

8 “Actual State of Transactions” that are Taken into Consideration in Litigation Annuling of JPO Trial Decision on Trademark ^(*)

A judgment of trademark similarity or dissimilarity is made in a general and comprehensive manner by taking “actual state of transactions” and other factors into consideration in addition to the conventional three factors, i.e., appearance, pronunciation, and concept of the trademark.

In some cases, however, a JPO trial decision was revoked by a court due to a discrepancy in the result of proceedings between a JPO trial and a court trial (a lawsuit to seek revocation of a JPO trial decision). Such discrepancy is attributable to the differences in the way “actual state of transactions” are taken into consideration. Consequently, demandants of a trial are concerned that the predictability of a JPO trial decision has decreased.

Against this background, we conducted research on the following four points: (1) the current way of taking “actual state of transactions” into consideration in the process of making a JPO trial decision or a court judgment (research on JPO trial decisions and court judgments), (2) the way of taking “actual state of transactions” into consideration in the course of proceedings and the future approach, etc. (domestic interview survey on experts), (3) the way of taking various factors into consideration, such as the manners of transactions, traders, and consumers (interview survey on industry groups), and (4) the way in which overseas IP offices or courts take “actual state of transactions” and other factors into consideration (overseas survey). The results of this research are examined from the following three perspectives: (1) the actual state of transactions that are currently taken into consideration in the process of making JPO trial decisions and court judgments, (2) the difference between industries in terms of the manners of transactions, etc. and (3) the future approach to “actual state of transactions” that should be taken into consideration in the process of assessing trademark similarity or dissimilarity, etc.

I Introduction: Background and Purpose of This Study

The Trademark Act has a provision specifying that no person may register a trademark identical or similar to another person’s registered trademark claimed in a prior application. Since the revision of the Trademark Examination Guidelines in 2007, in a case that is subject to this provision, if the applicant submits explanatory or evidential materials about the “actual state of transactions” of the holder of the cited registered trademark, the JPO has been permitted to take those materials into consideration as a part of the data the JPO uses to determine “actual state of transactions.” Since the revision, it has been considered to be reasonable for a court to take actual state of transactions into consideration when making a judgment on the similarity between designated goods or designated services, the similarity between trademarks, the level of consumer recognition, etc.

However, in order to examine “actual state of

transactions,” comprehensive consideration of various factors would be necessary such as the “actual state of transactions” adopted for each of the designated goods or services (e.g., locations of sale, the manner of sale, traders, and consumers), the composition of the trademark, and the level of consumer recognition. In some cases, it is extremely difficult for JPO examiners to obtain information on these factors on their own authority.

After the JPO makes a trial decision on a trademark, if a lawsuit is filed in order to seek revocation of the trial decision, the trial decision could be revoked by the court in some cases due to the difference between the JPO and the court in the way of taking “actual state of transactions” into consideration. This has made it more difficult for a demandant of a JPO trial to predict a trial decision.

The purpose of this research study is to examine and analyze the JPO trial decision and court judgment related to a lawsuit to seek revocation of a JPO trial decision on a trademark in which “actual state of transactions” were taken

(*) This is an English translation of the summary of the FY2011 JPO-commissioned research study report on the issues related to the industrial property rights system.

into consideration and to find patterns regarding what actual state of transactions were taken into consideration for each type of designated goods or services in light of the relevant provisions. The findings will be used to prepare basic data for establishment of judgment criteria that may be used when “actual state of transactions” are determined in the course of trademark examination or trademark proceedings.

II Literature Search

The current Trademark Examination Guidelines specifies that a judgment of trademark similarity or dissimilarity shall be made upon comprehensive consideration of such factors as appearance, pronunciation, and concept. Furthermore, these Guidelines require a judgment to be made in consideration of the actual state of transactions adopted for the goods or services for which the trademark is used including the major characteristics of consumers (e.g., experts, seniors, children, or women) and also in consideration of the level of attention that those consumers usually pay.

However, in order to examine “actual state of transactions,” comprehensive consideration of various factors would be necessary such as the manners of transactions of each type of designated goods or designated services, the types of traders and consumers and other factors, the composition of the trademark, and the level of consumer recognition. Therefore, it is difficult for JPO examiners to obtain information on all of these factors on their own authority.

