

Date	March 13, 2014	Court	Intellectual Property High Court, First Division
Case number	2013 (Gyo-Ke) 10226		
– A case in which the court, on the grounds of violation of the prohibition of double jeopardy, rescinded the JPO decision which invalidated the trademark registration in question on the grounds of Article 4, paragraph (1), item (x) of the Trademark Act in response to the request for invalidation trial filed with respect to said trademark registration.			

Reference: Article 56, paragraph (1) of the Trademark Act, Article 167 of the Patent Act

Summary of the Judgment

The plaintiff is the holder of a trademark right for a registered trademark which consists of the alphabetic characters "KAMUI," in standard characters ("Trademark").

In the past, the defendant filed a request for invalidation trial alleging that the Trademark fell under Article 4, paragraph (1), items (x) and (xix) of the Trademark Act. However, the JPO rendered a trial decision to dismiss the request on the grounds that the Trademark fell neither under said item (x) or (xix) (hereinafter this trial decision shall be referred to as the "prior JPO decision"), and this decision has become final and binding.

In this case, the plaintiff instituted an action seeking the rescission of the trial decision rendered by the JPO to invalidate the trademark registration in question ("Trademark Registration") on the grounds that the Trademark fell under Article 4, paragraph (1), item (x) of the Trademark Act in response to a request for a trial for invalidation filed by the defendant alleging that the Trademark fell under either item (vii) or (x) of said paragraph.

The plaintiff alleged, as the grounds for rescission, the errors in the determination regarding the final and conclusive effect of a trial decision ("Ground for Rescission 1") and the errors in the determination made in finding the violation of Article 4, paragraph (1), item (x) of the Trademark Act ("Grounds for Rescission 2"). Regarding Grounds for Rescission 1, the court made the following determinations: [i] "The facts alleged by the defendant with respect to the matter that the Trademark falls under Article 4, paragraph (1), item (x) of the Trademark Act are as follows: [a] the trademark used by the defendant was well known by traders and consumers in Japan as the trademark that the defendant had used for golf clubs at the time of filing of an application for the Trademark Registration and such condition was unchanged at the time when the Trademark was decided to be registered; [b] the Trademark is similar to the trademark used by the defendant; and [c] the designated goods of the Trademark

are similar to the golf clubs for which the defendant's trademark is used. These alleged facts can be recognized to be the same in the prior trial and the trial in question; and [ii] the alleged facts that support the trademark used by the defendant as being well-known are almost the same as those presented in the prior trial and the trial in question, and thus, most of the evidence to prove the well-knownness of said trademark is the same." Based on these determinations, the court held that the request for invalidation trial filed for reasons such that the Trademark falls under Article 4, paragraph (1), item (x) of the Trademark Act cannot be accepted on the grounds of being against the final and conclusive effect of the prior JPO decision. Furthermore, the court held that the JPO decision in question which invalidated the Trademark Registration for reasons such that the Trademark falls under item (x) of said paragraph was erroneous, and thereby rescinded the JPO decision in question.

Judgment rendered on March 13, 2014

2013 (Gyo-Ke) 10226 Case of Seeking Rescission of JPO Decision

Date of conclusion of oral argument: January 28, 2014

Judgment

Plaintiff: Kamui Works Japan

Defendant: Kabushiki Kaisha Nakajo

Main text

1. The court rescinded the JPO decision dated July 5, 2013 concerning Invalidation Trial No. 2013-890005.
2. The defendant shall bear the court costs.

Facts and reasons

No. 1 Claims

The same as stated in the main text above.

No. 2 Presumed facts

1. Plaintiff's trademark

The plaintiff is the holder of a trademark right for a trademark consisting of standard alphabet letters "KAMUI" (the "Trademark") registered for designated goods, Class 28 "Sports equipment" (Registration No. 5142685, Application date: April 23, 2007, Registration date: June 20, 2008; the "Trademark Registration") (Exhibits Ko 1, 24).

