

Trial decision

Revocation No. 2016-300561

USA

Demandant SPERRY TOP-SIDER LLC

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The case of trial regarding the revocation of Trademark Registration No. 1809362 between the parties above has resulted in the following trial decision.

Conclusion

Trademark Registration No. 1809362 shall be canceled.

The costs in connection with the trial shall be borne by Demandee.

Reason

No. 1 The Trademark

The trademark with Trademark Registration No. 1809326 (hereinafter referred to as the "Trademark") consists of the alphabetical characters of "TOP-SIDER" horizontally written, and its registration application was filed on March 28, 1978 and the trademark was registered on September 27, 1985 with for goods belonging to Class 17 as listed in the Trademark Registry as its designated goods.

Then, on March 29, 2006, reclassification of the designated goods was registered for modifying the designated goods to Class 16 "Babies' diapers of paper." Class 20 "Cushions; Japanese floor cushions (Zabuton); pillows; mattresses." Class 21 "Gloves for household purposes." Class 22 "Cotton waddings for clothes; hammocks; futon bags; cotton batting for Futon." Class 24 "Woven textile goods for personal use; mosquito nets; bedsheets; quilt covers for Futon; futon ticks (unstuffed Futon); pillowcases (pillow slips); blankets." and Class 25 "Non-Japanese style outerclothing; coats; sweaters and the like; shirts and the like; nightwear; underwear (underclothing); swimwear (bathing suits); swimming caps (bathing caps); Japanese traditional clothing; aprons (clothing); collar protectors for wear; socks and stockings other than special sportswear; puttees and gaiters; fur stoles; Japanese style socks (Tabi); shawls; scarves (scarfs); Japanese style socks covers (Tabi covers); gloves and mittens (clothing); neckties; neckerchieves; bandanas (neckerchiefs); thermal supporters (clothing); mufflers; ear muffs (clothing); cowls (clothing); Sedge hats (suge-gasa); nightcaps, helmets; headgear for wear." and later on August 11, 2015, renewal of duration of the trademark right was registered for Class 16, Class 21, Class 24, and Class 25.

The Trademark was registered for "Sperry Top-Sider Inc." as the right holder, but, later on May 25, 2000, transfer of the right to BM Planning Co., Ltd. was registered and with the application made on August 26, 2009, modification of indication of the registered title holder to the present owner of the trademark right has been made.

No. 2 Cited Trademark

The trademark with Trademark Registration No. 5462438 (hereinafter referred to as "Cited Trademark" A-3) is configured as indicated in Attachment 1, of which designated goods belong to Class 25 "Footwear." the application for the registration was filed on February 21, 2011, the trademark was registered on January 13, 2012, and it is still valid as of now.

No. 3 Demandant's allegation

Demandant makes a request that the trial decision must be identical with the conclusion, makes statements about reasons for the request, and submits Evidence Nos. A1 to A93.

1 Statement of the demand

(1) Regarding well-known character of the Cited Trademark

A Demandant developed in 1935 shoes that have fine grooves in shoe sole and launched them in the U.S. market under the name "TOP-SIDER." During World War II, the shoes were adopted as U.S. Navy supplies, and, after the War, as the Kennedy clan used the shoes regularly, the shoes became a symbolic item for American style.

Later, as the shoes were reported in "The Preppy Handbook," the shoes have been acknowledged as shoes in good taste favored by members of the American upper middle class, and, furthermore, since the American national team led by Dennis Connor won the America's Cup which is an international yacht race in 1987, they became the official shoes for the America's Cup (Evidence No. A4).

As described above, "TOP-SIDER" brand shoes became widely known all over America.

Although there are some variations, Demandant has consistently used the Cited Trademark for shoes made and sold by Demandant since the launching to date.

B In Japan, "TOP-SIDER" shoes were launched in Ginza, Tokyo in 1971, and, in 1977, "TOP-SIDER" shoes were introduced by fashion magazines (Evidence No. A5).

Around 1981, in addition to fashion magazines, functionality of "TOP-SIDER" shoes was introduced by a special magazine for yachting, and it can be seen that "TOP-SIDER" shoes had acquired publicity not only as casual shoes, but also as shoes for yachting (Evidence No. A7).

Demandant has continuously been selling "TOP-SIDER" shoes through distributors for over 40 years, and the goods were often put in newspapers, magazines, and so on (Evidence Nos. A8 to A32), and, in and after 2007, put them in magazine "2nd (Second)," "Lightening," "GRIND" and so on (Evidence Nos. A33 to A69, and A73).

C As described above, "TOP-SIDER," and "トッブサイダー (toppusaida)" shoes have maintained enduring popularity as shown by the fact that the former models are reproduced and sold even after several decades since their launch.

Accordingly, it is obvious that "TOP-SIDER" and "トップサイダー (toppusaida)" had widely been known by consumers as a brand with a long history through continuously and frequently dealt in fashion magazines.

D In "Umibeno Kafka" (by Haruki Murakami) published in 2005, "toppusaida sneakers" were described as a symbol of fashion for boys of fine breeding (Evidence No. A74).

In addition, Random House English-Japanese Dictionary (2nd edition) describes the trademark "top-sider" as "casual shoes made of soft leather and/or fabric having rubber sole and low heels" that represent demandant's shoes (Evidence No. A75), and Alc's web dictionary describes "トップサイダー (toppusaida)" as "Top-Sider moccasins" that represents demandant's shoes (Evidence No. A76).

Internet search for "TOP-SIDER" hits about 1,930,000 cases and search for "トップサイダー (toppusaida)" hits about 853,000 cases (Evidence No. A77).

In Japan, Demandant has been smoothly increasing turnover through the distributor, ABC Mart, and the number of shoes sold in 2015 was 219,121 pairs (the turnover is only license fee). In addition, Demandant sells shoes in over 37 countries in the world excluding the U.S.A. (Evidence No. A78).

