Trademark Right	Date	December 15, 2021	Court	Intellectual Property High Court, Third Division
	Case number	2020 (Gyo-Ke) 10100		
- A case in which, with regard to an application for registration related to a registered trademark similar to a U.S. trademark, the court rescinded the JPO Decision that rescinded the registration of the trademark with respect to the designated services similar to the designated services for the U.S. trademark, on the ground that the application for registration of the trademark was filed by the former agent of a person who has the right pertaining to the U.S. trademark, without the approval of the right holder and without a just cause.				

Case type: Rescission of Trial Decision of Rescission

Result: Granted

Reference: Article 53-2 of the Trademark Act

Related rights, etc.: Trademark Registration No. 5834594, Rescission Trial No. 2017-300733

Summary of the Judgment

1. Basic facts (including facts found by the court)

The Defendant is a company located in the State of New Jersey, the U.S.A. The Plaintiff is a special limited company and its director, Dr. A, is an obstetrics and gynecology doctor. In 2004, Dr. A and the Defendant executed a joint venture agreement concerning a joint research and experimentation project for pre-implantation genetic diagnosis (the "Original Agreement"), and an amendment thereto on March 10, 2008 (the "Amended Agreement").

Yugen Kaisha REPROGENETICS, which is a different company from the Plaintiff, is a company incorporated on August 20, 2004, immediately after the execution of the Original Agreement, for the purpose of conducting the joint venture under that agreement. Dr. A and the Defendant's representative at that time assumed the position of director of this company. On September 18, 2015, Yugen Kaisha REPROGENETICS filed an application for registration of a trademark "Reprogenetics" (in standard characters) designating the services in Class 42 "cell genetic testing" and Class 44 "genetic testing for medical purpose; psychological testing and counselling for medical and health services" (the "Trademark"). For the Trademark, the establishment of the trademark right was registered on March 18, 2016 (Trademark Registration No. 5834594). The trademark right pertaining to the Trademark (the "Trademark Right") was transferred from Yugen

Kaisha REPROGENETICS to Dr. A's child, who is also an obstetrics and gynecology doctor, on June 17, 2016 and then to the Plaintiff on June 20, 2017.

2. History of the JPO Decision

On September 26, 2017, the Defendant filed a request for a trial for rescission of trademark registration for the Trademark pursuant to Article 53-2 of the Trademark Act. A copy of the Amended Agreement was submitted as evidence for the trial, but a copy of the Original Agreement was not submitted. On July 20, 2020, the Japan Patent Office (JPO) rendered a decision to rescind the registration of the Trademark in connection with its designated service, "all services" in Class 44, and determined the request for a trial to be groundless with respect to all other designated services. The summary of the findings of the JPO Decision are as follows: the designated service, "all services" in Class 44, is considered to be similar to the designated services of the Defendant's trademark in the U.S., a country party to the Paris Convention; as between the Defendant and Dr. A, the Defendant retains all intellectual property rights under the Amended Agreement; Yugen Kaisha REPROGENETICS, a company which is substantially deemed to be the same party as Dr. A, filed the application for registration of the Trademark without the approval of the Defendant; and the application for registration of the Trademark was filed without the approval of a person who has the right pertaining to the trademark (i.e., the Defendant), without a just cause.

In response to this, the Plaintiff filed this lawsuit to seek rescission of the JPO Decision for the portion rescinding the registration of the Trademark in connection with its designated service, "all services" in Class 44.

3. Instruction of the judgment

In this lawsuit, a copy of the Original Agreement, in addition to that of the Amended Agreement, was submitted as evidence. In this judgment, the court found as follows: as there is room to understand that the Amended Agreement does not change the part of the Original Agreement providing the joint ownership of intellectual property rights, etc. including trademarks by the Defendant and Dr. A in an equal proportion of 50%, respectively, it cannot be affirmed that, under the series of agreements between the Defendant and Dr. A, the Defendant is a sole owner of all rights with respect to intellectual property rights including the Trademark Right; and therefore the finding of the JPO Decision that the Defendant retains all intellectual property rights according to the series of agreements between the Defendant and Dr. A, without mentioning its interpretation concerning the Amended Agreement in relation to the Original Agreement, was incorrect. Based on the above findings, the court rendered a judgment that the JPO Decision should be rescinded with respect to its portion rescinding the registration of the Trademark in

connection with its designated service, "all services" in Class 44, and upheld the Plaintiff's claim.

Judgment rendered on December 15, 2021
2020 (Gyo-Ke) 10100, Case of seeking rescission of the JPO decision
Date of conclusion of oral argument: October 4, 2021

Judgment

Plaintiff: Yugen Kaisha Otani Medical Supply

(omitted)

Defendant: Reprogenetics, LLC

Main text

1. With respect to a decision made by the Japan Patent Office (JPO) on July 20, 2020 concerning the case of Rescission Trial 2017-300733, the portion which reads "The registration of Trademark No. 5834594 shall be rescinded in connection with its designated service, 'all services' in Class 44" shall be rescinded.
2. The Defendant shall bear the court costs.
3. An additional time frame for filing an appeal against this judgment and for submitting a petition for acceptance of final appeal shall be 30 days.