2. Defendant's request for a trial for invalidation dated July 2, 2009

(1) Developments in the trial for invalidation

On July 2, 2009, the defendant alleged that the Trademark falls under Article 4, paragraph (1), item (x) of the Trademark Act and filed a request for a trial for invalidation (Invalidation Trial No. 2009-890077; the "prior trial"). (The defendant also alleged the applicability of item (xix) of said paragraph as a part of the grounds for invalidation.) On April 30, 2010, the JPO made the decision that "The request for trial is unacceptable" (the "prior JPO decision"). Said JPO decision became final and binding on June 10, 2010 and was registered as a final and binding JPO decision (Exhibits Ko 23, 112).

(2) Defendant's allegations concerning the applicability of Article 4, paragraph (1), item (x) of the Trademark Act mentioned in the prior trial, etc.

In the prior trial, the defendant alleged that the Trademark falls under Article 4,

paragraph (1), item (x) of the Trademark Act as follows (Exhibits Ko 23, 25, 48, 51, 59, and 112).

A. Summary of the allegations about the applicability of Article 4, paragraph (1), item (x) of the Trademark Act

Since around 1997, the defendant has been selling golf clubs bearing the trademarks presented in the attached List of the Trademarks Cited in the Prior Trial (the "trademarks cited in the prior trial") via Yugen Kaisha Kamui, an affiliated company of the defendant ("Kamui"). (The golf clubs manufactured and sold by the defendant shall be hereinafter referred to as the "defendant's golf clubs.") The trademarks cited in the prior trial had been widely recognized by traders and consumers in Japan as trademarks used by the defendant for golf clubs by the time of the filing of the application for the Trademark Registration at the latest. Such high recognition of the trademarks cited in the prior trial remained the same as of the time of the examiner's decision of registration of the Trademark. The Trademark is similar to the trademarks cited in the prior trial. The designated goods of the Trademark are similar to the golf clubs bearing the trademarks cited in the prior trial.

B. Detailed allegation that the trademarks cited in the prior trial are well known

The defendant made a detailed allegation that the trademarks cited in the prior trial are well known as follows. (Note on the judgment: the state of being "widely recognized" is described as "well known" for the sake of convenience.)

In other words, the defendant alleged that [i] from around 2001, famous golf magazines, etc. started publishing articles about the defendant's golf equipment, such as golf clubs bearing the trademarks cited in the prior trial; [ii] the defendant's golf clubs bearing the trademarks cited in the prior trial were always ranked among the five best golf clubs in the magazine "Gekkan gorufu youhin kai" (Monthly magazine on the golf equipment industry); [iii] the defendant's golf clubs bearing the trademarks cited in the prior trial have been used by 172 professional golfers and also used by the champions and higher-ranking golfers in "Golf Digest Japan Long Drive Championship;" [iv] the defendant and Kamui sponsored "Golf Digest Japan Long Drive Championship" and were introduced as official sponsors in a magazine article providing information about the defendant's golf clubs bearing the trademarks cited in the prior trial; and [v] the defendant's golf clubs bearing the trademarks cited in the prior trial recorded an annual sales volume of more than 10,000 units from 2001 to 2002 and have still been sold in large numbers. While the annual sales volume has declined since then, it reached more than one billion yen in 2001 and 2002 and several hundred million yen thereafter, which were higher than the sales of other companies included in the 2009 Golf Industry White

Paper's list of the top 24 companies in terms of the sales of wooden golf clubs in Japan.

(3) Prior JPO decision

On April 30, 2010, the JPO made the following decision: the trademarks cited in the prior trial cannot be considered to have been widely recognized by consumers in Japan as indications of goods or services pertaining to the defendant's business and do not fall under Article 4, paragraph (1), item (x) of the Trademark Act. The JPO made the decision to dismiss the defendant's request (the prior JPO decision). The JPO also found that the Trademark does not fall under item (xix) of said paragraph (Exhibit Ko 112).

This JPO decision became final and binding on June 10, 2010.

3. Defendant's request for a trial for invalidation dated January 28, 2013

(1) Developments in the trial for invalidation

On January 28, 2013, the defendant alleged that the Trademark falls under Article 4, paragraph (1), item (x) of the Trademark Act and requested a trial for invalidation (Invalidation Trial No. 2013-890005; the "Trial"). (The defendant also alleged the applicability of item (vii) of said paragraph as a part of the grounds for invalidation.)

