

Judgments of Intellectual Property High Court, Fourth Division

Date of the Judgment: 2006.9.20

Case Number: 2005 (Gyo-Ke) No.10349

Title (Case):

A case wherein the court upheld the trial decision that invalidated the registration of a trademark consisting of the original title (in English) of an internationally famous novel based on the grounds that such trademark registration would violate international good faith

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

Summary of the Judgment:

1. Outline of the case

The disputed trademark consists of the letters of the original title of an internationally famous novel, “Anne of Green Gables”. The defendant filed a request for invalidation trial against the plaintiff, who was the holder of the disputed trademark, by alleging violations of the principal sentence of para.1 of Article 3, item 5, item 7, item 8, item 15 and item 19 of para.1 of Article 4, etc. as the reasons for invalidation. The Patent Office (JPO) made a trial decision to invalidate the registration of the disputed trademark based on the grounds that the disputed trademark violated international good faith, thereby falling under the category of trademarks that are “likely to cause damage to public order or morality” set forth in item 7 of para.1 of Article 4.

2. Reasons for the trial decision

The trial decision was made based on the following three reasons: (1) the disputed work had the characteristics of a cultural heritage of Canada; (2) the rights to the disputed work were managed and protected by the heirs and Anne of Green Gables Licensing Authority Inc. (AGGLA), a third sector whose member includes the State of Canada and the demandant of the trial; and (3) the plaintiff had not obtained consent from the heirs of the author, the defendants, or the AGGLA.

3. Arguments of the parties concerned

(1) Relationship with Copyright

The plaintiff claimed that any party may file a trademark application for the title of a work because the title of a work is not copyrightable. On the other hand, the defendant argued that, even though the title is not copyrightable, it would disturb the fair order of business transaction and thereby contravene the public order and morality if an

unrelated party files, without the consent of the copyright holder, etc., an application for the famous title of a work that had the ability to attract a great number of customers.

(2) Trademark registration of a cultural heritage

The plaintiff claimed that the disputed work cannot be considered as a cultural heritage of Canada and that, even if the work had been a cultural heritage, it would not prohibit any party from registering it as a trademark. On the other hand, the defendant argued that the disputed work was, in fact, a cultural heritage and therefore that no party would be entitled to file a trademark application without the consent of the Canadian government, the defendants, the AGGLA, etc.

(3) Purpose of the official mark system of Canada

The mark consisting of “ANNE OF GREEN GABLES” was registered as an “official mark” under the Canadian Trade-marks Act. The defendants were the registered holders of the mark (the mark was later assigned to the AGGLA). The plaintiff asserted that the registration as an official mark did not mean that the disputed work was recognized as a cultural heritage, and also stated that the AGGLA was not a “public authority” because it was a commercial organization. On the other hand, the defendants argued that the government of Canada had recognized the disputed work as a cultural heritage and provided special protection for the work as an official mark. The defendant also pointed out that the fact that the AGGLA was the only organization authorized by Canada to use the “ANNE OF GREEN GABLES” mark indicated that the AGGLA had the status of a “public authority.”

(4) Free ride on the famous title to take advantage of its ability to attract customers

The plaintiff emphasized that this was a dispute among commercial enterprises and that the invalidation of the disputed trademark registration would benefit the AGGLA only. In response, the defendant argued that the AGGLA is playing public roles despite its status as a commercial enterprise and that the plaintiff’s attempt to free-ride the disputed work to take advantage of its ability to attract customers would damage the fair order of business transaction.

(5) Social appropriateness of the filing of the trademark application

The plaintiff asserted that the agreement concluded with the heirs did not prohibit filing of an application for the trademark in Japan. The defendant argued the agreement did prohibit filing of such trademark application in Japan and therefore that the plaintiff’s act was unfaithful.

