

Date	July 27, 2017	Court	Intellectual Property High Court, Second Division
Case Number	2017 (Gyo-Ke) 10030		
- A case in which, with regard to a registered trademark, "ORGANO SCIENCE", the court ruled that the JPO decision to the effect that the registration of the trademark is in violation of Article 4, paragraph(1), items(xi) and (xv) of the Trademark Act is appropriate, and dismissed the plaintiff's claim.			

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

Number of related rights, etc.: Invalidation Trial No. 2016-890036, Trademark Registration No. 5417057

Summary of the Judgment

1 The plaintiff is the holder of the trademark, "ORGANO SCIENCE" (standard letters) (Trademark Registration No. 5417057; the "Trademark"). The defendant, who holds registered trademarks consisting of the letters or characters, "ORGANO" and "オルガノ (organo)" (hereinafter referred to as "Cited Trademark 1" and "Cited Trademark 2", respectively; and a trademark consisting of the letters or characters, "オルガノ (organo)" or "ORGANO", is sometimes referred to as "Defendant's Trademark" hereinafter), filed a demand for a trial of invalidation for the Trademark by claiming that the Trademark falls under Article 4, paragraph(1), items(xi) and (xv) of the Trademark Act (Invalidation No. 2016-890036). The JPO rendered a trial decision to the effect that the Trademark shall be invalidated because it should be said that the registration of the Trademark is in violation of Article 4, paragraph(1), items (xi) and (xv) of the Trademark Act.

2 In the present case, the court rendered the decision to the effect that the above trial decision is appropriate, as described below.

(1) Fame and prominence of Cited Trademarks

Due to factors such as the defendant's operations, business scale and market share, business deployment as a group companies, introduction of the company's operations in media, and how the company is advertised, Cited Trademarks had become well-known and prominent among traders and consumers as representing the defendant's business of water treatment equipment and the chemical business which is closely related thereto, at the time of filing the application for registration of the Trademark.

(2) Applicability of Article 4, paragraph(1), item(xi) of the Trademark Act

The Trademark is acknowledged as a composite trademark consisting of "ORGANO" and "SCIENCE". There is not enough evidence to support that the letter part, "ORGANO", is used as a word by itself; however, considering that "オルガノ (organo)" and "ORGANO" had become well-known and prominent as the defendant's

abbreviated name or house mark, "ORGANO" gives a strong impression of being a mark for the defendant's abbreviated name or house mark. On the other hand, the letter part, "SCIENCE", is a general term which is prevalent in society, and the function of distinction which it plays in the entire mark is not very strong even in light of the designated goods and services for the Trademark. As such, the letters, "ORGANO" and "SCIENCE", constituting the Trademark are very much different from each other in terms of their capability to give distinctiveness to the entire mark, and since it should be said that the letter part, "ORGANO", is the major part of the trademark which gives a strong and dominant impression to traders and consumers as a distinctive identifier of source for goods and services, it is appropriate to determine the similarity of the Trademark with Cited Trademarks by extracting said part of the Trademark for comparison with Cited Trademarks.

The Trademark also produces the sound, "organo", from the major part of the trademark, and since "ORGANO" is not a generally known word in Japan, said part does not give any special concept. On the other hand, Cited Trademarks produce the sound, "organo", respectively, and, as in the case of the Trademark, do not give any special concept.

When the major part of the Trademark is compared with Cited Trademarks, such comparison cannot be made with regard to concept. Still, it can be said that Cited Trademarks 1 and 2 are the same as the Trademark with regard to the sound of "organo", and since it can also be said that Cited Trademark 1 is similar to the Trademark in appearance as well, it is appropriate to acknowledge that the Trademark and Cited Trademarks are similar.

Accordingly, Article 4, paragraph(1), item(xi) of the Trademark Act is applicable with regard to "chemical agents" from among the designated goods.

(3) Applicability of Article 4, paragraph(1), item(xv) of the Trademark Act

The Trademark and the Defendant's Trademarks are similar, and furthermore, the Defendant's Trademarks have a certain level of uniqueness, in addition to being well-known and prominent. Also, the designated goods and services of the Trademark are closely related to the goods and services pertaining to the defendant's business, and the designated goods and services of the Trademark share the same traders and consumers as those of the goods and services pertaining to the defendant's business. Furthermore, since the defendant is a diversified company, if the Trademark is used for designated goods and services other than "chemical agents", there is a risk of causing the misunderstanding, based on the attention which is usually given by traders and consumers of designated goods and services for the Trademark, that such goods and

services are related to the defendant's goods and services, thereby creating confusion.

Accordingly, the Trademark falls under Article 4, paragraph(1), item(xv) of the Trademark Act with regard to the designated goods and services other than "chemical agents".

Judgment rendered on July 27, 2017

2017 (Gyo-Ke) 10030 The case of seeking rescission of JPO Decision

Date of conclusion of Oral Proceedings: May 25, 2017

Judgment

Plaintiff: Organo Science Kabushiki Kaisha

Defendant: Organo Corporation

Main Text

- 1 The plaintiff's claim is dismissed.
- 2 The plaintiff shall bear the court costs.

Facts and Reasons

No. 1 Judicial decision sought by the plaintiff

The plaintiff seeks that the court rescind the JPO decision, rendered by the JPO on December 20, 2016, in the Case of Invalidation Trial No.2016-890036.

No. 2 Outline of the case

The present case is an action for rescission of the JPO decision of invalidation rendered in a demand for a trial for invalidation of trademark registration. The issues concerned are as follows: (i) Whether or not the Trademark, as shown below, which is held by the plaintiff, is the same as or similar to the cited trademarks, as shown below, which are held by the defendant (Article 4, paragraph(1), item(xi) of the Trademark Act); and (ii) Whether or not the Trademark has a risk of causing confusion with the goods or services pertaining to the defendant's business (Article 4, paragraph(1), item(xv) of the Trademark Act).

1 The Trademark

The plaintiff is the holder of the Trademark, as shown below (Exhibit Ko 1 and Ko 2).