On July 5, 2013, the JPO made the decision (the "JPO Decision") that "the registration (Registration No. 5142685) shall be invalidated." A copy of said decision was served on the plaintiff on July 16, 2013.

(2) Defendant's allegations concerning the applicability of Article 4, paragraph (1), item (x) of the Trademark Act in the Trial, etc.

In the Trial, the defendant alleged that the Trademark falls under Article 4, paragraph (1), item (x) of the Trademark Act. This defendant's allegations can be summarized as follows.

A. Summary of the allegations of the applicability of Article 4, paragraph (1), item (x) of the Trademark Act

From before 1996, the defendant started using a trademark solely consisting of "KAMUI" or a trademark solely consisting of "K ∧ MUI" for golf clubs (these trademarks are collectively referred to as the "'KAMUI' trademarks") as well as trademarks consisting of letters, namely, "KAMUIPRO," "TYPHOONPRO," and "KAMUI TYPHOONPRO" (the aforementioned "KAMUI" trademarks and these three trademarks are hereinafter collectively referred to as the "'KAMUI' trademarks, etc.>"). The defendant has been affixing "KAMUI" trademarks, etc. to all of its golf clubs. The "KAMUI" trademarks have been widely known among consumers of golf equipment.

B. Detailed allegations that the "KAMUI" trademarks are well known

The defendant made this detailed allegation that the "KAMUI" trademarks are well known.

The defendant alleged that [i] magazines, etc. published articles on the defendant's golf clubs bearing the "KAMUI" trademarks, etc.; [ii] the defendant periodically published an advertisement in the magazine "Gorufu youhinkai" (Golf Equipment Industry), which always ranked the defendant's golf clubs bearing the "KAMUI" trademarks, etc. among the five best wooden golf clubs; [iii] the defendant's golf clubs were used by many professional golfers; [iv] the defendant is a sponsor company of "Golf Digest Japan Long Drive Championship" and presented as such in a brochure, etc. containing an advertisement bearing a trademark consisting of characters "K\MUI" and wedge-shaped figures (the "'K\MUI & wedge-shaped figures' trademark"); and [v] the annual sales volume of the defendant's golf clubs was above 10,000 units in 2001 and 2002 and has remained high since then, which enabled Kamui, a distributor of the defendant's golf clubs, to achieve annual sales of 120 to 200 million yen from FY2003 to FY2006.

4. Reasons for the JPO Decision

The content of the JPO Decision is as shown in the attached copy of the JPO decision, which can be summarized as follows.

(1) So-called "non bis in idem" principle

A. The prior trial was held based on the request for a trial to seek invalidation of the Trademark Registration on the grounds of violation of Article 4, paragraph (1), items (x) and (xix) of the Trademark Act. On the other hand, the Trial was held based on a request for a trial to seek invalidation of the Trademark Registration on the grounds of violation of item (vii) or (x) of said paragraph. Therefore, the prior trial and the Trial were not requested on the same grounds.

B. Regarding the evidence to prove that the "KAMUI" trademarks are well known, the evidence submitted to the prior trial and the Trial is the same as far as the data of the sales volume of the defendant's golf clubs and relevant magazines are concerned. However, the evidence submitted to the two trials is not identical in view of the facts that [i] the contents of the documents titled "List of Professional Golfers Who Use the Golf Clubs" (the "list of professional users") are different and [ii] the publication years of the catalogs are different. Moreover, [iii] the financial statements were submitted to the Trial in order to prove the amount of sales alleged in the prior trial and are not considered to be mere supplementary evidence.

C. Therefore, the request for the Trial cannot be considered to have violated the "non bis in idem" principle specified in Article 167 of the Patent Act applied mutatis mutandis under Article 56, paragraph (1) of the Trademark Act.

(2) Applicability of Article 4, paragraph (1), item (x) of the Trademark Act

The "K\MUI & wedge-shaped figures" trademark and the "KAMUI" trademarks can be considered to be widely recognized among consumers of golf-related goods as indications of the defendant's golf clubs and related products, i.e., caddie bags, as of April 23, 2007, when an application was filed for registration of the Trademark. It can be presumed that the trademarks remained well known as of the time of the examiner's decision of registration of the Trademark (June 2, 2008).

