

Trademark Right	Date	July 3, 2019	Court	Intellectual Property High Court, First Division
	Case number	2019 (Gyo-Ke) 10004		
<p>- A case in which the court held that a trademark consisting of the letters, "EQ", written horizontally in a commonly used font, falls under a "trademark that consists solely of a very simple and common mark".</p> <p>- The determination as to whether a trademark that falls under Article 3, paragraph (1), items (iii) through (v) acquires distinctiveness as a result of its use shall be made by comprehensively taking into consideration the circumstances of use, such as the period and area in which the trademark was used, the sales volume and the scale of operation for goods, and the period and the scale and the like concerning the advertisement of goods.</p> <p>- A case in which the court held that it can be said that the Applied Trademark whose designated goods are "motor vehicles" was advertised intensively in such manner as to give the impression that the trademark is Plaintiff's new brand for electric vehicles, to traders and consumers who are interested in automobiles, including persons who pay attention to electric vehicles and the relevant brand name as announced by Plaintiff, a famous automobile manufacturer, and that, even in light of the relatively short period of advertisement and the fact that not many cars have been sold with the Applied Trademark as a part of their name, among other circumstances, the Applied Trademark was well-known among traders and consumers as a trademark that indicates Plaintiff's brand for electric vehicles, to the extent that the relevance to Plaintiff could be recognized from the Applied Trademark.</p>				

Case type: Rescission of Appeal Decision of Refusal

Result: Granted

References: Article 3, paragraph (1), item (v) and Article 3, paragraph (2) of the Trademark Act

Number of related rights, etc.: International Registration No. 1328469, Appeal against Examiner's Decision of Refusal No. 2018-650016

Summary of the Judgment

1. The present case is a suit seeking rescission of the decision of refusal made by the JPO for the case of appeal against the examiner's decision of refusal of the Applied Trademark, which consist of the alphabet letters, "EQ", and for which Plaintiff filed an international application for trademark registration with the designated goods of "motor vehicles." in Class 12.

Plaintiff claimed, as the grounds for rescission of the JPO's decision, that the JPO's determination as to applicability of Article 3, paragraph (1), item (v) and applicability of Article 3, paragraph (2) of the Trademark Act is erroneous.

2. In the judgment of the present case, the court held as outlined below, and rescinded the JPO's decision.

(1) Erroneous determination as to applicability of Article 3, paragraph (1), item (v) of the Trademark Act.

A. The purport of Article 3, paragraph (1), item (v) of the Trademark Act is interpreted as follows. A trademark defined in the above item lacks distinctiveness of distinguishing the marked goods or services from the goods or services of others; since such trademark does not fulfill a trademark's function of identifying the source of its goods or services, such trademark is usually not fit to be granted approval for exclusive use by a specified person, so that it shall not be granted registration.

B. The Applied Trademark consists of the alphabet letters, "E" and "Q", written horizontally as "EQ" in a commonly used font, and the shapes of the letters used or the manner in which the letters are combined is not particularly unique.

Generally, a mark that consists of two alphabet letters is used as a symbol or sign to indicate the product number, model number, grade, and the like of a product. Even in the industry that is related to automobiles, which are among the designated goods of the present application, two alphabet letters are sometimes used as a symbol or sign to indicate the product number, model number, grade, and the like of a product. As for the Applied Trademark, which cannot be considered to be unique in terms of the shapes of the letters or the combination of the letters, it cannot be acknowledged that the Applied Trademark is particularly different when compared with other two alphabet letters which are used as a symbol or sign indicating the product number, model number, grade, and the like of a product in the automobile-related industry.

Accordingly, it should be said that the Applied Trademark falls under a trademark that consists solely of a very simple and common mark.

(2) Erroneous determination as to applicability of Article 3, paragraph (2) of the Trademark Act

A. The purport of Article 3, paragraph (2) of the Trademark Act is interpreted as follows. If a specific person is able to prove his or her exclusive and continuous use of the trademark concerned over the years as an indicator for distinguishing its products from those of others without any other person using the trademark, it can be said that the trademark concerned has acquired distinctiveness as a case of exception, and furthermore, since the exclusive use by said specific person is actually accepted in the trade that involves the products concerned, it can be said that there is not much demand, in terms of public interests, for giving other business operators the opportunity to use the trademark, so that the trademark

concerned shall be granted registration.

Furthermore, whether or not a trademark has acquired distinctiveness through use should be determined by comprehensively taking into consideration the circumstances of use, such as the period and area in which the trademark was used, the sales volume and the scale of operation for goods, and the period and the scale and the like concerning the advertisement of goods.

B. Based on facts such as the manner of advertisement for "EQ", which is Plaintiff's brand for its electric vehicles, it can be said that the Applied Trademark was advertised intensively in such a manner as to give the impression that the trademark is Plaintiff's brand for electric vehicles, to traders and consumers who are interested in automobiles, including persons who pay attention to electric vehicles and the relevant brand name as announced by Plaintiff, a famous automobile manufacturer. In addition, when the fact that the Applied Trademark has become globally well-known is also taken into consideration, it is acknowledged that the Applied Trademark had become well-known among traders and consumers as a trademark that indicates Plaintiff's brand for electric vehicles, to the extent that the relevance to Plaintiff could be recognized from the Applied Trademark, even in light of the relatively short period of advertisement and the fact that not many cars have been sold with the name containing "EQ" as a part thereof, among other circumstances.

