at Tokyo Institute of Technology in January 2010 and made presentations on their research projects concerning the Oxide (semiconductor). [3] At the time of the examiner's decision of registration of the Trademark, many leading companies had already conducted research and development activities concerning the Oxide and more than a thousand patent applications had been filed in relation to the Oxide. Not only that, companies had already engaged in the manufacturing of the Oxide (material) itself, presented and took orders for facilities for manufacturing semiconductor devices using the Oxide at trade shows, developed technologies using the Oxide, and launched pilot products with an eye for practical application. The Oxide was attracting more and more attention as a semiconducting material among companies, etc. in the electronics industries in the display and semiconductor fields. [4] Specifically, a TFT using the Oxide was drawing attention at the time as a material that allows for a dramatic improvement in the functions of liquid crystal panels and organic EL panels for the manufacturing of liquid crystal televisions, smartphones, etc. It was also expected as a promising new material with many new characteristics that can be used not only for displays, but also in other different areas, including solar cells, non-volatile memories, and ultraviolet sensors. Moreover, technology development was also promoted to apply the Oxide to RFID (radio frequency identifier) chips for IC tags, power semiconductors, and mobile terminals, including small electronic paper. It was expected that application development and research on semiconductor devices using the Oxide would be advanced to enhance the performance of various electronic devices in the future. [5] In line with such development and expansion of research and development activities concerning the Oxide, the term "IGZO" as a word referring to the Oxide had come to be used by a wide range of companies in their patent application documents at the time of the examiner's decision of registration of the Trademark, as stated above. Moreover, it is found that newspapers, magazines, public relations materials of companies, etc. reporting the development status of products of the aforementioned companies, etc. had also come to use the term "IGZO" as a word referring to the Oxide.

Based on the above findings, the term "IGZO" was widely recognized as a word meaning the new semiconducting material "indium gallium zinc oxide (the Oxide)" not only among engineers, but also among companies, etc. in the electronics industries in the fields using displays and semiconductors, at the time of the examiner's decision of registration of the Trademark.

B. When the Trademark "IGZO" is used for its designated goods, namely, "liquid crystal display televisions" (Trademark 4), "laptop computers" (Trademark 5), "computers, excluding laptop

computers and tablet-type portable information terminals" (Trademark 6), "tablet-type portable information terminals" (Trademark 7), "smartphones" (Trademark 8), and "portable telephones" (Trademark 9), the companies, etc. manufacturing and selling goods concerning these designated goods, in other words, companies that are traders of these designated goods and are also included in the group of consumers, would generally recognize that the Oxide indicated by the Trademark is used for the display panels of individual designated goods, since these designated goods usually include display panels as a part of their components and the performance of the display panels has a significant impact on the quality of the goods. Therefore, Trademarks 4 to 9 cannot be said to have the source-identifying function in relation to the designated goods, as traders and consumers would generally recognize that the designated goods of Trademarks 4 to 9 use the material indicated by the Trademark (the Oxide) as their raw material.

Moreover, as the designated goods of Trademark 1 are "[1] telecommunication machines and apparatus, excluding portable telephones, smartphones, tablet-type portable information terminals, and liquid crystal display televisions; and [2] electronic machines and apparatus, excluding tablet-type portable information terminals, computers, and laptop computers" and the designated goods of Trademark 2 are "[1] parts for electronic machines and apparatus; [2] batteries and cells; and [3] power distribution or control machines and apparatus," goods concerning these designated goods can include a wide range of machines and apparatus and their components. For example, among the designated goods of Trademark 1, goods concerning electronic machines and apparatus as stated in [1] above include not only display panels themselves as components for electronic machines and apparatus, but also digital cameras and video cameras that usually include display panels as a part of their components, as well as radio communication machines and apparatus, etc. that usually include semiconductors as a part of their components. Goods concerning "electronic machines and apparatus" as stated in [2] above include not only display devices for computers, but also electronic desk calculators and electronic dictionaries that usually include semiconductor devices as a part of their components. Moreover, among the designated goods of Trademark 2, goods concerning "parts for electronic machines and apparatus" as stated in [1] above include semiconductors, including transistors, and electric circuits themselves. Goods concerning "batteries and cells" as stated in [2] above include accumulators that sometimes include display panels as a part of their components. "Power distribution or control machines and apparatus" as stated in [3] above include plugboards that usually include display panels and semiconductor devices for control as a part of their components. Furthermore, as stated in the above accepted facts, the Oxide was a new material for semiconductor devices, which are indispensable components for many electronics devices today, at the time of the

