

Date	July 30, 1985	Court	Tokyo High Court
Case number	1984 (Gyo-Ke) 7		
<p>– A case in which the court held that the act of filing a request for a trial for invalidation of the registration of a registered design by a person who has received establishment of a non-exclusive license from an exclusive licensee with respect to said registered design does not go against the principle of good faith unless there are special circumstances.</p>			

References: Article 27, paragraph (4) of the Design Act, Article 77, paragraph (4) of the Patent Act and Articles 28 and 48 of the Design Act

Number of related rights, etc.: Design Registration No. 428152

Summary of the Judgment

The plaintiff holds a design right for the design in question ("Design"; Design Registration No. 428152), for which the article to the design is "faucet fitting." The defendant received establishment of a non-exclusive license for the registered design right in question ("Registered Design Right") from the exclusive licensee thereof.

In response to the request for a trial for invalidation of registration filed by the defendant with respect to the design registration in question, the JPO rendered a trial decision ("JPO Decision") to invalidate the registration of the registered design in question ("Registered Design").

The plaintiff instituted an action seeking rescission of the abovementioned JPO Decision and alleged that it is against the principle of good faith for the defendant to file a request for trial for invalidation of the registration of the Registered Design as one of the grounds for rescission of the JPO Decision.

In this judgment, the court determined as follows and rejected the plaintiff's allegation mentioned above and thereby dismissed the plaintiff's claims on the grounds that there were no errors in the JPO Decision which held that the Registered Design and cited design are similar to each other.

However, if a person who has received establishment of a non-exclusive license from an exclusive licensee naturally cannot file a request for a trial for invalidation of design registration in relation to a registered design for which he/she has been granted the license, he/she will suffer a disadvantage, that is, being required to continue to pay royalties even if he/she uses a registered design that is determined to contain a ground for invalidation. As there is no rational reason for requiring non-exclusive licensees to accept such disadvantage, a non-exclusive licensee's filing of such a request for a trial for invalidation of design registration does not go against the principle of good faith

unless there are special circumstances. In this case, existence of such special circumstances is neither asserted nor proven.

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Indication of the parties is omitted

Main Text

The plaintiff's claim shall be dismissed.

The plaintiff shall bear the court costs.

Facts

No. 1 Judicial decision sought by the parties

I. Plaintiff

Judgment to the effect that:

1. The JPO decision rendered regarding Trial No. 1982-8307 on October 31, 1983 is rescinded;
2. The defendant bears the court costs.

II. Defendant

The same as the main text of this judgment.

No. 2 Statement of claim

I. JPO proceedings

The plaintiff is the holder of a design right for Design Registration No. 428152 (the application for design registration was filed on April 8, 1972; establishment of the design right was registered on March 17, 1976; hereinafter referred to as the "Registered Design") with a constitution as described in the drawings of Attachment (1), for which the article to the design is "faucet fitting." On April 26, 1982, the defendant filed a request for a trial for invalidation of design registration in relation to the Registered Design, designating the plaintiff as the demandee. The JPO examined the request as Trial No. 1982-8307. Consequently, on October 31, 1983, the JPO rendered a decision to the effect that the registration of the Registered Design is to be invalidated. A certified copy of the JPO decision was served to the plaintiff on December 17 of the same year.

II. Essential points of the reasons for the JPO decision

Regarding the Registered Design, the application for design registration was filed on April 8, 1972, designating "faucet fitting" as the article to the design. The establishment of the design right was registered on March 17, 1976. Based on the drawing attached to the application and the statements in the application, the gist of the Registered Design is found to be a form that is constituted by connecting a male screw cylinder and a cylindrical part, wherein [i] a pore part whose cross-section is regular hexagonal and into which a hexagonal bar handle is to be inserted is provided on the inner wall of the male screw cylinder, [ii] a female screw part is provided on the inner wall of the cylindrical part, [iii] the diameter of the male screw cylinder is smaller than that of the cylindrical part, and [iv] the length ratio between the male screw cylinder and the

cylindrical part in a front horizontal direction is 1 to over 1.4.

On the other hand, Exhibit Ko No.1 (documentary evidence number in the trial procedures) that was submitted by the demandant (defendant) is "DIN 3523 of the German industrial standard," which was offered for sale by Boitoferutoripu(Berlin 30 and Koln) in Germany in January 1969. Said publication was accepted by the Standards Division of the Agency of Industrial Science and Technology and the Japanese Industrial Standards Committee on July 25, 1969, and was provided to public inspection. The gist of the design of the faucet fitting described in said publication (design shown in a figure; see Attachment (2)) is found to be a form that is constituted by connecting a male screw cylinder and a cylindrical part, wherein [a] a pore part whose cross-section is in the shape of two regular hexagons being piled with some shift in space and into which a hexagonal bar handle is to be inserted is provided on the inner wall of the male screw cylinder, [b] a female screw part is provided on the inner wall of the cylindrical part, [c] the diameter of the male screw cylinder is smaller than that of the cylindrical part, and [d] the length ratio between the male screw cylinder and the cylindrical part in a front horizontal direction is almost 1 to 3.