Based on the Supreme Court judgment for the Hyozan Jirushi Case, the Guidelines specify that a judgment of trademark similarity or dissimilarity shall be made under Article 4, paragraph (1), item (xi) of the Trademark Act upon comprehensive consideration of the appearance, concept, and pronunciation of the trademark. The Guidelines also specify that an effort shall be made to gather as much information as possible about the actual state of transactions adopted for the goods or services for which the trademark is used so that such a judgment may be made in consideration of specific actual state of transactions. Furthermore, the Guidelines emphasize the importance of making a judgment based on a comprehensive evaluation of these factors in light of the level of attention that is usually paid by the traders and consumers of the goods or services.

In the judgment for the “Case on the logo of

Hodogaya Chemical Co., Ltd.,” the Supreme Court held that the term “actual state of transactions” refers to general and consistent actual state of transactions adopted for the designated goods or services as a whole and not to special or temporary ones.

In short, in the judgment for the “Hyozan Jirushi Case,” the Supreme Court held that a judgment of trademark similarity or dissimilarity shall be made based on specific actual state of transactions. In other words, the Supreme Court presented its interpretation that it important to take into consideration individual and specific actual state of transactions. Subsequently, the Supreme Court held, in its judgment for the case on the logo of Hodogaya Chemical Co., Ltd., that “actual state of transactions” refers to general and consistent actual state of transactions, demonstrating its interpretation that “actual state of transactions” shall be taken into consideration only if they are general and consistent. Due to such shift in interpretation, “actual state of transactions” have substantially lost specificity.

In some infringement lawsuits (the Dai Shinrin case, Supreme Court Judgment (Third Petty Bench), September 22, 1992, *hanta*[*HANREI TIMES*] no.800, p.169) where the similarity of trademarks was disputed, the Supreme Court cited the Supreme Court judgment handed down for the Hyozan Jirushi Case in 1968 and reversed the judgment of prior instance that determined trademark similarity or dissimilarity without examining specific actual state of transactions, by holding that, even if trademarks are not similar to each other on their own in terms of appearance, concept, and pronunciation, those trademarks may be found to be similar if specific actual state of transactions are taken into consideration.

III Domestic Interview Survey

1 Interview with experts

Many survey respondents presented comments on the Supreme Court judgment handed down in 1974 for the case concerning the logo of Hodogaya Chemical Co., Ltd. (Supreme Court Judgment (First Petty Bench), April 25, 1974, Collection of judgments for lawsuits to seek revocation of trial decisions, 1974, p. 443) as well as comments on the Hyozan Jirushi case handed down in 1968 (Supreme Court Judgment (Third Petty Bench), February 27, 1968, *minshu* (Collection of Court Decisions of Civil Actions),

vol. 22, no. 2, p. 399).

In the judgment for the Hyozan Jirushi case, the Supreme Court held that “an effort must be made to gather as much information as possible about the actual state of transactions adopted for the goods or services so that a judgment may be made in consideration of specific actual state of transactions.” There are two interpretations for “actual state of transactions.” The first one is that the term “actual state of transactions” refers to individual and specific actual state of transactions. The second one is that “actual state of transactions” refers to general and consistent actual state of transactions. This interpretation was presented in the judgment for the case concerning the logo of Hodogaya Chemical Co., Ltd. Many experts presented the interpretation that, chronologically speaking, since the Supreme Court handed down the judgment for the case concerning the logo of Hodogaya Chemical Co., Ltd., after giving the judgment for the Hyozan Jirushi case, “actual state of transactions” should be interpreted as referring to general and consistent actual state of transactions in principle, while individual and specific actual state of transactions may be taken into consideration depending on the situation of the case in question.

Many survey respondents commented that, while the Supreme Court judgment for the case concerning the logo of Hodogaya Chemical Co., Ltd., is not included in *minshu*, if “actual state of transactions” adopted for designated goods, etc., need to be taken into consideration in the course of trademark examination or trial at the JPO, it should be interpreted to mean, as stated in said Supreme Court judgment, that general or consistent actual state of transactions adopted for the designated goods should be taken into consideration.

