Date	February 28, 2001	Court	Tokyo High Court,
Case number	2000 (Gyo-Ke) 109		13th Civil Division

- A case in which the court found that the "goods" prescribed in Article 50 of the Trademark Act must be objects that are offered for distribution as an independent subject of commercial transactions in the market.

– A case in which the court found that in order to find that the registered trademark has been "used" as prescribed in Article 50 of the Trademark Act, the registered mark must be used as an identification of source of goods.

Reference: Article 50 of the Trademark Act

Number of related rights, etc.: Registration No. 673178, Trial No. 16497 of 1997

Summary of the Judgment

1. Background, etc.

The plaintiff is a holder of a trademark right for a trademark which consists of horizontally written alphabet characters "DALE CARNEGIE" and which is registered by designating the goods such as "printed matters, paintings and calligraphic works, sculptures, photographs and the accessories thereof; except where this trademark is used as the title of a specific work" (Registration No. 673178; hereinafter referred to as the "Trademark").

The defendant filed a request for a trial for rescission of trademark registration in relation to the Trademark with respect to one of its designated goods, "printed matters," on the grounds of non-use thereof, and the JPO rendered a trial decision ("JPO Decision") to rescind the registration of the Trademark.

The plaintiff instituted an action seeking rescission of the JPO Decision alleging that Pan Potentia Corporation (hereinafter referred to as "Pan Potentia"), which holds a nonexclusive right, has used the Trademark for one of its designated goods, "printed matters," in Japan within the three-year period prior to the preliminary registration of the request for a trial in question ("Request for a Trial").

2. Summary of the court decision

The court mainly held as follows and dismissed the plaintiff's claims.

(1) For the purpose of Article 50 of the Trademark Act, "goods" must be objects that are offered for distribution as an independent subject of commercial transactions in the market and in order to find that the "registered trademark has been used in connection with the goods," the acts of use must be conducted as an identification of source of goods. (2) The printed matters shown in Exhibits Ko 6 and 7 have been expected to be used exclusively as an educational material for the educational courses such as the "Dale Carnegie Course" ("Courses"), and are not independently subject to transactions apart from the Courses. Therefore, such printed matters cannot be found to be goods under the Trademark Act.

In addition, the statement "DALE CARNEGIE" attached to the cover of said printed matters can only be found to be used as a title or an indication of the source or contents of the service related to the Courses and cannot be recognized to be an identification mark of the printed matters themselves at any rate. Therefore, it cannot be found that the Trademark has been used in connection with such printed matters.

(3) In light of the contents of the statements that are too abstract, general and simple, and the get-up of the printed matter shown in Exhibit Ko 8, said printed matter can be found to have merely listed the points that will be helpful in understanding the contents of the Courses on the premise that the recipients thereof will participate in the Courses. Moreover, it does not have any content as an independent reading material nor can it be found to be an independent subject of commercial transactions in the market apart from the Courses. Thus, said printed matter cannot be found to be the goods under the Trademark Act as well.

In addition, the statement "Dale Carnegie $\langle R \rangle$ " attached below the photographic portrait will be recognized to be a mere indication of the person shown in the abovementioned photographic portrait and cannot be found to be an identification mark of the printed matter itself. Therefore, it cannot be found that the Trademark has been used in connection with the printed matter.

(4) The printed matters shown in Exhibits Ko 13-1 through 13-3 have been imported by the plaintiff from Pan Potentia solely for the purpose of using them as the educational materials for the Courses; they have not been offered for distribution as an independent subject of commercial transactions in the Japanese market and thus they cannot be found to be the goods under the Trademark Act.

In addition, the statement "DALE CARNEGIE" attached to the abovementioned printed matters is nothing but a part of the indication "DALE CARNEGIE<R>/TRAINING," which explains that they are educational materials used for the course titled "Dale Carnegie Training," and cannot be recognized as an identification mark of the printed matters themselves. Therefore, the Trademark cannot be found to have been used as the identification mark of the printed matters.