E In light of all the above, it is obvious that the Cited Trademark had been widely known among traders and consumers as a trademark that indicates shoes manufactured and sold by Demandant whenever any the goods carrying the Trademark are sold.

(2) Regarding the used trademark

Shirts sold by MARUI CO., LTD., Nakano-ku, Tokyo (hereinafter, referred to as "Marui") (hereinafter referred to as the "goods carrying the Used Trademark") carry two types of tags, and both have alphabetic characters "TOP-SIDER" and figures of a yacht and a cloud in dark blue on an unbleached background in one type and outlined on a dark blue background in the other.

Furthermore, the goods carrying the Used Trademark carry below the collar a tag that carries identical alphabetic characters and figures (Attachment 2, Evidence No. A79; hereinafter, referred to as the "Used Trademark").

(3) Regarding similarity between the Trademark and the Used Trademark

The Trademark consists of horizontally written alphabetic characters "TOP-SIDER," which give rise to the pronunciation of "トップサイダー (toppusaida)," and "TOP-SIDER" has meanings, "topsider, leader, senior management (of an organization)", but, since they do not directly indicate the quality and so on of the designated goods of the Trademark, consumers recognize it as a made-up word and no specific meaning is created.

The Used Trademark consists of horizontally written alphabetic characters "TOP-SIDER," and a figure of a yacht is arranged between "TOP-" and "SIDER" in the middle as if piercing in the middle and consists of a configuration in which all of them are encircled with a cloud-formed figure. The characters give rise to the pronunciation of "トップサイダー (toppusaida)" and the figures give rise to meanings of "yacht" and "cloud."

Since the Trademark is a trademark that consists of only characters and the Used Trademark is a trademark that consists of characters and figures, although the trademarks are different from each other in appearance, character parts are almost identical.

Since the Trademark is a made-up word, it cannot be compared with the Used Trademark in their meanings.

Pronunciation is identical for the Trademark and the Used Trademark. Since trademarks consisting of a word mark are often used by their pronunciations, two trademarks having the identical pronunciation are similar trademarks to each other and may cause confusion.

(4) Regarding similarity between the Cited Trademark and Used Trademark

Excluding characters "SPERRY," the Cited Trademark and the Used Trademark completely coincide with each other in the font of "TOP-SIDER," figures, and configuration as a whole.

It is not imaginable that, as a result of Demandee independently adopting the Used Trademark, the font of characters, figures, and the configuration as a whole coincide by chance with the Cited Trademark.

Undoubtedly, Demandee has made the Used Trademark resemble the Cited Trademark, and the Used Trademark has features of the Cited Trademark as they are.

Accordingly, the Cited Trademark and the Used Trademark are similar trademarks to each other and may be confused with each other.

(5) Regarding relevance between the goods for which the trademarks are used

The Used Trademark has been used for "shirts" (the goods carrying the Used Trademark) and the goods are covered by Class 25 "non-Japanese style outerclothing" in the designated goods of the Trademark.

While the Cited Trademark is widely known as the trademark that indicates demandant's "shoes" to consumers, and so on, both "shoes" and "non-Japanese style outerclothing" belong to Class 25.

Both "shoes" and "non-Japanese style outerclothing" are the goods to be put on and, it is normally conducted to sell them in the same shop in response to consumer's desire to unify goods with the same brand, and, in fact, Demandant sells "shoes," "clothing," "belts," and so on simultaneously in the U.S.A.

Accordingly, it can be deemed that the goods carrying the Used Trademark and "shoes" for which the Cited Trademark is used are goods having close relevance with each other.

(6) Regarding confusion as to origin of the goods

Demandant has consistently used over 80 years "TOP-SIDER" displayed in the same font, and figures of a yacht and a cloud in the identical design, but sometimes used them with certain variation in other parts.

In addition, the name of Demandant is "Sperry Top-Sider LLC," and "TOP-SIDER" composes a part of the house mark of Demandant.

Furthermore, on the website on which the goods carrying the Used Trademark have been sold, it causes confusion by using the statement "TOP-SIDER - Since its birth in 1935 in the U.S.A., it has been a leading brand for 'deck shoes'" as if the goods carrying the Used Trademark are sold by Demandant (Evidence No. A81).

In the light of prominence of the Cited Trademark, and the degree of similarity between the Cited Trademark and the Used Trademark, if Demandee uses the Used Trademark that closely resembles the Cited Trademark for "non-Japanese style outerclothing," there is a likelihood of mistakenly recognizing with respect to their origin that the goods carrying the Used Trademark are the goods pertaining to the

business of another person who has a relation with Demandant economically or organizationally.

(7) Regarding the owner of non-exclusive right to use of the Trademark

Although no exclusive right to use or non-exclusive right to use has been registered for the trademark right for the Trademark, according to the written reply dated February 8, 2013 from Marui who sold the goods carrying the Used Trademark, The goods carrying the Used Trademark were purchased from Mizujin Co., Ltd. Gifu-shi, Gifu (hereinafter, referred to as "Mizujin") (Evidence No. A82).

In addition, Demande stated in the written reply dated February 4, 2013 that the Trademark was licensed to Mizujin (Evidence No. A83).

Accordingly, the owner of non-exclusive right to use of the Trademark manufactured and sold the goods carrying the Used Trademark, and this constitutes use of the Used Trademark.

(8) Regarding good intentions and supervisory obligation of the owner of trademark right

Since the owner of the trademark right granted a license to use the Trademark to Mizujin, it is clear that the owner of the trademark recognized the use of the Used Trademark and, rather, it is inferred that the owner of a trademark was positively involved in such use.

In the written reply dated February 4, 2013, Demande stated that Demandant granted a license for using the figure according to the Cited Trademark, but there is no such fact.

Surely, Demandant transferred the trademark right for the Trademark in 2000 to BM Planning Co., Ltd. (former name of Demande), but Demandant was obliged to agree to this transfer in order to take back the trademark with Trademark Registration No. 829144 that Demande had obtained preemptively in Japan.