ORGANO SCIENCE (standard letters)

- (i) Registration number: 5417057
- (ii) Filing date: June 16, 2010
- (iii) Date of decision of registration: May 13, 2011
- (iv) Date of registration: June 10, 2011

(v) Classification of goods and services, and designated goods and services

At the time of registration of establishment of the right, the designated goods and services were as follows: "Aromatic organic compounds; aliphatic organic compounds; organic halogenides; alcohols; phenols; ethers; aldehydes and ketones; organic acids and salts thereof; esters; nitrogen compounds; heterocyclic compounds; organophosphorus compounds; organometallic compounds; chemical preparations; unprocessed plastics; organic semiconductor compounds; electroconductive organic compounds" in Class 1; and "Synthesis and processing of organic compounds, chemical products, and unprocessed plastics" in Class 40. Later, parts of the registration were deleted by way of a partial waiver, accepted on March 18, 2016, for deletion of "chemical preparations; unprocessed plastics" in Class 1 from among the designated goods, and another partial waiver, accepted on June 17, 2016, for deletion of "synthesis and processing of organic compounds, chemical products, and unprocessed plastics" in Class 40 from among the designated services (Exhibit Ko 2, Ko 209, and Ko 210).

2 Details of procedures taken at JPO

On May 31, 2016, the defendant filed a demand for a trial for invalidation of trademark registration to the JPO by claiming that the Trademark falls under Article 4, paragraph(1), items(xi) and (xv) of the Trademark Act (Exhibit Otsu 1, Invalidation Trial No.2016-890036).

On December 20, 2016, the JPO rendered the JPO decision to the effect that the "registration of Registration No. 5417057 shall be invalidated" (hereinafter referred to as "the JPO Decision"), and a copy of the decision was sent to the plaintiff on January 4, 2017.

3 Gist of reasons for the JPO Decision

(1) The cited trademarks (Cited Trademark 1 and Cited Trademark 2 are hereinafter collectively referred to as "Cited Trademarks").

A Cited Trademark 1 (Exhibits Ko 3 and Ko 4)

ORGANO

(i) Registration number: 1490120

(ii) Filing date: April 5, 1976

(iii) Date of registration: November 27, 1981

(iv) Classification of goods and services, and designated goods and services

At the time of registration of establishment of the right, the designated goods and services were as follows: "Chemical products" in Class 1 (excluding those in classes other than Class 1). On July 26, 1982, however, partial deletion resulting from a waiver was registered with regard to "inorganic industrial chemicals, organic industrial chemicals, and gums and adhesives", and on October 9, 2002, the remaining designated goods were rewritten to read as "surface-active chemical preparations, chemical preparations" in Class 1, and registered accordingly.

B Cited Trademark 2 (Exhibits Ko 4 and Ko 5)

オルガノ

(i) Registration number: 1490119

(ii) Filing date: April 5, 1976

(iii) Date of registration: November 27, 1981

(iv) Classification of goods and services, and designated goods and services

At the time of registration of establishment of the right, the designated goods and services were as follows: "Chemical products" in Class 1 (excluding those in classes other than Class 1). On July 26, 1982, however, partial deletion resulting from a waiver was registered with regard to "inorganic industrial chemicals, organic industrial chemicals, and gums and adhesives", and on October 16, 2002, the remaining designated goods were rewritten to read as "surface-active chemical preparations, chemical preparations" in Class 1, and registered accordingly.

(2) Fame and prominence of Cited Trademarks and trademarks consisting of the letters, "オルガノ (organo)" or "ORGANO" (a trademark consisting of the letters, "オルガノ (organo)" or "ORGANO", hereinafter sometimes referred to as "Defendant's Trademark")

The defendant, a comprehensive water treatment engineering company, is a well-established company in Japan, and its group companies operate in a broad range of fields, including the manufacture and sale of relevant products, and provision of relevant services. It is acknowledged that the marks of "オルガノ (organo)" and its English equivalent, "ORGANO", had become widely known in the industry in Japan as representing the defendant's abbreviated name and the defendant's house

mark, even before the filing date of the application for registration of the Trademark.

The defendant prepares and issues a general catalogue and individual catalogues for various products, with the Trademark Used 1 or Trademark Used 2 (these trademarks are hereinafter collectively referred to "Trademarks Used"), as shown below.

Trademark Used 1



Trademark Used 2



With regard to the figure part in Trademark Used 1 or Trademark Used 2 and the letter part of "ORGANO" or "オルガノ (organo)", there is no special reason to identify and acknowledge the figure part and the letter part in a unified manner at all times in terms of appearance, concept, and sound. As such, it should be said that the figure part and the letter part should respectively function as independent identifiers for the goods and services which are covered by the mark from those which are not covered by the mark.

Furthermore, the following facts can be acknowledged, among other facts: Water treatment chemicals such as ion-exchange resin are indispensable for performing the business of water treatment equipment, which is the defendant's main operation; and the defendant focuses on developing technologies related to chemistry and chemicals, and this aspect of the defendant's business is often covered in newspapers and the like.

In such a case, it is acknowledged that the Defendant's Trademark, which consist of "オルガノ (organo)" and its English equivalent, "ORGANO", has been widely known among traders and consumers of the electronics industry, including semiconductor makers, as well as relevant fields such as chemistry and food, nuclear plants, and power plants in Japan, as representing the business of water treatment equipment pertaining to the defendant's main operation, including the

manufacture and sale of pure water production equipment, ultrapure water production equipment, waste water treatment equipment, and other such equipment, as well as the chemicals business, including the manufacture and sale of ion-exchange resin, water treatment chemicals, and the like, which is closely related to the business of water treatment equipment, and that the prominence of the defendant's operations was still ongoing as of the date of the decision for registration of the Trademark.

(3) First Reason for Invalidation (applicability of Article 4, paragraph(1), item(xi) of the Trademark Act)

A Similarity between trademarks

The letter part, "ORGANO", and the letter part, "SCIENCE", of the Trademark have a space of about the size of one letter in-between the letter parts. Not only are these letter parts easily observed as being separate in appearance, the sound, "*organo science*", is rather long. As for the letter part, "SCIENCE", of the Trademark, it is well-known in Japan as an English word meaning "science", and even in light of the designated goods and services, the function of identifier as served by this letter part is not so strong. To the contrary, the letter part, "ORGANO", of the Trademark is an English word meaning "organic", and it can be acknowledged that its equivalent in katakana characters, "オルガノ (*organo*)", was not a generally well-known word in Japan at the time when the application for the Trademark was filed.