examiner's decision of registration of the Trademark. At the same time, its characteristics were those that were not seen among traditional materials, and it was expected and drew attention as a material that could enhance the performance of displays and a wide range of other electronics devices in the future. Since semiconductor devices using the Oxide were new devices under research and development, specific methods for applying these devices to electronic devices were not clear even for companies in the electronics industries. Based on these findings, it can be said that, when the Trademark is used for apparatus, etc. among the designated goods of Trademarks 1 and 2, companies, etc. manufacturing and selling goods concerning these designated goods, in other words, companies that are traders of these designated goods and are also included in the group of consumers (the plaintiff acknowledges that major consumers of "power distribution or control machines and apparatus," among the designated goods of Trademark 2, are not general consumers but companies; goods concerning the rest of the designated goods of said Trademark and those of Trademark 1 include many goods whose major consumers would apparently be companies), would generally recognize that the goods include the material indicated by the Trademark (the Oxide) as their raw material. As such, either Trademark 1 or 2 cannot be said to have the source-identifying function in relation to their designated goods.

C. Moreover, as stated above, the Oxide was a new material for semiconductor devices, which are indispensable components for electronics devices today. At the same time, its characteristics were expected and drew attention as those that could enhance the performance of displays and a wide range of other electronics devices in the future. A wide range of companies, etc. in the electronics industries related to the display and semiconductor fields were promoting research and development toward the practical application of the Oxide. Based on these findings, it can be said that anyone would hope to use the Trademark as a proper indication in the course of trade of goods concerning the designated goods of the Trademarks, concerning which display panels and semiconductor devices could be recognized as the raw materials. Therefore, it would not be conducive to the public interest to allow any single person to exclusively use the Trademark.

D. As such, the Trademarks constitute trademarks "that consist solely of a mark indicating, in a common manner, in the case of goods, raw materials" as provided in Article 3, paragraph (1), item (iii) of the Act. Thus, the determinations made in the JPO decision were reasonable and the grounds for rescission alleged by the plaintiff lack grounds.

(3) Regarding the plaintiff's allegations

A. Regarding plaintiff's allegation 2(1) (the common manner of use for the Trademark in relation to the designated goods)

(A) With respect to the phrase "common manner" stated in item (iii), the plaintiff alleges that it should be said that a trademark does not constitute an indication in a "common manner" when the appearance, pronunciation, and concept of the trademark are indicated in a way that consumers would see it as a trademark from the viewpoint of a rule of thumb of trading in light of the consumers' recognition, even if the appearance of the trademark is expressed with standard characters. The plaintiff alleges that the Trademark does not constitute an indication in a "common manner" because of the following reasons. [1] The term "IGZO" is nothing more than an abbreviation for the Oxide. Researchers, etc. are using other different indications as abbreviations for the Oxide. Therefore, the term "IGZO" cannot be said to be a common abbreviation. [2] The term "IGZO" as an abbreviation for the Oxide is pronounced as "ai-jī-zetto-ō," whereas the Trademark is pronounced as "iguzō." [3] Even if the term "IGZO" is used in the patent gazettes (Exhibits Ko 7 and 8), it only demonstrates the recognition of persons ordinarily skilled in the art, such as researchers. It is not clear in what context and expressions the characters "IGZO" appeared. The plaintiff's study of a hundred samples from the patent gazettes revealed that the term "IGZO" appeared along with other indications and the descriptions of specific compositions in most cases. Therefore, the term "IGZO" alone was not readily recognized as a word meaning the Oxide even by persons ordinarily skilled in the art. [4] The major consumers of the designated goods of the Trademark are general consumers. At the time of the examiner's decision of registration of the Trademark, general consumers would have not recognized the Oxide or the term "IGZO" as its abbreviation. After the examiner's decision of registration, the term "IGZO" has come to be recognized by general consumers as an indication of the plaintiff's brand.

As for plaintiff's allegation [1] above, however, the term "IGZO" had already been commonly recognized and used as a word referring to the Oxide in the electronics industries in the display and semiconductor fields as found in (2) A above, although it is true that the term "IGZO" is not a formal chemical symbol or an indication of the elements of the Oxide and it is just an abbreviation of the elements. Therefore, the plaintiff's allegation to the effect that the term "IGZO" was not a common abbreviation cannot be accepted. In addition, it cannot be said either that the Trademark does not constitute an indication in a "common manner" just because it is an abbreviation. As for plaintiff's allegation [2] above, even if the term referring to the Oxide is only pronounced as "ai-jī-zetto-ō," the Trademark consists of the same indication as the term referring to the Oxide, "IGZO." In addition, the Trademark does not include any indication to specify its pronunciation. Thus, the Trademark would give rise not only to the pronunciation "iguzō," but also to the pronunciation "ai-jī-zetto-ō" (the specific situation of the plaintiff's use of the term "IGZO" to goods is as stated in 2(3) of the accepted facts above; the court did not find any facts of trades in which the term "IGZO" was actually used for

goods concerning the designated goods and was pronounced as "iguzō" at the time of examiner's decision of registration of the Trademark). Therefore, the plaintiff's allegation lacks its premise and thus cannot be accepted.

