

Date	August 19, 2010	Court	Intellectual Property High Court, First Division
Case number	2009 (Gyo-Ke) 10297		
<p>– A case wherein the court rescinded the JPO decision in which the JPO dismissed the request for a trial for invalidation of trademark registration, finding that the JPO's determination denying the application of Article 4, paragraph (1), item (vii) of the Trademark Act to the trademark in question was incorrect.</p>			

References:

Article 4, Paragraph (1), items (vii), (viii), (x), (xv) and (xix), and the main paragraph of Article 3, paragraph (1) of the Trademark Act

(Summary)

The plaintiff uses the mark "ASRock" as its trademark and corporate name. The plaintiff filed the request for a trial for invalidation of registration of the trademark in question ("Asrock"; hereinafter referred to as the "Trademark") against the defendant who is the holder of said registered trademark; however, the JPO dismissed said request. The plaintiff filed this action seeking the rescission of said JPO decision.

The issue disputed in this case is whether the Trademark was registered in violation of Article 4, Paragraph (1), items (vii), (viii), (x), (xv) and (xix), and the main paragraph of Article 3, paragraph (1) of the Trademark Act. The court rescinded the JPO decision, finding that the JPO's determination denying the application of Article 4, paragraph (1), item (vii) of the Trademark Act to the Trademark was incorrect.

"Considering the totality of the following facts, it must be concluded that the Trademark was filed for the purpose of gaining unfair benefit by way of assignment of the trademark right, or of causing damage to ASRock Inc. or its distributors. [i] The substance of the defendant's business activities in South Korea is not certain, and it is doubtful whether the defendant is actually engaged in the business of manufacturing and sale of electronic equipment. Even granting that the defendant is actually engaged in such business, the defendant is found to be a sole proprietorship engaged in a fairly small sized business. [ii] The evidence shows that the defendant distributes the product in a limited and specific way, namely, by listing the product on internet auctions. [iii] The defendant lives in South Korea, and there is no indication showing its business transactions in Japan in the past. Further, even at present, there is no evidence of its business transactions in Japan, although six years and eight months have passed from the filing of the Trademark, and almost three years, exceeding two years and ten months, have passed from the registration thereof. (Note that it is not reasonable to

consider the listing on the internet auction site called "Yahoo!Auction" as business transaction in Japan.) Therefore, it cannot be considered, or at least the possibility is extremely low, that the defendant has an intention to engage in business in Japan in the near future in relation to the designated good pertaining to the Trademark. [iv] The defendant, although not substantially engaged in any business activities, has filed a large number of trademark applications relating to electronic equipment. As mentioned below, some of these applications are considered to be the intentional applications of the trademarks identical with, or similar to, the trademarks to be used by other companies in foreign countries. [v] After the registration of the Trademark, the defendant, although not doing business in Japan, sent a large number of warning letters to distributors of ASRock products bearing the cited trademark, including the plaintiff, requesting them to cease import and sale of the products and warning them that it may institute a criminal prosecution or an action seeking claim for damages unless they follow the request. [vi] In South Korea, the defendant had requested the ASRock product distributors to pay an excessively high price for the assignment."

"As mentioned above, the court finds the defendant's filing of the Trademark to be a filing for the purpose of plagiarism, with an unfair intention of registering the trademarks to be potentially used and filed for trademark registration in Japan by ASUSTeK, Inc. or ASRock, Inc. as their respective trademarks. Even under the Japanese legal framework which adopts the first-to-file system for the trademark registration application without a requirement of actual use at the time of filing, such applications are unacceptable from the standpoint of the rule of reason, considering the commonsense understanding of the general public when seeking justice. In addition, such applications also run counter to the purpose of the Trademark Act (Article 1 of the Trademark Act) and are considered as being detrimental to the fairness in trademark order. Accordingly, the Trademark is considered to have fallen under a trademark which is 'likely to cause damage to public policy,' without regard to whether the cited trademark and the mark 'ASRock' were well-known or famous, at the time of the filing thereof."