Demande has never been any distributor or owner of right to use the trademark of Demandant, and there is not any fact that Demandant granted to Demande any usage of the Trademark by which Demande is recognized to be the same as Demandant.

Article 53 of the Trademark Act is a provision for preventing negative effect on general consumers caused by abuse of the licensing system and any use that may cause confusion as to origin of the goods should not be allowed even if Demande has received the transfer of the Trademark from Demandant.

(9) Regarding period of exclusion

Since the goods carrying the Used Trademark were sold on January 28, 2013, five years have not elapsed since the day on which use of the trademark was discontinued (Evidence No. A84).

2 Rebuttal against a reply

(1) Regarding well-known character of the Cited Trademark

Demande's allegation is groundless, because of the following reasons.

A Other than the Cited Trademark, Demandant uses "SPERRY TOP-SIDER," "TOP-SIDER," "スペリートップサイダー (superitoppusaida)," and "トップサイダー (toppusaida)" which consist of only characters.

However, since the Cited Trademark is a composite trademark consisting of figures and characters, it is natural that the Cited Trademark is introduced in magazines and so on with only its character part.

Accordingly, the fact that any trademark consisting of only characters is used cannot be any ground that the Cited Trademark is not used so much.

B Magazines in which the Cited Trademark is shown are minor magazines with a small circulation and the number of readers of those magazines is very small compared to the total population of Japan.

However, even if the number of readers of the magazines for the Cited Trademark is very small compared to the total population in Japan, such fact cannot be any ground that the Cited Trademark is not well-known among consumers.

Whether the Cited Trademark is well-known should be judged based not on the total population of Japan but on main consumers for the Cited Trademark.

The "TOP-SIDER" brand became known to consumers who have interest in fashion in line with prevalence of trad fashion in 1970's. It is natural to consider that the Cited Trademark that has been used since that time is remembered by consumers now in their 50 to 60's who were youngsters at that time.

Accordingly, at present, it can be believed that consumers for the goods for which the Cited Trademark is used are mainly from those who still remember the trad fashion boom in the 1970's.

Evidences submitted by Demandant are mainly magazines meant for such consumers, and it can be imagined that even if the circulation of the magazines is not large, the Cited Trademark could be widely known among consumers.

Current condition of the trade should be taken into consideration in judging on well-known character, and it is obvious that the range of main consumers substantially affects well-known character (Evidence Nos. A85 to A88).

C Demandant has used figures other than the "figure of a sailboat."

However, it is normally conducted in the fashion world to use a logo in various figures, and Demandant has continued the use of the "figure of a sailboat" although Demandant used new figures from time to time.

Demandant is a company that was started by the invention of shoes provided with grooves in the sole that do not slip even on the deck of a yacht in 1935 by Paul Sperry, who is the founder of the company.

Since nonslip shoes are the origin of Demandant, and a "yacht" is the figure that symbolizes demandant's goods, the "figure of a sailboat" was adopted as a special trademark that indicates the goods of Demandant since its establishment in 1935 and, since the figure also represents demandant's history and identity, Demandant's has not abolished it and has continued carefully using it even if other figures might be adopted, and, even today, it is used for shoes with grooves in the sole (Evidence Nos. A89 to A91).

D "トップサイダー (toppusaida)" or "TOP-SIDER" does not appear in "FASHION BUSINESS DATA BANK" for 2011 to 2016 (issued by The Senken Shimbun Company).

However, with only the fact that the Cited Trademark does not appear in "FASHION BUSINESS DATA BANK," it cannot be proven that the Cited Trademark is not well-known and prominent.

E The sales volume of "SPERRY TOP-SIDER" shoes is small in Japan

However, the goods "shoes and boots" for which the "figure of a sailboat" and alphabetic characters "SPERRY TOP-SIDER" were used had been continuously sold in Japan since several years before January 2013 that is the time of use of the Trademark.

For the period from 2010 to 2012, the sales volume of "shoes" for which the "figure of a sailboat" and alphabetic characters "SPERRY TOP-SIDER" were used was 52,572 pairs, and the turnover was 314,999,165 yen in Japan (Evidence No. A92).

In addition, for the period from 2012 to 2017, the sales volume and the turnover of only "shoes" for which the "figure of a sailboat" was used was 691,870 pairs, and the turnover was 25,870,594 U.S. dollars in the U.S.A.

For the period from 2012 to 2017, the sales volume and the turnover in total of only "shoes" for which the "figure of a sailboat" was used was 992,507 pairs, and the turnover was 35,630,167 U.S. dollars in the world including Japan and the U.S.A.

Judging from the quantity of "shoes" with the "figure of a sailboat" distributed in the market, it is considered that it is highly possible that consumers mistook the goods carrying the Used Trademark as shoes sold by Demandant.

(2) Regarding the history of the Trademark

The trademark with Trademark Registration No. 829144 that comprises alphabetic characters "TOPSIDER" was preemptively registered by Demandee based on demandant's trademark that was well-known in the U.S.A., taking advantage of the fact that Demandant's trademark had not been registered in Japan.

Since Article 4(1)(xix) of the Trademark Act did not exist at that time, Demandant registered the Trademark for "clothing" and, for taking back the trademark with Trademark Registration No. 829144, was compelled to conclude the "Trademark Transfer Agreement" (Evidence No. B2-1; Evidence No. B2-2 is the translation of Evidence No. B2-1, hereinafter, referred to as the "Transfer Agreement").

The Transfer Agreement does not describe anything about the use of the "figure of a sailboat," and, therefore, the Transfer Agreement between Demandant and Demandee has nothing to do with license for using the "figure of a sailboat."

Namely, the existence of the Transfer Agreement does not mean that Demandant has granted to Demandee a license for using the "figure of a sailboat."

Demandant does not recognize anything about the content of the statement of the U.S. attorney on the occasion of concluding the Transfer Agreement that Demandee alleges, and there is no record on such fact.