Facts and reasons

No. 1 Claim
Same as the main text.
No. 2 Outline of the case
1. Basic facts
(1) The Defendant is a company located in the State of New Jersey, the U.S.A. (Exhibits Ko 8 and 47).
(2) The Plaintiff is a special limited company incorporated on September 30, 1978 for the purpose of conducting real property leasing and management business, food service and all incidental businesses, and its director is Dr. A (entire import of oral arguments). Yugen Kaisha REPROGENETICS, which is a different company from the Plaintiff, is a special limited company incorporated on August 20, 2004 for the purpose of conducting genetic testing, medical and health counselling and all incidental businesses, and its directors are Dr. A and a former representative of the Defendant, B (Exhibits Ko 8 and 47) (Exhibit Ko 9). Dr. A is an obstetrics and gynecology doctor who runs Otani Ladies Clinic. C is the child of Dr. A and is also a medical doctor (Exhibits Ko 8, 10, 47, 51 and 52).

2. History of procedures at the JPO

(1) The Plaintiff is a holder of a trademark right for the following trademark (hereinafter this trademark is referred to as the "Trademark" and the trademark right pertaining to the Trademark is referred to as the "Trademark Right") (Exhibit Ko 1).

Registration Number: 5834594

Date of application for registration: September 18, 2015

Date of examiner's decision for registration: February 8, 2016

Date of registration of establishment: March 18, 2016

Registered trademark: "Reprogenetics" (in standard characters)

Class of goods and services: Class 42

Designated service: cell genetic testing

Class of goods and services: Class 44

Designated services: genetic testing for medical purpose; psychological testing and counselling for medical and health services

The applicant and the right holder at the time of registration of establishment of the Trademark Right was Yugen Kaisha REPROGENETICS. The Trademark Right was transferred to C on June 17, 2016, and then to the Plaintiff on June 20, 2017 (Exhibit Ko 1).

(2) The trademarks submitted by the Defendant in support of its ownership of right in the trademarks in a country party to the Paris Convention, a member of the World Trade Organization or a Contracting Party to the Trademark Law Treaty are as set out in Attachment 1. (In the JPO Decision, Trademarks 1 through 11 mentioned in Attachment 1 were individually referred to as, for example, "Cited Trademark 1" according to its number, and collectively as "Cited Trademarks." Accordingly, the same applies to this judgment.)

(3) On September 26, 2017, the Defendant filed a request for a trial for rescission of trademark registration of the Trademark pursuant to Article 53-2 of the Trademark Act.

The JPO examined the abovementioned case as Rescission Trial No. 2017-300733, and on July 20, 2020, rendered its decision (the "JPO Decision") concluding as follows: "The registration of Trademark No. 5834594 is rescinded in connection with its designated service, 'all services' in Class 44. With respect to all other designated services, the request for a trial is groundless. The demandant and demandee shall bear the half of the cost of trial, respectively." The certified copy of the decision was served upon the Plaintiff on July 30, 2020.

(4) On August 26, 2020, the Plaintiff filed this lawsuit to seek rescission of the JPO Decision with respect to its portion, "The registration of Trademark No. 5834594 is

rescinded in connection with its designated service, 'all services' in Class 44."

3. Summary of the reasons for the JPO Decision

The reasons for the JPO Decision are as stated in the written decision (copy). In summary, the JPO determined as follows: [i] the Defendant is found to have been a holder of a right pertaining to a trademark right (with respect to Cited Trademark 6) in the U.S., which is a country party to the Paris Convention, at the time of filing the application for registration of the Trademark (JPO Decision No. 5-1(1)G.); [ii] it is appropriate to determine that the Trademark and Cited Trademark 6 are similar (JPO Decision No. 5-1(2)C.); [iii] among the designated services of the Trademark, Class 44 "genetic testing for medical purpose; psychological testing and counselling for medical and health services" are similar to the designated services of Cited Trademark 6 (JPO Decision No. 5-1(2)D.); [iv] it may well be considered that the applicant was in a position of an agent of the Defendant within one year prior to the filing date of the application for the Trademark (JPO Decision No. 5-2(2)B.); and [v] the application for registration of the Trademark was filed without the approval of a person who has the right pertaining to the trademark, without a just cause (JPO Decision No. 5-2(3)C.).

(omitted)

No. 4 Judgment of this court

1. Concerning Ground for Rescission 1 (an error in the finding as to "without absence of the Defendant's approval") and Ground for Rescission 2 (an error in the finding as to "without a just cause")

(1) Findings of the JPO Decision

The JPO Decision found as follows: "(B) the demandant and Dr. A executed an amendment to the joint venture agreement referred to in (A) above on March 10, 2008. This amended agreement provides that the demandant shall retain ownership of any intellectual property derived in whole or in part from its intellectual property in the joint venture, but that Dr. A shall retain a perpetual, non-transferrable right to use such intellectual property rights in Japan. (Exhibit Ko 8)" (JPO Decision No. 5-2(1)D.(B)) The JPO continued: "A. As mentioned in (1)D.(B) above, the demandant retains all intellectual property rights pursuant to the series of agreements with Dr. A, and, as mentioned in D.(D) above, the demandant notified Dr. A of the fact that Dr. A registered the trademark "Reprogenetics" although he did not have a right to file an application for this trademark. In light of the above circumstances, the applicant, who is substantially the same party as Dr. A, is determined to have filed the application for registration of the Trademark without

the approval of the demandant." (JPO Decision No. 5-2(3)A.) The JPO concluded: "C. It is found that the application for registration of the Trademark was filed without the approval of a person who has the right pertaining to the trademark, without a just cause." (JPO Decision No. 5-2(3)C.)