As for plaintiff's allegation [3] above, it cannot be found that the term "IGZO" was used in the patent gazettes for any purposes other than as a word referring to the Oxide, even based on the results of the study of samples by the plaintiff (Exhibit Ko 146). It is reasonable to estimate that the term "IGZO" described in the patent gazettes pertaining to the findings in 2(2)A above was used as a word referring to the Oxide in most cases, at least. There is no evidence that proves the opposite. In the patent gazettes, there are many examples where the term "IGZO" is indicated along with the listing of the formal names of the elements and other indications, such as "In-Ga-Zn-O," "InGaZnO," and "InGaZnOx." However, it is obvious that all these indications refer to the same material despite some difference in the manners in which the words are indicated. The mere fact that the term is indicated along with formal names of elements and chemical symbols does not have any impact on the above accepted fact that the term "IGZO" was recognized as a common abbreviation referring to the Oxide among companies in the electronics industries, including these applicants.

As for plaintiff's allegation [4] above, consumers of the designated goods of the Trademark can surely include general consumers and it can be considered that major consumers of the designated goods of Trademarks 4 to 9 after the division in particular would be general consumers. It is also true that it cannot be found that the Oxide itself or the term "IGZO" as a word referring thereto was widely recognized among general consumers at the time of the examiner's decision of registration of the Trademark. However, a trademark is something that is used in the course of trade and the purpose of Article 3, paragraph (1), item (iii) is based on the lack of appropriateness for allowing exclusive use in the course of trade or the lack of the source-identifying function, as stated above. In light of these facts, it should be construed that, in order to say that a trademark has the source-identifying function, a trademark needs to be able to exercise such function not only for consumers, but also for traders. Moreover, it cannot be said that it is appropriate from the viewpoint of public interest to allow a specific trader to exclusively use a trademark that can be recognized as an indication of the raw materials of the goods by traders in general, including the relevant trader's competitors. Therefore, it cannot be said that the Trademark does not constitute an indication in a "common manner" based on the recognition of major consumers, as long as the recognition of traders (manufacturers and distributors) in the fields of the designated goods of the Trademarks at the time of the examiner's decision of registration of the Trademark was as found in (2) A above and the Trademark is an indication of the term "IGZO" written in standard characters, which is recognized as a common word

referring to the Oxide by said traders.

Therefore, the plaintiff's allegation to the effect that the Trademark does not constitute an indication in a "common manner" cannot be accepted.

(B) The plaintiff alleges that the JPO decision did not make any determination concerning the manner of use that is generally expected in relation to the designated goods of the Trademark. However, the meaning of a common manner of use alleged by the plaintiff is not clear and it is not obvious either what errors the JPO made in its determinations by not considering such factor. Therefore, the plaintiff's allegation lacks grounds and the determinations in the JPO decision cannot be found to be erroneous.

(C) As such, plaintiff's allegation 2(1) lacks grounds and thus cannot be accepted.

B. Regarding plaintiff's allegation 2(2) (meaning of "raw materials" as provided in item (iii))

The plaintiff alleges as follows. [1] "Raw materials" as provided in item (iii) should be construed to be referring to basic raw materials that compose a major or significant portion of the goods, whereas the Oxide merely accounts for a minor portion among the parts used for some of the designated goods. [2] "Raw materials" as provided in item (iii) not only need to be elements that are used as raw materials of the designated goods, but it is also required that consumers would directly conceive of the designated goods when they come across the indication, in light of the purpose and literal construction of item (iii), the purpose of the judgment of the Supreme Court for the Waikiki Case, and the fact that the JPO's Examination Guidelines provide that an indirect or implicit indication of quality, etc. may be registered as a trademark.

