

Date	March 22, 2018	Court	Intellectual Property High Court, Third Division
Case number	2017 (Gyo-Ke)10170		
- A case in which a trial decision that dismissed a demand for a trial for invalidation concerning a trademark consisting of "PPF" in standard characters was rescinded for reason of error in judgment on whether the trademark falls under Article 3, paragraph (1), item (i) and Article 4, paragraph (1), item (xvi) of the Trademark Act			

Reference: Article 3, paragraph (1), item (i) and Article 4, paragraph (1), item (xvi) of the Trademark Act

Number of related rights, etc.: Invalidation Trial No. 2016-890058, Trademark Registration No. 5840125

Summary of the Judgment

1. Defendant is the owner of the trademark right on the trademark "PPF" (standard character)(Trademark registration No. 5840125, Designated goods: "Thermoplastic polyurethane film, plastic film for protection of bodies of automobiles, thermoplastic polyurethane film for protection of bodies of automobiles, vinyl chloride film for protection of bodies of automobiles, and plastic basic products" (Designated goods of the present case) The trademark). Arguing that the trademark falls under provisions of Article 3, paragraph (1), items (i), (iii), and (vi) and Article 4, paragraph (1), item (xvi) of the Trademark Act, Plaintiff demanded a trial for invalidation (Invalidation Trial No. 2016-890058), but JPO rendered the trial decision to dismiss the demand, indicating that the trademark does not fall under any of those provisions. The present case is a case of demand for rescission of the trial decision by Plaintiff.

2. The judgment judged that, although Plaintiff did not explicitly assert in the course of the trial that the trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act, it is reasonably recognized that Plaintiff substantially asserted that the trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act based on

summary of assertions in the written trial decision and the contents of the written demand for trial.

On that basis, judging that the trial decision erroneously judged on whether the trademark falls under Article 3, paragraph (1), item (i) and Article 4, paragraph (1), item (xvi) of the Trademark Act, the court rescinded the trial decision.

(1) In the light of the usage of word "PPF" on websites of overseas manufacturers, websites of domestic manufacturers and traders, articles and advertisements in domestic magazines, blogs of users, etc. for goods "films in general for protection of the body surface of automobile" (the goods), since it is acknowledged that traders and consumers had recognized the word, "PPF" as a general abbreviation of the goods, the word, "PPF" corresponds to the common name of the trademark.

Since the trademark consists of standard characters, it is obvious that the trademark corresponds to a trademark consists solely of a mark indicating in a common manner.

Accordingly, the trademark falls under Article 3, paragraph (1), item (1) of the Trademark Act in relation to "plastic film for protection of the body of automobile, thermoplastic polyurethane film for protection of the body of automobile, and vinyl chloride film for protection of the body of automobile.

(2) Since the word "PPF" corresponds to the common name of the goods, if the present trademark is used for "thermoplastic polyurethane films" in general or "plastic basic products," there is a risk that it is erroneously understood that use other than protection of the body surface of automobiles or goods that has a form other than film could be recognized as a product that relates to films that protect the body surface of automobile in general.

Accordingly, if the trademark is used with respect to designated goods other than "thermoplastic polyurethane film" and "plastic basic products," it can be said that the trademark is such that it might cause misleading as to the quality of the goods when used for other goods than the goods of the present case because of relation with "thermoplastic polyurethane film" and "plastic basic products," and falls under Article 4, paragraph (1), item (xvi) of the Trademark Act.

Judgment rendered on March 22, 2018

2017 (Gyo-Ke) 10170 Case of seeking rescission of JPO decision

Date of conclusion of oral argument: January 25, 2018

Judgment

Plaintiff FE Trade Co., Ltd.

Defendant Clef Co., Ltd.

Main text

1 The court shall rescind the decision made by the Japan Patent Office (JPO) on July 20, 2017 with regard to the case seeking Invalidation Trial No. 2016-890058.

2 Defendant shall bear the court costs.

Facts and reasons

I Claim

The same effect as the main text

II Basic facts (The facts other than those for which exhibits are provided are either acknowledged by the entire import of the oral argument or facts evident to the court.)

