

Judgments of Intellectual Property High Court, First Division

Date of the Judgment: 2006.12.26

Case Number: 2005 (Gyo-Ke) No. 10032

Title (Case):

A case wherein the court upheld the trial decision regarding the trademark registration of a mark associated with the Kyokushinkaikan, which is an organization founded as a school of Karate called Kyokushin Karate, by holding that the registration shall be invalidated based on the grounds that the trademark application was filed in such a manner that was very inappropriate socially and that the trademark registration, which should be regarded to have been made in violation of Article 4, para.1, item 7 of the Trademark Act, would disturb the order to be created under the Trademark Act

Reference: Article 4, para.1, item 7 of the Trademark Act

Summary of the Judgment:

Dissatisfied with the trial decision to invalidate the trademark registration of a mark associated with the Kyokushinkaikan, which is an organization founded as a school of Karate called Kyokushin Karate, based on the grounds that the trademark registration would disturb the order of business transactions, offend public order and morals, and violate Article 4, para.1, item 7 of the Trademark Act, the plaintiff (the trademark holder) argued that the trial decision was incorrect and demanded revocation of the trial decision.

The court judged that “It is reasonable to consider that a trademark falls under item 7 (Article 4, para.1, item 7 of the Trademark Act) even if the structure of the trademark does not disturb public order and morals as long as it is found that the trademark application was filed in such a manner that was very inappropriate socially and that the trademark registration should be disapproved of because it would disturb the order to be created under the Trademark Act.” Regarding the manner in which the trademark application was filed, the court found that “Among those interested in Karate and other martial arts, the disputed trademark was well-known as the mark associated with a specific organization, the Kyokushinkaikan, which was founded and developed by the late P. Since the Kyokushinkaikan, which did not have corporate status, was not qualified to file a trademark application, the plaintiff personally filed a trademark application as the representative of the Kyokushinkaikan.” The court further found that “Shortly after the death of P, the plaintiff, who was the representative of the Kyokushinkaikan at that time, personally filed an application for the registration of the disputed trademark widely associated with the Kyokushinkaikan, which is a large organization founded and developed by the late P consisting of a huge number of members who registered with the organization before P died” and that “the plaintiff’s act of personally filing the trademark application was subsequently regarded as inappropriate by the Kyokushinkaikan because it was reasonable to presume that the plaintiff filed the trademark application in secret for the illicit purpose of gaining personal benefits based on the fact that the plaintiff failed to fulfill a representative’s obligation to carry out administrative tasks with such level of care as considered appropriate as a prudent manager and also failed to fulfill the obligation to follow appropriate internal procedures such as obtaining the Kyokushinkaikan’s prior

approval and promptly notifying the organization of the progress in the trademark registration procedure. In the meantime, the will had lost its effect since the finalization of a decision to dismiss the request for a verification trial. This left the plaintiff with no grounds to claim that he was the legitimate representative of the organization. When the examiner's decision to register the trademark was made, the plaintiff was the representative of an organization known as X' s faction, which called itself Kyokushinkaikan. Since X' s faction was not identical with the Kyokushinkaikan, the fact that the plaintiff was the representative of an organization known as X' s faction, which called itself Kyokushinkaikan does not necessarily justify the plaintiff' s filing of an application for the registration of the disputed trademark, which has been, as described above, widely known as a mark associated with the Kyokushinkaikan, which is a large organization founded and developed by the late P. In view of the facts that the legitimate organization that should be associated with the disputed trademark is the Kyokushinkaikan, which was founded and developed by the late P, and that, after P' s death, the Kyokushinkaikan was split into factional organizations that individually operate Karate schools in competition with each other, it would disturb the order to be created under the Trademark Act if we do not disapprove of the registration of the disputed trademark claimed in an application personally filed by the plaintiff, which should be regarded as a material breach of an obligation as the representative of the Kyokushinkaikan who was appointed shortly after the death of P. Furthermore, the court held that "it should be taken into consideration that, when the examiner's decision to register the trademark was made, the plaintiff was merely the leader of an organization that was not identical with the Kyokushinkaikan founded and developed by the late P." Based on these grounds, the court judged that "The registration of the disputed trademark should be invalidated based on the grounds that the manner in which the trademark application was filed was very inappropriate socially and that the registration would disturb the order to be created under the Trademark Act. Therefore, this court upholds the trial decision that the registration shall be invalidated under Article 46, para.1 of the Trademark Act because it was made in violation of Article 4, para.1, item 7 of said Act."

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