In such case, the letter part, "ORGANO", and the letter part, "SCIENCE", constituting the Trademark are very different from each other in terms of the level of prevalence of the meanings of the words and in terms of the capability of identification. When the fact that the Cited Trademarks consisting of the letters, "ORGANO" and "オルガノ (*organo*)", are well-known is also taken into account, the letter part, "ORGANO", of the Trademark gives a strong and dominant impression to traders and consumers as an identifier of source of goods and services.

Accordingly, it can be said that the major part of the Trademark is the letter part, "ORGANO", of the entire configuration. Therefore, the Trademark produces the sound, "*organo science*", from the letter part when it is pronounced in its entirety, as well as the simple sound, "*organo*", from the letter part, "ORGANO", which is the major part. As such, the Trademark has no special concept.

On the other hand, Cited Trademark 1 consisting of the letters, "ORGANO", produces the sound, "*organo*", according to the letters of its configuration, and this is a coined word having no special meaning. As for Cited Trademark 2 consisting of the characters, "オルガノ (*organo*)", it produces the sound, "*organo*", according to the characters of its configuration, and this is also a coined word like Cited Trademark 1.

Although the major part of the Trademark, "ORGANO", cannot be compared with Cited Trademark 1 in terms of concept, the two marks are similar in appearance, and the two also share the sound of "*organo*". As such, it should be said that the Trademark and Cited Trademarks are similar trademarks.

B Similarity of designated goods

The designated goods of the Trademark and the designated goods of Cited Trademarks share the same goods, "chemical preparations", among the respective designated goods. After the decision for registration of the Trademark was made, the registration of the trademark right was deleted by abandonment with regard to designated goods such as "chemical preparations". However, since the base point in time for determining similarity pursuant to Article 4, paragraph(1), item(xi) of the Trademark Act is the time of the decision for registration of a trademark (Article 4, paragraph(3) of the Trademark Act), as long as "chemical preparations" are among the designated goods at the time of the decision for registration of the Trademark, the above deletion of registration, which took place later in time, did not have any influence on the determination of similarity of designated goods.

C Summary

The Trademark and Cited Trademarks are similar, and the designated goods of both trademarks contain "chemical preparations". As such, registration of the Trademark is in violation of Article 4, paragraph(1), item(xi) of the Trademark Act.

(4) Reason 2 for invalidation (applicability of Article 4, paragraph(1), item(xv) of the Trademark Act)

A Level of similarity between the Trademark and the Defendant's Trademark

As described above, the Trademark and the Defendant's Trademark are similar to each other in appearance or sound.

B Fame and prominence of Defendant's Trademark

The Defendant's Trademark was well-known among traders and consumers in Japan as representing defendant's abbreviated name and the defendant's house mark, as well as the business of water treatment equipment pertaining to the defendant's business and the chemicals business, which includes water treatment chemicals, as of the filing date of the application for registration of the Trademark and as of the date of the decision for registration of the Trademark.

C Level of uniqueness of the Defendant's Trademark

Since it cannot be said that the English word, "organo", and its equivalent in katakana characters, "オルガノ (organo)", are well-known among the people in Japan as a word meaning "organic", it cannot be said that the Defendant's Trademark is very unique, but it also cannot be said that the Defendant's Trademark lacks uniqueness.

D Relevance in terms of products or in terms of services and goods, and commonality of consumers and traders

The defendant is a comprehensive water treatment engineering company with its focus on the business of water treatment equipment and the chemicals business which is closely related to the business of water treatment equipment. In its operations pertaining to chemicals, the defendant engages in the manufacture and sale of chemicals such as water treatment chemicals, ion-exchange resin, and food additives, as well as in the manufacture and sale of heavy-metal fixatives, cleansing agents, sterilization agents, air refresher, anti-foaming agents, remover for non-ionic surfactants, high-polymer coagulants, impurity remover, rust preventives for water supply system, hydrogen peroxide decomposition agents, sodium hypochlorite preparations, fuel additives, boiler treatment agents, corrosion inhibitors, and cooling water treatment agents, which contain various organic compounds and inorganic compounds. These products and services are in demand by the electronics industry such as semiconductors and liquid crystal displays in addition to water treatment plants for manufacture of artificial ditches and treatment of waste water and the like, as well as various manufacturers, service providers, power plants, national government organs, municipal governments, and the general consumer public which require small/medium equipment or water treatment chemicals and other chemicals.

On the other hand, designated good and designated services for the Trademark

include goods pertaining to various types of organic compounds as well as services pertaining to the synthesis and processing of said goods, and these goods and services are in demand by various manufacturers which require the compounds, which are among the designated goods, as raw materials for production, or which require the resultant of the synthesis and processing of said compounds. In particular, it can be said that the "organic semiconductor compounds; electroconductive organic compounds" from among the designated goods are in demand by the electronics industry which uses organic semiconductors and organic electroluminescence displays as materials for production.

In that case, the designated goods and services for the Trademark and the goods and services pertaining to the defendant's business are the same in that they both belong to the field of chemical preparations. In addition, since it can be said that the designated goods for the Trademark contain a lot of possible raw materials for chemicals pertaining to the defendant's business, it should be said that the designated goods and services for the Trademark and the goods and services pertaining to the defendant's business are very much related to each other. Furthermore, as for consumers, the Trademark and the Cited Trademarks are, in many ways, in demand by the same consumers in that the manufacturers requiring the compounds as raw materials are also manufacturers which require water treatment facilities, water processing equipment, or water treatment chemical preparations, particularly in the field of the electronics industry.

E Diversified operation of the defendant

As of March 2011, the defendant has created a group consisting of 21 subsidiaries, 2 affiliates, and Tosoh Corporation (parent company). It engages in a diversified operation by utilizing the business of water treatment equipment, which is its main business, as well as the technological strength of its chemicals business, thereby operating extensively in the fields of chemical engineering and industrial chemistry, while at the same time conducting the sale of industrial chemicals and the sale of water treatment machinery, as well as the development, manufacture, and sale of food ingredients, food additives, dietary supplements, and the like, and the manufacture and sale of factory effluent treatment equipment, among others.