(3) As described above, the Applied Trademark falls under a trademark that consists solely of a very simple and common mark, as stipulated in Article 3, paragraph (1), item (v) of the Trademark Act, while at the same falling under a trademark which, as a result of the use as stipulated in Article 3, paragraph (2) of the same Act, has come to be recognized by consumers as goods pertaining to Plaintiff's business, so that the JPO Decision which held that the Applied Trademark cannot be granted registration is erroneous.

Judgment rendered on July 3, 2019

2019 (Gyo-Ke) 10004 A case of seeking rescission of the JPO decision

Date of conclusion of oral argument: May 15, 2019

Judgment

Plaintiff: Daimler Aktiengesellschaft

Defendant: Commissioner of the Japan Patent Office

Main text

1. The decision made by the JPO on September 7, 2018 concerning the Appeal against Examiner's Decision No. 2018-650016 shall be rescinded.
2. Defendant shall bear the court costs.

Facts and reasons

No. 1 Claims

As per the main text.

No. 2 Outline of the case

1. Outline of procedures at JPO

- (1) On July 28, 2016, Plaintiff filed an international application for registration of a trademark consisting of the alphabet letters, "EQ" (hereinafter referred to as "Applied Trademark"), with "motor vehicles" (automobiles and motorcycles) in Class 12 as designated goods (priority claim based on a trademark registered in the United Kingdom on July 8, 2016; International Registration No. 1328469; Exhibit Otsu 1).
- (2) A decision of refusal was issued to Plaintiff on November 22, 2017 (Exhibit Ko 12), who filed an appeal against the examiner's decision of refusal on February 22, 2018 (Exhibit Ko 13).
- (3) The JPO examined the case as the Case of Appeal against Examiner's Decision No. 2018-650016, and on September 7 of the same year, rendered a decision, as per the attached JPO Decision (copy), stating that "the request for a trial of the present case is dismissed" (hereinafter referred to as "JPO Decision"). On the 19th of the same month, a transcript of the decision was delivered to Plaintiff. A 90-day statute of limitations was granted for filing an action.

(4) On January 15, 2019, Plaintiff filed the present suit seeking rescission of the JPO Decision.

2. Summary of the reasons for the JPO Decision

Reasons for the JPO Decision are as per the attached JPO Decision (copy). In sum, the Applied Trademark cannot be granted trademark registration because it falls under Article 3, paragraph (1), item (v) of the Trademark Act and does not fall under Article 3, paragraph (2) of the same Act.

3. Grounds for rescission

- (1) Erroneous determination as to applicability of Article 3, paragraph (1), item (v) of the Trademark Act (Reason 1 for Rescission)
- (2) Erroneous determination as to applicability of Article 3, paragraph (2) of the Trademark Act (Reason 2 for Rescission)

(omitted)

No. 4 Judgment of this court

1. Reason 1 for Rescission (Erroneous determination as to applicability of Article 3, paragraph (1), item (v) of the Trademark Act)

(1) Article 3, paragraph (1), item (v) of the Trademark Act stipulates that a "trademark that consists solely of a very simple and common mark" cannot be granted registration as a trademark. The purport of this provision is interpreted as follows. Such trademark lacks the distinctiveness of distinguishing a person's goods or services from those of others, and that, if such trademark does not fulfill a trademark's function to identify the source of its goods or services, such trademark is usually not fit to be granted approval for exclusive use by a specified person, so that it shall not be granted trademark registration.

(2) The Applied Trademark consists of the alphabet letters, "E" and "Q", written horizontally as "EQ" in a commonly used font, and the shapes of the letters used or the manner in which the letters are combined is not particularly unique.

Generally, a mark that consists of two alphabet letters is used as a symbol or sign to indicate the product number, model number, grade, and the like of a product. Even in the industry that is related to automobiles, which are among the designated goods for the present application, two alphabet letters are sometimes used as a symbol or sign to indicate the product number, model number, grade, and the like of a product (Exhibits Otsu 2 to 5). As for the Applied Trademark, which cannot be considered to be unique in terms of the shapes of the letters or the

combination of the letters, it cannot be acknowledged that the Applied Trademark is especially different when compared with other two alphabet letters which are used as a symbol or sign indicating the product number, model number, grade, and the like of a product in the automobile-related industry.

Accordingly, the Applied Trademark shall be deemed to fall under a trademark that consists solely of a very simple and common mark.

- (3) Plaintiff claims that the Applied Trademark should not be perceived as a type of a symbol or sign that indicates the product number, model number, grade, and the like of a product, and that a trademark that is used as a brand name and that is perceived by consumers and traders as Plaintiff's brand should not fall under Article 3, paragraph (1), item (v) of the Trademark Act.