Judgment rendered on February 28, 2001

2000 (Gyo-Ke) 109, Case of Seeking Rescission of JPO Decision (Date of conclusion of oral argument: January 22, 2001)

Judgment

Plaintiff: Dale Carnegie & Associates Inc. Defendant: SSI Corporation

Main text

The plaintiff's claims shall be dismissed.

The court costs shall be borne by the plaintiff.

The additional period for filing a final appeal and a petition for acceptance of final appeal against this judgment shall be 30 days.

Facts and reasons

No. 1 Judicial decisions sought by the parties

1. Plaintiff

The JPO decision rendered with respect to Case of 1997 Trial No. 16497 on November 11, 1999, shall be rescinded.

The court costs shall be borne by the defendant.

2. Defendant

Same as paragraphs 1 and 2 of the main text.

No. 2 Facts undisputed by the parties

1. Developments in procedures at the JPO

The plaintiff is a holder of a trademark right for a trademark which consists of horizontally written alphabet characters "DALE CARNEGIE" and is registered by designating the goods covered in Class 26 "printed matters, paintings and calligraphic works, sculptures, photographs and the accessories thereof; except where this trademark is used as the title of a specific work" under the classification of articles of the Appended Table of the Ordinance for Enforcement of the Trademark Right prior to the amendment by Cabinet Order No. 299 of 1991 (Registration No. 673178; Application for trademark registration filed on February 4, 1963; Establishment of trademark right registered on April 12, 1965; Third renewal of duration registered on March 28, 1996; hereinafter referred to as the "Trademark").

The defendant filed against the plaintiff as the claimee a request for a trial for rescission of trademark registration in relation to the Trademark with respect to one of its designated goods, "printed matters," on the grounds of non-use thereof on September 29, 1997, and the preliminary registration of such request was made on October 29 of the same year.

The JPO, after examining said request as Case of 1997 Trial No. 16497, rendered a trial decision ("JPO Decision") to rescind the registration of the Trademark (Registration No.

673178) with respect to one of its designated goods, "printed matters," pursuant to the provisions of Article 50 of the Trademark Act on November 11, 1999, and the transcript thereof was served to the plaintiff on December 8 of the same year.

2. Reasons for the JPO Decision

As stated in the attached copy of the JPO Decision, the JPO held that the registration of the Trademark with respect to one of its designated goods, "printed matters," should be rescinded pursuant to the provisions of Article 50 of the Trademark Act since the Trademark cannot be found to have been used in connection with "printed matters" included in the designated goods related to the request for a trial for rescission of trademark registration, in Japan within the three-year period prior to the preliminary registration of the request for a trial in question ("Request for a Trial") based on the evidence submitted by the claimee (plaintiff).

No. 3 Grounds for rescission of the JPO Decision alleged by the plaintiff

1. As explained below, the Trademark has been used for one of its designated goods, "printed matters," in Japan by the holder of non-exclusive right within the three-year period prior to the preliminary registration of the Request for a Trial and thus the determinations made in the JPO Decision that did not admit the fact of such use are illegal and the JPO Decision should be rescinded for being illegal.

(omitted)

No. 5 Court decision

- 1. Regarding the use of the Trademark
- (1) Holder of non-exclusive right for the Trademark

According to Exhibits Ko 5, 6, 9 and 15 and the entire import of the oral argument, the following facts can be found: [i] Pan Potentia Corporation (hereinafter referred to as "Pan Potentia") has been hosting the courses in question ("Courses") including "Dale Carnegie Course," "Dale Carnegie Sales Course," "Dale Carnegie Management Seminar" and others under the name of "Dale Carnegie Training" by obtaining license from the plaintiff and is a holder of non-exclusive right for the Trademark who has been licensed since 1994; and [ii] Pan Potentia has attached an indication "DALE CARNEGIE" to the printed matters shown in Exhibits Ko 6 through 8 and 13-1 through 13-3 and used such printed matters for the Courses during the period from October 29, 1994, until October 28, 1997, which is within the three-year period prior to the preliminary registration of the Request for a Trial.