(2) Provisions of the agreements between the Defendant and Dr. A

The Original Agreement and Amended Agreement executed between the Defendant and Dr. A contained the following provisions (hereinafter, the translation submitted by the Plaintiff is used):

A. Original Agreement

(A) Execution of the Original Agreement

On July 11, 2004, the Defendant and Dr. A executed the JOINT VENTURE AGREEMENT concerning a joint research and experimentation project for pre-implantation genetic diagnosis (the "Original Agreement"; Exhibit Ko 47).

An amendment to the Original Agreement (the "Amended Agreement") mentions that the Defendant and Dr. A executed a joint venture agreement dated August 27, 2004 (Exhibit Ko 8); however, it is found that this is wrongly dated and the Original Agreement was executed on July 11, 2004 (Exhibit Ko 47).

(B) Preface

The preface of the Original Agreement provides as follows:

"WHEREAS, Reprogenetics and Dr. A desire to engage in a joint venture, the purpose of which is to perform certain agreed upon research and experimentation concerning Pre-Implantation Genetic Diagnosis ("PGD"), subject to the principles of cooperation and the covenants and agreements contained herein; and

WHEREAS, Dr. A desires to provide certain office space, equipment, staffing and referrals of suitable patients and referring physicians in support of the joint venture upon the terms and conditions hereinafter set forth; and

WHEREAS, Reprogenetics desires to provide technical support, training and assistance, quality control and scientific direction, information and improvements in support of the joint venture upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:"

(C) Governing law provisions

The governing law provisions of the Original Agreement, "XXII. CHOICE OF LAW AND FORUM," provide as follows (Exhibit Ko 47): "This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey and the United

States of America."

(D) Provisions concerning intellectual property rights, etc.

The Original Agreement provides as follows concerning the treatment of ownership and other matters with respect to intellectual property rights (Exhibit Ko 47):

a. In "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY," Paragraph B provides: "Each party acknowledges and agrees that the Product and Results, and all associated intellectual and other property rights, including trademarks, all documentation and computer recorded data, all techniques, processes and other elements used in cultivating the Product and/or Results, and all proceeds of the Material or Product, are proprietary to both Parties jointly, in equal, undivided, 50% shares, that may not be diminished or otherwise affected by either party's agreement to share its portion or the proceeds thereof with any other person or entity." (It should be noted that the term "shares" in "50% shares" as translated above is understood to mean proportional shares, not company stocks.) Further, Paragraph D of the same section provides: "The parties shall act in mutual agreement to protect and perfect their joint intellectual property rights created, conceived or developed hereunder, and shall equally bear the expenses of such procedures."

b. "VII. PROPRIETARY RIGHTS" of the Original Agreement provides: "Each party agrees that Reprogenetics and Dr. A are joint and equal owners of the Material and the Product that are the subject of this Agreement and of any intellectual property rights related to any internal research utilizing such Material or Product, regardless of the party conducting such research."

B. Amended Agreement

(A) Execution of the Amended Agreement

On March 10, 2008, the Defendant and Dr. A executed the AMENDED JOINT VENTURE AGREEMENT to amend the Original Agreement (Exhibit Ko 8).

(B) Preface

The preface of the Amended Agreement provides:

"WHEREAS Reprogenetics is a specialized genetics laboratory engaged in the development of Preimplantation Genetic Diagnostics ("PGD") testing; and

WHEREAS Dr. A is engaged in the operation of an *in vitro fertilization* clinic, the Otani Ladies Clinic, and a clinical genetics testing laboratory, Reprogenetics Japan; and

WHEREAS since 2004 the parties have been engaged in a joint venture whereby Dr. A has been utilizing PGD testing procedures and techniques developed and supplied by Reprogenetics to Dr. A for use in his IVF clinic and his clinical testing laboratory; and

WHEREAS the parties heretofore executed a Joint Venture Agreement ("2004

Agreement") dated August 27, 2004 in furtherance of this joint venture and have continuously operated this joint venture since that date; and

WHEREAS the parties have now mutually agreed to amend the 2004 Agreement so as to more accurately describe the nature and purpose of their joint venture and to ensure its continued operation.

NOW, THEREFORE, for and in consideration of the promises and of the mutual representations, covenants, agreements and conditions set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:"

(Note, however, that as "a Joint Venture Agreement ('2004 Agreement') dated August 27, 2004" mentioned in the abovementioned provisions refers to the Original Agreement, it is found to be wrongly dated and "a Joint Venture Agreement ('2004 Agreement') dated July 11, 2004" (Exhibit Ko 47) is correct.)