4. Summary of the court’s holdings

(1) First, this court presented its understanding of the meaning of Article 4, para.1, item 7 of the Trademark Act as follows:

“Article 4, para.1, item 7 of the Trademark Act specifies that any trademark that ‘is likely to cause damage to public order or morality’ shall not be registered. Trademarks that are ‘likely to cause damage to public order or morality’ include (1) any trademark consisting of word (characters) or figure which itself is unethical, obscene, discriminative, or outrageous or gives an unpleasant impression to others, (2) even if the constitution of trademark itself does not fall under the preceding item, any trademark that would damage social and public interests and violates the widely-accepted morals when the trademark is used for the designated goods or services, (3) any trademark whose use is prohibited by any other law, (4) any trademark that insults a certain nation or the nationals thereof or violates international good faith in general, or (5) any trademark the application for which is considered to be socially inappropriate and the registration of which is considered to be totally unacceptable because such registration would disturb the order that the Trademark Act aims to establish.

The JPO determined in its trial decision that the disputed trademark registration should be invalidated because such registration violated the international good faith between the government of Japan and that of Canada including the defendants. In this regard, we should point out that whether a trademark registration undermines the international good faith between Japan and a certain country should be decided by taking into account such factors as the constitution of the trademark in question such as the characters and figures contained in the trademark, the designated goods and services, the significance and importance in that country of the subject matter used in the trademark, the relationships between Japan and that country, the effects on the country that would be caused if the trademark is registered, the effects on Japanese public interests caused if the trademark is registered, and the internationally-accepted general principles, business practice, etc.

After such examination, the decision as to whether a trademark falls under the category of trademarks that are ‘likely to cause damage to public order or morality’ as specified in Article 4, para.1, item 7 of the Trademark Act should be made by comprehensively considering the specific circumstances surrounding the trademark in question as described in the above-mentioned factors (1)-(5).”

(2) Then, this court examined the cultural value of the disputed work and the relationships between Japan and Canada and held as follows:

“The disputed work is an internationally famous literary work written by one of the major authors of Canada. The leading character, Anne, whose life in the beautiful nature of Prince Edward Island is depicted in the work, is considered to be a symbol of Canada. Her portrait has been used for gold coins and stamps in Canada. Public

authorities in Canada have chosen the author, Montgomery, as an important historical figure. These facts clearly indicate that Canada recognizes the high cultural value of the disputed work and that Canada and its nationals consider the work as an important cultural asset of which they should be proud. The disputed work has also been playing a role of bridge between Japan and Canada since the work has many readers in Japan as well across all age brackets. Therefore, Japan is expected to understand why Canada and Canadians value the disputed work highly. For these reasons, if Japan allows registration of such a trademark that would damage the value, good fame, and reputation of the work, its author, or its leading character, it is likely to violate the international good faith between Japan and Canada and damage the public interests of both countries.”

(3) Furthermore, the court held that “The use of the trademark for some of the designated goods (such as slot machines) could damage the value, good fame, image, etc., of the leading character of the work even if the quality and other aspects of the goods are acceptable” and that “In Canada, the mark consisting of the letters ‘ANNE OF GREEN GABLES,’ which is the original title of the work, has been registered as an official mark. Any use of the mark by a private institution other than the mark holder has been prohibited. This situation should be taken into full consideration when Japan decides whether to permit the registration of the disputed trademark which consists of the same letters. Therefore, there are sufficient grounds for prohibiting any institution or organization pursuing private profits from registering the disputed trademark in order to protect and maintain the value, good fame, image, etc., of the leading character of the work and respect the international good faith between Japan and Canada.”

(4) Regarding the acceptability of registering the title of a famous work as a trademark, the Japanese Trademark Act does not have any provisions that explicitly prohibit the registration of any trademark that contains the title of a famous work or that explicitly prohibit such registration without the consent of the copyright holder of the work. However, the court held that “in the case of a work that has a world-wide reputation and a high economic value and that particularly requires the protection and maintenance of the reputation, good fame, etc., of the work under the principle of international good faith, as is the case with the disputed work, it would be appropriate to construe that any trademark consisting of the title of such work that has been registered by any party unrelated to the work falls under the category of trademark that are ‘likely to cause damage to public order or morality.’ ”

(5) It should be noted that the court also held as follows:

“In the meantime, even after the author of the disputed work died and the

copyright therein has been extinguished, if the heirs or subsequent heir are allowed to exercise a powerful right to the title of the work, it would be against the purpose of the Copyright Act, which was designed to protect copyright only for a limited period and to let the public freely exploit any work after its protection period expires. ... If the heirs of the author or any organization that they operate and manage seeks to register a trademark consisting of the title of a work ... for the sole purpose of pursuing private profits, such registration may naturally be restricted on the ground that such trademark registration would damage the public order or morality as is the case with registration by a third party as described above.”