1 Outline of procedures at the JPO

(1) Defendant is the owner of the trademark right on the following trademark (hereinafter referred to as "the Trademark") (Exhibits Ko 42, 43).

Registered trademark PPF (standard characters)

Registration number No. 5840125

Filing date October 23, 2015

Date of decision March 8, 2016

Registration date April 8, 2016

Class of goods and services Class 17

Designated goods thermoplastic polyurethane film, plastic film for protection of bodies of automobiles, thermoplastic polyurethane film for protection of bodies of automobiles, vinyl chloride resin film for protection of bodies of automobiles, and plastic basic products (hereinafter referred to as "the Designated Goods")

(2) With reference to the Trademark, Plaintiff demanded a trial for invalidation of trademark registration (Invalidation Trial No. 2016-890058. Exhibits Ko 40, 42) on September 29, 2016.

After examining the demand, on July 20, 2017 the JPO made the decision that "the

demand for trial is dismissed" and its transcript was served on the plaintiff on the 28th day of the month.

(3) On August 25, 2017, Plaintiff filed the lawsuit to seek the rescission of the JPO decision.

2 JPO decision

(1) Gist of the argument of Plaintiff (demandant) in the trial procedures

A In the field of automobiles the Trademark is an abbreviation formed as a combination of initial letters of "Paint Protection Film", and before the date of the registration decision of the Trademark it was generally recognized as what indicates, in a common manner, the film for protection of bodies of automobiles that represents its goods.

The term "PPF" is used on websites and in blogs as a term that refers to films for repairing car scratches, and before filing the application for registration of the Trademark Plaintiff was also using the term "PPF" in a common manner as the term that refers to the films. Also in videos, the term "PPF" is commonly used as a term that refers to car body protection films.

As explained so far, in automobile related fields the Trademark is recognized as what indicates the raw materials and quality of the goods in a common manner and cannot be recognized as a mark capable of distinguishing the goods of one enterprise from those of other enterprises, which corresponds to the function of trademarks. Moreover, since the term "PPF" functions as a necessary and appropriate indication for the explanation of the contents of transactions in the course of transactions in general, it is necessary that the term should be able to be freely used by anybody, and if a specific person's exclusive use of the term is granted, there is a risk of causing problems in terms of public interests such as hindrance to smooth transactions.

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

B Even if the Trademark does not fall under Article 3, paragraph (1), item (iii) of the Trademark Act, the term "PPF" is used in transactions by a large number of traders and thus even though the term "PPF" is used, it is impossible to recognize whose business its goods are related to and the term does not have a source identifying function, which corresponds to the function of trademarks.

Accordingly, the Trademark falls under Article 3, paragraph (1), item (vi) of the Trademark Act.

C In the automobile related fields the Trademark is generally used as an abbreviation of "Paint Protection Film". Considering this, if the Trademark is used

with respect to "thermoplastic polyurethane film" and "plastic basic products" which are the designated goods other than automobile related goods, then it is likely to mislead as to the quality of the goods.

Accordingly, the Trademark falls under Article 4, paragraph (1), item (xvi) of the Trademark Act.

D Hence, the registration of the Trademark should be invalidated.

(2) Reason for the JPO decision

The reason for the JPO decision is as described in the attached written JPO decision (copy). Its outline is that the Trademark falls under none of Article 3, paragraph (1), items (iii) and (vi) and Article 4, paragraph (1), item (xvi) of the Trademark Act.

(omitted)

V Court decision

1 The court determines that the determination of the JPO decision is erroneous and that each of the grounds for rescission 2 and 4 asserted by Plaintiff is well-founded. Therefore, the court determines that the JPO decision should be rescinded and it is needless to examine the other matters.

The reasons for the determination are as follows. In light of the case, the grounds for rescission 2 and 4 are reviewed in the written order.