F Summary

To sum up the above, it should be said that the use of the Trademark on its designated goods and services other than the designated goods of "chemical

preparations" has a risk of causing the traders and consumers to immediately recall or conjure images of the Defendant's Trademark, creating the misunderstanding that said goods and services pertain to the business of someone who is closely related to the defendant in business, such as by way of the so-called parent-subsidiary relationship and as affiliates, or who belongs to a group of companies selling products which bear the same mark, thereby creating confusion as to the source of the goods and services.

Accordingly, the Trademark falls under a trademark which "is likely to cause confusion" as stipulated in Article 4, paragraph(1), item(xv) of the Trademark Act.

(5) Conclusion

Since it should be said that registration of the Trademark is in violation of Article 4, paragraph(1), items(xi) and (xv) of the Trademark Act, the registration shall be invalidated pursuant to Article 46, paragraph(1), item(i) of the same Act.

(omitted)

No. 5 Judgment by the court

1. Fame and prominence of Cited Trademarks and Defendant's Trademark

First of all, fame and prominence of Cited Trademarks and Defendant's Trademark shall be determined.

(1) Facts constituting the premise

According to the evidences and the overall gist of proceedings, as indicated below, the following facts can be acknowledged.

A Overview of the defendant

The defendant was founded in 1946 under the trade name of "Nihon Organo Shokai", which the defendant changed to the current "Organo Kabushiki Kaisha" in 1966. In English, the defendant's trade name is "Organo Corporation", and the defendant has used "オルガノ (organo)" and its English equivalent, "ORGANO", as the defendant's house mark ever since the defendant was established (Exhibit Ko 6).

B Business descriptions of the defendant

During the mid-70's to the late 80's, the defendant experienced rapid growth, along with the rapid growth of the semiconductor industry in Japan, because the defendant delivered ultrapure water production equipment, which is essential for manufacturing semiconductors, to semiconductor makers. Currently, the defendant is one of the largest corporations in the fields of industries pertaining to comprehensive water treatment engineering. The defendant's main business field is in the functional commodity business, which includes the water treatment engineering business and the chemicals business, specifically, water treatment facilities for industrial use, facilities related to water and sewerage, environmental facilities, facilities related to underground water/soil cleanup, facilities related to industrial processes, facilities related to standard type water treatment machinery, chemicals related to water treatment, food additives, and service-based businesses, among others (Exhibits Ko 7 to Ko 22).

Of the defendant's operations, the chemicals business is centered on water treatment chemicals, which are indispensable for performing the business of water treatment equipment. As such, the defendant engages in the manufacture and sale of chemicals such as heavy-metal fixatives, cleansing agents, sterilization agents, air refresher, anti-foaming agents, remover for non-ionic surfactants, high-polymer coagulants, impurity remover, rust preventives for water supply system, hydrogen peroxide decomposition agents, sodium hypochlorite preparations, fuel additives, boiler treatment agents, corrosion inhibitors, and cooling water treatment agents, which contain various organic compounds and inorganic compounds (Exhibit Ko 16, Exhibits Ko 31 to Ko 77).

Traders and consumers for the defendant's goods and services include the electronics industry such as semiconductors and liquid crystal displays, which requires a large amount of ultrapure water, as well as water treatment plants for manufacture of artificial ditches and treatment of waste water and the like, various manufacturers, service providers, power plants, national government organs, municipal governments, and the general consumer public (Exhibits Ko 7 to Ko 22).

C Defendant's business scale and market share, etc.

The sales volume of the defendant's business is 61,097,000,000 yen for the

business year ending in March, 2011 (April 1, 2010 to March 31, 2011), which is near the filing date of the application for registration of the Trademark (June 16, 2010). Of the above figure, the water treatment engineering business amounts to 40,618,000,000 yen, and the functional commodity business, which includes the chemicals business, amounts to 20,479,000,000 yen. The sales volume for the business year ending in March, 2012 (April 1, 2011 to March 31, 2012), which is near the date of the decision for registration for the Trademark (May 13, 2011) is 68,502,000,000 yen, among which the water treatment engineering business amounts to 49,096,000,000 yen, and the functional commodity business amounts to 19,405,000,000 yen (Exhibits Ko 7 and Ko 8). Also, the defendant's market share for the ultrapure water production equipment in 2008 is approximately 30%, the market share for the electro deionization equipment, which is incorporated into pure water/ultrapure water production equipment, is approximately 15%, and the market share for the chemicals for boiler water and cooling water is approximately 8%, all being ranked second or third in the respective markets of the relevant industries (Exhibit Ko 15).

D Operations as a group company

As of March 2011, the defendant has created a group consisting of 21 subsidiaries, 2 affiliates, and Tosoh Corporation (parent company), and many of the defendant's subsidiaries contain "オルガノ (organo)" in their trade names. In addition to its core businesses, the defendant also pursues its management in a wide range of fields, has affiliates outside Japan, and also engages in global operations (Exhibits Ko 6 and Ko 7).

E Introduction of the defendant's business descriptions in media

The defendant is often covered in newspapers, magazines, and other forms of media, in which the defendant's business descriptions are introduced (Exhibit Ko 84, Exhibits Ko 100 to Ko 127).

For example, the *Nikkei Sangyo Newspaper* dated May 26, 2005 posted an article titled, "Japan's leading companies, Kurito Kogyo and Organo, compete over water treatment in China" (Exhibit Ko 102). As another example, the *Weekly Economist* which was issued on February 5, 2008 posted an article describing that "as for factory effluent, companies like Kurita Kogyo, Organo, and Mitsubishi Heavy Industries are making more water treatment plants

overseas" (Exhibit Ko 104). In addition, from September 18, 2006 until September 22 of the same year, a feature article titled "Stepping Stones for Tomorrow" in *Fuji Sankei Business* covered five articles introducing the defendant's business, and in the articles, the Trademark Used 2 was also shown (Exhibits Ko 105 to Ko 109).

F Advertising by the defendant

Over a long period of time, the defendant continuously made advertisements in which the characters, "オルガノ (organo)", were written in a large size, in multiple national newspapers during the period from 1964 until the date of the decision for registration of the Trademark, as a masthead advertising (an advertisement shown in the corner underneath the place which indicates the newspaper's name on the front page) (Exhibits Ko 80 to Ko 83).

