judgedate:
February 27, 1968

caseid:
1964 (Gyo-Tsu) 110

casename:
A case of seeking rescission of the JPO decision in an appeal against the examiner's decision of refusal for a trademark application

casetitle:
Judgment regarding a case involving trademarks which are acknowledged to be not similar although being relatively similar in pronunciation

summary_judge:
In the case of a trademark having the designated goods of threads and yarns in general and having the pronunciation of "shi-yo-u-za-n", and a trademark having the designated goods of glass fiber yarns only and having the pronunciation of "hi-yo-u-za-n", if the two trademarks are significantly different in appearance and concept, and furthermore, if, in the actual conditions of transaction of glass fiber yarns, it is rarely the case that a trademark is identified only by the pronunciation and then the quality is recognized by learning the source of the goods, it is reasonable to acknowledge that the two trademarks are not similar.

court second:
Tokyo High Court, Judgment of September 29, 1964

references:
Article 2, paragraph (1), item (ix) of the former Trademark Act (Act No. 99 of 1921)

Main text

The final appeal shall be dismissed.
Appellant shall bear the cost of the final appeal.

Reasons

Regarding Reason 1 for the final appeal according to the attorneys representing Appellant, namely; ●●●●, ●●●●, and ●●●●.

The similarity of trademarks should be determined based on whether or not there is a risk that the two trademarks, which are being compared, would be misleading or would cause confusion as to the source of the goods when they are used for identical or similar goods. In doing so, it is necessary to consider the entirety of each trademark which is used for such goods by comprehensively taking into consideration factors such as the impression, memory, and association and the like given to traders from the appearance, concept, and pronunciation and the like of the trademark. Furthermore, as long as the actual conditions of transaction for those goods can be clarified, it is reasonable to make the determination based on the specific conditions of transaction.

The Applied Trademark has the designated goods of glass fiber yarns only, and it is clear, even from the constitution of the trademark, that the trademark will not be used for goods other than glass fiber yarns. As such, the judgment in prior instance, which, upon determining the similarity of the trademarks, brought up the actual conditions of transaction of glass fiber yarns and acknowledged that in such transaction, it is rarely the case for a person to identify a trademark by the pronunciation alone and then to recognize the quality by learning the source of the goods, and which ruled that, in regards to the trademarks pertaining to such designated goods, there is no risk of being misleading or causing confusion as to the source of the goods even based on the relatively relaxed interpretation of the comparison and consideration of the trademarks in terms of pronunciation, cannot be considered to be unreasonable. The gist of the argument is one which attacks the judgment in prior instance regarding the above point by stating that the judgment in prior instance contains the error of applying the empirical rule, which is used for general transactions involving trade names, to the determination on the similarity of

trademarks. However, the judgment in prior instance is not one which ignored the point that a trademark has the function of identifying the source of goods in a transaction involving glass fiber yarns, but is merely one which ruled that it is difficult to apply the empirical rule, which is used for general transactions where the similarity of trademarks in pronunciation would cause confusion as to the source of the goods, in the same manner to a transaction involving glass fiber, and which ruled that the pronunciation of a trademark cannot have the same level of significance as it would have in a general transaction, when a trader identifies the source of the goods. It must be said that the gist of the argument is not based on the correct interpretation of the judgment in prior instance.

In addition, the gist of the argument states that the ruling made by the court of prior instance about the actual conditions of transaction of glass fiber yarns has no universality or fixedness to be able to be considered the empirical rule, and that it concerns temporary and irregular conditions of transaction from the past which are based on circumstances that are unique to the beginning of new product development. However, as per the lawful finding in the judgment in prior instance based on the evidence listed and on the entire purport of the oral argument, the above conditions are the conditions of transaction of glass fiber yarns as of the time of the application for the Trademark and thereafter, and furthermore, there is also no sufficient evidence to acknowledge that said conditions constitute a local and floating phenomenon as per the asserted opinion. It must be said that registration of the application for the Trademark cannot be denied on the basis of the asserted opinion.