2 Regarding the ground for rescission 2 (Error in the determination of whether or not the Trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act)

(1) In the trial procedures Plaintiff did not explicitly assert that the trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act, but as described in II 2 (1) above, Plaintiff asserted that "the Trademark was generally recognized as what indicates, in a common manner, the film for protection of bodies of automobiles that represents its goods" and the written demand for trial (Exhibit Ko 40) more directly describes that "in the following videos as well, 'PPF' is commonly used as a term that refers to car body protection films." (pages 18 to 19). Therefore, it is correct to acknowledge that Plaintiff asserted that the Trademark substantially falls under Article 3, paragraph (1), item (i) of the Trademark Act.

Accordingly, it should be said that whether or not the JPO decision made an error in the determination of whether or not the Trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act is also to be examined in the lawsuit.

(2) According to the exhibits listed below, the following facts are found about the

state of use of the term "PPF" or the like with respect to the Goods before the decision of registration of the Trademark.

A Websites of overseas manufacturers

(A) Website of 3M (as of May 26, 2014. Exhibit Ko 47)

Under the heading of "Paint Protection Film of the future is here now. Introducing NEW 3M™ Scotchgard Paint Protection Film Pro Series," the website describes as follows: "There are many choices in the market today for paint protection films (PPF), ..."

In addition, under the heading of "Where can I put Paint Protection Film on my vehicle?" the website describes as follows: "Paint Protection Film can be professionally installed anywhere you want to protect your vehicle finish from scratches, chips, stains, and other damaging elements."

(B) Official video created by LLumar (released on July 27, 2015. Exhibit Ko 49-1)

Under the heading of "LLumar PPF - Full Hood," the video displays the following subtitle: "This video demonstrates how to install LLumar paint protection film to the full hood of a vehicle", and a thumb nail image of a person who is trying to apply a film-like object to a car body.

(C) Brochure of Avery Dennison (created in 2015. Exhibit Ko 50)

Together with an image of a car and a film-like object which is being applied to the car body, the brochure describes as follows: "Avery Dennison AWF 1500 Series Paint Protection Film offers protection against stone chips, road debris, insect stains and weathering, without degrading the original paint colour." The brochure also lists various brands of the Goods with commercial names such as "1500 PU Gloss" and "1502 PU Matte."

(D) Website of XPEL (as of March 3, 2016. Exhibit Ko 48)

Under the heading "PAINT PROTECTION FILMS," the website describes that "XPEL paint protection film works as an invisible layer of armor over your car's finish" and it also introduces the Goods with commercial names such as "XPEL ULTIMATE," "XPEL STEALTH," "XPEL TRACWRAP," "XPEL XTREME", and "XPEL ARMOR."

B Websites of domestic manufacturers and contractors

(A) Blog of a car coating contractor (Exhibits Ko 78-1, 78-2)

An entry of September 3, 2011 reads: "We install 'paint protection film' for you," and "the 'paint protection film' is a sheet of transparent special film for coating painted surfaces and is a new concept body protection item that protects your car against stone

chips and scratches." An entry of November 22 of the same year reads: "We provide you with new car installation from Grand Slam to PPF to keep your cars looking clean and shining!" "First of all, we have installed PPF" and "PPF has only benefits to offer..."

(B) Defendant's website

a As of November 15, 2011 (Exhibit Ko 54-2)

Under the heading "What's PPF?" the website describes as follows: "Paint protection film (hereinafter referred to as PPF) refers to a product that protects the body surface of a vehicle against external elements and scratches when transparent polyurethane film is installed on the body surface of a vehicle or a bike. This product has various names such as 'Nude Bra,' 'Clear Bra' and 'Scratch Guard,' but is collectively referred to as the 'protection film' in that its transparent film protects a painted surface" and "PPF was invented in the United States. It was originally designed for the military in the same way as car navigation systems and mobile phones, and its object was to protect the canopies (enclosure for aircraft's occupants) and propellers of helicopters and fighters. ... In the 2000s, the development of PPF for automobiles started for the expansion of the market for automobiles, and about ten film manufacturers are now conducting their business, mainly in the United States."

b As of June 21, 2013 (Exhibit Ko 54-1)

Under the heading "New standards for the protection of the body of your car by means of transparent films," the website describes as follows: "Here comes transparent body film 'Paint Protection Film (PPF).'" ... Yes! PPF is a group of professionals in PPF and has the largest number of installation records in Japan and a limited number of its contractors take pride in their highest installation techniques and product knowledge."