However, as described above in (2), the Applied Trademark is not unique in terms of how the alphabet letters are shaped or how the two letters are combined, and it cannot be said that the Applied Trademark is especially different when compared with other two alphabet letters which are used as a symbol or sign indicating the product number, model number, grade, and the like of a product. The fact that the Applied Trademark is used as a brand name and is perceived by consumers and traders as Plaintiff's brand may be taken into consideration upon examining the applicability of Article 3, paragraph (2) of the Trademark Act. However, it cannot be said that such fact constitutes grounds for denial of the applicability of Article 3, paragraph (1), item (v) of the same Act.

Accordingly, the Plaintiff's claim cannot be accepted.

- (4) Summary

Based on the above, the Applied Trademark falls under Article 3, paragraph (1), item (v) of the Trademark Act, and Reason 1 for Rescission is without justifiable grounds.

2. Reason 2 for Rescission (Erroneous determination as to applicability of Article 3, paragraph (2) of the Trademark Act)

- (1) Article 3, paragraph (2) of the Trademark Act stipulates, as a case of exception for the provisions of Article 3, paragraph (1), items (iii) to (v) of the same Act, that a trademark may be granted registration if, "as a result of the use of the trademark, consumers are able to recognize the goods or services as those pertaining to a business of a particular person". The purport of the provision is interpreted as follows. If a specific person is able to prove his or her use of the trademark concerned exclusively over the years as an indicator for distinguishing its products from those of others without any other person using the trademark, it

can be said that the trademark concerned has acquired distinctiveness as a case of exception, and furthermore, if the exclusive use by said specific person is actually accepted in the trade that involves the products concerned, it can be said that there is not much demand, in terms of public interests, for giving other business operators the opportunity to use the trademark, so that the trademark concerned shall be granted registration.

Furthermore, whether or not a trademark has acquired distinctiveness through use should be determined by comprehensively taking into consideration the period and area in which the trademark was used, the sales volume and the scale of operation involving the marked goods, the period and the scale and the like concerning the advertisement of the marked goods, and other circumstances of use.

(2) Findings

When the evidence and the entire import of the oral argument indicated below are taken together, the following facts are acknowledged as the circumstances having existed until the time of the JPO Decision.

- A. Plaintiff is a world-famous automobile manufacturer of Germany and operates its business of manufacturing, under the "Mercedes-Benz" brand, passenger vehicles as well as various other passenger cars and official vehicles and various engines in over 200 countries and regions worldwide (Exhibits Ko 17, 18).
- B. Selection of the trademark and exhibition at motor shows
 - (A) The Plaintiff selected the Applied Trademark as a trademark that indicates the brand for its motor-driven model of the "Mercedes-Benz" brand. According to A, who is the Chairman of Plaintiff, "EQ" stands for "Electric Intelligence" (Exhibit Ko 9-2), and it is said to embody the "E" of the concept of "CASE" (C=connected, A=autonomous, S=sharing, E=electric), which Plaintiff upholds as its medium- and long-term strategy (Exhibit Ko 9-3).
 - (B) On September 29, 2016, Plaintiff made an announcement of its motor-driven brand, "EQ" and its medium- and long-term strategy, "CASE", at the 2016 Paris Motor Show, and exhibited the concept car of the "EQ" brand, "Generation EQ", for the first time in the world.

The number of visitors to the 2016 Paris Motor Show was 1,066,439 according to the announcement by the organizer, the official video recorded an increase of viewing by 562,000 counts, the official website counted 1,500,000 unique users who viewed 5,135,000 pages, and the official app achieved 400,000 downloads (Exhibit Ko 27).

The announcement and the like of "EQ" at the 2016 Paris Motor Show were

introduced on websites and in magazines as described below.

A website titled "AUTOCAR JAPAN" contains the following description as of September 29, 2016. "Mercedes-Benz ... introduced the concept of 'Generation EQ', which concerns motor-driven SUVs, at the Paris Motor Show ... EQ is scheduled to be released as a sub-brand of Mercedes-Benz" (Exhibit Ko 5).

A website titled "Clicccar" contains the following descriptions as of September 30, 2016. "Mercedes made an announcement of its new brand, 'EQ', for electric vehicles", "The highlight of the 'EQ' series is its ability to respond to expansion of functions and enlargement of the scale ..." (Exhibit Ko 2).

A website titled "WebCG" contains the following description as of September 30, 2016. "It is scheduled to be sold as 'EQ', which is a sub-brand of Mercedes-Benz that is focused on electric vehicles" (Exhibit Ko 3).

A website titled "LEVOLANT BOOST" contains the following description as of September 30, 2016. "It is said that EQ means 'electric intelligence' and derives from 'Emotion and Intelligence', which Mercedes-Benz upholds as its brand value. This is not only a part of the name of the concept car, but is also a new brand name for the series of electric vehicles which will be put out into the market by Mercedes-Benz" (Exhibit Ko 6).