(A) It is true that it is not appropriate to construe that any indication of a raw material falls under the category of "raw materials" under item (iii) just because it can be objectively included in the raw materials of the designated goods regardless of the recognition of traders or consumers, even when it is used in an extremely small amount or when it is used exceptionally, in light of the purpose of item (iii), which intends to prohibit the registration of a trademark that lacks the appropriateness for allowing exclusive use or lacks the source-identifying function, as stated above. However, in the light of said purpose, it is reasonable to consider that traders or consumers who come across the trademark would generally recognize that said designated goods use the materials indicated by the trademark as their raw materials, if indicating the material as a raw material is meaningful for traders and consumers when trading the goods, such as the case when said material has a significant impact on the quality, performance, etc. of the designated goods, even if the material only accounts for an extremely small portion of the entire raw materials of the goods and when it is just used as a raw material for a part of the components of the goods consisting of multiple parts. Therefore, it is appropriate to construe that such a material falls under the category of "raw materials" as provided in Article 3, paragraph (1), item

(iii).

Therefore, plaintiff's allegation [1] to the effect that the "raw materials" under item (iii) should be construed to be referring to basic raw materials that compose a major or significant portion of the goods lacks grounds and thus cannot be accepted.

In determining whether an indication falls under the category of "raw materials" under item (iii), the question is whether the indication would be recognized by traders or consumers who come across it as an indication of raw materials of the goods when the indication is used for the goods concerning the designated goods. It is not construed that traders or consumers need to directly conceive of the designated goods themselves solely based on the trademark. Plaintiff's allegation [2] is based on a different understanding of the purpose of item (iii) and the aforementioned judgment of the Supreme Court and it goes against them. It lacks grounds and thus cannot be accepted either.

(B) As found above, the Trademark "IGZO" was a new material that was expected to be used in the electronics industries in the display and semiconductor fields and it was recognized by companies who are traders of the designated goods of the Trademarks and are also included in the group of consumers as a word referring to the Oxide, which could enhance the performance of a wide range of electronic devices. Therefore, it is appropriate to find that traders and consumers would generally recognize the Trademark as an indication of an important raw material concerning the goods, regardless of the amount of the Oxide used in the goods concerning the designated goods.

(C) Therefore, plaintiff's allegation 2(2) cannot be accepted.

C. Regarding plaintiff's allegation 2(3) (the source-identifying function in relation to the final products)

The plaintiff alleges as follows. [1] The designated goods of the Trademark before the division were not liquid crystal displays themselves, but goods that (could) use liquid crystal displays as a part of their components. An indication of an abbreviation of an oxide or oxide semiconductor that makes the minimum unit in the limited process in just an extremely small part of the components does not constitute an indication of "raw materials" under item (iii). [2] If the recognition of consumers was determined by assuming that most of the materials that could be used for the production of the designated goods fall under the category of "raw materials" and limiting consumers of said "raw materials," it would lead to a conclusion that any element names, chemical symbols, etc. are not allowed to be registered as a trademark for any designated goods. However, such a conclusion goes against many other precedents of registrations.

However, allegation [1] above cannot be accepted as stated in B(A) above. Moreover, other precedents of registrations do not bind the determination in this case. In this case, as stated in B(A)

above, the court does not construe that any materials that are used for the production of the designated goods fall under item (iii). Therefore, allegation [2] above does not have any influence on the above determination, either.

Therefore, plaintiff's allegation 2(3) cannot be accepted, either.

D. Regarding plaintiff's allegation 2(4) (recognition of the final consumers of the designated goods)

(A) The plaintiff alleges as follows. [1] The JPO decision is unreasonable as it did not consider at all the recognition of general consumers, who are final consumers of the designated goods, in determining whether the trademark has a source-identifying function. [2] According to another judgment of the Intellectual Property High Court, such determination should be made based on the recognition of general consumers, who are users, in accordance with the nature of the designated goods. Moreover, technical documents to which general consumers, who are users, do not usually have access cannot provide a ground to find that the term is commonly recognized. [3] Major consumers of the designated goods of the Trademark are general consumers. Based on the recognition of general consumers, the Trademark is recognized as a trademark referring to certain goods. In fact, the Trademark is recognized as the plaintiff's brand.

However, as stated in A(A) above, it should be construed that the Trademark needs to be able to exercise the source-identifying function not only for consumers, but also for traders, in order to say that the Trademark has such function. In addition, it is not appropriate from the viewpoint of public interest to allow a specific trader to exclusively use a trademark that would be generally recognized as an indication of a raw material of the goods by traders, including the relevant trader's competitors. Therefore, it cannot be said that it was unreasonable that the JPO decision denied the source-identifying function of the Trademark without considering the recognition of general consumers, who are final consumers of the designated goods. Thus, allegation [1] above lacks grounds.

Moreover, it should be said that the judgment that the plaintiff referred to in allegation [2] above concerns different issues and thus does not influence the above determination.