Also, until the date of the decision for registration for the Trademark, the defendant made advertisements using Trademark Used 1 in magazines such as the following: *Journal of Industrial Water* (issued on May 20, 2004; Exhibit Ko 90-1); *PHARM TECH JAPAN* (issued on December 1, 2004; Exhibit Ko 90-2); *New Food Industry* (issued on April 1, 2007; Exhibit Ko 90-4); and *Journal of Water and Water Technology* (issued on July 15, 2010; Exhibit Ko 90-6).

(2) Fame and prominence of Cited Trademarks and Defendant's Trademark

From what is described above, the following facts can be acknowledged: (i) The defendant is one of the largest corporations in Japan in the field of comprehensive water treatment engineering, and since its establishment, the defendant has used "オルガノ (organo)" and its English equivalent, "ORGANO", as its house mark; (ii) The defendant's core business is the business of water treatment equipment, but the scale of the functional commodity business, including the chemicals business, is also large, and the market share of the defendant's main products is high; (iii) The defendant's chemicals business is centered on water treatment chemicals, and it can be said that this business is closely related to the business of water treatment equipment; (iv) The defendant consists of a group of at least 20 companies, and many of the subsidiaries not only use the characters, "オルガノ (organo)", for their trade names, but they also engage in businesses in a wide range of fields

in and outside Japan; (v) The defendant is often covered by media, which introduce the defendant's business descriptions widely to the public; and (vi) The defendant continuously makes advertisements in newspapers and magazines by using the characters, "オルガノ (organo)", and Trademark Used 1, and in particular, advertisements made in newspapers are arranged in order to be easily noticed, by taking the form of a masthead advertising and being posted on national newspapers over a long period of time.

Based on these facts, it is appropriate to acknowledge that the showing of "オルガノ (organo)" and its English equivalent, "ORGANO", had become widely known among traders and consumers as representing the defendant's abbreviated name or house mark even before the filing date of application for the Trademark, and that subsequently, Trademarks Used, which contain the characters, "オルガノ (organo)" or its English equivalent, "ORGANO", had become well-known and famous widely among traders and consumers by the same point in time.

Furthermore, while Trademarks Used consist of the figure part, which is approximately the same size as the one used in the Trademark, and the letter part, "ORGANO" or "オルガノ (organo)", said figure part does not produce any special concept or sound, whereas the letter parts, "ORGANO" and "オルガノ (organo)", have the same sound as that which is produced by the defendant's abbreviated name and house mark, and thus it is believed that the letter part is what leaves a strong impression on traders and consumers as to the source of goods and services. In that case, it can be said that the letter part, "ORGANO" or "オルガノ (organo)", performs the function of an identifier of source independently from the figure part.

Accordingly, it can be acknowledged that the Defendant's Trademark, which consists of the letter part that is used in the Trademarks Used, had also become well-known and famous even before the filing date of the application for registration of the Trademark as representing the defendant's business of water treatment equipment and the chemicals business which is closely related thereto, and that this was true as of the date of the decision for registration of the Trademark as well.

(3) Claims by the plaintiff

In response, the plaintiff claims as follows, among others, arguing against the fame and prominence of the Defendant's Trademark: (i) Although the

Defendant's Trademark is well-known in the field of the business of water treatment equipment, it is not well-known or famous in the field of chemicals; (ii) Advertisements which the defendant has made are merely part of normal corporate activities, and the masthead advertising on newspapers neither shows "ORGANO" nor indicates any of the chemicals which are the defendant's products; (iii) What captures the attention of traders and consumers is the polka-dotted figure of the Trademarks Used rather than the letter part, "ORGANO" or "オルガノ (organo)"; and (iv) The Defendant's Trademark is neither listed in the "Well-Known and Famous Trademarks in Japan" of the Japan Platform for Patent Information (J-PlatPat), nor is there any registered defensive mark for "ORGANO" or "オルガノ (organo)".

A However, with regard to the above (i), it can be said that, as per the above finding, the functional commodity business which includes the chemicals business is, in light of the business scale, the defendant's core business along with the business of water treatment equipment, and furthermore, since the defendant's business of water treatment equipment and the chemicals business are closely related to each other, it is appropriate to acknowledge that the defendant's water treatment engineering business had become widely known among traders and consumers as a result of advertising and the like, and that the chemicals business had become widely known among traders and consumers even before the filing date of the application for registration of the Trademark.

B With regard to the above (ii), making an advertisement continuously over a long period of time is generally an effective method for the trademark to be widely known among the public, and especially with regard to newspapers, since the advertisement was made in national newspapers in the form of a masthead advertising in an easily noticeable manner, it is appropriate to acknowledge that the Defendant's Trademark, with its "ORGANO" or "オルガノ (organo)", also became widely known among the public during that period.

The plaintiff claims that the newspaper advertisement above neither shows "ORGANO" nor indicates any chemicals. However, as per the above finding, the defendant made advertisements by showing Trademark Used 1, which contains the letters, "ORGANO", in magazines in addition to newspaper

advertisements, and furthermore, the defendant's business descriptions are widely known among the public as a result of being covered by media many times. As such, it is appropriate to acknowledge that not only the showing of "オルガノ (organo)" for the masthead advertising but also the showing of "ORGANO" became widely known among the public. As for the chemicals business, the judgment is as per what is described in the above A, and this finding shall not be affected by the lack of indication of chemicals in the masthead advertising.

C With regard to the above (iii), it is appropriate to acknowledge, as per the above finding, that the letters, "ORGANO" or "オルガノ (organo)", in Trademarks Used serve the function of an identifier of source independently of the figure part.

D With regard to the above (iv), the mere facts that the Defendant 's Trademark is not listed in the "Well-Known and Famous Trademarks in Japan" of the Japan Platform for Patent Information (J-PlatPat), and that there is no registered defensive mark for "ORGANO" or "オルガノ (organo)" do not prevent the court from finding that the Defendant's Trademark is well-known and famous.

E Accordingly, the plaintiff's claims are groundless.