(C) Plaintiff's website (as of February 22, 2013. Exhibit Ko 51-1)

Under the title "Paint Protection Film Our transparent film protects your cars" and the heading "PPF-Movie," together with an image that looks as if the hood portion of a car were covered with a transparent material, the website describes as follows: "We are releasing a promotion movie of our protection film that makes its debut ... (featuring its development)" and "the cars we own get damaged by a number of causes. Our UNIGLOBE Paint Protection Films are breakthrough products that protect the body of your car against scratches by means of their transparent films. You can apply the film and peel it off and restore the look of your car to its former state ...".

(D) Website of 3M Japan (as of March 12, 2015. Exhibit Ko 58)

Under the heading "Scratch guard" the website describes as follows: "This is a transparent paint protection film (PPF) that can be used for various purposes such as protecting the body of your car from scratches and rust and effectively preventing the generation of abrasion/strange noise" and "The Scratch Guard is a transparent paint protection film (PPF) having a thickness of 0.21 mm. By applying this film to various portions of your car, you can protect the body of your car from scratches."

C Articles and advertisements of domestic magazines

(A) December 2008 issue of Genroq (published on the first day of the same month. Exhibit Ko 55-1)

An article that introduces Defendant describes as follows: "Body coating has already been applied to XK (Judgment note/[sic]), but a current hot item, paint protection film, has also been installed." "... my object is to install "LLumar," which is a film for protecting the body of automobile against the scratches caused by stone chips" (Judgment note/[sic]). LLumar is an American company that originally dealt in films for building materials such as glass safety films applied to building windows and anti-theft films applied to window frames, and has newly developed car protection films."

(B) Special Cars (separate volume of Motor Fan) (published on March 24, 2009. Exhibit Ko 55-2)

The magazine describes as follows: "Just apply this film and you can reduce damage by stone chips! A transparent armor that protects the body of an automobile," "LLumar PAINT PROTECTION FILM," "LLumar paint protection film is a transparent protection film to be applied on painting. This LLumar paint protection film is a colorless transparent film having a thickness of 150 μ and made of high polymer, high transmittance polyurethane" and "this looks like a hot item for those who want to protect their cars against stone chips."

(C) August 2012 issue of Genroq (on sale on June 26 of the same year. Exhibit Ko 55-3)

Under the title "PPF has been installed" and the heading "further improved PPF", an article that introduces Defendant describes as follows: "Paint protection film (PPF) that is dealt in by XPEL whose headquarters is in the state of Texas, North America. The company takes advantage of its strong points as being a specialized manufacturer and sells PPF compatible with various models all over the world," "... this month I tried body tuning and paint protection film (PPF), both of which had been on my mind for some time (judgment note/[sic])," "the basic material of PPF is polyurethane which is highly flexible and remains soft. For example, the worst

enemy of the body surface of your car when you are driving is stone chips ... Your will feel reassured if your car is protected with PPF," and "we will give a detailed report on the finish of PPF in the next issue."

(D) November 2012 issue of af imp. (Exhibit Ko 28)

The magazine describes as follows: "In pursuit of the highest 'PPF' technology, we have been participating in training at XPEL, USA! The current cutting-edge technology is a paint protection film for protecting the body of an automobile with flexible transparent film." "Pay attention to the new technology effective for the protection of bodies, namely, the presence of PPF!" "In the improvement of the styles in Japan, the paint protection film (PPF) first attracted attention in its colored installation on headlights. Unlike the film used for wrapping, PPF is made of transparent polyurethane and is highly flexible."

(E) December 2012 issue of *Amesha* Magazine (Exhibit Ko 27)

Under the heading "PAINT PROTECTION FILM," the magazine describes as follows: "hot item 'PPF' which has gained tremendous popularity in the United States," "The product that is much talked about in the United States now ... is 'paint protection film (PPF).'" "Have you ever heard of paint protection films (hereinafter referred to as PPF)? They are literally films that protect the painted surface of your car from scratches caused by stone chips, mischief, bird droppings, insect body fluids, and loading and unloading of luggage."