There is no such fact that, on the occasion of concluding the Transfer Agreement, Demandant verbally granted to Demandee a license for using the "figure of a sailboat."

In 2002, Demandant had not received any report from the patent attorney with respect to correspondences with the Japanese patent attorney who was the attorney at that time and had never granted any license to use the "figure of a sailboat." The patent attorney made a reply without obtaining any consent from Demandant. Since the patent attorney does not have any power to grant any license to use the "figure of a sailboat," the recognition by the patent attorney cannot have any effect.

Accordingly, there is not such fact that Demandant granted to Demandee any license to use the "figure of a sailboat."

Notwithstanding that Demandant has not granted to Demandee any license to use the "figure of a sailboat," since Marui posted on its website the statement, "トッブサイダー (toppusaida) - Since its birth in 1935 in the U.S.A., it has been a leading brand for 'deck shoes'" and used the "figure of a sailboat," Demandant judged that there is likelihood of confusion with demandant's business and sent a notice letter.

In response to demandee's allegation that the use is legitimate use, Demandant conducted an internal investigation in good faith, but, since no confirmation could be obtained, Demandant requested discontinuation of the use.

It seems that the reason why Marui discontinued using the "figure of a sailboat" was the receipt of the notice letter and it seems that the use would have continued if there were no demand for suspension by Demandant.

(3) Closing

Except that "SPERRY" is displayed comparatively smaller, the Used Trademark and the Cited Trademark are completely identical. It is highly possible that consumers overlook the "SPERRY" part and confuse the goods with those supplied by Demandant.

Article 53 of the Trademark Act imposes punitive measures on irresponsible owners of trademark right as a means to prevent negative effect to general consumers by abuse of the licensing system.

If the Trademark is not canceled and Demandee owns and uses the Trademark, there is likelihood that consumers' interests are harmed in the future also, and, in the light of the purport of the Law, the Trademark should be canceled.

No. 4 Demandee's allegation

Demandee replied that Demandee demands a trial decision to the effect that the registration of the Trademark should be maintained and the cost of the trial should be borne by Demandant, and stated the reason as described in the summary, and submitted Evidence Nos. B1 to B15 (including their branch numbers) and the references.
1 Statement of the reply

(1) Regarding well-known character of the Cited Trademark

Demandant pointed out that the Cited Trademark is still well-known and prominent even now and that if any trademark similar to the Cited Trademark is used not for the designated goods of the Cited Trademark but for "clothing," traders or consumers could get confused as to the origin of the goods.

However, it cannot be deemed that the Cited Trademark was a well-known and prominent trademark in January 2013 when the Used Trademark was used.

Although Demandant alleges that the Cited Trademark has been well-known and prominent since 1979 until today, only ten evidences among Evidence Nos. A4 to A77 carry the Cited Trademark (Evidence Nos. A7, A37, A42, A45, A49 to A51, and A65 to A67), and, among them, Evidence Nos. A50 and A66 have a figure that is a little different from the "figure of a sailboat" used before, and, in addition, Evidence Nos. A42 to A67 seem to have a part of the "figure of a sailboat," but it is not clear whether it is the "figure of a sailboat."

Other evidences carry "SPERRY TOP-SIDER," "TOP-SIDER," "スペリー トップサイダー (superitoppusaida)," or "トップサイダー (toppusaida)" consisting of only characters.

As described above, the Cited Trademark has not been published much in media.

In addition, magazines in those evidences "2nd (Evidence Nos. A33 to A53), "Lightening" (Evidence Nos. A54 to A56), "GRIND" (Evidence Nos. A57 to A60), "MEN'S NON-NO" (Evidence Nos. A61 and A62), "Begin" (Evidence Nos. A63 and A64), "Free Easy" (Evidence No. A65), "Men's EX" (Evidence No. A66), "Safari"

(Evidence No. A67), "GQ JAPAN" (Evidence No. A68), "Gainer" (Evidence No. A69), "BE-PAL" (Evidence No. A70), "FINE BOYS" (Evidence No. A71), and "ALL about USA" (Evidence No. A72) were issued in the period between 2009 and 2013, the circulations of those magazines are about 160 thousand for the largest one and about 40 thousand for the smallest one and they are minor magazines with very small circulation.

In addition, the number of persons who read those magazines is quite small compared to the number of nationals of Japan, 100 million.

Some of those magazines have a figure other than the "figure of a sailboat" (Evidence No. A51). This dovetails with the fact, on the occasion of transfer of the Trademark from Demandant to Demandee, Demandant's attorney stated that Demandant would not use the "figure of a sailboat" in the future and would use a new figure as stated below.

As described above, Demandant has not consistently used since 1935 "figure of a sailboat."

In addition, "トップサイダー (toppusaida)" or "TOP-SIDER" does not appear in "FASHION BUSINESS DATA BANK" for 2011 to 2016 (issued by The Senken Shimbun Company).

Furthermore, the sales volume of demandant's "SPERRY TOP-SIDER" shoes in Japan as submitted by Demandant (Evidence No. A78) was 13,689 pairs in 2013, 164,401 pairs in 2014, and 219,121 pairs in 2015, and, in 2013 in which the Trademark was used, it was only 13,000 pairs.

Taking such situations into consideration, it cannot be deemed that, as of 2013, the Cited Trademark of Demandant was well-known and prominent beyond its designated goods.

(2) Regarding the history of the Trademark

A Demandant's predecessor, Sperry Top-Sider Inc. (hereinafter referred to as "Sperry Top-Sider") filed the application for registration of the Trademark in 1978 for clothing and so on as the designated goods, and the Trademark was registered on September 27, 1985.

On the other hand, Demandee owned the trademark with Trademark Registration No. 829144, "TOPSIDER" and the trademark with Trademark Registration No. 2213223, "NEW TOPSIDER" for the designated goods "Footwear."