A website titled "GQ JAPAN" contains the following descriptions as of September 30, 2016. "'Generation EQ', a concept generated by Mercedes-Benz -- - On-site report from 2016 Paris Motor Show", "The four letters, 'C', 'A', 'S', and 'E' were introduced here. They stand for 'connected', 'autonomous', 'sharing', and 'electric' ... the company then made an announcement of the launch of a new brand, 'EQ', which fulfills all those elements", "The concept car called 'Generation EQ' was introduced as the first series" (Exhibit Ko 26).

A website titled "MOBY" contains the following descriptions as of June 5, 2017. "[Mercedes-Benz gives birth to a new brand, 'EQ', for its electric vehicles]", "Mercedes-Benz launched a brand called 'EQ' for its electric vehicles. The concept car for the electric vehicles which comprise the first series of the EQ brand is ..." (Exhibit Ko 4).

The October 2016 issue of "Best Car", a specialized magazine on automobiles, contains the following description. "'Generation EQ', the first concept car from 'EQ', a brand that is created by Mercedes-Benz with a focus on electric powertrains ..." (Exhibit Ko 29-1). According to a record made public by the company, the number of copies of the magazine sold during October and December of the same year was 236,667 (Exhibit Ko 49).

The October 2016 issue of "Motor Fan Illustrated", a specialized magazine on automobiles, contains the following description. "'EQ' is a brand that was newly launched by Mercedes and that focuses on electric powertrains" (Exhibit Ko 29-2).

The October 2016 issue of "driver", a specialized magazine on automobiles, contains the following descriptions. "Launch of 'EQ', a brand that focuses on EV models!", "'EQ' is also a brand name for electric vehicles, and eleven models are scheduled to make appearance by 2025" (Exhibit Ko 29-3).

The October 2016 issue of "Car Sensor EDGE", a specialized magazine on automobiles, contains the following description. "Mercedes made an announcement of 'Generation EQ' ..." (Exhibit Ko 29-4).

The October 2016 issue of "CAR TOP", a specialized magazine on automobiles, contains the following descriptions. "Finally, the German giant entered the EV market. It launched a new brand, 'EQ', that is dedicated to electric vehicles", "At the show in Paris, Mercedes-Benz made an announcement of 'EQ', which is a battery electric vehicle with its unique body" (Exhibits Ko 29-5, 29-6). According to a record made public by the company, the number of copies of the magazine sold during October and December of the same year was 144,973 (Exhibit Ko 50).

The October 2016 issue of "GQ CARS", a specialized magazine on automobiles, contains the following description. "It seems that Mercedes has decided to give the name, 'EQ Class', to its electric vehicles" (Exhibit Ko 29-7).

The October 2016 issue of "ENGINE", a specialized magazine on automobiles, contains the following description. "'EQ', a specialized brand newly launched by Mercedes for its electric vehicles, has introduced the first model to be released in 2020" (Exhibit Ko 29-8). According to a record made public by the company, the number of copies of the magazine sold during October and December of the same year was 20,480 (Exhibit Ko 51).

The October 2017 issue of "CAR GRAPHIC", a specialized magazine on automobiles, contains the following descriptions. "For Daimler, the Paris Salon became a significant milestone because it was at this place that Daimler made public, for the first time, the intention to unfold 'EQ', a sub-brand by Mercedes-Benz with a focus on electric drive models", "'EQ', which means 'Electric Intelligence', is not merely a product name ... 'EQ' is a brand that covers these services and technologies", "'EQ' ... plans to produce various car models" (Exhibit Ko 29-9).

(C) At the 2017 Frankfurt Motor Show that was held in September 2017, Plaintiff

showed "Concept EQA", a compact sized model of "Generation EQ", for the first time in the world, and made an announcement of its plan of selling "EQC" in 2019 as the commercially available vehicle of the "EQ" brand.

The number of visitors to the Frankfurt Motor Show was 810,000 according to the organizer's announcement (Exhibit Ko 30).

As described below, websites and magazines wrote about the announcement of "EQA", a concept car of the EQ brand made at the 2017 Frankfurt Motor Show, among other matters.

A website titled "Response" contained the following descriptions as of September 12, 2017. "On September 12, 'Concept EQA' made its debut at the 2017 Frankfurt Motor Show which was held in Germany. 'EQ' is a new brand that was launched by Mercedes-Benz in 2016 with a focus on electric powertrains. The first concept car of the brand was 'Generation EQ', an SUV coupe. 'Concept EQA', which made its first appearance at the 2017 Frankfurt Motor Show, is the second model of the EQ brand following 'Generation EQ'" (Exhibit Ko 31).

A website titled "Park blog" contains the following descriptions as of September 25, 2017. "At the 2016 Paris Motor Show, Mercedes-Benz made an announcement of its new EV brand called 'EQ'. 'EQA', electric vehicles for the next-generation, which was announced in Frankfurt, is the second concept model of 'EQ', "'EQC' is the first model of the EQ series for which Mercedes plans to embark on production in 2019" (Exhibit Ko 32).