The Trademark as a whole is similar to the "K\MUI & wedge-shaped figures" trademark and the "KAMUI" trademarks.

Therefore, the Trademark falls under Article 4, paragraph (1), item (x) of the Trademark Act.

In the JPO Decision, the JPO denied the applicability of item (vii) of said paragraph.

(omitted)

No. 4 Court decision

The court found that the part of the request for the Trial made on the grounds of violation of Article 4, paragraph (1), item (x) of the Trademark Act is unacceptable because it violates the final and binding effect of the prior JPO decision, and found that there is an error in the JPO Decision on the following grounds.

1. Error in the determination as to the final and binding effect of a JPO decision (Grounds for Rescission 1)

(1) Final and binding effect of a JPO decision

Article 167 of the Patent Act applied *mutatis mutandis* under Article 56, paragraph (1) of the Trademark Act specifies that "When a final and binding trial decision in a trial for patent invalidation (omitted) has been registered, no one may file a request for a trial on the basis of the same facts and evidence."

In this case, the JPO made its decision after making a determination based on the allegations, evidence, etc. submitted by the parties concerned (including interveners) and said JPO decision became final and binding. However, Article 167 of the Patent Act specifies that the parties concerned are not permitted to seek a JPO determination that is inconsistent with the final and binding JPO decision by submitting allegations and evidence related to the same matters, and also that trial examiners are not permitted to make a determination that is inconsistent with the final and binding JPO decision. The purposes of establishing said Article can be interpreted as follows: [i] to prevent multiple inconsistent JPO decisions from being made based on the allegations and evidence concerning the same matters; [ii] to prevent abuse of the system of making a

request for a trial for invalidation, etc.; [iii] to reduce the right holders' trouble of taking measures responding to procedures for a request for a trial for invalidation, etc.; and [iv] to seek resolution of a dispute by one-time trial.

Thus, it is reasonable to interpret that "the same facts" in the course of requesting a trial for invalidation means the allegations concerning the same grounds for invalidation and that "the same evidence" means the same evidence in substance to prove said allegations. It should be interpreted that, as far as the evidence is submitted to prove the same allegations (the same subject matters of proof), the use of different methods of proof does not necessarily provide reasons for denying the identicalness of evidence in substance. Such interpretation would be perfectly in line with the purpose of the amendment of Article 167 of the Patent Act by Act No. 63 of 2011, i.e., an amendment to abolish the erga omnes effect of a final and binding JPO decision and to achieve resolution of a dispute by one-time trial between the parties concerned (including interveners).

(2) Facts found by the court --- Background for the request for the Trial

A. Prior trial

In the prior trial, the defendant's allegations concerning the applicability of Article 4, paragraph (1), item (x) of the Trademark Act are as presented in No. 2, 2 (2).

In summary, the defendant alleged as follows: the trademarks cited in the prior trial were widely known among traders and consumers in Japan as the defendant's trademarks for golf clubs as of the time of the filing of an application for the Trademark Registration, and they remained widely known as of the time of the examiner's decision of registration of the Trademark; the Trademark is similar to the trademarks cited in the prior trial; and the designated goods of the Trademark are similar to the golf clubs bearing the trademarks cited in the prior trial. As the major reasons for the well-knownness of the trademarks cited in the prior trial, the defendant alleged as follows and submitted evidence to prove the allegations: [i] from around 2001, famous golf magazines, etc. started carrying articles about the defendant's golf equipment, such as golf clubs bearing the trademarks cited in the prior trial; [ii] the defendant's golf clubs bearing the trademarks cited in the prior trial were always ranked among the five best golf clubs in the magazine "Gekkan gorufu youhin kai" (Monthly magazine on the golf equipment industry); [iii] the defendant's golf clubs bearing the trademarks cited in the prior trial have been used by as many as 172 professional golfers and also used by the champions and higher-ranking golfers in "Golf Digest Japan Long Drive Championship;" [iv] the defendant and Kamui sponsored "Golf Digest Japan Long Drive Championship" and were introduced as official sponsors in a magazine that

published an article providing information about the defendant's golf clubs bearing the trademarks cited in the prior trial; and [v] the defendant's golf clubs bearing the trademarks cited in the prior trial recorded an annual sales volume of more than 10,000 units from 2001 to 2002 and continue to be sold in large numbers; and although the annual sales volume has declined since then, it reached more than one billion yen in 2001 and 2002 and several hundred million yen thereafter, beating other companies included in the 2009 Golf Industry White Paper's list of the top 24 companies in terms of sales of wooden golf clubs in Japan.