2. First Reason for Rescission (incorrect judgment concerning First Reason for Invalidation)

(1) Similarity between the Trademark and Cited Trademarks

It is acknowledged that the Trademark, "ORGANO SCIENCE", is a composite trademark consisting of "ORGANO" and "SCIENCE". In the case of a composite trademark, it should be said that extraction of a part of the configuration in order to determine the similarity of trademarks themselves by comparing said part with a trademark of another person should not be allowed unless said part is acknowledged as making a strong and dominant impression on traders and consumers as an identifier of source for goods or services, or unless the remaining parts are acknowledged as not producing any sound or concept as an identifier of source, among other such cases (refer to Supreme Court Judgment dated September 8, 2008, Intellectual Property High Court,

Second Division/Civil Case Record, vol. 228, page 561).

A Applicability of separate observation of a composite trademark

Now, first of all, whether or not the part, "ORGANO", of the Trademark can be acknowledged as giving a strong and dominant impression on traders and consumers as an identifier of source for goods or services shall be considered.

The parts "ORGANO" and "SCIENCE" of the Trademark consist of six alphabetic letters and seven alphabetic letters, respectively, with a space, the size of which is about one letter, in-between the two parts. In appearance, not only can these letter parts be observed separately, but the sound, "*organo science*", is rather long.

As for the constituent parts of the Trademark, there is not enough evidence to support that the letter part, "ORGANO", is used as a word in itself. Furthermore, the same letter part is listed in an English-Japanese dictionary as a prefix meaning "organ" or "organic" (Exhibits Ko 212 and Ko 213), and while it can be acknowledged that the same letter part is sometimes used as a chemical term (Exhibit Ko 214), such use is limited, and even when compared with prefixes such as "aqua", "audio", and "auto", it cannot be acknowledged that the meaning of "ORGANO" has become widely known in Japan. As for the equivalent of said letter part in katakana characters, "オルガノ (organo)", this word is not found in the Kojien dictionary (Exhibit Ko 134-1), which, among other factors, suggests that it is not a well-known word in Japan. When the above facts are comprehensively taken into account along with the fact that, as per the finding in above 1, "オルガノ (organo)" and "ORGANO" have been well-known and famous as the defendant's abbreviated name or house mark, it should be said that "ORGANO" has a strong impression as the defendant's abbreviated name or house mark.

On the other hand, the letter part, "SCIENCE", of the Trademark is widely known in Japan as an English word meaning "science", and it can be said that its equivalent in katakana characters is likewise widely known, as suggested by the fact that it is listed in the Kojien dictionary, among other factors (Exhibit Ko 134-2). As such, it should be said that the letters, "SCIENCE", constitute a common word which has become widespread in the society, and that, even in light of the designated goods and services, the function of these letters as an identifier is not so strong.

As described above, the letters, "ORGANO" and "SCIENCE", which constitute

the Trademark, are very different from each other in terms of the respective capabilities as an identifier, and since it should be said that the letter part, "ORGANO", is the major part which gives a strong and dominant impression on traders and customers as an identifier of source for goods and services, it is appropriate, with regard to the Trademark, to determine similarity by extracting the part concerned for comparison with Cited Trademarks.

B Judgment based on comparison between the Trademark and Cited Trademarks

Similarity of different trademarks should be determined based on the overall observation by comprehensively taking into consideration factors such as impression, memory, and images, which traders receive from the appearance, concept, sound, and the like of both trademarks for comparison (refer to Supreme Court Judgment of Third Petty Bench dated February 27, 1968, Minshu Vol. 22, No. 2, page 399). On that note, in the case of the Trademark, it can be said that the letter part, "ORGANO", constitutes the major part of the configuration, so that the said major part is compared with Cited Trademarks. The Trademark also produces the sound, "*organo*", from its major part, and as for "ORGANO", since it is not a well-known word in Japan, as described above, it should be said that it does not produce any special concept. On the other hand, Cited Trademarks produce the sound, "*organo*", and as is the case of the Trademark, they produce no special concept.

When the major part of the Trademark and those of the Cited Trademarks are compared, they cannot be compared in terms of concept, but Cited Trademarks 1 and 2 produce the same sound of "*organo*" as the Trademark, and in the case of Cited Trademark 1, it can also be said that Cited Trademark 1 is similar to the Trademark in appearance as well. As such, it is appropriate to acknowledge that the Trademark and Cited Trademarks are similar.

C Claims by the plaintiff

In response, the plaintiff claims as follows: (i) The part, "ORGANO", of the Trademark is merely a common English word meaning "organic" or "organ", and the defendant's trade name was given with the implication of "organic"; (ii) The letter part, "SCIENCE", has the capability as an identifier of source in terms of its relationship with the designated goods; (iii) The Trademark is shown by indicating the two constituent parts as a series and one block in

standard characters, written in the same size of letters and the same font and the like, and due to reasons such as that the sound is pronounced in one breath and that the Trademark in its entirety produces the meaning of "organic science", in which the words are inseparable as one unit, the JPO decision in which similarity of trademarks was determined by extracting the letter part, "ORGANO", of the Trademark as the major part, is incorrect.

(A) However, with regard to the above (i), while it can be acknowledged that the letter part, "ORGANO", is an English prefix meaning "organ" or "organic", there is not enough evidence to support that this prefix is used as a word in itself. Even as a prefix, it cannot be acknowledged, as per the finding above, that the meaning of the prefix has become widely known in Japan, and this fact remains unchanged even in light of factors such as that dictionaries indicate terms such as "オルガン ('organ' as in the instrument)" and "オルガニズム (organism)", and that people use terms such as "オルガノクレイ (organoclay)" and "オルガノギルド (organo guild)".

In addition, while the plaintiff points out that the defendant's trade name was given with the implication of "organic", this merely suggests how the trade name came about, and it cannot be acknowledged immediately, based on this mere fact, that "オルガノ (organo)", which is an abbreviation of the defendant's trade name, is well-known in Japan as a word meaning "organic" in Japan.

(B) With regard to the above (ii), the fact that "サイエンス (science)" means "science" is well-known in Japan is as per the finding above, and even when this fact is taken into consideration in connection with the chemical compounds and the like among the designated goods of the Trademark, it cannot be said that the word, "サイエンス (science)", has a strong capability of distinguishing the Trademark from others.

