

Judgment rendered on July 6, 2001

2000 (Gyo-Hi) 172

Indication of parties Omitted

#### Main text

The judgment in prior instance shall be reversed.

The appellee's claims shall be dismissed.

The appellee shall bear all the court costs.

#### Reasons

Reasons for petition for acceptance of final appeal as presented by the attorneys for the appeal; namely, YAMAZAKI Ushio, ISHII Tadao, HATAKEYAMA Minoru, NAGAI Yukio, ISHIKAWA Yuichi, TERAMOTO Yoshinori, HIROTA Yoneo, KUDO Kanji, KOIKE Takashi, and KOBAYASHI Kazuo.

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

- (1) On July 24, 1992, the appellee filed an application for registration of a trademark consisting of the letters, "PALM SPRINGS POLO CLUB," and the katakana characters, "パームスプリングスポロクラブ"(palm springs polo club (in katakana)), written horizontally in two rows, one above the other (hereinafter referred to as "Trademark"), by designating "Non-Japanese style outerclothing; Coats; Sweaters and the like; Shirts and the like; Nightwear; Underwear; Swimwear; Swimming caps; Aprons; Collar protectors for wear; Socks and stockings other than special sportswear; Putees and gaiters; Fur stoles; Shawls; Scarves; Japanese style socks; Covers for Japanese style socks; Gloves and mittens; Babies' diapers of textile; Neckties; Neckerchiefs; Mufflers; Ear muffs; Hoods; Sedge-woven hats; Nightcaps; Helmets; Headgear for wear; Garters; Sock suspenders; Suspenders; Waistbands; Belts for clothing; Japanese style wooden clogs; Japanese style sandals; Special clothes for sports; Special footwear for sports, other than horse-riding boots" as designated goods in Class 25 of Appendix 1 of the Order for Enforcement of the Trademark Act.

In response to said filing of the application for trademark registration, the JPO made a decision of refusal dated March 3, 1995, and the appellee filed an appeal against the examiner's decision of refusal on the 28th of the same month.

On June 11, 1999, the JPO rendered a trial decision to the effect that the above demand for trial by the appellee is groundless (hereinafter referred to as "Trial Decision") for the following reasons. When the Trademark is used for its designated goods, the traders and consumers coming into contact with the Trademark will focus on the letters, "POLO" and "ポロ"(polo (in katakana)), which constitute the trademark, thereby associating the Trademark with, or recalling, the trademarks which consist of the letters, "POLO" or "ポロ"(polo (in katakana)) (hereinafter collectively referred to as "Cited Trademarks"), and which Ralph Lauren, a famous American designer, uses for clothing and other goods. As such, there is a risk of causing the confusion as to the source of the goods, as if said goods pertain to the business of Ralph Lauren or the supporting intervenor in the appeal, or of a person who is in some way, organizationally or economically, related to Ralph Lauren or the supporting intervenor in the appeal. Accordingly, the Trademark falls under Article 4, paragraph (1), item (xv) (hereinafter referred to as "Item") of the Trademark Act, and cannot be granted trademark registration.

- (2) Ralph Lauren is one of the representative designers of the United States and uses Cited Trademarks on men's apparel, men's shoes, neckties, women's apparel, and other goods which he designs. By 1980 or so, if not earlier, Cited Trademarks had become widely recognized among traders and consumers in Japan as indicators of goods such as clothing which are designed by Ralph Lauren, and this situation has continued to this day.
  - (3) At the time of the filing of the application for the Trademark, it was well known in Japan that terms such as "POLO" and "ポロ"(polo (in katakana)) refer to the athletic sport in which players ride on horses to play. As for the term, "polo shirt," it originally meant a shirt which is worn by polo players, but today it has become a common noun to refer to a broad range of collared shirts that are worn for leisure.
  - (4) "PALM SPRINGS" and "パームスプリングス"(palm springs (in katakana)) refer to an internationally renowned resort located in the southeastern area of California, United States. When the application for the Trademark was filed, even people in Japan knew this name as that of a resort located in the United States although they may not have known details such as the actual location of the resort.
2. The present action was filed by the appellee demanding rescission of the Trial Decision; then the court of prior instance, rescinded the Trial Decision by the JPO,

which was rendered as follows.