(C) Governing law provisions

The governing law provisions of the Amended Agreement, "20. Choice of Law and Forum" provide: "This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey and the United States of America." (Exhibit Ko 8). (According to the original text, this clause is understood to mean that the laws of the State of New Jersey and the United States of America apply to this agreement and that the agreement shall be interpreted according to these laws.)

(D) Provisions concerning intellectual property rights, etc.

The Amended Agreement provides as follows concerning the treatment of ownership and other matters with respect to intellectual property rights (Exhibit Ko 8):

a. "7. Ownership and Proprietary Rights" of the Amended Agreement provides: "Paragraph A: Reprogenetics shall retain ownership of any intellectual property derived in whole or in part from its intellectual property in the joint venture."

b. "7. Ownership and Proprietary Rights" of the Amended Agreement provides: "Paragraph C: The parties shall act in mutual agreement to protect and perfect any joint intellectual property rights created, conceived or developed as a result of this joint venture and each party shall bear equally any expenses incurred as a result of such effort."

C. Second Amendment

The Defendant and Dr. A executed an agreement to further amend the Amended Agreement on December 10, 2015 (Exhibit Ko 8).

(3) Interpretation of the agreements between the Defendant and Dr. A

A. Purpose of agreements

The court finds, from the preface of the Original Agreement ((2)A.(B) above), that

the Defendant and Dr. A executed the Original Agreement for the purpose of engaging in a joint venture for research and experimentation relating to pre-implantation genetic diagnosis (PGD), and, from the preface of the Amended Agreement ((2)B.(B) above), that they executed the Amended Agreement to amend the Original Agreement.

B. Ownership of intellectual property rights

(A) Original Agreement

Based on Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" ((2)A.(D)a. above), it is found that all associated intellectual and other property rights, including trademarks (hereinafter referred to as "intellectual property rights including trademarks") are to be jointly owned by the Defendant and Dr. A in an equal proportion of 50%, respectively. The provisions of Paragraph D of the same section ((2)A.(D)a. above) presuppose the existence of intellectual property rights jointly owned by the Defendant and Dr. A, and, in addition, "VII. PROPRIETARY RIGHTS" of the Original Agreement ((2)A.(D)b. above) provides the joint ownership of the Defendant and Dr. A for any intellectual property rights relating to research activity in joint venture under the Original Agreement. These provisions also support the aforementioned interpretation of Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement that any "intellectual property rights, etc. including trademarks" are to be jointly owned by the Defendant and A.

(B) Amended Agreement

a. As the Amended Agreement was executed for the purpose of amending the Original Agreement (B. above), it follows that "intellectual property rights, etc. including trademarks" under the Original Agreement are to be jointly owned by the Defendant and Dr. A according to the Original Agreement, unless there are any provisions to change their ownership from the Original Agreement.

b. Among the wording "Reprogenetics shall retain ownership of any intellectual property derived in whole or in part from its intellectual property in the joint venture" of Paragraph A of "7. Ownership and Proprietary Rights" of the Amended Agreement ((2)B.(D)a. above), there is room to understand that the phrase "intellectual property in the joint venture" includes "intellectual property rights, etc. including trademarks" provided in Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement ((2)A.(D)a. above). Further, according to Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement, the "intellectual property rights, etc. including trademarks" are to be jointly owned by the Defendant and Dr. A ((2)A.(D)a. above).

Meanwhile, intellectual property rights to be owned by the Defendant (Reprogenetics) pursuant to Paragraph A of "7. Ownership and Proprietary Rights" of the Amended Agreement are "any intellectual property derived in whole or in part from its intellectual property in the joint venture," not the "intellectual property in the joint venture" per se. Therefore, the court finds that properties to be retained by the Defendant as a sole owner are different from the "intellectual property in the joint venture."

Based on the above, it is possible to understand that Paragraph A of "7. Ownership and Proprietary Rights" of the Amended Agreement does not change the provisions of Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement that provide joint ownership of the "intellectual property rights, etc. including trademarks" ((2)A.(D)a. above) by the Defendant and Dr. A in an equal proportion of 50%, respectively ((2)A.(D)a. above), and that it provides for the Defendant's sole ownership of intellectual property rights derived from "intellectual property rights, etc. including trademarks," apart from the "intellectual property rights, etc. including trademarks."

Paragraph C of "7. Ownership and Proprietary Rights" of the Amended Agreement presupposes the existence of "joint intellectual property rights created, conceived or developed as a result of this joint venture" ((2)B.(D)b. above). This can be considered as evidence that the Amended Agreement does not change the provisions of Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement that provide joint ownership of the "intellectual property rights, etc. including trademarks" by the Defendant and Dr. A in an equal proportion of 50%, respectively ((2)A.(D)a. above).

C. Relationship with governing laws

It should be noted that the interpretations described in A. and B. above are only relevant on the presumption that the Original Agreement and Amended Agreement designate the laws of the United States and the State of New Jersey as governing laws ((2)A.(C) and (2)B.(C) above) (Article 7 of the Act on General Rules for Application of Laws).