(F) In the July 2013 issue of Genroq (on sale on May 25 of the same year. Exhibit Ko 57-1) a print advertisement of the Goods manufactured by XPEL and dealt in by Defendant is placed. Under the heading "Protection film = Yes! PPF," the advertisement reads "new standards for protection of your cars, that is, protection by means of the 'film' of XPEL" and "Experience the paint protection film (PPF)."

Also, Defendant's advertisements appearing in at least eight issues of the magazine from the April 2014 issue (on sale on February 26 of the same year) to the March 2016 issue (on sale on January 26 of the same year) describes "paint protection film (PPF)." (Exhibits Ko 57-4, 57-5, 57-7 to 57-12)

(G) Number of subscribers and circulation of each of the magazines

The subscribers of each of the magazines are mainly lovers of luxury cars and foreign cars and the circulation of each of the magazines is as follows. (Exhibits Ko 101, 103 to 104-2, 111)

Genroq	150 thousand (as of October 2016)
<i>Amesha</i> Magazine	150 thousand (as of April 2013)
af imp.	150 thousand

D Users' blogs

In the posted articles written about the Goods from 2010 to January 2016 (by at least different 13 users who installed the Goods), the term "PPF" is used independently as a term that refers to the Goods or together with the terms "Paint Protection Film." (Exhibits Ko 15, 86 to 97).

E Wikipedia (English version. As of September 16, 2010. Exhibit Ko 45-1)

In the item "Paint protection film," Wikipedia describes as follows: "Paint Protection Film (PPF) AKA Clear Bra is a thermoplastic urethane film that is applied to the leading painted surfaces of a new or used car in order to protect the paint from stone chips, bug splatter and minor abrasions." "The film is manufactured by these major companies 3M, LLumar, Bekaert, Avery Dennison - nano fusion, XPEL -value, standard and premium, Sharpline - DuraShield+, VentureShield and others."

(3) Based on the premise of the found facts in (2) above, the court reviews whether or not the term "PPF" falls under a common name of the Goods.

A The origin of the Goods is a film for protecting the blades of military helicopters from damages and its technique was used for films for protecting the painted surfaces of automobiles. (Exhibits Ko 2, 54-2).

Since the Goods are protection films for protecting the body of automobile from scratches and stains caused by stone chips and insects, it is correct to acknowledge that their main consumers are the owners of luxury cars and foreign cars who especially hate their automobile bodies being scratched or stained, and the main traders are the manufactures and importers of the Goods and contractors who install the Goods to automobile bodies. (Exhibits Ko 76 and 98).

B According to (2) A and E above, on the websites of the overseas major manufacturers of the Goods, the terms "paint protection film" and "PPF" are used without any special notes as the terms that refer to the Goods, and so as to distinguish the goods of one enterprise from those of other enterprises, the major manufacturers are found to use their own trademarks, such as "Scotchgard" of 3M, "AWF 1500series" of Avery Dennison and "XPEL ULTIMATE" of XPEL. Further, Wikipedia (English version) which can be referred to as an encyclopedia on the Internet explains the Goods together with the term "PPF" in the item of "paint protection film" (Incidentally, Wikipedia allows anybody to freely write articles, but it has constructed a fixed framework for ensuring accuracy (Exhibits Ko 45-2 to 45-4) and the details of the description in the item at issue in the present case are consistent with the description at the websites of the major manufacturers of the Goods. Therefore, it should be said that Wikipedia is trustworthy.). According to these facts, it is correct to acknowledge

that in English-speaking countries, at the time of registration decision of the Trademark, the terms "paint protection film" and the term "PPF" were used as a common name of the Goods and its abbreviation (it is clear that PPF stands for a combination of the initial letters of the terms "paint protection film."), respectively.