B Under such situation, the Japanese patent attorney who was the attorney for STRIDE RITE CORPORATION that had been managing the Sperry Top-Sider trademark offered transfer of the two registered trademarks to Demandant on condition that the trademark right for the Trademark should be transferred to Demandee, and through negotiations between the parties, the Transfer Agreement was concluded on April 1, 2000.

On that occasion, it was included in the agreement to abandon trademark rights in trademarks owned by Demandant side, the trademark with Trademark Registration No. 1768761 "SPERRY TOP-SIDER + sailboat figure" Class 17, the trademark with Trademark Registration No. 1768762 "SPERRY TOP-SIDER" Class 17, and the trademark with Trademark Registration No. 3206150 "SPERRY + sailboat figure" Class 25.

The U.S. attorney for STRIDE RITE CORPORATION visited Japan and the Transfer Agreement was executed in Japan in the presence of the Japanese patent attorney.

On the occasion of concluding the Transfer Agreement, the U.S. attorney requested Demandee to use the identical figure for the "sailboat" so that the image of "TOP-SIDER" brand should not be degraded through rollout of demandee's goods in Japan, and it was requested that the name of the founder, "Paul Sperry" should be used only in rolling out "shoes" and Demandee agreed to it.

In addition, on that occasion, the U.S. attorney stated that Demandant would not use the "figure of a sailboat" used before and a new figure would be used.

The trademark right of the Trademark was transferred to Demandee on May 25, 2000 (Evidence No. A2).

C Later, Demandee concluded a license agreement for the Trademark with Baisu Corporation (hereinafter, referred to as "Baisu") in 2002, and, when Baisu used the trademark "TOP-SIDER with a figure of a sailboat" for casual wear, Baisu received a questionnaire from the Japanese patent attorney who was the attorney for Demandant.

In response to the questionnaire, Demandee explained to the Japanese patent attorney, and so on that Baisu was a licensee of Demandee, and, later, the patent attorney apologized. This means that demandant's attorney in Japan had recognized that Demandee might use so-called "figure of a sailboat" on the occasion of transfer of the Trademark to Demandee.

D In January 2013, Mizujin which has obtained the right of use from Demandee, and Marui which had purchased the goods from Mizujin and sold the goods received a notice letter to demand discontinuation of the use of the Trademark and payment of damages.

The use of the Trademark by Mizujin was carried out in accordance with the request by Demandee to use the "sailboat figure" as verbally requested on the occasion of conclusion of the Transfer Agreement for the Trademark from Demandant side, and Demandee has granted a license to use the Trademark including the use of the figure.

In place of Mizujin and Marui, Demandee replied to Demandant and alleged that the use was based on the Transfer Agreement with Demandant and was a legitimate use.

In addition, Demandee requested Demandant to confirm the points with the U.S. attorney of the management company for Demandant at that time, STRIDE RITE CORPORATION.

However, Demandant informed Demandee that the attorney for STRIDE RITE CORPORATION could not be contacted, and required to discontinue the use of the Trademark, and so on.

On the other hand, Demandee explained to Mizujin the history of the Transfer Agreement, but Mizujin discontinued after the arrival of the letter production of clothing carrying the Trademark, and Marui discontinued the sale of the same.

After that, there has been no demand for that from Demandant and three years have elapsed. On the other hand, Demandee and the owner of non-exclusive right to use have never used the "the figure of a sailboat" pointed out by Demandant since receipt of the notice letter from Demandant.

(3) Regarding willfulness of Demandee and the user

As described above, Demandee had believed until receiving the notice letter requiring discontinuation of use that Demandant accepted using the Trademark together with the "figure of a sailboat" in the Cited Trademark of Demandant, and Demandee has used the Trademark in good faith since the transfer of the Trademark from Demandant.

Furthermore, when the notice was received in January 2013, Demandee responded in good faith and unavoidably discontinued the use of the Trademark to meet the requirement by Demandant.

Therefore, Demandee and the owner of non-exclusive right to use did not recognize that the use of the Trademark could cause mistaken recognition for the Cited Trademark.

Accordingly, the use of the Trademark by Mizujin and Marui pointed out by Demandant does not obviously fall under unauthorized use under Article 53(1) of the Trademark Act.

(4) Closing

As described above, the Cited Trademark alleged by Demandant could not be deemed to be well-known and prominent as of 2013, and, even if it was well-known, Demandee and so on did not recognize that there was likelihood of mistaken recognition for the Cited Trademark.

2 Written reply (second, dated September 19, 2017)

(1) Regarding submitted magazines

With respect to the fact that the circulation of submitted magazines is quite small, Demandant alleges that "consumers for the Cited Trademark were dominated by those who remember trad fashion boom who are in their 50's or 60's and the magazines submitted by Demandant are mainly meant for such consumers and it can be imagined that even if the circulation of the magazines is not large, the Cited Trademark could be widely known among consumers. Current condition of the trade should be taken into consideration in judging on well-known character, and it is obvious that the range of main consumers substantially affects well-known character."

However, since main target of the submitted magazines, for example, "2nd" that is a fashion magazine for male young adults is consumers their 30's to 40's, it can never be believed that they are magazines for readers in their 50's to 60's.

In addition, the "deck shoes" for the Cited Trademark are used on decks of yachts and boats, but they are purchased as casual shoes for young to middle aged general male consumers, and it cannot be believed that consumers in their 50's to 60's who remember trad fashion boom are dominant. It seems that the age-group of consumers is dominated by younger generations.

Consumers of "deck shoes" with the Cited Trademark are not limited to any specific persons as shown in the legal precedence (Evidence Nos. A85 to A88).

(2) Regarding the sales volume

Also, looking at sales volume of demandant's shoes with "SPERRY TOP-SIDER" in Japan (Evidence No. A92), it is quite small, as about 9800 pairs for a year from March 2010 to February 2011, 12,075 pairs for a year from March 2011 to February 2012, and 30,716 pairs in a year from March 2012 to February 2013, and the yearly average is 17,530 pairs.

