Judgment rendered on September 8, 2008
2007 (Gyo-Hi) 223
Indication of parties Omitted

Main text

The judgment in prior instance shall be reversed.

The present case shall be remanded to the Intellectual Property High Court.

Reasons

Reasons for petition for acceptance of final appeal by SUDA Atsushi, attorney for the appeal

1. In the present action, the appellee demanded rescission of the JPO's trial decision rejecting the appellee's demand for trial for invalidation of the appellant's trademark, which is described later.

2. The outline of the findings of the court of prior instance is as follows.

(1) The appellant is the trademark holder of Trademark Registration No. 4798358 (application date: February 18, 2004; registration of the trademark right established on August 27 of the same year; hereinafter, this trademark is referred to as "Trademark," and the trademark registration is referred to as "Trademark Registration") which consists of the standard characters, "つつみのおひなっこや (Tsu-tsu-mi-no-o-hi-na-kko-ya)", written horizontally, designating "clay dolls and pottery dolls" in Class 28 of Appendix 1 of the Order for Enforcement of the Trademark Act (prior to revision by Cabinet Order No. 398 of 2003) as designated goods (hereinafter referred to as "Designated Goods").

(2) Clay dolls that are manufactured in Tsutsumi-cho, Sendai-shi (now Tsutsumi-cho, Aoba-ku, Sendai-shi) started as Tsutsumi pottery during the Edo period, and also came to be called by the names of "おひなっこ (Ohinakko)" (hina dolls) and "つつみのおひなっこ (Tsutsumi-no-ohinakko)" (hina dolls of Tsutsumi). Then, from the early years of the Showa period, they began to be called "Tsutsumi-ningyo" (Tsutsumi dolls). At their peak, as many as 13 doll shops manufactured these clay dolls (Tsutsumi pottery dolls that are manufactured in Tsutsumi-cho, Sendai-shi are hereinafter referred to as "Tsutsumi Dolls") until the Meiji period. Gradually, more and more of these shops were shut down, and by the Taisho period, only two shops, namely Shop A and Shop B, remained. By the time the Showa period began, it was only Mr.

C, the appellee's father, who manufactured Tsutsumi Dolls, and the appellee succeeded these skills.

Mr. D, the appellant's grandfather, began manufacturing Tsutsumi Dolls by 1981, if not earlier, and the appellant succeeded these skills by way of his father, Mr. E.

(3) The appellee is the trademark holder of the trademark (Trademark Registration No. 2354191; hereinafter referred to as "Cited Trademark 1"), which consists of the characters, "つゝみ (Tsu-tsu-mi)", written horizontally in bold, and the trademark (Trademark Registration No. 2365147; hereinafter referred to as "Cited Trademark 2", which consists of the one character, "堤 (Tsutsumi)", written in bold; Cited Trademark 1 and Cited Trademark 2 are hereinafter collectively referred to as "Cited Trademarks"), by respectively designating "clay dolls" in Class 28 of the aforementioned appendix as designated goods. Initially, applications for trademark registration of the Cited Trademarks were refused for reasons such as that a trademark consisting of the characters, "堤 (Tsutsumi)", which is a common last name, or the characters, "つゝみ (Tsu-tsu-mi)", which are reminiscent of the last name, being shown in a common manner, falls under Article 3, paragraph (1), item (iv) of the Trademark Act (hereinafter referred to as "Act"). However, on April 4, 1991, in an appeal filed against the examiner's decision of refusal, a trial decision was rendered to the effect that, as a result of the trademarks having been continuously used for "clay doll" products since the Meiji period, consumers have come to recognize the trademarks as related to goods pertaining to the appellee's business, so that the trademarks fall under Article 3, paragraph (2) of the Act and that the Cited Trademarks shall respectively be granted trademark registration. Under these circumstances, the Cited Trademarks were granted trademark registration by December of the same year.

(4) On March 8, 2006, the appellee demanded a trial for invalidation of the Trademark Registration pursuant to Article 46, paragraph (1) of the Act by claiming that the Trademark Registration is in violation of the provisions of Article 4, paragraph (1), items (viii), (x), (xi), (xv), (xvi), (xix), and Article 8 of the Act.