The October 2017 issue of "Best Car", a specialized magazine on automobiles, contains the following descriptions. "Daimler ... also made an announcement of 'EQ', a brand focused on electrification (a new brand that represents Hybrid Vehicle (HV), Plug-in Hybrid Vehicle (PHV), pure Electric Vehicle (EV), etc.)", "With the 'E' standing for 'electric', the company announced its plan of introducing electric powertrains in all models, which are sold by Mercedes-Benz under the 'EQ' brand, by 2022 ... At the Frankfurt Motor Show held this year, the company made an announcement of 'Smart vision EQ for two' as a concept car of the EQ brand", "'Concept EQA', which made its debut at the Frankfurt Motor Show in September of this year, is the second model of the EQ brand following EQC" (Exhibit Ko 29-10). According to a record made public by the company, the number of copies of the magazine sold during October and December 2017 was 229,833 (Exhibit Ko 52).

The November 2017 issue of "SOLAR JOURNAL", a specialized magazine, contains the following description. "Benz launched 'EQ', a brand focused on

electrification, following plug-in hybrid vehicles. The latest work is 'Concept EQA' (Exhibit Ko 29-13). According to a record made public by the company, the number of copies of the magazine sold was about 100,000 (Exhibit Ko 55).

In addition to the above, the October 2017 issue of "Nikkei Automotive", a specialized magazine on automobiles, contains descriptions of how Plaintiff made an announcement of its plan to sell "EQC" and the presentation of "EQA" at the 2017 Frankfurt Motor Show (Exhibit Ko 29-11). According to a record made public by the company, the number of copies of the magazine sold was 12,000 (Exhibit Ko 53).

(D) At the 2017 Tokyo Motor Show which was held from October 27 until November 5, 2017, Plaintiff unveiled "Concept EQA" for the first time in Asia, in addition to making an announcement of "smart vision EQ for two", the concept car of a steeringless car (Exhibits Ko 33, 34).

The number of visitors to the 2017 Tokyo Motor Show was 771,200 according to the announcement by the organizer (Exhibit Ko 30).

Plaintiff announced its exhibition outline on October 2, 2017 (Exhibit Ko 34), and preannounced the details of exhibition on its website on the 25th of the same month (Exhibit Ko 9-4). Furthermore, articles about the exhibition outline appeared in "Clicccar" dated October 3 of the same year (Exhibit Ko 36) and "Norimono News" dated 24th of the same month (Exhibit Ko 35).

Plaintiff posted articles on its website, dated November 3, 2017 (Exhibit Ko 9-5) and 14th of the same month (Exhibit Ko 9-6), concerning details of exhibition at the motor show and comments about "Concept EQA".

Plaintiff's presentation of the "EQ" brand at the motor show and other matters were introduced on websites and in magazines.

A website titled "Clicccar" contains the following description as of October 26, 2017. "Four cars of the model for the show were presented at the Tokyo Motor Show, for the first time in Asia. The four cars were selected from the four brands that respectively support Mercedes ... For 'EQ', which is the brand for electric vehicles ... 'Concept EQA' was exhibited" (Exhibit Ko 37).

The November 2017 issue of "DIME", a magazine on men's lifestyle, contains the following description. "'Concept EQA' is the concept car which appeared from the company's brand "EQ" that specializes in electric vehicles" (Exhibit Ko 29-16). According to a record made public by the company, the number of copies of the magazine sold during October and December of the same year was 71,000 (Exhibit Ko 58).

The November 2017 issue of "GENROQ", a specialized magazine on automobiles, contains the description, "'EQ' series by Mercedes" (Exhibit Ko 29-17).

The December 2017 issue of "Nikkei Monozukuri", a specialized magazine, contains the following description. "'EQ' is a new brand for electric vehicles which was announced in 2016. In 2019, 'EQC', which is a series of medium-sized electric vehicles and is the first series by the EQ brand, is scheduled to be produced on a large scale" (Exhibit Ko 29-21). According to a record made public by the company, the number of copies of the magazine issued was 18,200 (Exhibit Ko 53).

The December 2017 issue of "Nikkei Trendy", a business magazine, contains the following description. "Mercedes-Benz plans on launching 'EQ', a brand that focuses on electric vehicles, in 2019" (Exhibit Ko 29-22). According to a record made public by the company, the number of copies of the magazine issued was 103,595 (Exhibit Ko 53).

The December 2017 issue of "Nikkei Ecology", a specialized magazine, contains the following description. "At the Frankfurt show which was held in Germany in September 2017, Germany's Daimler made an announcement of 'EQ', the concept model for its brand for electric vehicles" (Exhibit Ko 29-23).

In addition to the above, the October 2017 issue of "LE VOLANT", a specialized magazine on automobiles (Exhibit Ko 29-12), as well as its November 2017 issue (Exhibit Ko 29-20), and the November 2017 issue of "Sunday Mainichi", an information magazine (Exhibit Ko 29-14), November 2017 issue of "Shukan Playboy", a magazine on men's lifestyle (Exhibit Ko 29-15), and the November 2017 issue of "Telecommunication", a specialized magazine (Exhibit Ko 29-18), and the November 2017 issue of "Radio Life", a specialized magazine (Exhibit Ko 29-19), contain articles about the announcement of "Concept EQA" at the 2017 Tokyo Motor Show.