The worldwide average annual sale volume for five and a half years from 2012 to 2017 is 180 thousand pairs per year, and the turnover is 710 million yen. For comparison, the annual turnover of Regal Corporation that sells "REGAL" shoes is 36,300 million yen (searched on the Internet).

No. 5 Judgment by the body

1 Regarding Article 53(1) of the Trademark Act

Cancelation of trademark registration under the provision of Article 53(1) of the Trademark Act requires that (1) a holder of an exclusive right to use or a non-exclusive right to use, (2) in connection with the designated goods or designated services or in connection with the goods or services similar thereto, (3) uses a registered trademark, or a trademark similar thereto, (4) in a manner that misleads as to the quality of the goods or services or causes confusion in connection with the goods or services pertaining to the business of another person.

2. Regarding similarity between the Trademark and the Used Trademark

(1) Regarding the Trademark

The Trademark consists of the characters of "TOP-SIDER" horizontally written, and they give rise to a pronunciation of "トッフサイダー (toppusaida)" and, since the alphabetic characters are English words that mean "a topsider [of an organization], a leader [of the government]" and so on (Evidence No. A75), they give rise to a meaning "topsider, leader."

(2) Regarding the Used Trademark

The goods carrying the Used Trademark have a collar tag, pager tags, and so on which carry the Used Trademark (Evidence No. A79), and on the website, "Marui web channel" printed on January 28, 2013, the Cited Trademark was introduced under the representation of "トッフサイダー (TOP-SIDER)" that is the origin of the Cited Trademark together with a statement, "トッフサイダー (toppusaida) - Since its birth in 1935 in the U.S.A., it has been a leading brand for 'deck shoes'" (Evidence No. A81).

In addition, as shown in Attachment 2, the Used Trademark has a configuration in which alphabetic characters "TOP-" a figure of a yacht and alphabetic characters "SIDER" are arranged inside a figure that evokes a cloud (Evidence Nos. A79 and A81).

As described above, the Used Trademark comprises a figure that evokes a cloud, a figure of a yacht, and alphabetic characters "TOP-" and "SIDER," and in such configuration, the alphabetic character part "TOP-SIDER" is prominently displayed in the figure, and this gives rise to the pronunciation "トッフサイダー (toppusaida)," and since the alphabetic characters have a meaning of a "topsider, leader," they give rise to the meaning of a topsider, leader.

(3) Regarding similarity between the Trademark and the Used Trademark

The Trademark consists of alphabetic characters "TOP-SIDER" horizontally written, and, as shown in Attachment 2, since the Used Trademark contains alphabetic characters "TOP-SIDER" in its configuration, the Trademark and the Used Trademark should be deemed as similar trademarks that have the appearance of alphabetic characters "TOP-SIDER," and pronunciation of "トッフサイダー (toppusaida)" and meaning of "topsider, leader" in common even if appearance as a whole configuration are different from each other.

3 Regarding the user of the Trademark and the goods carrying the Used Trademark

The goods carrying the Used Trademark have a collar tag, pager tags, and so on which carry the Used Trademark (Evidence No. A79) are purchased by Marui from Mizujin (Evidence No. A82) and, since the owner of trademark right has granted a license to use the Trademark to Mizujin (Evidence No. A83), Mizujin can be deemed to be an owner of non-exclusive right to use of the Trademark.

Then, it can be deemed that the owner of non-exclusive right to use of the Trademark, Mizujin has attached the Used Trademark to the goods carrying the Used Trademark and transferred or delivered the goods to Marui.

In addition, the goods carrying the Used Trademark are the goods covered by Class 25, "Shirts and the like" in the designated goods of the Trademark.

4. Regarding likelihood of confusion

(1) The degree of similarity between the Cited Trademark and the Used Trademark

As shown in Attachment 1, the Cited Trademark has a configuration in which comparatively smaller alphabetic characters "SPERRY" and alphabetic characters "TOP-", a figure of a yacht and alphabetic characters "SIDER" beneath "SPERRY," inside a figure that evokes a cloud.

In the configuration of the Cited Trademark that comprises a figure that evokes a cloud, a figure of a yacht, and alphabetic characters, "SPERRY," "TOP-" and "SIDER," while the alphabetic characters "SPERRY" can be deemed to be a kind of a made-up word that has no specific meaning, since alphabetic characters "TOP-" and "SIDER" have a meaning of "topsider, leader," there is no connection in meaning between the alphabetic character parts and figure parts, and, since the alphabetic character parts "TOP-" and "SIDER" are prominently displayed in the configuration, the alphabetic character parts give rise to the pronunciation of "トップサイダー (toppusaida)" and the meaning of "topsider, leader."

As shown in Attachments 1 and 2, although there is a difference in existence/non-existence of alphabetic characters "SPERRY," since the Cited Trademark and the Used Trademark have in common the shapes of the figure that evokes a cloud, alphabetic characters "TOP-," the figure of a yacht, and alphabetic characters "SIDER" arranged inside the figure that evokes a cloud, and their arrangements are also identical, they closely resemble each other.

In addition, the Used Trademark and the Cited Trademark have in common the pronunciation of "トップサイダー (toppusaida)" and the meaning of "topsider, leader."

Accordingly, it can be recognized that the Cited Trademark and the Used Trademark are very similar to each other in their appearances, and have common pronunciation and meaning, and the degree of their similarity is quite high.

(2) Regarding the degree of relevance between the goods carrying the Used Trademark and the goods carrying the Cited Trademark

Since the goods carrying the Used Trademark, "shirts and the like" are "items to be worn as a cloth to be worn between an outer and an underwear or an outer cloth for the upper body such as an underwear or shirts," their consumers are general consumers.

On the other hand, the goods on which the Cited Trademark is used "shoes (deck shoes)" are "shoes to be used on decks" (both are from Kojien, 6th edition), but, since the goods have been introduced as "shoes" that are the goods related to general fashion (Evidence Nos. A5, A6, A34, A38, A41, A45, A47, A50, etc.), their consumers are general consumers.