On April 30, 2010, the JPO made the decision to dismiss the request (the prior trial). This decision became final and binding on June 10, 2010.

B. The Trial

The defendant's allegations concerning the applicability of Article 4, paragraph (1), item (x) of the Trademark Act are as presented in No. 2, 3 (2).

In summary, the defendant alleged that the "KAMUI" trademarks were well known among consumers of golf equipment. As the major reasons for the well-knownness of the "KAMUI" trademarks, the defendant alleged as follows and submitted evidence to prove the allegations: [i] magazines, etc. published articles on the defendant's golf clubs bearing the "KAMUI" trademarks, etc.; [ii] the defendant periodically published an advertisement in the magazine "Gorufu youhinkai" (Golf Equipment Industry), which always ranked the defendant's golf clubs bearing the "KAMUI" trademarks, etc. among the five best wooden golf clubs; [iii] the defendant's golf clubs were used by many professional golfers; [iv] the defendant is a sponsor company for "Golf Digest Japan Long Drive Championship" and presented as such in a brochure, etc. containing an advertisement bearing a "K\MUI & wedge-shaped figures" trademark; and [v] the annual sales volume of the defendant's golf clubs was above 10,000 units in 2001 and 2002 and has remained high since then, which enabled Kamui, a distributor of the defendant's golf clubs, to achieve annual sales of about 120 to 200 million yen from FY2003 to FY2006.

(3) Determination

A. The same facts

Regarding the applicability of Article 4, paragraph (1), item (x) of the Trademark Act to the Trademark, the defendant alleged as follows: the trademarks cited in the prior trial were widely known among traders and consumers in Japan as the defendant's trademarks for golf clubs as of the time of the filing of an application for the Trademark Registration, and they remained widely known as of the time of the examiner's decision of registration of the Trademark; the Trademark is similar to the defendant's trademarks

in use; and the designated goods of the Trademark are similar to the golf clubs bearing the trademarks cited in the prior trial. These allegations can be considered to be the same in the prior trial and the Trial.

It is not necessarily clear in the Trial whether the trademark that is alleged by the defendant to be widely known falls under any of the trademarks specified in [i] to [iii] below.

[i] "KAMUI" trademarks alone

[ii] "KAMUI" trademarks and "K\MUI & wedge-shaped figures" trademark

[iii] [i] or [ii], and including trademarks consisting of letters "KAMUIPRO," "TYPHOONPRO," and "KAMUI TYPHOONPRO" respectively

However, even if the trademark that is alleged by the defendant to be widely known in the Trial is any of the above, it should be considered to be included in the trademarks subject to the determination made in the prior trial. In other words,

[i] "KAMUI" trademarks are included in the trademarks presented in 1, 2, and 4 of the attached List of the Trademarks Cited in the Prior Trial.

[ii] The "K\MUI & wedge-shaped figures" trademark should be regarded as the trademark presented in 4 of the attached List of the Trademarks Cited in the Prior Trial, to which a figure has been added.

[iii] Regarding trademarks consisting of letters "KAMUIPRO" and "KAMUI TYPHOONPRO" respectively, the part thereof that the plaintiff alleged to be widely known can be reasonably considered to be "KAMUI" in both cases. (The trademark consisting of letters "TYPHOONPRO" did not directly affect the JPO's determination presented in the JPO Decision.)

On these grounds, in the prior trial and the Trial, it can be said that the defendant's trademarks in use alleged by the defendant to be widely known are identical.