C. Posting of newspaper ads

In the morning papers of national newspapers (Yomiuri Shimbun, Asahi Shimbun, The Nikkei) dated January 5, 2018, Plaintiff posted ads for "EQ", a new brand under which Plaintiff advances electrification (Exhibit Ko 38). Each ad used an entire page, with the photograph of "Concept EQA" placed in the space that is approximately two-thirds of the ad from the top and the logo of "EQ" placed in the right hand corner, and with the description as to "Concept EQA" being a "concept model for electric vehicles which was announced at the 2017

Frankfurt and Tokyo Motor Shows" written underneath, and in space that is approximately one-third of the ad from the bottom, there is the description, "'EQ', a new brand for advancing the relationship of cars and humanity into the future".

The number of copies of each newspaper issued is 8,512,674 for Yomiuri Shimbun, 5,954,336 for Asahi Shimbun, and 1,502,020 for The Nikkei (Exhibit Ko 87).

D. Publicity through Plaintiff's website and periodic journal

(A) Website

On its English website, Plaintiff posted an article titled "Mercedes-Benz Concept EQ: The electric SUV of the Future" and that introduces "EQ" in English (Exhibit Ko 1). Furthermore, Plaintiff posted publicity on "EQ" on its Japanese website as well, as described below.

As of October 5, 2017, Plaintiff's website contained the following descriptions. "'EQ', a brand for automobiles which achieved the most advanced technology", "Mercedes-Benz introduced 'Concept EQ' at the Paris Motor Show which was held about a year ago, and announced its launch of a new brand called 'EQ'" (Exhibit Ko 9-1).

As of October 13, 2017, Plaintiff's website introduced "EQ" under the subtitle, "'EQ', a new brand by Mercedes, and its pursuit of future for cars and humanity" (Exhibit Ko 9-2).

As of October 20, 2017 Plaintiff's website described, under the subtitle of "'CASE', a new value for cars as proposed by Mercedes", "'EQ' as a new brand by Mercedes that is responsible for the 'electric' part of 'CASE'" (Exhibit Ko 9-3).

(B) Periodic journal

Plaintiff issues "Mercedes-Benz magazine", a periodic journal for customers in Japan, four times a year, and the number of the magazine issued until 2018 is 170,000 per year (Exhibit Ko 87).

In the September 2017 issue, an article that introduces "EQ" was posted, and it contained the following descriptions. "At the Paris Salon which was held last fall, Mercedes already made an announcement of a new brand for the next-generation mobility that is scheduled to be commercially available by 2020. The new brand is 'EQ'. "Why Mercedes gave a new brand called 'EQ' to the families responsible for the new era of electric vehicles and thereafter" (Exhibit Ko 39).

In the December 2017 issue, an article that introduced "CASE" was posted, containing the following description. "The formation of 'EQ', a new brand for electric mobility, is already announced. Under this name, which stands for

'Electric Intelligence', it is determined that at least ten models of electric vehicles will be introduced by 2020, with 'Concept EQA', a compact car of the EQ brand, being the main feature" (Exhibit Ko 40).

In the March 2018 issue, an article that introduced "CASE" was posted and the article contained the following descriptions. "Electrification is indispensable to next-generation automobiles. This is why Daimler launched 'EQ', a brand that exclusively handles hybrid cars, electric vehicles, and fuel cell vehicles", "'EQ POWER' is a model group that appeared from the newly established brand called 'EQ', which stands for 'Electric Intelligence'" (Exhibit Ko 41).

E. Sales performance and promotional activities

Since 2014, Plaintiff has engaged in the manufacture and sale of the plug-in hybrid car series, which are hybrid cars that are powered by an internal-combustion engine and electricity and that can be charged from a wall socket. Since 2017, however, the company began selling the series under the name, "EQ POWER". The number of "EQ POWER" cars sold from 2017 until April 2019 is 1,081 (Exhibit Ko 87).

In October 2017, Plaintiff held a promotional fair at 215 shops across Japan and advertised the "EQ" brand, and sold "EQ POWER" while conducting promotional activities (Exhibits Ko 46, 87). "Mercedes-Benz Yamagata Blog", which preannounces the schedule for holding the fair, contains the following description. "Birth of 'EQ', which stands for 'Electric Intelligence', as a new brand by Mercedes-Benz aimed for the future!!" (Exhibit Ko 47).

Prior to the fair, Plaintiff sent out leaflets to customers (Exhibit Ko 88). Furthermore, Plaintiff engaged in promotional activities at the site of the fair by displaying banners (Exhibit Ko 89), attaching decorative plates on the license plates of the vehicles for exhibition (Exhibit Ko 90), placing stickers on walls (Exhibit Ko 91), and distributing booklets to visitors (Exhibit Ko 48). These promotional tools bore the logo, which consists of the designed letters of "EQ" (Exhibit Ko 91), as well as the logo, in which the logo consisting of the designed letters of "EQ" and the alphabet letters, "POWER", written horizontally, are placed side by side (Exhibits Ko 88 to 90). In addition, the booklet showed the logo, which consists of the designed letters of "EQ", alongside the logo, which consists of the alphabet letters, "POWER", written horizontally, in addition to the car model, "EQ POWER model", and contained the following description. "'EQ', which stands for 'Electric Intelligence', will be born as a new brand for electric vehicles, with 'EQ Power', a plug-in hybrid model, being the first of such series"

(Exhibit Ko 48).