Then, since the goods carrying the Used Trademark and the goods carrying the Cited Trademark are clothing-related goods daily used by wearing and their consumers are general consumers, although they are used for different purposes and their qualities

are different from each other, they are the goods that have high relevance with each other for common place of sale and consumers.

(3) Regarding the degree of originality and well-known character of the Cited Trademark

A Regarding the degree of originality

Since the alphabetic character part "TOP-SIDER" in the configuration of the Cited Trademark consists of English words that have the meaning of "a topsider [of an organization], a leader [of the government]" and so on (Evidence No. A75), it does not have any originality, but the configuration as a whole that comprises the alphabetic character part "SPERRY," a figure that evokes a cloud, and a figure of a yacht can be deemed to have high originality.

B Regarding well-known character

(A) Demandant's allegation and evidences submitted by Demandant are as follows:

In 1935, Demandant developed goods provided with fine grooves in the sole, "shoes (deck shoes)," and named the goods "TOP-SIDER" and launched in the U.S. market (Evidence Nos. A4, A27, A28, A37, A42, A45, A47, A48, A57, A65, and A67).

On the other hand, in Japan, demandant's goods "shoes (deck shoes)" were displayed in a footwear store in Ginza around 1971 (Evidence No. A48), and, in 1974, distribution in Japan was commenced (Evidence No. A65). In 1988, Asics Corporation sold the goods, and, in 1993, Achilles Corporation acquired exclusive sales right in Japan, and commenced the sale of the goods (Evidence No. A14). Later, in September 2011, Collective Brands that operates specialized shops for shoes centering on the U.S.A. concluded a distributor agreement for Japan, and ABC Mart conducted sales (Evidence Nos. A28 to A31).

(B) According to newspapers, magazines, and so on submitted by Demandant (Evidence Nos. A5 to A72), the Cited Trademark (including trademarks that can be deemed identical with the Cited Trademark from a generally accepted perspective) appeared in July 1977 issue of the magazine "POPEYE," (Evidence No. A5), the magazine "The KAZI" (Evidence No. A7 issued on April 1, 1981), the magazine "2nd" (Evidence No. A34 issued on July 1, 2007), July 2009 issue (Evidence No. A42), August 2009 issue (Evidence No. A43), July 2010 issue (Evidence No. A45), August 2011 issue (Evidence No. A49), September 2011 issue (Evidence No. A50) and July 2012 issue (Evidence No. A51) of the magazine "2nd," June 2010 issue of the magazine "Free & Easy" (Evidence No. A65), August 2011 issue of the magazine "MEN'S EX" (Evidence No. A66), and June 2012 issue of the magazine "Safari" (Evidence No. A67) displayed on inside bottom of the goods "shoes (deck shoes)," or displayed in introductions of the goods.

(C) In each of the evidences, alphabetic characters or katakana characters "SPERRY TOP-SIDER" (Evidence Nos. A34, A42, A45, A47, A51, A52, A54, A57, A59, A60, A62 and A67), "SPERRY TOP SIDER" (Evidence Nos. A50 and A56), "TOP-SIDER" (Evidence Nos. A37, A45, A58, A59, A66, A68 and A72), "トップ・サイダー (toppu-saida) (トッフサイダー (toppusaida))" (Evidence Nos. A5 to A8, A11, A13, A20 to A25, A33 to A37, A39 to A41, A43, A44, A46 to A48, A50 to A52, A55, A57 to A59, A61, A66, A70, and A72), or "スペリートッフサイダー (superitoppusaida)" (Evidence Nos. A10, A14 to A19, A26 to A32, A38, A42, A49, A50, A52, A53, A56, A60, A64, A65, A67, A69, and A71) were used for introduction of the goods "shoes."

(D) With respect to the sales of the goods, "shoes" that carry the Cited Trademark, Demandant stated that 52,572 pairs were sold with turnover of 314,999,165 yen in Japan for the period from 2010 to 2012, and 992,507 pairs with turnover of 3,563,167 U.S. dollars worldwide for the period from 2012 to 2017.

B According to the above A, Demandant named the goods "shoes (deck shoes)" as "TOP-SIDER" in 1935 and commenced sale in the U.S.A., and it can be deemed that, since around 1971, the goods have continuously been imported and sold in Japan, although there were changes in importers.

C In Demandant's goods, "shoes (deck shoes)," the Cited Trademark (including trademarks that can be deemed identical with the Cited Trademark from generally accepted perspective) is displayed on the inside sole of shoes, and, since July 2007 and on, it has been displayed as "SPERRY TOP-SIDER," "SPERRY TOP SIDER," "トッ プ・サイダー (toppu-saida) (トッフサイダー (toppusaida))," or "スペリートッフ サイダー (superitoppusaida)," and displayed and advertised in the magazines, newspapers and so on listed in above A, (B).

A part of sales of demandant's goods, "shoes (deck shoes)" was about 520,000 pairs for three years from 2010 to 2012, and about 1 million pairs worldwide in six years from 2012 to 2017.

Then, it can be deemed that, as a result of use of the Cited Trademark for many years for demandant's goods "shoes (deck shoes)," as of January 28, 2013 on which a photograph of a shirt that carries the Used Trademark was posted on the website of "Marui web channel" (above 2, (2)), the Cited Trademark was known among traders and consumers in Japan to some extent as a trademark representing the goods pertaining to Demandant's business "shoes (deck shoes)."

(4) Whether the trademark was used in a manner that is likely to cause confusion

A The Cited Trademark has high originality, and, as a result of use for many years for demandant's goods "shoes (deck shoes)," as of January 28, 2013 on which a photograph of a shirt that carries the Used Trademark was posted on the website of "Marui web channel," the Cited Trademark was known among traders and consumers of "shoes (deck shoes) in Japan to some extent as a trademark representing the goods pertaining to Demandant's business "shoes (deck shoes)."