(4) Ownership of the Trademark Right

A. Yugen Kaisha REPROGENETICS is a special limited company aiming at engaging in genetic testing, medical and health counselling services and all incidental businesses, and its directors are Dr. A and the Defendant's former representative, B (No. 2-1 above). Yugen Kaisha REPROGENETICS was incorporated on August 20, 2004, immediately after the Original Agreement was executed on July 11, 2004 (No. 2-1 above). Therefore, this company is considered as a special limited company incorporated for the purpose of

conducting the joint venture under the Original Agreement, and means "Reprogenetics Japan" referred to in the preface of the Amended Agreement ((2)B.(B) above). Meanwhile, the Trademark "Reprogenetics" (in standard characters) was applied for registration by Yugen Kaisha REPROGENETICS, designating Class 42 "cell genetic testing" and Class 44 "genetic testing for medical purpose; psychological testing and counselling for medical and health services" as designated goods or services. Then, the Trademark Right is necessary for this company and Dr. A to conduct the joint venture under the Original Agreement in Japan and its significance for the joint venture is critical, and therefore, there is room to understand that it falls under "intellectual property rights, etc. including trademarks" ((2)A.(D)a. above) referred to in Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement. In addition, according to the provisions of Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement ((2)A.(D)a. above), the "intellectual property rights, etc. including trademarks" are to be jointly owned by the Defendant and Dr. A in an equal proportion of 50%, respectively. So, it is possible to understand that, as between the Defendant and Dr. A, the Trademark Right is under their joint ownership and each party retains 50% share, respectively.

B. As already discussed in (3)B.(B)b. above, there is room to understand that Paragraph A of "7. Ownership and Proprietary Rights" of the Amended Agreement does not change the provisions of Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement ((2)A.(D)a. above) that provide the joint ownership of the "intellectual property rights, etc. including trademarks" by the Defendant and Dr. A in an equal proportion of 50%, respectively ((2)A.(D)a. above). Considering that the Original Agreement provides the joint ownership of the Trademark Right by the Defendant and Dr. A, it cannot be found that the Amended Agreement changes the ownership in such a way to make the Defendant the sole owner of all rights.

(5) Whether there is an error in the JPO Decision

A. As discussed in (4) above, there is room to understand that, as between the Defendant and Dr. A, each of these parties has 50% share in the Trademark Right, and it is impossible to affirm that all rights with respect to intellectual property rights including the Trademark are attributed to the Defendant alone under the series of agreements between the Defendant and Dr. A. In order to determine that, as between the Defendant and Dr. A, the Defendant is the sole owner of rights with respect to the Trademark Right, the points including the following need to be examined and determined: [i] whether the Trademark

Right falls under the "intellectual property rights, etc. including trademarks" provided in Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement ((2)A.(D)a. above); [ii] whether the ownership of intellectual property rights provided in Paragraph B of "VI. OWNERSHIP; INCOME DISTRIBUTION; DECISION MAKING AUTHORITY" of the Original Agreement was changed by the Amended Agreement; [iii] whether the Trademark Right is considered as "intellectual property in the joint venture" provided in Paragraph A of "7. Ownership and Proprietary Rights" of the Amended Agreement ((2)B.(D)a. above), or it is considered as "any intellectual property derived in whole or in part" from such intellectual property; and [iv] whether the Trademark Right is not considered as "any joint intellectual property rights created, conceived or developed as a result of this joint venture" in Paragraph C of "7. Ownership and Proprietary Rights" of the Amended Agreement ((2)B.(D)b. above).

In the JPO Decision, the JPO found that the Defendant retains all rights with respect to intellectual property rights according to the series of agreements between the Defendant and Dr. A, relying on the provisions of the Amended Agreement that provide "Reprogenetics shall retain ownership of any intellectual property derived in whole or in part from its intellectual property in the joint venture," without mentioning its interpretation concerning the Amended Agreement in relation to the Original Agreement as pointed out in [i] through [iv] above, but this finding was incorrect. Further, based on this finding as a presupposition, the JPO found that the application for registration of the Trademark was filed without the approval of a person who has the right pertaining to the trademark, without a just cause, but this finding was also incorrect.

B. In addition, as a ground for finding that Yugen Kaisha REPROGENETICS made the application for registration of the Trademark without the Defendant's approval, without a just cause, the JPO Decision also raises the fact that the Defendant sent to Dr. A a letter dated June 2, 2017 to terminate the joint venture agreement constituted by the Original Agreement and the Amended Agreement effective from August 4, 2017, and that the letter contained the statement informing that Dr. A or Yugen Kaisha REPROGENETICS registered the trademark "Reprogenetics" without the right to file an application for registration of this trademark (Exhibit Ko 10; JPO Decision No. 5-2(1)D.(D)) (JPO Decision No. 5-2(3)).

However, the letter from the Defendant to Dr. A does not explain the grounds for the Defendant's allegation that Dr. A or Yugen Kaisha REPROGENETICS does not have a right to file an application for registration of the trademark "Reprogenetics," and Dr. A raises an objection to the Defendant's allegation in a response letter (Exhibit Ko 10). Further, as mentioned in (4)A. above, the Trademark Right is necessary for Yugen Kaisha

REPROGENETICS and Dr. A to conduct the joint venture under the Original Agreement in Japan and its significance for the joint venture is critical. As Japan adopts the first-to-file principle for trademark registration, it is difficult to conclude that the filing of an application for registration of the Trademark by Yugen Kaisha REPROGENETICS, which is a company incorporated for the purpose of conducting the joint venture and for which the Defendant's representative B assumes the position of director, obviously runs counter to the purpose of joint venture. Thus, the grounds for the allegation raised in the Defendant's letter are not considered to be clear. Therefore, even considering the fact that the Defendant sent the letter (Exhibit Ko 10), it must be concluded that the finding of the JPO Decision is incorrect.