The gist of the argument states that the judgment in prior instance is illegal in its finding about the actual conditions of transaction for glass fiber yarns based on Appellee's assertions and evidence, which were withdrawn. However, it cannot be acknowledged, based on the detailed examination of the records of the present case, that such withdrawal occurred.

The gist of the argument cannot be accepted in any of the above.

Regarding Reason 2 and Reason 3 for the final appeal.

The similarity of trademarks in appearance, concept, or pronunciation is merely a criterion for making a presumption about the risk of the trademarks being misleading or causing confusion as to the source of the goods for which the trademarks are used.

As such, even in the case of trademarks which are similar in terms of one of the above three factors, if they cannot be acknowledged as having a risk of being in any way misleading or causing confusion as to the source of the goods, due to the trademarks being significantly different in terms of other two factors, or due to other actual conditions of transaction, such trademarks should not be interpreted as being similar.

When the above is considered in light of the present case, the applied trademark includes a figure of an iceberg in addition to the characters, "硝子繊維", "氷山印", and "日東紡績", whereas the cited registered trademark merely consists of only the characters, "しようざん", so that it is clear that the two trademarks are different in appearance, and undoubtedly, there is no room for the latter trademark to produce a concept that is suggestive of an iceberg, and the dissimilarity in these respects is also a point which is not refuted by Appellant in the trial of the prior instance. As such, it is acknowledged that the explanation given in the judgment in prior instance is that while the pronunciations produced from the constitution of the above trademarks are "hi-yo-u-za-n-ji-ru-shi" or "hi-yo-u-za-n" in the former trademark, and "shi-yo-u-za-n-ji-ru-shi" or "shi-yo-u-za-n" in the latter trademark, and even if the two trademarks have relatively similar pronunciations, the difference in terms of appearance and concept should be taken into consideration, and it should not be considered sufficient to determine the similarity or dissimilarity in pronunciation by merely comparing the pronunciations extracted from the two trademarks. Next, it can be understood that, according to the interpretation of the judgment in prior instance, the trademarks are not similar because, although they are similar in pronunciation, the difference in pronunciation is still easily recognizable, so that even if various circumstances are taken into consideration, including the fact that there are some regions where the pronunciation of the characters, "hi" and "shi", tend to be not clearly distinguishable, in the actual conditions of transaction of glass fiber yarns where the conditions are unique as described above, it is inconceivable that there is a risk that the two trademarks, which are significantly different in appearance and concept, and which can also be distinguished in pronunciation to the extent as described above, would be mistaken for one another and be misleading and cause confusion as to the source of goods. As such, although the gist of the argument attacks the judgment in prior instance by stating that the court ruled that the two trademarks are not similar in pronunciation, given the actual conditions of transaction of glass fiber yarns, it is not precluded, as described above, that the comparison and consideration of the trademarks in terms of pronunciation be interpreted in a relatively relaxed manner.

Accordingly, the above ruling, which is acknowledged to have interpreted, from this perspective, that the two trademarks are not similar based on the fact that the two trademarks are different in pronunciation to the extent as described above, cannot be considered to be completely unreasonable.

The gist of the argument is that, in the judgment in prior instance, the finding to the effect that transactions of glass fiber yarns are hardly ever conducted based only on the pronunciation of a trademark, and the ruling that it is not sufficient to determine the similarity of Applied Trademark and the cited registered trademark by merely extracting the pronunciations of characters from the two trademarks for comparison do not constitute grounds in support of the determination that the two trademarks are not similar in pronunciation per se, but instead, create conflict and discrepancy. However, the purport expressed in the judgment in prior instance concerning the points made in the asserted opinion is entirely as described above, and it also cannot be acknowledged, naturally, that the judgment in prior instance has illegality of inconsistency in reasons.

The gist of the argument is entirely groundless.

Therefore, the judgment of this court is rendered unanimously by all judges, as per the main text, by application of Articles 401, 95, and 89 of the Code of Civil Procedure.

Supreme Court, Third Petty Bench

Presiding judge:	YOKOTA Masatoshi
Judge:	TANAKA Jiro
Judge:	SHIMOMURA Kazuo
Judge:	MATSUMOTO Masao
Judge:	IIMURA Yoshimi