Other comments from the survey respondents include “While the Supreme Court judgment for the Hyozan Jirushi case stated that individual and specific actual state of transactions shall be taken into consideration when making a judgment of trademark similarity or dissimilarity, the Supreme Court judgment for the case concerning the logo of Hodogaya Chemical Co., Ltd., caused “actual state of transactions” to substantially lose specificity and presented the interpretation that “actual state of transactions” should be taken into consideration only if they are general and consistent.” and “the Supreme Court judgment for the Hyozan Jirushi case stated that a judgment of trademark similarity or dissimilarity

shall be made based on whether there is a likelihood of confusion about the source of the goods. If this holding is literally interpreted, trademarks may be found similar as long as there is a likelihood of confusion or misunderstanding about the source of the goods, even if those trademarks are neither identical nor similar to each other. Such a case should be settled under Article 4, paragraph (1), item (xv). Meanwhile, there is still a theoretical issue as to whether it is possible to make a judgment of trademark dissimilarity under Article 4, paragraph (1), item (xi) on the grounds that there is no likelihood of confusion about the source of the goods in consideration of actual state of transactions, even though the trademarks in question are identical or similar to each other. Unlike item (xv) that refers to the likelihood of confusion, item (xi) specifies that a judgment of trademark similarity or dissimilarity shall be made based on whether the trademarks in question are identical or similar to each other. Therefore, it should be interpreted that any trademark that is judged to be identical or similar to another trademark upon comprehensive consideration of the trademarks from the perspective of appearance, concept, and pronunciation of the trademarks shall be rejected on the grounds that those trademarks are identical or similar to each other.”

Another survey respondent commented that “In the case where “actual state of transactions” are not examined at the stage of the JPO trial, while it is still controversial whether it should be permitted to examine such actual state of transactions in the phase of a lawsuit to seek revocation of the JPO’s decision (please refer to the Supreme Court judgment for the “knitting machine case”), I consider that it should be permitted.”

In consideration of these opinions, the JPO is expected to make a comprehensive judgment of similarity and dissimilarity at the stage of examination and trial, placing greater emphasis on the appearance and concept of the trademark in question.

In many cases, the court takes “actual state of transactions” into consideration in addition to three factors, i.e., appearance, pronunciation and concept, when making a judgment, especially a judgment of trademark similarity or dissimilarity. It is commonly believed that, in principle, the term “actual state of transactions” means general and consistent actual state of transactions in the industry to which the designated goods, etc., belong and that individual and specific “actual

state of transactions” may be taken into consideration depending on the circumstances of the case in question.

However, there is still controversy as to the scope of individual and specific “actual state of transactions.” For example, it remains unclear whether it is permissible to take into consideration temporary actual state of transactions such as how the trademark in question is used or whether the goods carrying the trademark in question are actually traded. We need to wait for future court decisions.

Opinions are divided over to what extent “actual state of transactions” should be taken into consideration and whether it is permissible to take them into consideration at all at the stage of examination and trial at the JPO. In view of the facts that the difference between the number of cases handled by the JPO (the number of applications, the number of requests for JPO trials) and the number of cases handled by the court, the burdens (in terms of time, money and labor) that the JPO has to shoulder to examine “actual state of transactions,” and the likelihood that the trademark in question is not in use yet at the stage of examination or trial at the JPO (no transactions have been conducted yet), many survey respondents commented that it would be more realistic to conduct oral hearings and opinion exchange sessions with the court in order to maintain the current examination and trial practices at the JPO and seek quality improvement.

2 Interview with industry groups

Each industry has its own unique “actual state of transactions.” For example, in the case of the food industry, products, even if they are categorized into the same product category, are subject to different “actual state of transactions.” Therefore, it is necessary to take into consideration the “actual state of transactions” of a particular product. In the case of the textile industry, it is common to see the trademarks indicating the names of materials of thread, cloth, etc., mixed up with the trademarks indicating the names of products. In the case of the pharmaceutical industry, prescribed drugs are marketed through wholesalers, whereas general pharmaceutical products are sold through retailers.

In some cases, the types of traders and consumers of goods differ depending on the distribution route of the goods. In the case of

cosmetic products, there are roughly four patterns in terms of sales methods and distribution routes. In the case of pharmaceutical products, medical pharmaceutical products and general pharmaceutical products are distributed to different types of traders and consumers. For instance, the traders of medical pharmaceutical products include doctors, whereas the traders of general pharmaceutical products do not. The consumers of the medical pharmaceutical products are patients, whereas the consumers of general pharmaceutical products are general consumers.

As to how “actual state of transactions” should be taken into consideration in future proceedings, many of the industry groups that participated in this survey responded that the current method of proceedings has no particular problems. Some of them commented that, at that stage of JPO trial, examination of general “actual state of transactions” would suffice and any party who hopes for more thorough examination of specific “actual state of transactions” should obtain a court judgment by filing a lawsuit to seek revocation of a JPO trial decision.