As long as the above determination can be the premise, the fact that the major consumers of the designated goods of the Trademarks are general consumers and the Trademarks have the source-identifying function based on the recognition of general consumers would not influence the above determination. Thus, allegation [3] above also lacks grounds.

In addition to the above, the plaintiff alleges that the JPO decision was unreasonable in that it made determination concerning "companies" without stating any reasons. However, the JPO decision makes determination concerning the recognition of the term "IGZO" in the "electronics industries in the liquid crystal display and semiconductor fields," so it is obvious that it made the determination based on the

premise that the "companies" trading the goods stated in the JPO decision, among other designated goods, belong to said electronics industries. Thus, the plaintiff's allegation lacks grounds. The rest of the plaintiff's allegations cannot be a reason to rescind the JPO decision, either.

(B) Based on the above, plaintiff's allegation 2(4) cannot be accepted.

E. Plaintiff's allegation 3 (regarding the division of the Trademark Right)

The plaintiff alleges that the illegality of a disposition should be determined by determining the grounds for invalidation for each of the designated goods after the division of the trademark right, if such division was made after the rendition of a JPO decision to invalidate the trademark registration. The plaintiff further alleges that, if the relationship between individual designated goods of the Trademarks after the division and their raw materials are considered, the Oxide is only used in an extremely small amount for the designated goods of Trademarks 4 to 8 and the reason why the Trademark constitutes a mark indicating raw materials in connection with the designated goods of Trademark 2 is not clear. The plaintiff also alleges that there is a leap in logic in determining that the Trademark falls under item (iii) just because the designated goods of Trademark 1 include a liquid crystal display monitor as a part of their components.

However, even if the grounds for invalidation are determined for each of the designated goods of the Trademarks after the division, it is found that the Trademarks fall under item (iii), as stated in (2)B above. Thus, the plaintiff's allegations above cannot be accepted. The rest of the plaintiff's allegations cannot be a reason to rescind the JPO decision, either.

4. Conclusion

As stated above, the grounds for invalidation alleged by the plaintiff lack grounds and there was no violation of law in the JPO decision based on which it should be rescinded. The court shall dismiss the plaintiff's claims in this case as they lack grounds. The judgment shall be rendered in the form of the main text.

Intellectual Property High Court, First Division

Presiding judge: SHITARA Ryuichi

Judge: OOYORI Asayo

Judge: HIRATA Akifumi

(Appended Table)

Trademark	Registration No.			Description of designated goods		
Registration No. 5451821 Class 9 Electric flat irons; electric hair curlers; telecommunication machines and apparatus; electronic machines, apparatus and their parts; batteries and cells; electric wires and cables; and power distribution or control machines and apparatus	-1	-1	-1	Electric flat irons; electric hair curlers; telecommunication machines and apparatus; electronic machines, apparatus and their parts; batteries and cells; electric wires and cables; and power distribution or control machines and apparatus; provided, however, excluding portable telephones, smartphones, tablet-type portable information terminals, and computers; provided, however, excluding laptop computers and liquid crystal display televisions; provided, however, excluding electric flat irons; electric hair curlers; electronic machines, apparatus and their parts; batteries and cells; electric wires and cables; and power distribution or control machines and apparatus	→	**Telecommunication machines and apparatus**, excluding portable telephones, smartphones, tablet-type portable information terminals, and liquid crystal display televisions **Electronic machines and apparatus**, excluding tablet-type portable information terminals, computers, and laptop computers

			-2	-1	Electric flat irons; electric hair curlers; electronic machines, apparatus and their parts; batteries and cells; electric wires and cables; and power distribution or control machines and apparatus; provided, however, excluding electric flat irons; electric hair curlers; and electric wires and cables	→	**Parts for electronic machines and apparatus; batteries and cells; and power distribution or control machines and apparatus;**
				-2	Electric flat irons; electric hair curlers; and electric wires and cables	→	**Electric flat irons; electric hair curlers; and electric wires and cables**
		-2	-1		Laptop computers; and liquid crystal display televisions; provided, however, excluding laptop computers	→	**Liquid crystal display televisions**
			-2		Laptop computers	→	**Laptop computers**
	-2	-1	-1		Portable telephones; smartphones; tablet-type portable information terminals; and computers; provided, however, excluding portable telephones and smartphones;	→	**Computers, excluding laptop computers and tablet-type**

				provided, however, excluding tablet-type information terminals		**information terminals**
			-2	Tablet-type information terminals	→	**Tablet-type information terminals**
		-2	-1	Portable telephones; and smartphones; provided, however, excluding portable telephones	→	**Smartphones**
			-2	Portable telephones	→	**Portable telephones**