Plaintiff issued approximately 68,000 copies of a catalogue containing the car model of the "EQ" brand and distributed them to customers (Exhibits Ko 87, 92), but the timing of the distribution is not clear.

F. Status of registration in foreign countries

The application for registration of the Applied Trademark was filed in the UK and Europe (EUTM), and registration was granted on October 14, 2016 in the UK (Exhibit Ko 84), and on December 1 of the same year in Europe (Exhibit Ko 85), respectively. In the designated states based on International Registration No. 1328469, protection was granted in Australia on April 27, 2017 (Exhibit Ko 86-4), in Norway on August 18 of the same year (Exhibit Ko 86-8), in Russia on September 28 of the same year (Exhibit Ko 86-9), in Switzerland on November 29 of the same year (Exhibit Ko 86-10), in Mexico on November 30 of the same year (Exhibit Ko 86-11), in India on May 2, 2018 (Exhibit Ko 86-14), in Turkey on August 10 of the same year (Exhibit Ko 86-15), and in the US on November 1 of the same year (Exhibit Ko 86-16).

(3) Whether or not there is distinctiveness

- A. According to the findings of the above (2), on September 29, 2016, at the 2016 Paris Motor Show, Plaintiff made an announcement of "EQ" as a new brand that focuses on electric vehicles, and announced the concept car of the "EQ" brand, and later at the 2017 Frankfurt Motor Show and the 2017 Tokyo Motor Show, made an announcement of the concept car of the "EQ" brand and advertised the "EQ" brand, and these scenes were described to traders and consumers in magazines that specialize in automobiles, and on websites. Plaintiff also placed ads in three national newspapers, in addition to advertising the "EQ" brand on Plaintiff's website and periodic journal intended for consumers.

Furthermore, since 2017, Plaintiff has sold plug-in hybrid vehicles in Japan under the name, "EQ POWER", and based on the shape of the mark in which "POWER" is placed after "EQ" with a single-letter space in-between, and based on the content of the ad, it is interpreted that consumers are able to recognize that "EQ POWER" is a name for automobiles that are sold under the "EQ" brand.

From what is described above, it is acknowledged that Plaintiff used the Applied Trademark for the "motor vehicles", which are designated goods for the Applied Trademark.

- B. As per the findings of the above (2), the following can be acknowledged. The Applied Trademark was selected by Plaintiff, who is the world's leading

automobile manufacturer, as a trademark indicating a brand for electric vehicles. Also, Plaintiff made "EQ" public at a motor show as a new brand for electric vehicles, made an announcement of the concept car for the "EQ" brand, and the description of the exhibition was introduced in a number of specialized magazines for automobiles and on websites providing automobile-related information, with the magazine that was sold the most reaching 230,000 copies. Also, Plaintiff advertised Plaintiff's "EQ" brand for electric vehicles through Plaintiff's website, articles in a periodic journal that is intended for customers, and newspaper ads in national newspapers.

Furthermore, some of the articles of the aforementioned magazines focus on the introduction of Plaintiff's "EQ" brand (Exhibits Ko 29-6, 29-10, 35 to 37), and the number of copies issued of Plaintiff's periodic journal intended for customers amounted to 170,000 for the year of 2018. When the foregoing factors are taken into consideration, it is acknowledged that there are typical traders and consumers who pay attention to the electric vehicles and the relevant brand name as announced by Plaintiff, who is a famous automobile manufacturer.

Furthermore, as described above, the specific manner of advertisement is such that Plaintiff's website and booklets and the like contain the following descriptions. "Mercedes-Benz introduced 'Concept EQ' at the Paris Motor Show which was held about a year ago, and announced the launch of a new brand called 'EQ'" (Exhibit Ko 9-1), "'EQ', a new brand by Mercedes, and its pursuit of future for cars and humanity" (Exhibit Ko 9-2), "'EQ', which stands for 'Electric Intelligence', will be born as a new brand for electric vehicles" (Exhibit Ko 48). Articles in newspapers and websites contain the following descriptions. "'EQ', a sub-brand by Mercedes-Benz that focuses on the electric drive model" (Exhibit Ko 29-9), "'EQ' is a new brand that was launched by Mercedes-Benz in 2016 with a focus on electric powertrains" (Exhibit Ko 31), "EQ brand" (Exhibits Ko 4, 29-10, 29-21, 29-31, 29-40, etc.). The foregoing emphasizes the fact that the Applied Trademark is Plaintiff's brand name.