(C) With regard to the above (iii), it can be acknowledged that the two parts constituting the Trademark are the same in terms of the letter size, font, and the like. However, given the fact that there is a space, the size of which is about one letter, in-between the two parts, and the fact that the sound of the Trademark in its entirety is rather long, it cannot be said that the Trademark

is a series and one block and cannot be observed separately. Furthermore, in light of the fact that the word, "ORGANO", is not sufficiently known in Japan, it cannot be acknowledged that the Trademark produces the concept of "organic science", in which the letter parts are inseparable as a unit. As per the finding described above, the letters, "ORGANO", and the letters, "SCIENCE", which constitute the Trademark are very different from each other in terms of the capability of the respective letter parts for identification, and thus it is reasonable to acknowledge that "ORGANO" is the major part of the Trademark.

(D) Accordingly, the plaintiff's claims are groundless.

D Summary

Accordingly, the JPO decision to the effect that the Trademark and Cited Trademarks are acknowledged as being similar is appropriate.

(2) Similarity of designated goods, etc.

With regard to the similarity of designated goods, the designated goods of the Trademark and the designated goods of Cited Trademarks are the same in that they both include "chemical preparations", and thus it can be said that the two trademarks are similar in terms of designated goods.

In response, the plaintiff claims that the "chemical preparations", which are among the current designated goods of Cited Trademarks, are covered by "inorganic industrial chemicals, organic industrial chemicals", with respect to which the defendant waived its right after registration of Cited Trademarks, and that Cited Trademarks have no designated goods, or that Cited Trademarks constitute so-called "insubstantial rights". However, since Cited Trademarks have effectively completed the registration of rewriting so that the designated goods read as "surface-active chemical preparations; chemical preparations" in Class 1, the plaintiff's claims are groundless.

In addition, although the plaintiff claims that the letters, "ORGANO" or "オルガノ (organo)", of Cited Trademarks represent the quality and efficacy themselves of designated goods and the like, and that the effect of elimination of later-filed applications should therefore be restricted based on the reason that the effects of a trademark right as stipulated in Article 26 of the Trademark Act do not extend to Cited Trademarks, it cannot be said that these letters represent

the quality and efficacy of designated goods and the like, and therefore the plaintiff's claims are groundless.

(3) Conclusion

Accordingly, the JPO decision to the effect that registration of the Trademark is in violation of Article 4, paragraph(1), item(xi) of the Trademark Act is appropriate.

3. Second Reason for Rescission (incorrect judgment concerning Second Reason for Invalidation)

It is appropriate to understand that a trademark which "is likely to cause confusion in connection with the goods or services pertaining to a business of another person", as stipulated in Article 4, paragraph(1), item(xv) of the Trademark Act, includes not only a trademark which, when used for its designated goods or the like, has a risk of creating the misunderstanding that said goods or the like pertain to the goods or the like of another person (risk of creating confusion in a narrow sense), but also a trademark which has a risk of creating the misunderstanding that said goods or the like are the goods or the like pertaining to a business operator having a close business relationship with said another person, such as by way of so-called parent-subsidary relationship and as affiliates, or belonging to a group of companies selling products which bear the same mark (risk of creating confusion in a broad sense). Then, whether or not there is a "risk of creating confusion" should be determined comprehensively, with the attention which is normally paid by traders and consumers for designated goods and the like of the trademark concerned, in light of factors such as the level of similarity between the trademark concerned and the mark of another person, how well-known and famous the mark of another person is, how the designated goods and the like of the trademark concerned are related to the products and the like pertaining to another person's business in terms of nature, use, or purpose, and commonality of traders and customers (refer to Supreme Court Judgment of Third Petty Bench dated July 11, 2000, Minshu Vol. 54, No. 6, page 1848).

When this is considered in the present case, the following is true.

(1) Level of similarity between the Trademark and Cited Trademarks

The fact that the Trademark and Cited Trademarks are similar is as per the finding above, and it is therefore acknowledged that the Trademark and the Defendant's Trademark are also similar.

(2) Fame and prominence of Defendant's Trademark

The Defendant's Trademark had become well-known and famous even before the filing date of the application for registration of the Trademark as representing the defendant's business of water treatment equipment and the chemicals business which is closely related thereto, and the fact that the same can be acknowledged even on the date of the decision for registration for the Trademark is as per the above finding.

(3) Uniqueness of the defendant's trademark

As per the above finding, "ORGANO" is an English prefix meaning "organ" or "organic", but these meanings are not well-known in Japan, and also the word, "オルガノ (organo)", is not a well-known word in Japan. On that note, it should be said that the Defendant's Trademark has a certain level of uniqueness.

(4) Relevance in terms of products or in terms of services and goods

A As per the above finding, the designated goods and the like of the Trademark other than "chemical preparations" as of the filing date of the application for registration of the Trademark and at the time of the decision for registration for the Trademark are as follows: "Aromatic organic compounds; aliphatic organic compounds; organic halogenides; alcohols; phenols; ethers; aldehydes and ketones; organic acids and salts thereof; esters; nitrogen compounds; heterocyclic compounds; organophosphorus compounds; organometallic compounds; chemical preparations; unprocessed plastics; organic semiconductor compounds; electroconductive organic compounds" in Class 1; and "Synthesis and processing of organic compounds, chemical preparations, and unprocessed plastics" in Class 40.

On the other hand, it is as per the above finding that the defendant engages, as its chemicals business, in the manufacture and sale of heavy-metal fixatives, cleansing agents, sterilization agents, air refresher, anti-foaming agents, remover for non-ionic surfactants, high-polymer coagulants, impurity remover, rust preventives for water supply system, hydrogen peroxide decomposition agents, sodium hypochlorite preparations, fuel additives, boiler water treatment agents, corrosion inhibitors, cooling water treatment agents, and the like, which contain various organic compounds and inorganic compounds.