- (1) Cited Trademarks are widely recognized among traders and consumers as indications of clothing and other goods which are designed by Ralph Lauren. On the other hand, it was also widely known in Japan, at the time of the filing of the application for the Trademark, that terms such as "POLO" and "ポロ" ("polo (in katakana)) meant the sport of polo. As such, in the case where a composite trademark contains the letters, "POLO" or "ポロ" ("polo (in katakana)), whether or not it causes one to associate the trademark with the Cited Trademarks which pertain to Ralph Lauren should be determined specifically on a case-by-case basis based on the strongly distinctive feature of Cited Trademarks.
  - (2) Based on the fact that the letters, "PALM SPRINGS", constituting the Trademark, are widely known in Japan as the name of a resort located in the United States, and the fact that the term, "club", refers to a group consisting of people having the same purpose, it is acknowledged that if a trader or consumer of designated goods for the Trademark comes into contact with the Trademark, such person would naturally recognize the Trademark as meaning a "club for playing polo, located in Palm Springs", and even by taking into consideration how well-known or famous the Cited Trademarks are, it cannot be acknowledged that the Trademark generates the concept of a "club for fans of polo products which are designed by Ralph Lauren, located in Palm Springs", or that the part, "POLO" or "ポロ" ("polo (in katakana)), alone attracts attention and is immediately associated with Cited Trademarks.
  - (3) Accordingly, it cannot be acknowledged that the use of the Trademark for its designated goods will cause a trader or consumer, who comes into contact with the Trademark, to associate it with Cited Trademarks, or to recall Cited Trademarks, and thus the Trial Decision should be rescinded.
3. However, the above determination by the court of prior instance cannot be accepted, for the reasons described below.
- (1) A trademark that "is likely to cause confusion in connection with the goods or services pertaining to a business of another person", as per the Item, not only refers to a trademark which, when said trademark is used for its designated goods or services, has a risk of causing the misunderstanding that said goods or services are the goods or services pertaining to a business of another person, but also refers to a trademark which has a risk of causing the misunderstanding that said goods or services are the goods or services pertaining to a business of

a proprietor who is related to said other person, whether by being closely related in business as the so-called parent-subsidary companies or as affiliated companies, or by belonging to a group of companies which engage in commercialization under the same indication. Then, whether or not it "is likely to cause confusion" should be determined comprehensively in light of factors such as the level of similarity between said trademark and the other person's indication, how well-known and famous as well as how unique the indication of the other person is, the level of association between the designated goods or services for said trademark and the goods or services for a business of the other person in terms of nature, use, or purpose, the commonalities in terms of traders and consumers for goods or services, and other conditions of transactions, based on the attention that is normally paid by traders and consumers of designated goods or services for said trademark (Supreme Court Case 1998 (Gyo-Hi) 85, judgment rendered on July 11, 2000 by Third Petty Bench/Minshu vol. 54, no. 6, page 1848).

(2) When the above is considered in the present case, the following are true.

A The Trademark has the appearance consisting of four English words and the corresponding katakana characters, and is a composite trademark in which the terms, "POLO" and "ポロ"(polo (in katakana)), which are the same as the Cited Trademarks, are combined with the terms, "PALM", "パーム"(palm (in katakana)), "SPRINGS", and "スプリングス"(springs (in katakana)), as well as "CLUB" and "クラブ"(club (in katakana)). It cannot be acknowledged that the Trademark in its entirety indicates any single and inseparable, existing concept, and since the Trademark has a relatively long appearance and sound, consisting of 19 letters and 14 katakana characters, it can be said that, in an actual transaction where simplicity and promptness are valued, the Trademark can simply be written or called by only a part thereof.

B Cited Trademarks are widely recognized among traders and consumers in Japan as indicating clothing and other goods which are designed by Ralph Lauren, and they are highly well-known and famous as indications. Of course, the terms, "POLO" and "ポロ"(polo (in katakana)), originally come from the name of an athletic sport in which players ride on horses to play, and since the term, "polo shirt", is a common noun showing a type of clothing, it must be said that the level of uniqueness of Cited Trademarks is low compared to a trademark which is made of a coined word. However, designated goods for the Trademark are clothing and other goods, which are the same as, or which are

strongly associated with, the goods for which the Cited Trademarks are currently used. It is also evident, therefore, that the traders and consumers of the goods of the two sides are in common. Furthermore, based on the fact that the designated goods for the Trademark are of the nature of being consumed on a daily basis, and the fact that the consumers of the goods are the general public with no particular knowledge or experience of expertise, it must be considered that the attention that is paid upon purchasing the goods is not so great. In that case, upon determining the applicability of the Item to the Trademark, it must be said that focusing on the low level of uniqueness of Cited Trademarks is not reasonable.