The plaintiff alleges that the abovementioned Pan Potentia's acts are use of the Trademark for one of its designated goods, "printed matters." However, for the purpose of Article 50 of the Trademark Act, "goods" must be objects that are offered for distribution as an independent subject of commercial transaction in the market and in order to find that the "registered trademark has been used in connection with the goods," the acts prescribed in Article 2, paragraphs (3) and (4) of said Act must be conducted as an identification marking of the goods. Accordingly, this court will specifically examine this point.

(2) Regarding the printed matters shown in Exhibits Ko 6 and 7

According to Exhibits Ko 6, 7, 9, 10 and 15 and the entire import of the oral argument, the printed matters shown in Exhibits Ko 6 and 7 have been used as the educational materials of the Courses (with respect to the printed matter shown in Exhibit Ko 6, the "Dale Carnegie Course" which is one of the Courses) and are distributed to the participants but have not been sold alone and thus they have no fixed price and postscript; [ii] the printed matter shown in Exhibit Ko 6 is one wherein the text is filed in a vinyl covered three-hole binder in such a manner that the pages can be added and removed, and an indication "The/DALE CARNEGIE<R>/Course" is largely written in three lines at the center of the cover of the binder, while the first page of the text contains the abovementioned indication at the center, and at the bottom thereof, the statement "Participant Manual," which means "a manual for participants," in a small size; [iii] the text of the printed matter shown in Exhibit Ko 6 contains statements such as "This course will be held over 12 weeks with an approximately three-hour class once a week" and "The class will be carried out in the order described in this Manual," and thus the printed matter is an educational material created on the premise that the recipients thereof will participate in the Courses and not only describes the points of each course but also has a column wherein the participants can write the instructions they received in class; [iv] the printed matter shown in Exhibit Ko 7 is a booklet with a 12-page text sized slightly larger than a paperback edition, and on its cover, Remember Names" is written in a large size in the upper left part and "DALE CARNEGIE<R>/TRAINING" in a small size in two lines in the left lower part; and [v] the text of the printed matter shown in Exhibit Ko 7 explains the "method to remember names" by giving specific examples.

In light of the abovementioned facts, there is no choice but to find that the printed matters shown in Exhibits Ko 6 and 7 have been expected to be used exclusively as an educational material of the Courses such as the "Dale Carnegie Corse," and are not independently subject to transactions apart from the Courses. Therefore, such printed matters cannot be found to be the goods under the Trademark Act. In addition, the statement "DALE CARNEGIE" attached to the cover of said printed matters is nothing but a part of the statements, "The/DALE CARNEGIE<R>/Course" or "DALE CARNEGIE<R>/TRAINING," which indicate that the printed matters are educational materials for the courses named "Dale Carnegie Course" or "Dale Carnegie Training," and thus such statements can only be found to be used as a title or an indication of the source or contents of the service related to the Courses and cannot be

recognized to be an identification mark of the printed matters themselves at any rate. Therefore, it cannot be found that the Trademark has been used in connection with such printed matters. The mark "<R>" is essentially a form of indication of trademark registration in the United States and not the legal form authorized as the indication of a registered trademark in Japan (see Article 73 of the Trademark Act and Article 17 of the Ordinance for Enforcement of said Act) and thus the attachment of such mark does not affect the abovementioned determination. (3) Regarding the printed matter shown in Exhibit Ko 8

According to Exhibits Ko 8 and 15 and the entire import of the oral argument, the following facts are found: [i] the printed matter shown in Exhibit Ko 8 is a very thin booklet in an approximately B7 size with a six-page text and contains no special statements other than the simple instructions such as "Techniques for enhancing relationships/ 1. Don't criticize, condemn or complain./ 2. Give honest and sincere appreciation./ 3. Arouse in the other person an eager desire./ 4. Become genuinely interested in other people." itemized below each heading such as "Principles under 'How to Win Friends and Influence People" and "Principles under 'How to Stop Worrying and Start Living"; [ii] the cover of the abovementioned printed matter contains a statement "THE LITTLE GOLDEN BOOK OF RULES" in the upper part, and a photographic portrait of [C] in the middle with a statement "Dale Carnegie<R>" in the lower right thereof, and "From HOW TO WIN FRIENDS AND INFLUENCE PEOPLE and HOW TO STOP WORRYING AND START LIVING" and "<c>1964 Dale Carnegie& Associates, Inc." are stated at the bottom; and [iii] Pan Potentia has not only used this printed matter as the educational material for the Courses held at permanent classrooms but has also sold it for 100 yen per book at the request of the participants of the courses that are held as needed in response to the client's request, but said printed matter will not be generally sold at book stores, etc.