On October 31 of the same year, as a result of the JPO examining the above demand for trial as the Invalidation Trial No. 2006-89030, a trial decision was rendered to the effect of rejecting the demand for trial because the Trademark is not similar to either of the Cited Trademarks and thus does not fall under

Article 4, paragraph (1), item (xi) of the Act, and because other claims made by the appellee as reasons for invalidation are groundless (this trial decision is hereinafter referred to as "Trial Decision").

3. The court of prior instance determined as follows, that the part of the Trial Decision which denied that the Trademark falls under Article 4, paragraph (1), item (xi) of the Act is erroneous, and accepted the appellee's demand for rescission of the Trial Decision.

At the time of the Trial Decision, Tsutsumi Dolls were well known among distributors and other traders of "clay dolls and pottery dolls," which are Designated Goods, as Tsutsumi pottery dolls that are manufactured in Tsutsumi-cho, Sendai-shi. Furthermore, it is acknowledged that the character part, "おひなっこや (o-hi-na-kko-ya)", constituting the Trademark is recognized by those who come into contact with the same as a term consisting of "ohina," which means "hina dolls," and "ko," which is a suffix found in dialects such as that of the Tohoku region, and "ya," which is a word representing a certain occupation or a person engaging in such occupation. In that case, it is acknowledged that the character part, "つつみ (Tsu-tsu-mi)", constituting the Trademark, generates the concept of "堤 (Tsutsumi)" as a geographical name or a person's name, or the concept of "堤 (Tsutsumi)" as a Tsutsumi Doll, and the character part, "おひなっこや (o-hi-na-kko-ya)", generates the concept of "hina doll shop"; thus it is acknowledged that the Trademark in its entirety generates the concept of "hina doll shop" of a place or person called "Tsutsumi," or the concept of "hina doll shop" of Tsutsumi Dolls. Accordingly, while the Trademark is recognized as a composite trademark in which "つつみ (Tsu-tsu-mi)" and "おひなっこや (o-hi-na-kko-ya)" are combined, it cannot be acknowledged that the configuration is so unified that the character part, "つつみ (Tsu-tsu-mi)", is inseparable from the entirety of the Trademark. As such, it is acknowledged that only the character part, "つつみ (Tsu-tsu-mi)", placed at the beginning, is recognizable apart from the rest, generating the concept of "Tsutsumi" as a geographical name or a person's name, or the concept of "Tsutsumi" as a Tsutsumi Doll, as well as the sound of "tsutsumi" only.

On the other hand, Cited Trademarks respectively generate the concept of "堤 Tsutsumi" as a geographical name or a person's name, or the concept of "堤 (Tsutsumi)" as a Tsutsumi doll, as well as the sound of "tsutsumi."

In that case, even when taking into account that the Trademark and Cited Trademark 1 are only partially similar in appearance, and that the Trademark and

Cited Trademark 2 cannot be called similar in appearance, it is acknowledged that the Trademark and Cited Trademarks are, in their respective entireties, similar, and thus it should be said that the Trademark falls under Article 4, paragraph (1), item (xi) of the Act in terms of its relationship to Cited Trademarks.

4. However, the above decision by the court of prior instance cannot be approved, for the following reasons.

(1) Similarity of trademarks pertaining to Article 4, paragraph (1), item (xi) of the Act should be discussed on the whole by generalizing the impression, memory, suggestion, etc. given to traders and consumers by the appearance, concept, sound, etc. of a trademark which is used for the same or similar goods or services, in light of the conditions of the transactions for said goods or services (Reference: Supreme Court Case 1964 (Gyo-Tsu) 110, judgment rendered on February 27, 1968 by the Third Petty Bench, Minshu vol. 22, no. 2, page 399). As such, it should be said that in regards to a composite trademark which is considered a combination of different constituent parts, extracting a part of constituent parts of a trademark and using only such extracted part for comparison with another person's trademark in order to determine the similarity of trademarks themselves should not be permitted unless said part is acknowledged to give a strong and dominant impression to traders and consumers as a source-identifying indicator of goods or services, or unless other parts cannot be acknowledged to generate any sound or concept as a source-identifying indicator (Reference: Supreme Court Case 1962 (O) 953, judgment rendered on December 5, 1963 by the First Petty Bench, Minshu vol. 17, no. 12, page 1621; Supreme Court Case 1991 (Gyo-Tsu) 103, judgment rendered on September 10, 1993 by the Second Petty Bench, Minshu vol. 47, no. 7, page 5009).