IV Overseas Questionnaire Survey

The U.S. and Europe (OHIM) have adopted a system that does not permit registration of a trademark identical or similar to another person’s registered trademark claimed in a prior application if such registration is likely to cause confusion among the public. A decision of acceptance or rejection of an application is made not from the perspective of trademark similarity but from the perspective of the possibility of confusion.

Both the USPTO and the OHIM are considered to take actual state of transactions into consideration when assessing the degree of similarity between marks in order to find out whether the marks are likely to cause “confusion.”

According to the U.S. guidelines (TMEP § 1207.01(b)), a judgment of trademark similarity is made by assessing whether the trademarks in question are similar to such an extent that they will cause confusion about the source of the goods or services for which the trademarks are used.

In the case of the OHIM, Part II, Chapter 2 “Likelihood of Confusion” of the manual concerning oppositions specifies the criteria for trademark similarity judgment.

In the U.S., as far as ex parte cases are

concerned, an examiner determines the likelihood of confusion between two trademarks without taking into consideration the evidence concerning the actual use, transaction route, and consumers.

Meanwhile, the OHIM considers that a judgment of similarity or dissimilarity between marks shall be made in an objective manner and shall be made based on a registered prior mark.

In the U.S., as far as lawsuits are concerned, the evidence of actual use is taken into consideration in inter partes proceedings, but not in ex parte cases. However, a court may find it unreasonable to take the evidence of actual use into consideration. In Europe, according to the established precedents, a judgment of the likelihood of confusion is made upon comprehensive consideration of all of the relevant factors. Particularly important factors to take into consideration, among other factors, are the degree of similarity between the trademarks or the designated goods or services, the level of attention paid by consumers, etc. (the likelihood of confusion caused by the marks among consumers, etc.), and the level of consumer recognition of a prior trademark. In this connection, the Court of Justice of the European Communities handed down a judgment for the *Quantième/QUANTUM* case (C-171/06 P), holding that the specific actual state of transactions for sale of goods may not be taken into consideration as relevant factors.

V Research on JPO Trial Decisions and Court Judgments

Recent court cases (the Intellectual Property High Court and the Supreme Court) involving the issue of “actual state of transactions” shows that general and consistent “actual state of transactions” were often taken into consideration, while individual and specific actual state of transactions were taken into consideration in a significant number of court cases.

An examination of whether the actual state of transactions taken into consideration were general/consistent or individual/specific has revealed that no particular tendency may be found for any industry or any category of goods or services. However, this examination has shown that individual and specific actual state of transactions tend to be taken into consideration if the case is about some industry or some category of goods or services where the source-identifying function of a trademark is affected by the

beneficiaries’ directly formed impressions or the beneficiaries’ level of attention.

An examination of the way in which “actual state of transactions” are taken into consideration in the aforementioned court cases shows that, if trademarks are considered to be dissimilar from the three perspectives, i.e., pronunciation, appearance, and concept, “actual state of transactions” tend to be used as an additional factor that supports the judgment of dissimilarity.

In the case of trademarks for which a judgment of similarity or dissimilarity cannot be made from the aforementioned three perspectives, “actual state of transactions” are taken into consideration to make a judgment of similarity or dissimilarity. In the cases where a judgment of similarity is made from the aforementioned three perspectives, “actual state of transactions” are used as an additional factor to support the judgment of similarity, or are, in some cases, taken into consideration to make a judgment of dissimilarity. In either case, the disputed trademark and the cited trademark are first examined from the aforementioned three perspectives and then examined in consideration of other factors in order to make a final judgment as to the possibility of misunderstanding or confusion about the source. In short, actual state of transactions are taken into consideration in order to modify a judgment made from the aforementioned three perspectives. Such modification of a judgment is rarely made in cases where the trademarks in question are found dissimilar from the three perspectives.

In some other cases, “actual state of transactions” are taken into consideration in order to show that there is no possibility of actual use and to deny the likelihood of misunderstanding or confusion.

A study on the typical patterns of 300 major JPO trial decisions and court judgments that took “actual state of transactions” into consideration shows that “actual state of transactions” were taken into consideration in most cases in the process of making a judgment of trademark similarity or dissimilarity. On the other hand, in about one third of the cases, when “actual state of transactions” were taken into consideration, special attention was paid to the following factors: relatedness of goods ((b) similarity between goods), the dominance of any component part of a trademark ((c) composite trademark), and the likelihood of confusion from the perspective of relatedness, etc., in terms of goods or usage ((d) likelihood of confusion).