2. Concerning Ground for Rescission 3 (an error in finding as to "agent or representative")

(1) An "agent or representative" within the meaning of Article 53-2 of the Trademark Act should be understood not only as a person who has been given authority to represent a person who has a right pertaining to a trademark and a representative of a corporation that has a right pertaining to a trademark, but also as a person who is in a continuous legal relationship under a contract with a person who has a right pertaining to a trademark, or it should be construed that at least a person who is in a customary relationship of trust with a person who has a right pertaining to a trademark through continuous transactions and who forms a part of the right holder's organization for conducting business fulfills the requirements as an agent or representative.

(2) To discuss this in relation to this case, as mentioned in 1.(4)A. above, Yugen Kaisha REPROGENETICS, the applicant of the Trademark, is a special limited company incorporated on August 20, 2004 for the purpose of conducting the joint venture under the Original Agreement, with Dr. A, who executed the Original Agreement and the Amended Agreement with the Defendant, serving as its director. As it is found that this company falls under "Reprogenetics Japan" mentioned in the preface of the Amended Agreement, without the need to question whether Dr. A and the aforementioned applicant are substantially the same party, it is reasonable to conclude that this applicant falls under a person who is in a customary relationship of trust through continuous transactions under the Original Agreement and Amended Agreement and forms a part of the organization for conducting business of the Defendant that has the right pertaining to the trademark.

In addition, as the date of application for registration of the Trademark is September 18, 2015, Yugen Kaisha REPROGENETICS is found to fall under a former agent or representative within one year prior to the filing date of the registration of the Trademark.

(3) Therefore, there is no error in the finding of the JPO Decision that the applicant of the Trademark (Yugen Kaisha REPROGENETICS) falls under the Defendant's former agent

or representative within one year prior to the filing date of the trademark registration.
3. Concerning Ground for Rescission 4 (incorrect finding and determination as to the similarity between trademarks)
(1) Determination as to the similarity between trademarks

In determining whether two trademarks are similar, the impression, memory, suggestion, etc. given to traders and consumers by the appearances, concepts, pronunciations, etc. of the trademarks used for the identical or similar goods or services should be examined comprehensively and integrally, and the above determination should be made based on the specific state of transactions of such goods or services (see 1964 (Gyo-Tsu) 110, judgment of the Third Petty Bench of the Supreme Court, February 27, 1968, Minshu Vol. 22, No. 2, at 399). Furthermore, in the case of a trademark which is considered as a composite trademark consisting of a combination of multiple components, it should not be permitted to extract only part of the components of the trademark and compare that component with another person's trademark to determine the similarity between these trademarks, except for cases such as when the component is found to give a strong, dominant impression to traders and consumers as an identifier of the source of goods or services, or when no pronunciation or concept that would serve as a source identifier would be produced from the other components of the trademark, (see 1962 (O) 953, judgment of the First Petty Bench of the Supreme Court, December 5, 1963, Minshu Vol. 17, No. 12, at 1621; 1991 (Gyo-Tsu) 103, judgment of the Second Petty Bench of the Supreme Court, September 10, 1993, Minshu Vol. 47, No. 7, at 5009).
(2) Trademark
A. The Trademark is "Reprogenetics" represented in standard characters.
B. The Trademark is considered to produce the pronunciation, "reprogenetics."
C. The Trademark (Reprogenetics) is a coined word combining the word "reproduction" and "genetics." Even admitting that there are some example cases of usage as denoting reproductive genetics (Exhibit Ko 59), it does not appear in dictionaries in Japan, and no evidence can be found to sufficiently support that this word is used generally in the areas of the designated services of the Trademark, i.e., "cell genetic testing" (Class 42) and "genetic testing for medical purpose; psychological testing and counselling for medical and health services" (Class 44), or other areas. Therefore, it is found that the Trademark generates no specific concept.
(3) Cited Trademark 6
A. As specified in 2. of Attachment 2, Cited Trademark 6 consists of a figure section represented on the upper section and characters "REPROGENETICS" on the lower section, and it is considered as a composite trademark. The figure section of Cited

Trademark 6 consists of bifurcated curve lines aligned in opposite upward and downward directions in a way to make the aperture parts appear on the top and bottom.

B. In Cited Trademark 6, the upper figure section and lower character section are clearly separated. In the lower section, the characters "REPROGENETICS" are indicated and these characters are found to constitute a coined word. Observing the composition of the trademark as a whole, this character section can be considered to give a strong, dominant impression to traders and consumers as an identifier of the source of services. Therefore, the element that produces the pronunciation of Cited Trademark 6 is the part, "REPROGENETICS," in the lower section. Therefore, Cited Trademark 6 is found to generate the pronunciation "reprogenetics."