(2) When the above is reviewed in connection with the present case, while the Trademark contains the character part, "つつみ (Tsu-tsu-mi)", which sounds the same as the Cited Trademarks, the Trademark consists of the standard characters, "つつみのおひなっこや (Tsu-tsu-mi-no-o-hi-na-kko-ya)", written horizontally using the same character size and font, and the entire Trademark is neatly shown in a single line with equal spaces between the characters. As such, it cannot be said that the Trademark is configured in a way so that the character part, "つつみ (Tsu-tsu-mi)", independently attracts the attention of observers. According to the above findings, Cited Trademarks were granted trademark registration in 1991, but since the appellant's grandfather is said to have begun

manufacturing Tsutsumi Dolls by 1981, if not earlier, Tsutsumi Dolls were well known among distributors and other traders of the Designated Goods, at the time of the Trial Decision, as Tsutsumi pottery dolls that are manufactured in Tsutsumi-cho, Sendai-shi, and even if the character part, "つつみ (Tsu-tsu-mi)", of the Trademark generates the concept of "Tsutsumi" as a geographical name or a person's name, or the concept of "Tsutsumi" as a Tsutsumi Doll, it cannot be said, beyond what is described above, that the above character part, "つつみ (Tsu-tsu-mi)", gives a strong and dominant impression as an identification indicator showing to traders and customers of Designated Goods that the appellee, who is the trademark holder of Cited Trademarks, is the source of the Designated Goods, and there is no other finding in the court of prior instance which can support such claim. Furthermore, as for the character part, "おひなっこや (o-hi-na-kko-ya)", constituting the Trademark, traders and consumers of Designated Goods who are all over Japan and who come into contact with the same would accept the term as referring to a person engaged in the manufacture and sale, etc. of hina dolls or other related goods, but since the term is not normally used to refer to a "hina doll shop," it is considered ordinary to interpret the term as a newly coined word. In that case, it cannot be said that the above part concerns ordinary and universal characters that closely pertain to clay dolls, etc., and thus it cannot be said that the above part does not have the function of distinguishing its products from other products.

In addition to the above, there are no circumstances to justify the act of extracting the character part, "つつみ (Tsu-tsu-mi)", from the configuration of the Trademark for observation, and thus it is reasonable to compare the Trademark and Cited Trademarks in terms of the respective, entire configurations in order to determine similarity between these trademarks, and it should be said that extraction of only the character part, "つつみ (Tsu-tsu-mi)", constituting the Trademark, for comparison with Cited Trademarks in order to determine similarity between the Trademark and Cited Trademarks cannot be allowed.

(3) Next, according to the above findings, the Trademark and Cited Trademarks can only be found to have similarity in three of the ten characters constituting the Trademark, and since it is evident that the Trademark and Cited Trademarks are different in appearance and sound, it cannot be said that the Trademark and Cited Trademarks are, in their entireties, similar even if any of the trademarks can generate the concept of pertaining to a Tsutsumi Doll.

5. From what is described above, the decision by the court of prior instance to the effect that the Trademark and Cited Trademarks are similar is unlawful due to an erroneous interpretation of laws and regulations concerning similarity of trademarks, and it is evident that this violation affects the conclusion of the decision of the judgment in prior instance. The theory is reasonable, and thus there is no choice but to reverse the decision of the judgment in prior instance. Accordingly, in order to further the examination concerning the reasons for invalidation of the Trademark as claimed by the appellee, the present case shall be remanded to the Intellectual Property High Court.

Therefore, the court unanimously renders the judgment as per the main text.

Supreme Court, Second Petty Bench
Justice: FURUTA Yuki Justice: TSUNO Osamu Justice: IMAI Isao Justice: NAKAGAWA Ryoji