Examination of the cases that are categorized into the aforementioned patterns (b) to (d) shows no noticeable trend unique to a particular industry or to a particular class of goods or services. However, detailed study has revealed the following tendencies: (b) when a judgment of similarity between goods is made, in light of the fact that the scope of trademark protection covers similar goods as well, “actual state of transactions” tend to be taken into consideration in cases involving goods or services that could be used for many purposes and could be sold through various channels, (c) as far as composite trademarks are concerned, “actual state of transactions” are rarely taken into consideration, while they may be taken into consideration only if any of the component parts of the trademark is distinctive or dominating, and (d) the likelihood of confusion is a factor to take into consideration in order to make necessary modifications, from the viewpoint of traders and consumers, to the degree of similarity in terms of pronunciation, appearance, and concept. Actual state of transactions tend to be taken into consideration particularly in cases involving a well-known trademark or a famous trademark. While no particular industries are known for having an especially large number of such trademarks, the standard for the level of consumer recognition is presumed to be the level of attention commonly paid by traders and consumers.

VI Analysis of the Research Findings and Conclusion

1 Actual state of transactions that are currently taken into consideration in the process of making JPO trial decisions and court judgments

The Supreme Court judgment handed down for the Hyozan Jirushi Case in 1968 has been cited in many court judgments and JPO trial decisions because it set a precedent where the court presented the criteria for judging trademark similarity or dissimilarity. While said Supreme Court judgment introduced the notion of “actual state of transactions,” the Supreme Court did not clarify whether all of the individual and specific actual state of transactions should be taken into consideration in order to judge the likelihood of confusion or only certain types of actual state of transactions, i.e., abstract or formal actual state of transactions, should be taken into consideration

in order to judge the likelihood of confusion. A study of relevant literature shows that no consensus has been built on this issue and that this issue remains controversial.

In the judgment for the “Hyozan Jirushi Case,” the Supreme Court presented the interpretation that “an effort shall be made to gather as much information as possible about the actual state of transactions so that a judgment may be made in consideration of specific actual state of transactions.” Subsequently, the Supreme Court held, in its judgment for the “Case concerning the logo of Hodogaya Chemical Co., Ltd.,” that “actual state of transactions may be taken into consideration only if they are general or consistent actual state of transactions adopted by the designated goods as a whole. They should not be taken into consideration if they are (omitted) special or temporary.” This judgment clearly demonstrated the Supreme Court’s interpretation that actual state of transactions may be taken into consideration only if they are general or consistent. Since then, it has been interpreted that “actual state of transactions” means general or consistent actual state of transactions in principle and that individual or specific “actual state of transactions” may be taken into consideration only if the case in question necessitates it.

A study of JPO trial decisions and court judgments shows that “actual state of transactions” that were taken into consideration in ex parte court cases were general or consistent actual state of transactions in some cases, while they are individual or specific actual state of transactions in other cases.

On the other hand, in the case of court cases (Intellectual Property High Court) including inter partes court cases, “actual state of transactions” tend to be general or consistent in recent court cases, while individual or specific “actual state of transactions” were taken into consideration in a considerable number of court cases as well.

In the meantime, when examining a trademark that is identical or similar to another party’s registered trademark claimed in a prior application, the U.S., and Europe (OHIM) assess the degree of similarity between the marks from the perspective of whether there is a “likelihood of confusion.” The actual use of trademarks and other factors are not taken into consideration in some cases. For example, when the USPTO handles an ex parte case, an examiner assesses the likelihood of confusion in consideration of the evidence of the regular transaction routes and

typical customers but not in consideration of the evidence of the actual use, actual transaction routes, and actual consumers. Similarly, when the OHIM assesses similarity or dissimilarity between the mark in question and the registered prior mark, the actual use does not affect the assessment of similarity or dissimilarity.

On the other hand, as far as court cases are concerned, the USPTO takes into consideration the evidence of actual use, when handling an inter partes case. Meanwhile, the OHIM takes into consideration all of the relevant factors in a comprehensive manner, when assessing the likelihood of confusion.

When handling an ex parte case, both the U.S., and Europe take actual state of transactions and other factors into consideration in order to find out whether the trademarks in question are likely to cause “confusion.” In this case, “actual state of transactions” means general or consistent actual state of transactions in principle, while other factors of the trademarks including the actual use, actual transaction routes, and actual consumers are not taken into consideration.