Based on the above, it can be said that the Applied Trademark was advertised intensively in a manner that impresses upon the traders and consumers, who are interested in automobiles, including the persons who pay attention to the electric vehicles and the relevant brand name as announced by Plaintiff, who is a famous automobile manufacturer, that the trademark is Plaintiff's brand for electric vehicles. In addition, when the following factors are taken into consideration; namely, that the Applied Trademark was registered, by the time of the JPO

Decision, in the UK and Europe which are designated countries for the trademark, that protection was granted in seven designated states based on the application of international registration, and that it is acknowledged that the Applied Trademark was well-known worldwide, it is acknowledged that the Applied Trademark had become well-known among traders and consumers as a trademark that represents Plaintiff's brand for electric vehicles, to the extent that the relevance to Plaintiff could be recognized from the Applied Trademark, even in light of the factors such as that the period of advertisement for the Applied Trademark was approximately two years from September 29, 2016, which is the time of the first appearance at the 2016 Paris Motor Show, until the time of the JPO Decision (September 7, 2016) and was relatively short, and that the number of plug-in hybrid vehicles sold under the name, "EQ POWER", by Plaintiff since 2017 cannot be considered as being many.

(4) Defendant's claims

A. Defendant claims that while the Applied Trademark is an abstract brand name for electric vehicles, it is not selected as a car name by itself, and that there is no sales record, and furthermore, that Plaintiff engaged in promotional activities for the Applied Trademark only for two years, so that it cannot be said that there are sufficient grounds to consider that the Applied Trademark is well-known among general consumers.

However, even if a trademark is not selected as a car name by itself, if Plaintiff selected the Applied Trademark as a brand name for electric vehicles, and, prior to using the same as a series name or brand name of a product, advertised the Applied Trademark in a powerful manner, it can be said that it is possible for the trademark concerned to be recognized by consumers as a brand and acquire distinctiveness.

Also, while the period for advertisement of the Applied Trademark is indeed about two years, there are cases in which distinctiveness is acquired through intensive advertisement in a short period. Furthermore, as described above, it is acknowledged that there are typical traders and consumers who pay attention to the electric vehicles and the relevant brand name as announced by Plaintiff, who is a famous automobile manufacturer, and since it can be said that there is a considerable number of traders and consumers who recognize the Applied Trademark as a mark that pertains to Plaintiff's business, it is reasonable to acknowledge that the Applied Trademark has become widely known.

B. Defendant claims that since the two alphabet letters consisting of a

combination of the alphabet letters "E (e)" and "Q" are selected and adopted by persons other than Plaintiff in the fields of goods that are related to automobiles and motorcycles, which are among the designated goods for the present application, it cannot be said that the exclusive use of the Applied Trademark by Plaintiff is accepted in effect in the fields of the designated goods of the present case.

Indeed, it is acknowledged that "eQ", a series of electric vehicles by Toyota, was made public before September 26, 2012 (Exhibit Otsu 7). However, there is no sufficient evidence to support the use of the same mark as of the time of the JPO Decision, and it cannot be said that the presence of a mark that was used as a product name for electric vehicles in the past constitutes grounds for the denial of exclusive use by Plaintiff.

Furthermore, Hyundai Motor Company's "EQ 900 Limousine model", a supersize luxury sedan under the brand name of "Genesis" (Exhibit Otsu 8), Zhengzhou Nissan Co., Ltd.'s "EQ 1060", a light truck (Exhibit Otsu 9), Laufenn's "S Fit EQ", a premium summer tire series of extra high quality (Exhibit Otsu 12), Alpine's "EX11Z-EQ", a car navigation device (Exhibit Otsu 13), TOWNIE's "7DEQ" and "3iEQ", series for electric vehicles (Exhibit Otsu 14), and ALIBI's "ALIBI SPORT EQ", a series for bicycles (Exhibit Otsu 15) are all marks consisting of the alphabet letters, "EQ", combined with other alphabet letters and numerals and the like, and it is understood that they refer to product numbers and models, and "EQ", which is the development code for "Primera", a small passenger vehicle manufactured by Nissan Motor Manufacturing (UK) Ltd. (Exhibit Otsu 10), is a development code. Accordingly, it cannot be said that any of the foregoing serves as an indicator of the source of any person.

As such, even when the uses of "EQ" by these other persons are taken into consideration, it cannot be said that the Applied Trademark should be denied the protection as a registered trademark.

C. Accordingly, Defendant's claims cannot be accepted.

3. Conclusion

As described above, although the Applied Trademark falls under a very simple and common mark as described in Article 3, paragraph (1), item (v) of the Trademark Act, it also falls under a trademark which, as a result of being used as per Article 3, paragraph (2) of the same Act, can be recognized by consumers as goods pertaining to Plaintiff's business, so that the JPO Decision which held that the Applied Trademark cannot be granted registration is erroneous.

Therefore, the JPO Decision shall be rescinded, and this court renders a judgment as per the main text.

Intellectual Property High Court, First Division

Presiding judge: TAKABE Makiko

Judge: KOBAYASHI Yasuhiko

Judge: SEKINE Sumiko