Of the above products which are manufactured and sold by the defendant, chemicals containing chemical compounds which are among designated goods

of the Trademark include the following: (i) Boiler water treatment agent, in which the main component is tannin, which is an "aromatic organic compound" (Exhibits Ko 48, Ko 53, and Ko 54), and ion-exchange resin, which is a copolymer of styrene and divinylbenzene, which are "aromatic organic compounds" (Exhibits Ko 78 and Ko 79); (ii) Anti-foaming agent, in which the main component is the fatty acid ester, which is a type of "aliphatic organic compound" (Exhibit Ko 36); (iii) Slime-controlling agent, in which the main component is the organic nitrogen halogen compound, which is a type of "organic halogen compound" (Exhibit Ko 62); (iv) Anti-foaming agent, in which the main component is the higher alcohol, which is a type of "alcohol" (Exhibit Ko 36); (v) Non-ionic surfactant remover, in which the main component is phenolic resin, which is a type of "phenol" (Exhibit Ko 37); (vi) Cleansing agent, in which the main component is the organic acid, as a type of "organic acid and salts thereof" (Exhibit Ko 74"); (vii) Anti-foaming agent, in which the main component is the fatty acid ester, which is a type of "ester" (Exhibit Ko 36); (viii) Steam condensate corrosion inhibitor, the main component of which is the amine, a type of "nitrogen compound" (Exhibit Ko 51); and (ix) Cooling water treatment agent, the main component of which is azole, a type of "heterocyclic compound" (Exhibits Ko 65 to Ko 68).

As described above, of the chemicals which are manufactured and sold by the defendant, a considerable number of them contain organic compounds as components, and thus it can be said they have the same or similar chemicals as a variety of organic compounds in Class 1 of the designated goods for the Trademark, and since the manufacturing of chemicals by the defendant falls under "synthesis and processing of organic compounds" in Class 40 from among the designated services for the Trademark, it should be said that the designated goods and services for the Trademark are closely related to the goods and services of the defendant's business.

B In response, the plaintiff claims as follows: (i) The designated goods for the Trademark are entirely within the scope with respect to which the defendant waived its rights; (ii) While the defendant's products are mixtures of industrial chemicals and are used or discarded during the process of producing customers' products, the plaintiff's products comprise single organic compounds, almost all of which are included in and constitute a part of the products for the plaintiff's customers, and thus the designated goods for the Trademark are entirely

different from the products which the defendant produces, in terms of nature, use, and purpose.

(A) However, with regard to the above (i), what should be compared with the Trademark in the application of Article 4, paragraph(1), item(xv) of the Trademark Act is, in the first place, the representation in terms of "goods or services pertaining to another person's business", and thus it should be said that whether or not the designated goods for the Trademark are within the scope with respect to which the defendant waived its rights for the Cited Trademarks should not have any influence on whether or not there is a confusion of source pursuant to Article 4, paragraph(1), item(xv) of the Trademark Act.

(B) With regard to the above (ii), even if the plaintiff's products and the defendant's products may be different in terms of the manner of use by customers or the unity of an organic compound, as long as it can be acknowledged that the organic compounds contained in the chemicals which the defendant manufactures and sells share the same organic compounds which belong to the designated goods for the Trademark, it should be said that the above finding, according to which the designated goods and services for the Trademark are closely related to the goods and services which are manufactured and sold by the defendant, remains unchanged.

(5) Commonality of traders and consumers, and current conditions of other transactions

A As described above, the defendant's main business involves the business of water treatment engineering and the functional commodity business, which includes the chemicals business. Specifically, the defendant's operation concerns water treatment facilities for industrial use, facilities related to water and sewerage, environmental facilities, facilities related to underground water/soil cleanup, facilities related to industrial processes, facilities related to standard type water treatment machinery, chemicals related to water treatment, food additives, and service-based businesses. As such, it is acknowledged that the defendant's traders and consumers are the electronics industry such as semiconductors and liquid crystal displays, in addition to water treatment plants

for manufacture of artificial ditches and treatment of waste water and the like, as well as various manufacturers, service providers, power plants, national government organs, municipal governments, and the general consumer public, among others.

On the other hand, possible traders and consumers of designated goods and services for the Trademark are various manufacturers requiring the chemical compounds, which are among the designated goods, as raw materials and the like for their products, but it is believed that the manufacturers which require chemical compounds as raw materials and the like include a considerable number of persons requiring water treatment facilities, water treatment equipment, or water treatment chemicals.

Accordingly, it should be said that, in many ways, the traders and consumers of the defendant's products and the like are the same as the traders and consumers of the designated goods and the like for the Trademark.

B In response, the plaintiff claims that, in the fields related to water treatment, focus should be placed on the current conditions of transactions rather than on the commonality of traders and consumers, and that since traders and consumers of the plaintiff's products and the like enter into a business relationship by specifying the plaintiff after studying the plaintiff's production capacity, safety, and the like beforehand, there is no risk of creating confusion in connection with the defendant.

However, it should be said that, even if consumers and traders enter into a business relationship in a manner claimed by the plaintiff, the plaintiff will not necessarily acknowledge the defendant as a different company, and thus if the Trademark is used for designated goods and services, there is a risk of creating the misunderstanding that the goods and services using the Trademark pertain to the defendant's group companies.

(6) Diversified operation of the defendant

As described above, it is acknowledged that, as of March 2011, the defendant has 21 subsidiaries and 2 affiliates, operates globally, and engages in various businesses, based on which it can be acknowledged that the defendant engages in a diversified operation.

(7) Conclusion

As described above, not only are the Trademark and the Defendant's Trademark similar, but also the Defendant's Trademark is well-known and famous, and has a certain level of uniqueness. Furthermore, the designated goods and services for the Trademark are closely related to the goods and services pertaining to the defendant's business, and thus the traders and consumers of the designated goods and services for the Trademark are the same as the traders and consumers of the goods and services pertaining to the defendant's business. Furthermore, in light of the defendant's diversified operation, if the same attention which is normally paid by traders and consumers with regard to the designated goods and services for the Trademark is used as the basis, it can be said that use of the Trademark on designated goods and services other than the "chemical preparations" has a risk of creating the misunderstanding that the Trademark pertains to the defendant's goods and services, thereby creating confusion.

Accordingly, the JPO decision to the effect that registration of the Trademark is in violation of Article 4, paragraph(1), item(xv) of the Trademark Act is appropriate.

No. 6 Conclusion

Therefore, the plaintiffs' claims shall be dismissed as there is no reason, and the Judgment renders as in the form of the main text.

Intellectual Property High Court, Second Division

Presiding judge	MORI Yoshiyuki
Judge	SATO Tatsubumi
Judge	MORIOKA Ayako