2 Difference between industries in terms of the manners of transactions, etc.

Each industry has its own unique “actual state of transactions.” For example, in the case of the food industry, due to a diversity in food products, the products that are categorized into the same product category are often subject to different “actual state of transactions.” Therefore, it is necessary to take into consideration the “actual state of transactions” of a particular product. In the case of the textile industry, it is common to see the trademarks indicating the names of materials of thread, cloth, etc., intermingled with the trademarks indicating the names of products.

Traders and consumers of goods differ depending on the distribution route. For example, pharmaceutical products are roughly divided into two categories, i.e., prescribed drugs (medical pharmaceutical products) and OTC drugs (general pharmaceutical products, self-medication products). Medical pharmaceutical products and general pharmaceutical products are distributed to different types of traders and consumers. For instance, the traders of medical pharmaceutical products include doctors, whereas the traders of general pharmaceutical products do not. The consumers of the medical pharmaceutical products are patients, whereas the consumers of

general pharmaceutical products are general consumers.

Regarding the way “actual state of transactions” should be taken into consideration in future proceedings, many of the industry groups that participated in this interview survey commented that they did not find any particular problems with the conventional method of proceedings. Some of the industry groups pointed out that general “actual state of transactions” would suffice at the stage of JPO trial and that any party that hopes for careful consideration of specific “actual state of transactions” should file a lawsuit to seek revocation of a JPO trial decision and obtain a court judgment.

3 Future approach to “actual state of transactions” that should be taken into consideration in the process of assessing trademark similarity or dissimilarity, etc.

Regarding the issue of what actual state of transactions should be taken into consideration in the process of making a judgment of trademark similarity or dissimilarity, there is a precedent where the court held that actual state of transactions shall be taken into consideration only if they are general or consistent in the business field of the designated goods, etc. Since then, courts have adopted this approach, when taking actual state of transactions into consideration.

Since the scope of actual state of transactions is very wide, it would be impossible for the JPO to take into consideration all of the actual state of transactions on its own authority. Under the current system, if the evidence of specific actual state of transactions is submitted to an ex parte JPO trial, those “actual state of transactions” would be taken into consideration. Therefore, it would be reasonable to have the parties concerned submit the evidence of any actual state of transactions that should be taken into consideration. It would be possible to encourage the parties to submit more evidence of “actual state of transactions” at that the stage of JPO trial through active use of such systems as “oral hearing” or “questioning” in the course of proceedings.

There is a view that, if a court has revoked a JPO trial decision based on certain judgment criteria that are different from those based on which the JPO trial decision was made, the JPO should appeal to the Supreme Court and seek correction of the “discrepancy” that the JPO

found in the judgment of the lower court. If there is a wide discrepancy between a JPO trial decision and a court judgment, it might be reasonable for the JPO and the court to make efforts to deepen mutual understanding through opinion exchange sessions and study meetings.

Furthermore, it might be reasonable to make use of the knowledge of a third party by contacting a person knowledgeable about the industry in question and ask for advice concerning what “actual state of transactions” should be taken into consideration.

It should be noted that the evidence submitted by a party concerned at the stage of JPO examination and trial is not necessarily identical with the evidence submitted at the stage of a lawsuit. Furthermore, under the Japanese trademark system, which has adopted the principle of first-to-register, the trademark in question has not been in use yet, in other words, the actual use of the trademark cannot be taken into consideration at the time of the grant of the examiner’s decision. Therefore, when determining, from the perspective of efficiency, how many resources should be spent to examine actual state of transactions and how much effort should be made to collect the evidence of individual actual state of transactions and to take them into consideration, the JPO should take a flexible approach suitable for the characteristics of goods or services on a case-by-case basis.

4 Conclusion

As described above, further efforts need to be made to enhance the method in which actual state of transactions are taken into consideration and to allow the parties concerned, including the demandant of a JPO trial, to benefit from high-quality proceedings and predictable JPO trial decisions.

A judgment of trademark similarity or dissimilarity should be made based not on formal, uniform, inflexible judgment criteria, but on general, comprehensive criteria in consideration of “actual state of transactions.” Otherwise, it would be impossible to establish and maintain a stable and high-quality system of proceedings.

In view of the current method in which “actual state of transactions” are taken into consideration in the phase of JPO examination and trial, it seems impossible to completely resolve the discrepancy between the JPO and a court in terms of the result of proceedings. A further study needs to be conducted to improve

the way proceedings are carried out and to enhance the predictability of the result of proceedings.

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