

"PALM SPRING POLO CLUB" case
(Protection of well-known trademarks)
Supreme Court
Case Hei12 (Gyo-hi) No.172(July 6, 2001)

FACTS

The applicant filed a trademark application for "PALM SPRING POLO CLUB/パー
ムスプリングポロクラブ" ("パームスプリングポロクラブ" are Japanese katakana (片仮
名) syllabary rendering " PALM SPRING POLO CLUB") (hereafter called "subject
trademark) in respect of clothing such as outerwear, coats, etc. (hereafter called
"designated goods") belonging to Class 25 on July 24, 1992.

The Japan Patent Office refused the registration of this application. The appeal
board's decision was that the subject trademark fell under Article 4(1)(xv)^(*1), explaining
as follows:

In case the subject trademark is used for the designated goods, consumers and
dealers see the word "POLO" or "ポロ"(Katakana syllabary rendering "POLO")
contained in it and call to mind the trademarks consisting of "POLO" or "ポロ" (the cited
trademarks) used by Ralph Lauren. Therefore there is a likelihood of confusion over the
source of the goods for which the subject trademark is used with those pertaining to his
business or to the business of those who have a certain economic or organizational
relationship with Ralph Lauren.

DISPOSITION IN THE LOWER COURT

The applicant filed a suit for revocation of the appeal decision with the Tokyo
High Court.

The Tokyo High Court revoked the appeal decision for the following reasons:

1. At the time of the application of the subject trademark, it was widely known in
Japan that the word "polo" or "ポロ" means the sport of polo. In case the word "POLO"
or "ポロ" is contained in a composite trademark, whether the cited trademarks
pertaining to Ralph Lauren are called to mind or not should be judged concretely and

individually on the assumption of strong distinctiveness of the cited trademarks.

2. "PALM SPRING" is widely known in Japan as a resort area in the U.S.A. Therefore dealers and consumers of the designated goods are perceived to naturally think that the subject trademark means a polo club located in Palm Spring. Even taking the degree of famousness of the cited trademarks into consideration, it is inconceivable that the subject trademark calls to mind a fan club for Ralph Lauren's polo clothing located in Palm Spring and that the cited trademarks are immediately called to mind by focusing only the word "POLO" or "ポロ" .

3. Consequently, when the subject trademark is used for the designated goods, their consumers and dealers do not call the cited trademarks to mind.

The JPO, therefore, filed a suit for revocation of the Tokyo High Court's judgment with the Supreme Court.

ISSUE

In case the cited trademarks are well known, even if their degree of originality is low in comparison with that of coined trademarks, is the subject trademark a trademark which "is likely to cause confusion in connection with the goods or services pertaining to a business of another person" under Article 4(1)(xv)?

HOLDING

The Supreme Court revoked the Tokyo High Court's decision, reasoning as follows:

1-(1) The subject trademark is not indivisible. In the actual transactions respecting ease and speed, it can be pronounced and written in abbreviated form.

1- (2) It must be said that the degree of originality of the cited trademarks is low in comparison with that of coined trademarks. But considering that the consumers of the designated goods (clothing, etc.) are ordinary people, the degree of attention in buying them is thought to be not high. Accordingly, in thinking about whether the subject trademark falls under Art. 4(1)(xv), it is unreasonable to attach importance to the low originality of the cited trademarks.

1-(3) As explained in the judgment of the Tokyo High Court, the idea of a polo

club located in Palm Spring can spring from the subject trademark. But it often occurs that several ideas come from one trademark. Considering the high degree of famousness of the cited trademarks and the commonality of the goods and their consumers, "POLO" or "ポロ" in the subject trademark is easily expected to draw the attention of consumers when the subject trademark is used for the designated goods. Therefore, it can be thought to cause consumers to associate the goods with the business of Ralph Lauren, his company, or that of those related to them as well as the above-mentioned idea.

2 The subject trademark causes confusion over the source of the goods by making the consumers and dealers seeing it call to mind the cited trademarks. In case it is registered, it is thought that such a registration is likely to cause free-riding on the cited trademarks and their dilution. Accordingly, it is reasonable to judge the subject trademark to be a trademark which "is likely to cause confusion in connection with the goods or services pertaining to a business of another person" pursuant to Article 4(1)(xv). The fact that the degree of originality of the cited trademarks is low in comparison with that of coined trademarks dose not affect this judgment.

(*1) Article 4(1)(xv)

Article 4 (1) Notwithstanding the preceding Article, no trademark shall be registered if the trademark:

...

(xv) is likely to cause confusion in connection with the goods or services pertaining to a business of another person (except those listed in items (x) to (xiv) inclusive)....