(In the JPO Decision, the JPO found that the grounds for invalidation in the prior trial lie in the applicability of Article 4, paragraph (1), items (x) and (xix) of the Trademark Act, while the grounds for invalidation in the Trial lie in the applicability of item (vii) or (x) of said paragraph and, therefore, that the prior trial and the Trial were not requested based on the "same facts." However, it is clear that the JPO made a determination based on a misunderstanding and made a decision to the effect that the final and binding effect of the JPO decision that determined the existence or nonexistence of the grounds for invalidation specified in item (x) of said paragraph would no longer exist only if, after the JPO decision that determined the existence or nonexistence of the grounds for invalidation specified in item (x) of said paragraph becomes final and binding, any other grounds for invalidation are added.)

B. The same evidence

As mentioned above, in the prior trial and the Trial, the allegations submitted to prove the well-knownness of the defendant's trademarks in use are almost the same; and the evidence submitted to prove the well-knownness is also almost the same.

Unlike the prior trial, the following documents are submitted as evidence in the Trial: "Defendant's product catalogs of 2000" (Exhibit Ko 10), "Kamui's shipping notices" (Exhibits Ko 11-1-1 to 11-1-9), "Kamui's financial statements for FY2003 to FY2006" (Exhibits Ko 11-2 to 11-5), and "List of professional users" (Exhibit Ko 11-31). The nature of the aforementioned evidence is examined below just in case. (Any evidence newly submitted in the Trial other than that mentioned above does not affect the applicability of Article 4, paragraph (1), item (x) of the Trademark Act.)

(A) "Defendant's product catalogs of 2000" (Exhibit Ko 10)

In the prior trial, the defendant submitted other catalogs (Exhibits Ko 53, 54). However, in the prior trial, the JPO found that the publication dates of those catalogs cannot be confirmed (Exhibit Ko 112). In the Trial, the defendant submitted other catalogs whose publication dates can be confirmed.

(B) "Kamui's shipping notices and financial statements" (Exhibits Ko 11-1-1 to 11-1-9, 11-2 to 11-5)

In the prior trial, the defendant submitted a table showing the number of the defendant's golf clubs sold by Kamui (Exhibit Ko. 11-1). However, in the prior trial, the JPO did not accept the table showing the number of the golf clubs sold on the grounds that there is no proof for said number. In the Trial, it can be interpreted that Kamui's financial statements were submitted to prove the reliability of the table.

(C) "List of professional users" (Exhibit Ko 11-31)

In the prior trial, the defendant submitted a list of professional users (Exhibit Ko 40). In the Trial, it can be interpreted that the defendant modified the table format and added information to the table, such as the names of the professional golfers who use the defendant's golf clubs, and submitted the modified table as evidence.

As described above, the aforementioned evidence submitted in the Trial cannot be considered to go beyond the extent of evidence submitted for the purpose of questioning the JPO's determination in the prior trial, which dismissed the defendant's allegations.

C. Summary

On these grounds, in the prior trial and the Trial, the allegations made to prove the violation of Article 4, paragraph (1), item (x) of the Trademark Act are identical. Also, the evidence submitted in both trials to prove said allegations are identical in substance.

Therefore, it should be said that a request for a trial for invalidation on the grounds

that the Trademark falls under item (x) of said paragraph is impermissible because it violates the final and binding effect of the prior JPO decision. In this respect, there is an error in the JPO Decision that found the Trademark Registration to be invalid on the grounds that the Trademark falls under item (x) of said paragraph.

The defendant alleged that there is an error in the JPO Decision in the respect that the JPO determined that the Trademark does not fall under item (vii) of said paragraph. However, this point is not found to be included in the grounds for rescission and, therefore, needs not to be examined herein.

2. Conclusion

On these grounds, there are legitimate reasons for Grounds for Rescission 1 alleged by the plaintiff. Without needing to examine any other factors, there is an error in the JPO decision that affected its conclusion. Therefore, the JPO decision shall be rescinded. The judgment shall be rendered in the form of the main text.

Intellectual Property High Court, First Division

Presiding judge: IIMURA Toshiaki

Judge: YAGI Kimiko

Judge: ODA Shinji

Attachment: List of the Trademarks Cited in the Prior Trial

Cited Trademark 1

KAMUI

Cited Trademark 2

KAMUI

Cited Trademark 3

カムイ

Cited Trademark 4

K A M U I