

# Similarity of device marks to be used as stitched ornamental marks

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## Introduction

## Trademarks

## JPO Trial and Appeal Board decision

## IP High Court decision

## Comment

### Introduction

In a recent case,<sup>(1)</sup> Japanese sporting goods company Mizuno Corporation claimed that a trademark registered by Chinese company Fujian Hongxingerke Sports Goods Co, Ltd should be invalidated due to its similarity with the plaintiff's trademarks and the likelihood of confusion as to the source of the designated goods.

The Japanese Patent Office (JPO) Trial and Appeal Board rejected Mizuno's claims. However, the IP High Court overturned this decision and invalidated Fujian's trademark registration. The conclusive factor in the case was how the similarity of marks should be assessed in cases where they are intended to be stitched on goods such as clothing and shoes.

### Trademarks

Fujian (the defendant) registered a device mark (Figure 1)<sup>(2)</sup> in:

- Class 18 (imitation leather, school bags, backpacks, valises, straps for skates, animal skins and umbrellas);
- Class 25 (clothing, layettes (clothing), bathing suits, waterproof clothing, footwear, hats, hosiery, scarves, gloves (clothing), sports jerseys, t-shirts, jackets (clothing), football shoes, sandals and sports shoes); and
- Class 28 (balls for games, body-building apparatuses, machines for physical exercise, snowshoes, roller skates, fishing rods, toys, archery implements, shuttlecocks, sports nets, gymnastics appliances, knee guards (sports articles), protective padding (parts of sports suits), skating boots with skates attached and in-line roller skates).



(Figure 1)

Mizuno (the plaintiff) had previously registered its so-called 'RunBird' marks in various classes, including:

- Class 15 (musical instruments, among other things) (Figure 2);<sup>(3)</sup>
- Class 25 (clothing, garters, sock suspenders, suspenders (braces), waistbands, belts for

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clothing, footwear (other than special footwear for sports), masquerade costumes, clothes for sports and special footwear for sports) (Figure 3); and

- Class 28 (game machines and apparatuses, sports equipment and wax for skis, among other things) (Figure 3).(4)



(Figure 2)



(Figure 3)

### **JPO Trial and Appeal Board decision**

The issues determined by the JPO Trial and Appeal Board(5) were:

- the similarity of the marks – under Article 4(1)(xi) of the Trademark Act, a mark cannot be registered if it is identical or similar to a prior registered trademark used in connection with the same or similar designated goods; and
- the likelihood of confusion – under Article 4(1)(xv) of the act, a mark cannot be registered if it is likely to cause confusion with goods pertaining to another party's business.

#### ***Was the defendant's mark similar to the plaintiff's marks?***

Although the JPO Trial and Appeal Board acknowledged that the marks were similar in appearance in some respects, it found that, when observed as a whole, the appearance of the defendant's mark was different to that of the plaintiff's marks. The board held that some of the different elements – such as the inverted triangle, which featured only in the plaintiff's marks – would create different impressions in consumers' minds. As such, the board concluded that the defendant's mark was not similar to the plaintiff's marks and that Article 4(1)(xi) did not apply.

#### ***Was there a likelihood of confusion with goods pertaining to another party's business?***

The JPO Trial and Appeal Board acknowledged that the plaintiff's marks were already well known among traders and consumers of sporting goods (eg. sports shoes, sportswear and sports bags) at the time of the defendant's application and the granting of its mark. However, based on its finding that the defendant's mark was not similar to the plaintiff's marks, the board concluded that:

- there was no likelihood of confusion as to the source of the designated goods; and
- there would be no confusion as to whether the defendant was economically or organisationally linked to the plaintiff.

As such, the board held that Article 4(1)(xv) of the act did not apply.

In response to the plaintiff's argument that both the defendant's mark and the plaintiff's marks were to feature as small stitched ornamental marks on goods such as clothing and shoes – thereby rendering the differences in appearance, such as the inverted triangle, unrecognisable – the JPO Trial and Appeal Board stated that since the overall impression of each mark was substantially different, it would still be possible to distinguish both marks and, as such, there was no likelihood of confusion.

### **IP High Court decision**

The IP High Court determined the issue of a likelihood of confusion with goods pertaining to another party's business (Article 4(1)(xv)).

As with the JPO Trial and Appeal Board, the IP High Court acknowledged that although the marks were similar in appearance in some respects, there were also differences, such as the inverted triangle, which featured only in the plaintiff's marks. Owing to these differences, the court agreed with the board and held that the visual impression of the plaintiff's marks and the defendant's mark could be considered different.

However, the IP High Court held that:

- the overall structure of the plaintiff's marks and the defendant's mark were similar; and
- the levels of similarity in the overall configuration and silhouette of the marks were relatively high.

The IP High Court also held that:

- the plaintiff's marks were already well known among traders and consumers of sporting goods (eg. sports shoes, sportswear and sports bags) at the time of the defendant's application and the granting of its mark; and
- the goods designated under the defendant's mark related to sporting goods.

Further, the IP High Court held that if the defendant's mark was to be used as a stitched ornamental mark, it would likely be relatively small. As such, it would be difficult to visually recognise the mark's detailed structure. If this was the case, the overall configuration would catch the eye of observers and the differences in the silhouette, such as the inverted triangle, may no longer stand out. The court added that if the defendant's mark featured in catalogues alongside a large number of other goods or at sporting competitions, there would be a greater chance that the marks would be confused.

In addition, the IP High Court held that goods such as clothing, hats and t-shirts, which were designated under the defendant's mark, are daily consumer products. Therefore, the relevant consumers would include those without an accurate or detailed knowledge about trademarks and brands, which could lead to a significant number of consumers visiting stores and buying a product without looking closely at the marks.

In light of the above, the IP High Court found that there was a likelihood of confusion as to the source of the goods and whether the defendant was economically or organisationally linked to the plaintiff. It concluded that Article 4(1)(xv) of the Trademark Act should be applied and overturned the JPO Trial and Appeal Board's decision. The defendant's registration was thus invalidated.<sup>(6)</sup>

### **Comment**

The difference between the decisions of the JPO Trial and Appeal Board and the IP High Court is attributable to how much weight was put on the actual circumstances in which the marks were likely to be used on goods. In this particular case, the IP High Court's decision emphasised the possible usage of the marks as stitched ornamental marks, which are usually relatively small when featured on goods such as clothing and shoes. The court focused on the fact that when used as such marks, the detailed structure of the marks in question would no longer be easily recognisable to consumers. Instead, the marks' overall configuration would have a bigger impact. As the plaintiff's RunBird marks were well-known, the court held that there was a likelihood that consumers would mistakenly

associate the defendant with the plaintiff.

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## **Endnotes**

- (1) IP High Court: 2016 (gyo-ke) 10262, judgment issued on September 13 2017.
- (2) International Registration Number: 1119597, International Registration Date: February 20 2012, Japanese Registration Date: March 15 2013.
- (3) Registration Number: 1703877, Registration Date: July 25 1984, Application Number: S58-95665, Application Date: May 19 1981.
- (4) Registration Number: 4716649, Registration Date: October 10 2003, Application Number: 2002-62507, Application Date: July 24 2002.
- (5) JPO Trial and Appeal Board, Invalidation 2015-680001.
- (6) As of November 20 2017, it is unclear whether the defendant has filed a petition for acceptance of final appeal with the Supreme Court.

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