C As found in (2) B to D above, it is also clear that on the websites of the domestic manufacturers and the contractors of the goods, and in the magazine articles and advertisements and the posted blog articles, the Goods were often introduced as leading edge products created in the United States and in the articles, the terms "paint protection film", "PPF", and "paint protection film (PPF)" are repeatedly used as the terms that refer to the Goods.

Considering this, it is found that at the time of registration decision of the Trademark, the traders and consumers of the Goods recognized that the term "paint protection film" refers to the Goods in general, which are car protection films, and PPF is its abbreviation, through the domestic articles as found in (2) B to D, or by directly coming across the overseas articles that introduce the goods as found in (2) A (As found in A, the consumers of the Goods are the consumers who own luxury cars and foreign cars and they are expected to be highly concerned and conscious of the maintenance of their cars and their good look and the traders deal with such consumers. Considering this, it is highly conceivable that the consumers and traders who got interested in the domestic articles also try to obtain overseas information and it is actually found to have occurred.).

D In this respect, Defendant's advertisements appearing in Genroq from the September 2015 issue to the March 2016 issue show a design logo obtained by combining a so-called checkmark and "Yes! PPF PAINT PROTECTION FILM," and the terms "paint protection film (PPF)" (Exhibits Ko 57-10 to 57-12). As far as the advertisements are concerned, it can also be considered that the term "PPF" is used as a source identifier of a car body/glass protection film sold/installed by Defendant.

However, these advertisements were released only about six months before the date of registration decision of the Trademark, and in light of the state of use of the term "PPF" by others before the date of registration decision, it should be said that the state of use is not sufficient to affect the determination that the term "PPF" was used as the general abbreviation of the Goods by the traders and consumers of the Goods.

E Based on the foregoing, it is correct to acknowledge that the traders and consumers of the Goods recognized the term "PPF" as the common abbreviation of the Goods at the time of registration decision of the Trademark.

Accordingly, it should be said that the term "PPF" corresponds to the common

name of the Goods.

(4) Since the Trademark consists of standard characters, it clearly corresponds to a trademark which consists solely of a mark indicating, in a common manner, the common name of the goods.

Accordingly, the Trademark falls under Article 3, paragraph (1), item (i) of the Trademark Act in relation to "plastic film for protection of the body of automobile, thermoplastic polyurethane film for protection of the body of automobile, and vinyl chloride film for protection of the body of automobile," of the Designated Goods.

Hence, the ground for rescission 2 asserted by Plaintiff is well-founded.

3 Regarding the ground for rescission 4 (error in the determination of whether or not the Trademark falls under Article 4, paragraph (1), item (xvi) of the Trademark Act)

As found in 2 above, the term "PPF" corresponds to the common name of the Goods, and thermoplastic polyurethane films are found to be typical materials of the Goods (Exhibits Ko 2, 8, 18-3, 45-1, 51-2, 54-2 and 58). Therefore, it should be said that if the Trademark is used for "thermoplastic polyurethane films" in general, it is likely that the films in use for other purposes are also erroneously recognized as those in use for protection of the body surface of automobile.

Also, the Goods are a kind of plastic product. Therefore, if the Trademark is used for "plastic basic products," it is likely that the basic products for the purposes other than the protection of the body surface of automobile and in use for the goods that are not film-shaped are also erroneously recognized as the products related to the films in general for protection of the body surface of an automobile.

Accordingly, it can be said that if the Trademark is used for the goods other than the Goods in relation to "thermoplastic polyurethane film" and "plastic basic products" of the Designated Goods, the Trademark is likely to mislead as to the quality of the goods. Thus, the Trademark falls under Article 4, paragraph (1), item (xvi) of the Trademark Act.

Hence, the ground for rescission 4 asserted by Plaintiff is well-founded.

4 Conclusion

Based on the foregoing, the grounds for rescission 2 and 4 asserted by Plaintiff are well-founded. Therefore, the JPO decision should be rescinded and it is needless to examine the other matters.

Hence, the judgment is rendered as described in the main text.

Intellectual Property High Court, Third Division

Presiding judge TSURUOKA Toshihiko
Judge SUGIURA Masaki
Judge MAGIRA Hiromitsu