In this regard, the Plaintiff alleges that the figure section of Cited Trademark 6 represents a character "X" combining two "Y" characters and that it only produces the pronunciation "XY reprogenetics."

However, each of the figures combined upward and downward in the figure section can be recognized as being bifurcated but lines stretching out from the joint part are short and it is difficult to firmly recognize the figures as representing the character "Y." In addition, the entire shape of the figure section consists of curve lines and is significantly different from the shape of "X" of the fonts of generally used characters or the characters of "REPROGENETICS" in the lower section, and the figure itself is separated upward and downward. Therefore, it is found that the figure section cannot necessarily be recognized as representing a given character but rather can be recognized as merely a design. Accordingly, the figure section of the Trademark is not found to produce any pronunciation, let alone the pronunciation "XY." The Plaintiff's allegation described above cannot be accepted.

C. As explained above, the figure section of Cited Trademark 6 is not recognized as representing characters (B. above), and does not suggest any specific concept. In addition, as the character section of Cited Trademark 6 "REPROGENETICS" is a coined word that cannot be recognized as being generally used ((2)C. above), this also does not suggest any specific concept. Therefore, even based on the observation in its entirety, Cited Trademark 6 is not considered to suggest any specific concept.

In this regard, the Plaintiff alleges that the figure section of Cited Trademark 6 signifies "X chromosome" and "Y chromosome," which are biological terms for human chromosomes, and therefore associates the concept of human chromosome. However, as mentioned above, it is impossible to understand the figure section to signify human chromosomes "X" and "Y," and the figure section cannot be considered to suggest the concept as alleged by the Plaintiff. Therefore, the Plaintiff's allegation mentioned above

cannot be accepted.

(4) Similarity between trademarks

As mentioned above, the Trademark and Cited Trademark 6 differ in their appearances in that the latter has the figure section; however, the Trademark (Reprogenetics) and the character section of Cited Trademark 6 (REPROGENETICS) have the same spelling, although the Trademark is spelled with lower case letters except for the first "R" whereas Cited Trademark 6 is fully capitalized. Therefore, the Trademark and Cited Trademark 6 are similar in their appearances.

The Trademark and Cited Trademark 6 are identical in pronunciation "reprogenetics."

As neither the Trademark nor Cited Trademark 6 suggests any specific concept, they cannot be compared in terms of concept.

Then, the Trademark and Cited Trademark 6 are similar in their appearances, and they produce the same pronunciation, while it is impossible to compare concepts. As such, considering the impression, memory, suggestion, etc. given to traders and consumers by the appearances, concepts, pronunciations, etc., these trademarks are found to be similar.

(5) Error in the finding of the JPO Decision

Based on the above, there is no error in the JPO Decision finding that the Trademark and Cited Trademark 6 are similar.

4. Concerning Ground for Rescission 5 (insufficient reasoning for the finding as to the similarity of services)

With respect to the reason for finding that the designated services of the Trademark, Class 44 "genetic testing for medical purpose; psychological testing and counselling for medical and health services" and the designated services of Cited Trademark 6 are similar, the JPO Decision explains as follows: "both of these services relate to medical practices" (JPO Decision No. 5-1(2)D.). Therefore, the JPO Decision is not in violation of Article 56, paragraph (1) of the Trademark Act and Article 157, paragraph (2), item (iv) of the Patent Act.

In this regard, the Plaintiff alleges that the JPO Decision does not state the reason to determine that "psychological test" in the designated services of the Trademark and "medical testing and patient counseling services regarding human reproduction" in the designated services of Cited Trademark 6 are similar. However, "psychological test" in the designated services of the Trademark and "medical laboratory services, namely medical testing and patient counseling services regarding human reproduction" among the designated services of Cited Trademark 6 overlap to some degree. Further, it can be understood that "psychological testing and counselling for medical and health services" in the designated services of the Trademark and "medical testing and patient counseling

services regarding human reproduction" in the designated services of Cited Trademark 6 are similar from their wordings. So, even supposing that the issues raised by the Plaintiff are not specifically stated in the JPO Decision, it cannot be said that the JPO decision does not state the reason for finding that Class 44 "genetic testing for medical purpose; psychological testing and counselling for medical and health services" in the designated services of the Trademark and the designated services of Cited Trademark 6 are similar. Therefore, the Plaintiff's allegation mentioned above cannot be accepted.

5. Conclusion

As mentioned in 1. above, the finding of the JPO Decision that the application for registration of the Trademark was filed without the approval of a person who has the right pertaining to the trademark, without a just cause, is incorrect. As this error in the finding affects the conclusion of the JPO Decision, Grounds for Rescission 1 and 2 are well-grounded.

For the reasons stated above, the JPO Decision shall be rescinded, and the judgment shall be rendered as indicated in the main text.

