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Date of the judgement

1991.04.23

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Case Number

1988(Gyo-Tsu)37

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Reporter

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Title

Judgment concerning the proof of the use of a registered trademark in an action for the revocation of the JPO decision that rescinded the trademark registration on the grounds of non-use of the registered trademark

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Case name

Case to seek revocation of a trial decision

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Result

Judgment of the Third Petty Bench, dismissed

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Court of the Second Instance

Tokyo High Court, Judgment of November 30, 1987

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Summary of the judgement

In an action for the revocation of the JPO decision that rescinded the trademark registration on the grounds of non-use of the registered trademark, the holder of trademark right is permitted to produce proof of the use of the registered trademark by the time of the conclusion of oral argument in the

instance where fact-finding is to be made.

References

Article 50 of the Trademark Act

Trademark Act

Article 50

(1) Where a registered trademark has not been used in Japan in connection with any of the designated goods for three consecutive years or longer by the holder of trademark right, or by an exclusive licensee or non-exclusive licensee, a request for a trial may be filed to seek rescission of the relevant trademark registration in connection with the relevant designated goods.

(2) Where a request for a trial under the preceding paragraph is filed, unless the demandee proves that the holder of trademark right or any exclusive licensee or non-exclusive licensee has used the registered trademark (if the registered trademark is associated with any other registered trademark, the relevant registered trademark or such other registered trademark) in Japan in connection with any of the designated goods to which the request pertains within three years prior to the registration of the request for the trial, the holder of trademark right may not prevent the rescission of the trademark registration in connection with the relevant designated goods; provided, however, that this does not apply where the demandee shows just causes for non-use of the registered trademark in connection with the relevant designated goods.

Main text of the Judgment

The final appeal is dismissed.

The appellant of final appeal shall bear the cost of the final appeal.

Reasons

Concerning the reasons for final appeal argued by the appeal counsel

The subject of examination in a trial at the Japan Patent Office (JPO) for rescission of trademark registration on the grounds of non-use of the registered trademark concerns the determination of whether or not the registered trademark has been used within three years prior to the registration of the request for a trial. It is appropriate to construe that in an action for the revocation of the JPO decision issued in response to that request, the holder of trademark right is permitted to produce proof of the use of the registered trademark by the time of the conclusion of oral argument in the

instance where fact-finding is to be made. The main clause of Article 50, paragraph (2) of the Trademark Act provides that where a trial for rescission of trademark registration has been filed on the grounds of non-use of the registered trademark, the rescission of the trademark registration may not be prevented unless the holder of trademark right, who is the demandee, proves the use of the registered trademark. This provision is designed to require the use of the registered trademark as a condition for preventing the rescission of the trademark registration and have the holder of trademark right bear part of the responsibility for collecting the materials for determining the existence or nonexistence of such fact, thereby mitigating the trial examiner's burden of examination of evidence ex officio in the trial procedure. Thus, said provision cannot be interpreted as requiring the holder of trademark right to prove the use by the time the JPO issues a decision, as a condition for preventing the rescission of the trademark registration, and therefore it does not affect the holding given above.

According to the facts legally determined by the court of prior instance, in this case, the appellant of final appeal filed a trial for rescission of trademark registration on ground of non-use of the registered trademark under Article 50, paragraph (1) of the Trademark Act with regard to the trademark right in question held by the appellee of final appeal, but the appellee did not prove any use of the registered trademark in question in the trial procedure, and as a result, the JPO issued a decision to rescind the appellee's trademark registration in question as requested by the appellant. The appellee filed this action for the revocation of the JPO decision, and the court of prior instance determined that the use of the registered trademark in question has been proved, and rescinded the JPO decision. In light of the holding given above, the determination by the court of prior instance on the points argued by the appeal counsel can be affirmed as justifiable, and the determination process does not involve such illegality as argued by the appeal counsel. The judicial precedent cited by the appeal counsel does not conflict with that determination. The appeal counsel's arguments cannot be accepted.

Therefore, according to Article 7 of the Administrative Case Litigation Act, and Articles 401, 95 and 89 of the Code of Civil Procedure, the judgment has been rendered in the form of the main text by the unanimous consent of the Justices, with exception that there is a dissenting opinion by Justice SAKAUE Toshio.

The dissenting opinion by Justice SAKAUE Toshio is as follows.

I cannot agree with the majority opinion that held that it is appropriate to construe that the holder of trademark right is permitted to produce proof of the use of the registered trademark by the time of the conclusion of oral argument in the instance where fact-finding is to be made, and supported the judgment in prior instance that rescinded the JPO decision in question.