C Of the phrases other than the terms, "POLO" and "ポロ"(polo (in katakana)), which constitute the Trademark, if the fact that "PALM SPRINGS" and "パームスプリングス"(palm springs" (in katakana)) are known as the names of a resort in the United States, and the fact that "CLUB" and "クラブ"(club (in katakana)) are everyday expressions meaning a group of like-minded people, it is possible, as per the judgment in prior instance, that the Trademark generates the concept of a "club for playing polo, located in Palm Springs". However, while it is often the case that a single trademark generates multiple concepts, if the fact of how well-known or famous the Cited Trademark are, and the fact of the Trademark and Cited Trademarks being identical, as well as the commonalities between the Trademark and Cited Trademarks in terms of traders and consumers are taken into consideration, it is easily predictable that, when the Trademark is used for its designated goods, the constituent parts, "POLO" and "ポロ"(polo (in katakana)), will, in particular, strongly attract the attention of traders and consumers who come into contact with them, and thus it can also be said that the Trademark generates the aforementioned concept as well as the concept of being the goods pertaining to a business of Ralph Lauren or a company operated by Ralph Lauren, or a proprietor who is closely related to Ralph Lauren or said company.

- (3) As described above, the Trademark is a composite trademark that contains, as its constituent parts, the same part that constitutes Cited Trademarks. In addition to the fact that said part can be recognized apart from the rest in terms of appearance, sound, and concept, the Cited Trademarks are highly well-known and famous, and furthermore, the designated goods for the Trademark overlap with the goods for which the Cited Trademarks are used, and even the traders and consumers of the two sides are in common. When these

circumstances are comprehensively determined, the Trademark causes the misunderstanding to the traders and consumers, who come into contact with the Trademark, as to the source of the goods by causing them to associate the Trademark with the Cited Trademarks, and if the Trademark is granted trademark registration, there is a risk of inviting results such as the so-called free riding on the power of customer attraction embodied by Cited Trademarks and the so-called dilution of the Cited Trademarks. [Summary] In that case, it is reasonable to determine that the Trademark falls under a trademark that "is likely to cause confusion", as per the Item, and it should be said that this determination is not something to be influenced by the fact that Cited Trademarks are less unique than a trademark that is made up of a coined word.

4. Based on the above, the decision made in the court of prior instance contains a violation of the law which clearly affects the judgment. The theory is reasonable, and thus the judgment in prior instance shall definitely be reversed. Then, based on the aforementioned, the Trial Decision which determined that the Trademark falls under the Item is not unlawful, and the appellee's demand in the present case for rescission of the Trial Decision is groundless. Accordingly, the appellee's demand shall be dismissed.

Therefore, the court unanimously renders the judgment as per the main text, with supporting opinions by Judge FUKUDA Hiroshi.

Judge FUKUDA Hiroshi provides the following supporting opinions.

Although I believe that the judgment in prior instance, which is contrary to the precedent(s) found by this court concerning similar case(s), will definitely be reversed as a case of erroneous interpretation of Article 4, paragraph (1), item (xv) of the Trademark Act, I wish to point out the following just to be on the safe side.

Polo, which is an athletic sport, is still played in places, mostly in England and other areas which are former British colonies. The term, "polo shirt", which refers to a type of clothing, originally came from the shirt being worn by polo players when they played the sport. The term is said to have been used for the first time in a best-selling novel by American author, F. Scott Fitzgerald, "This Side of Paradise" (published in 1920), and polo shirts are known to have gained popularity among the young generation (refer to "Eigo-gogen-jiten" (Dictionary of Origins of English Words), edited by TERASAWA Yoshio, and "Eibei-shi-Jiten" (Dictionary of British-American Histories), compiled and written by MATSUMURA Takeshi and TOMITA Torao, among other references). Furthermore, the name, "polo shirt", is widely used as a common noun, not just in the United States but in other

countries as well, including Japan.

As described above, while the terms, "ポロ" (polo (in katakana)) or "POLO" and "Polo", are used as a trademark of Ralph Lauren, it is a common noun from the perspective of etymology. It is also evident that, before Ralph Lauren began to use these terms as trademarks, the term, "polo shirt", was widely used in the United States, where polo was not necessarily a popular sport, as a name that refers to a type of clothing. Under such circumstances, it should be considered that in trademarks such as "ポロ" (polo (in katakana)) or "POLO" and "Polo", one of the inherent functions of a trademark, which is a function of indicating the source of goods, has been diminished to a certain degree.

Furthermore, even if a trademark for which an application for trademark registration was filed contains the letters, "ポロ" (polo (in katakana)) or "POLO", or "Polo", in cases where, for example, a term that is a combination of "ポロ" (polo (in katakana)) or "POLO", or "Polo" and some other term(s) causes a person to strongly associate the trademark with a source of goods other than Ralph Lauren, or when the trademark contains, among its constituent factors, an indication that negates any association with Ralph Lauren, it should be said that Article 4, paragraph (1), item (xv) of the Trademark Act is not applicable, and thus the trademark should be granted trademark registration.

Supreme Court, Second Petty Bench

Justice: KAWAI Shinichi      Justice: FUKUDA Hiroshi      Justice: KITAGAWA Hiroharu  
Justice: KAMEYAMA Tsugio      Justice: KAJITANI Gen