Intellectual Property High Court, Third Division
Presiding judge: SHOJI Tamotsu
Judge: UEDA Takuya
Judge: NAKADAIRA Ken

Attachment 1 (Cited Trademarks)

1. Cited Trademark 1

International registration No. 1323083

Mode of trademark: As specified in 1. of Attachment 2

Designated services: Class 42 "DNA analysis services to determine paternity; genetic mapping for scientific purposes; genetic testing for scientific research purposes; laboratory research in the field of genetic reproduction; medical and scientific research in the field of reproduction and genetics; medical research laboratory services; medical research; research and development in the field of reproduction and genetics; research in the field of reproduction and genetics; scientific research and development; scientific research for medical purposes in the field of reproduction and genetics," and Class 44 "Medical laboratory services, namely, medical laboratory services, namely medical testing and patient counseling services regarding human reproduction"

Date of international registration: May 24, 2016

Office of designated contracting parties: Office for Harmonization in the Internal Market (trademark and design), Norwegian Industrial Property Office, etc.

2. Cited Trademark 2

Application No. 256800

Country name: The United Arab Emirates

Mode of trademark: As specified in 1. of Attachment 2

Designated services: Class 42 "Scientific and technological services and research and design relating thereto; industrial analysis and industrial research services; design and development of computer hardware and software"

Date of application: July 19, 2016

Date of registration: January 18, 2017

3. Cited Trademark 3

Application No. 256801

Country name: The United Arab Emirates

Mode of trademark: As specified in 1. of Attachment 2

Designated services: Class 44 "Medical services; veterinary services, etc."

Date of application: July 19, 2016

Date of registration: January 18, 2017

4. Cited Trademark 4

Registration number: 1437022764
Country name: The Kingdom of Saudi Arabia
Mode of trademark: As specified in 1. of Attachment 2
Designated services: Class 42 "Scientific and technological services and research and design relating thereto; industrial analysis and industrial research services; design and development of computer hardware and software"
Date of application: July 18, 2016
Date of registration: October 26, 2016

5. Cited Trademark 5
Registration number: 1437022765
Country name: The Kingdom of Saudi Arabia
Mode of trademark: As specified in 1. of Attachment 2
Designated services: Class 44 "Medical services; veterinary services, etc."
Date of application: July 18, 2016
Date of registration: October 26, 2016

6. Cited Trademark 6
Registration number: 3014461 (Exhibit Ko 11)
Country name: The United States of America
Mode of trademark: As specified in 2. of Attachment 2
Designated services: Class 44 "medical laboratory services, namely medical laboratory services, namely medical testing and patient counseling services regarding human reproduction"
Date of application: August 25, 2003
Date of registration: November 15, 2005

7. Cited Trademark 7
Registration number: 2654316
Country name: The Argentine Republic
Mode of trademark: "REPROGENETICS ARGENTINA"
Designated services: "all designated services" in Class 44
Date of application: April 10, 2013
Date of registration: June 11, 2014
The right holder of Cited Trademark 7 prior to the transfer is "TANGO GENICS S.A."

8. Cited Trademark 8
Registration number: 2687690
Country name: The Argentine Republic
Mode of trademark: As specified in 1. of Attachment 1
Designated services: Class 44 "Medical services; veterinary services; hygienic and beauty care for human beings or animals"
Date of application: March 15, 2013
Date of registration: October 23, 2014
The right pertaining to Cited Trademark 8 was transferred from TANGO GENICS S.A. to the Defendant on March 18, 2016.

9. Cited Trademark 9
Registration number: 2687689
Country name: The Argentine Republic
Mode of trademark: As specified in 1. of Attachment 1
Designated services: Class 42 "Scientific and technological research"
Date of application: March 15, 2013
Date of registration: October 23, 2014
The right pertaining to Cited Trademark 9 was transferred from "TANGO GENICS S.A." to the Defendant on March 18, 2016.

10. Cited Trademark 10
Registration number: 2654315
Country name: The Argentine Republic
Mode of trademark: "REPROGENETICS ARGENTINA"
Designated services: "all designated services" in Class 42
Date of application: April 10, 2013
Date of registration: June 11, 2014
The right holder of Cited Trademark 10 prior to the transfer is "TANGO GENICS S.A."

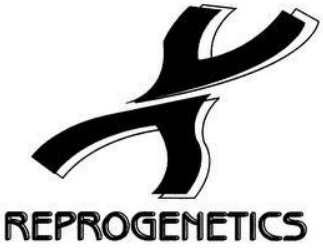
11. Cited Trademark 11
Registration number: 003615325
Country name: The European Union
Mode of trademark: As specified in 3. of Attachment 2
Designated products/services: Class 16 "Paper, cardboard 5 and goods made from these materials, not in other classes; printing materials; bookbinding material; photographs;

stationery; adhesives for stationery or household purposes; artists material; paint brushes; instructional or teaching machines (except apparatus); plastic materials for packing (not included in other classes); printing types; printing blocks; in particular, publications, magazines, periodicals and catalogues," Class 41 "Provision of education; providing of training; entertainment; cultural activities; in particular, arranging and conducting colloquiums, conferences, congresses, seminars, symposiums and training workshops, publication of books; electronic publication of books and periodicals online, and Class 42 "Scientific and technological services and research and design relating thereto; industrial analysis and research services; in particular, analysis of embryos and gametes"
Date of application: January 9, 2004
Date of registration: June 23, 2005
Right holder: REPROGENETICS SPAIN S.A.

Attachment 2

1 (Cited Trademarks 1 through 5, Cited Trademark 8, Cited Trademark 9)

2 (Cited Trademark 6)



3 (Cited Trademark 11)