With regard to the main clause of Article 50, paragraph (2) of the Trademark Act, the majority opinion states as follows: "This provision is designed to require the use of the registered trademark

as a condition for preventing the rescission of the trademark registration and have the holder of trademark right bear part of the responsibility for collecting the materials for determining the existence or nonexistence of such fact, thereby mitigating the trial examiner's burden of examination of evidence ex officio in the trial procedure. Thus, said provision cannot be interpreted as requiring the holder of trademark right to prove the use by the time the JPO issues a decision, as a condition for preventing the rescission of the trademark registration." From the viewpoint that there is no need to grant a trademark right, which is an exclusive right, to a person who does not use a registered trademark, it is understandable to interpret that said provision is designed to "require the use of the registered trademark as a condition for preventing the rescission of the trademark registration." However, I cannot help but question whether it is appropriate to permit the holder of trademark right, only because of this, to produce proof of the use of the registered trademark by the time of the conclusion of oral argument in the instance where fact-finding is to be made, without restriction. The main clause of Article 50, paragraph (2) of the Trademark Act stipulates the requirement that is rarely seen in the legal system of Japan, i.e. "Where a request for a trial under the preceding paragraph is filed, unless the demandee proves that the holder of trademark right...has used the registered trademark, ... the holder of trademark right may not prevent the rescission of the trademark registration in connection with the relevant designated goods." The objective of this rule is to contribute to protection and effective use of a trademark right, and in particular, elimination of a dormant trademark right that has not been in use for a long time. As explained by the majority opinion, said provision is designed to "require the use of the registered trademark as a condition for preventing the rescission of the trademark registration and have the holder of trademark right bear part of the responsibility for collecting the materials for determining the existence or nonexistence of such fact, thereby mitigating the trial examiner's burden of examination of evidence ex officio in the trial procedure." The intended meaning of this is nothing less than requiring the demandee referred to in said paragraph to make a sincere response to protect his/her own right, so as to ensure smooth enforcement of trademark administration (the trial procedure). The holder of trademark right is granted a privilege to exclusively use the registered trademark as provided in Article 25 of the Trademark Act, and at the same time, the holder of trademark right is in the position to know or be able to know best the use of the registered trademark and is expected to be able to prove the use easily. Therefore, where a request for a trial is filed to seek rescission of the trademark registration on ground of non-use of the registered trademark under Article 50, paragraph (1) of the Trademark Act, the demandee (the holder of trademark right), in order to prevent the rescission of the trademark registration and protect his/her own right, needs to prove the use of the registered trademark, which is required as mentioned above, in the trial procedure where the JPO is to decide whether or not the trademark registration should be rescinded. This seems to be the legal objective of the main clause of Article 50, paragraph (2) of the Trademark Act, and hence it is inappropriate to interpret this

provision as permitting the demandee to produce new proof by the time of the conclusion of oral argument in the instance of the action for the revocation where the question of fact is addressed, even when the demandee did not even make a response, let alone produce proof, in the trial procedure.

In this case, however, the appellant filed a request for a trial for rescission of trademark registration on ground of non-use of the registered trademark under Article 50, paragraph (1) of the Trademark Act with regard to the trademark registration in question, but the appellee, who is the demandee, did not allege or prove in the trial procedure any fact required under Article 50, paragraph (2) of said Act, and as a result, the JPO issued a decision to rescind the appellee's trademark registration in question as requested by the appellant. The appellee utterly failed to make a response as the law requires the demandee to do if he/she wishes to prevent the rescission of the trademark registration. It may not be necessary to protect the rights of the demandee (the appellee), who had behaved in this way, and this case cannot be regarded as a case where the court of prior instance should permit the demandee to produce proof according to the general principle applicable to an action for the revocation of an administrative disposition. However, the court of prior instance permitted the appellee to produce new proof of the use of the registered trademark in question, determined that the use of the registered trademark was proved, and rescinded the JPO decision. Thus, I should say that the judgment in prior instance contains errors in the interpretation and application of laws and regulations and involves illegality that apparently affects the judgment. The appeal counsel's arguments are well-grounded, and in conclusion, the judgment in prior instance should be quashed and the appellee's claim in this action should be dismissed.

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Presiding judge

Justice SAKAUE Toshio

Justice TEIKA Katsumi

Justice SONOBE Itsuo

Justice SATO Shoichiro

Justice KABE Tsuneo

(This translation is provisional and subject to revision.)