Comparing the Registered Design and the design of Exhibit Ko No.1, they have a commonality in their basic form wherein the diameter of the male screw cylinder and that of the cylindrical part are differentiated to make them not level, a pore part into which a hexagonal bar handle is to be inserted is provided on the inner wall of the male screw cylinder, a female screw part is provided on the inner wall of the cylindrical part, and the cylindrical part is longer than the male screw cylinder in terms of the length in a front horizontal direction. These points can be regarded as best expressing the features of these designs as a whole. Therefore, they are found to be the features that govern a determination concerning similarity between them. On the other hand, closely studying differences between these designs in terms of the shape of the pore part and the length ratio between the male screw cylinder and the cylindrical part in a front horizontal direction, the former difference has little effect on the entirety of the designs as it is nothing more than the form of the end face of the inner wall of the male screw cylinder as shown in Similarity of the Registered Design No. 1, and the latter is also not a major difference in terms of appearance. Considering the fact that the aforementioned Exhibit Ko No. 1 also indicates the size of which the ratio is almost the same as that of the Registered Design, specifically, "字 1 1 一四対 1 2 二〇" (meaning the length ratio between the male screw cylinder and the cylindrical part is 14 to 20), the latter difference cannot be considered to be the feature of the Registered Design. Therefore, both of these differences are minimal in the end.

Based on the above, there is no other choice than to say that these designs that have a commonality in the essential feature are similar to each other as a whole, despite their minor differences.

Consequently, the Registered Design is similar to a design described in a publication that was distributed in Japan prior to the filing of the application for design registration. Therefore, it falls under the provisions of Article 3, paragraph (1), item (iii) of the Design Act, and its registration should be invalidated as a trademark that was registered in violation of the provisions of said Article of said Act.

III. Grounds for rescission of the JPO decision

The JPO overlooked the defendant's violation of incontestability, and furthermore erred in determining similarity between the Registered Design and the design described in the cited publication. Therefore, the JPO decision is not legal and should therefore be rescinded.

1. Ground for rescission (1)

On July 27, 1982, after the filing of the request for a trial for invalidation of design registration in question, the defendant received establishment of a non-exclusive license for the registered design right in question from the exclusive licensee of the time, P, for the period up to March 17, 1991, and completed registration of the non-exclusive license on November 29, 1982.

The defendant can use the Registered Design and designs similar thereto owing to receipt of establishment of said non-exclusive license. The defendant is also immune to questioning about infringement of the exclusive license by the licensor and has obtained an advantage over its competitors. Therefore, it goes against the principle of good faith and should be considered to be impermissible for the defendant, who can enjoy such benefits, to allege invalidity of the registration of the Registered Design. It is reasonable to dismiss the defendant's request for a trial for invalidation of design registration in question, which violates said incontestability.

Accordingly, the JPO decision is not legal as the JPO overlooked said violation of incontestability by the defendant.

(omitted)

Reasons

I. The parties agree on the statements in I. (JPO proceedings) and II. (Essential points of the reasons for the JPO decision) in the Statement of Claim section.

II. Therefore, whether there are grounds for rescission of the JPO decision is examined.

1. Regarding Ground for Rescission (1)

The parties agree on the following point: On July 27, 1982, the defendant received establishment of a non-exclusive license for the registered design right in question from the exclusive licensee of the time, P, for the period up to March 17, 1991, and completed registration of the non-exclusive license on November 29, 1982.

Incidentally, the plaintiff alleges that it goes against the principle of good faith and is not permissible for the defendant, who is a non-exclusive licensee, to file the request for a trial for invalidation of the design registration in question.

However, if a person who has received establishment of a non-exclusive license from an exclusive licensee naturally cannot file a request for a trial for invalidation of design registration in relation to a registered design for which he/she has been granted the license, he/she will suffer a disadvantage, that is, being required to continue to pay royalties even if he/she uses a registered design that is determined to contain a ground for invalidation. As there is no rational reason for requiring non-exclusive licensees to accept such disadvantage, it is reasonable to understand that even a non-exclusive licensee's filing of such a request for a trial for invalidation of design registration does not go against the principle of good faith unless there are special circumstances. In this case, wherein existence of such special circumstances is neither asserted nor proven, said allegation of the plaintiff is groundless.

(omitted)

III. Accordingly, the plaintiff's claim in the principal action seeking rescission of the JPO decision on the grounds of illegality thereof shall be dismissed as there is no reason therefor. For the court costs, the judgment shall be rendered in the form of the main text by applying Article 7 of the Administrative Case Litigation Act and Article 89 of the Code of Civil Procedure.

Tokyo High Court

Judge: AKIYOSHI Michihiro

Judge: TAKEDA Minoru

Judge: HAMAZAKI Koichi

Attachments (1) and (2) and Reference Figure (omitted)