In addition, it is acknowledged that the Used Trademark closely resembles the Cited Trademark and the goods for which those trademarks are used are the goods that have high relevance with each other for common place of sale and consumers.

B The owner of non-exclusive right to use of the Trademark (Mizujin) used the Trademark in the configuration aspect of the Used Trademark as described in the above 2, for goods carrying the Used Trademark covered by its the designated goods as described in the above 3. Since the figure that evokes a cloud and the figure of a yacht contained in the configuration of the Used Trademark do not exist in the configuration of the Trademark and they are recognized as intentionally added, the mode of use of the Trademark cannot be deemed to be within the scope of legitimate use from generally accepted perspective.

In addition, as described in above 2,(2), the goods carrying the Used Trademark were introduced for sale by posting the message, "トッフサイダー (toppusaida) - Since its birth in 1935 in the U.S.A., it has been a leading brand for 'deck shoes'" that can be deemed to be the history of the Cited Trademark, on "Marui web channel" (Evidence No. A81).

C Judging from the above, as of January 28, 2013, it should be deemed that the act of the owner of non-exclusive right to use of the Trademark displaying the Trademark on goods carrying the Used Trademark "shirts" covered by the designated goods by configuration aspect of the Used Trademark that closely resembles the Cited Trademark and transferring or delivering the goods, and the fact that the goods were posted on a website together with the history of the Cited Trademark for sale, evoke that the goods carrying the Used Trademark have relevance with the goods pertaining to Demandant's business "shoes (deck shoes)."

Accordingly, the act by the owner of non-exclusive right to use of the Trademark is recognized as causing confusion that the goods pertain to business of another person (Demandant).

(5) Whether the owner of trademark right of the Trademark was aware of the fact

While Article 53(1), proviso of the Trademark Act sets forth that "provided, however, that this shall not apply to the case where the holder of trademark right was not aware of the fact and using due care," and, in order to avoid application of the provisions in the body text of Article 53(1) of the Trademark Act, Demandee needs to allege and prove that the owner of trademark right of the Trademark was not aware of the act that may cause confusion of the goods by the owner of non-exclusive right to use, and paid due care, Demandee states in the written reply in the trial on ground that "it was requested to use the identical figure for the 'sailboat'," that "the use of the Trademark by Mizujin is under a license granted by Demandee to Mizujin, ... including the use of the figure."

Then, it can be inferred that the owner of trademark right of the Trademark knew the fact of use of the Used Trademark by the owner of non-exclusive right to use on the goods carrying the Used Trademark.

5 Demandee's allegation

Since Demandee alleges that "on the occasion of concluding the Transfer Agreement, the U.S. attorney requested Demandee to use the identical figure for the 'sailboat' so that the image of 'TOP-SIDER' brand should not be degraded through rollout of demandee's goods in Japan," it will be examined below.

(1) Regarding the background of acquisition of the Trademark

Based on the Transfer Agreement concluded on April 1, 2000 between the predecessor of Demandant, "Sperry Top-Sider Inc." (hereinafter, referred to as "former Sperry") and BM Planning Co., Ltd. (hereinafter, referred to as "BM") (Evidence No. B2-1), transfer of the Trademark to MB was registered on May 25, 2000, and, later, the registered title holder was changed with the reception date of August 26, 1999 to the owner of trademark right of the Trademark (Evidence No. A2).

In addition, based on the Transfer Agreement, the transfer of the trademark right of the trademark with Trademark Registration No. 829144 "TOPSIDER" for the designated goods "shoes" to "former Sperry" was registered on May 25, 2000, and, later, the registered title holder was changed with the reception date of August 31, 2011 to Demandant (by ex officio survey).

Judging from the above, it can be deemed that former Sperry and MB agreed that former Sperry uses the trademark consisting of characters "TOP-SIDER (TOPSIDER)" for the goods "shoes and the like" and so on, and BM uses the same for "clothing" and so on.

On the other hand, Demandee alleges that it has recognized that on the occasion of concluding the Transfer Agreement between former Sperry and BM, the U.S. attorney for former Sperry requested BM to use the identical figure for the "sailboat" so that the image of "TOP-SIDER" brand should not be degraded through rollout of BM's goods in Japan, and BM agreed to it.

(2) According to the above (1), although it can be deemed that there was an agreement in the past that Demandant uses the trademark consisting of characters, "TOP-SIDER (TOPSIDER)" for the goods "shoes and the like" and so on and the owner of trademark right of the Trademark uses the same for "clothing" and so on, the Transfer Agreement does not have any description that proves that Demandee "was requested to use the identical figure for the 'sailboat,'" and Demandee has not submitted any document that proves such fact.

Then, the owner of trademark right of the Trademark having recognized that Demandant had been using the Cited Trademark for the goods "shoes (deck shoes)," the owner of trademark right of the Trademark allowed the owner of non-exclusive right to use to use the Trademark in a configuration that closely resembles the Cited Trademark as seen in the Used Trademark for the goods "shirts," and it cannot be deemed that demandant's consent to it has been obtained.

Accordingly, Demandee's above allegation cannot be accepted.

6 Summary

As described above, the owner of non-exclusive right to used a trademark that resembles the Trademark for the goods "shirts" covered by the designated goods causing confusion that the goods pertain to business of Demandant (another person) "shoes (deck shoes)," and, since it cannot be deemed that due care was exercised in the case in which the owner of trademark right of the Trademark was not aware of such fact, the Trademark should be canceled under the provisions of Article 53(1) of the Trademark Act.

Therefore, the trial decision shall be made as described in the conclusion.

March 22, 2018

Chief administrative judge: HAYAKAWA, Fumihiro
Administrative judge: TANAKA, Kyoko
Administrative judge: HIRASAWA, Yoshiyuki

Attachment 1 (Cited Trademark)



Attachment 2 (the Used Trademark)