According to the abovementioned facts and in light of the contents of the statements that are too abstract, general and simple as stated above, and the get-up of the printed matter shown in Exhibit Ko 8, said printed matter can be found to have merely listed the points that will be helpful in understanding the contents of the Courses on the premise that the recipients thereof will participate in the Courses and does not have any content as an independent reading material nor can it be found to be an independent subject of commercial transactions in the market apart from the Courses. Thus, said printed matter cannot be found to be the goods under the Trademark Act as well. In addition, in light of the mode of the statement mentioned above, "Dale Carnegie<R>" will be recognized to be a mere indication explaining that the person shown in the abovementioned photographic portrait is deceased [C] and cannot be found to be an identification mark of the printed matter itself. Therefore, it cannot be found that the Trademark has been used in connection with the printed matter.

(4) Regarding the printed matters shown in Exhibits Ko 13-1 through 13-3

According to Exhibits Ko 12-1 through 12-5, 13-1 through 13-3, 14 and 15 and the entire import of the oral argument, the following facts are found: [i] around December 1995 and February 1997, Pan Potentia imported 114 copies and 57 copies of an English printed matter titled "Dale Carnegie's Golden Book" (Exhibit Ko 13-1), respectively, 91 copies and 68 copies of an English printed matter titled "Remember Names" (Exhibit Ko 13-2), respectively, and 112 copies and 56 copies of an English printed matter titled "Speak More Effectively" (Exhibit Ko 13-3), respectively, from the plaintiff; and [ii] these printed matters have almost the same get-ups as that of the printed matter shown in Exhibit Ko 7 mentioned above in that "DALE CARNEGIE<R>/TRAINING" is written in two lines in the lower left part of the cover (it is obvious that the printed matter shown in Exhibit Ko 7 is a Japanese version of the printed matter shown in Exhibit Ko 13-2).

The plaintiff alleges that the Trademark has been used in connection with the abovementioned printed matters as a result of import of such printed matters by Pan Potentia. However, there is not sufficient evidence to find that Pan Potentia imported these printed matters for the purpose of distributing them in general markets. Rather, in light of the similarity between these printed matters and the printed matter shown in Exhibit Ko 7, the printed matters shown in Exhibits Ko 13-1 through 13-3 can also be found to have been imported solely for the purpose of using them as the educational materials for the Courses as with the case of the printed matter shown in Exhibit Ko 7. As such, even if the printed matters shown in Exhibits Ko 13-1 through 13-3 became the subject of the transactions between the plaintiff and Pan Potentia, they have not been offered for distribution as an independent subject of commercial transactions in the Japanese market and thus they cannot be found to be the goods under the Trademark Act. In addition, the statement "DALE CARNEGIE" attached to the abovementioned printed matters is nothing but a part of the indication "DALE CARNEGIE<R>/TRAINING" explaining that they are educational materials used for the course titled "Dale Carnegie Training" and cannot be recognized as an identification mark of the printed matters themselves. Therefore, the Trademark cannot be found to have been used in connection with the printed matters.

2. As described above, the grounds for rescission of the JPO Decision alleged by the plaintiff lack legal basis and the JPO Decision contains no other defects that will serve as the grounds to rescind it.

Accordingly, the plaintiff's claims shall be dismissed for lacking legal basis, and by applying Article 7 of the Administrative Case Litigation Act and Article 61 and Article 96, paragraph (2) of the Code of Civil Procedure with respect to the burden of the court costs and the designation of the additional period for filing a final appeal and a petition for acceptance of final appeal, the judgment shall be rendered in the form of the main text.

Tokyo High Court, 13th Civil Division

Presiding judge: SHINOHARA Katsumi Judge: NAGASAWA Yukio Judge: MIYASAKA Masatoshi