(6) In addition, the court held that the plaintiff’ s filing of an application for the disputed trademark was socially unacceptable in some respects and concluded that the disputed trademark registration would fall under the category of trademarks that are “likely to cause damage to public order or morality” based on a comprehensive examination of the following six points:

- “(i) The disputed trademark consists of the title of a work that has an international reputation and a high cultural value. In view of the designated goods specified in the application for the trademark in Japan, its registration could damage the value, good fame, and reputation of the work, its author, or leading character;
- (ii) The disputed work is an important cultural heritage of Canada. The work has many readers in Japan as well across all age brackets. The work has played an important role in fostering friendship between Japan and Canada;
- (iii) For these reasons, if Japan does not prohibit trademark registration that could damage the value, good fame, and reputation of the disputed work, its author, or its leading character, it is likely to violate the international good faith between Japan and Canada and have an adverse effect on the public interests of both countries;
- (iv) The mark consisting of the letters, “ANNE OF GREEN GABLES,” which is the original title of the disputed work, is protected as an official mark in Canada, and no private organization is allowed to use that mark. This fact should be taken into full consideration;
- (v) The disputed work has the ability to attract a great number of customers. It would be inappropriate to let a private company unrelated to the disputed work, such as the plaintiff, register the trademark consisting of the title of the work and use it exclusively; and
- (vi) The plaintiff’ s filing of an application for the disputed trademark is socially unacceptable in some respects in view of the contents of the written agreement concluded between the plaintiff or a related company and the heirs.”

(7) The court clearly mentioned that its judgement did not take into consideration the

necessity to protect and promote the tourism industry of the Province of Prince Edward Island, by holding as follows:

“In a case where a local tourism industry depends on the popularity and a high level of recognition of a certain work or its leading character, if a third party unrelated to the local area registers a trademark consisting of the title of the work or the name of the leading character and uses it exclusively, causing serious damage to the tourism industry of the area as a whole, such trademark registration could be considered to be damaging to the public order or morality. However, in the case of the trademark disputed in this lawsuit, there is no sufficient evidence to prove that the plaintiff’ s registration of the trademark in Japan would have serious adverse effects on the tourism industry of the defendant province. As stated above, this court judged that the plaintiff’ s filing of the application for registration of the trademark consisting of the title of the work and its registration is likely to damage the value, good fame, and reputation of the work, its author, and its leading character exclusively from the perspective of public interest. This court did not take into consideration the necessity to protect and promote the tourism industry of the defendant province to reach such a conclusion.”

(The copyright for this English material was assigned to the Supreme Court of Japan by Institute of Intellectual Property.)

2005 (Gyo-Ke) 10349 Case of Seeking Rescission of a JPO Decision

Judgment rendered on September 20, 2006, Date of conclusion of oral argument: June 7, 2006

Judgment

Plaintiff: Sullivan Entertainment International Inc.

Defendant: Prince Edward Island of Canada

Main text

The plaintiff's claim shall be dismissed.

The plaintiff shall bear the court costs.

The additional period for filing a final appeal and petition for acceptance of final appeal against this judgment shall be 30 days.

Facts and reasons

No. 1 Judicial decision sought by the plaintiff

A judgment to the effect that the "trial decision rendered by the JPO with respect to Invalidation Trial Case No. 2003-35094 on July 13, 2004 shall be rescinded."

No. 2 Outline of the case

The trademark in question ("Trademark") consists of the characters "Anne of Green Gables," which is the original title of the famous novel ("Akage no Ann" in Japanese; hereinafter referred to as the "Work") written by Lucy Maud Montgomery, a Canadian novelist (hereinafter referred to as the "Original Author" or "Montgomery"). The plaintiff holds a trademark right for the Trademark. In this case, Prince Edward Island of Canada filed a request for invalidation trial alleging that the Trademark was registered in violation of the main clause of Article 3, paragraph (1) and Article 4, paragraph (1), items (v), (vii), (viii), (xv) and (xix) of the Trademark Act with respect to the goods belonging to Class 9 among the designated goods of the Trademark. In response to this, the JPO rendered a trial decision (the "JPO Decision") holding that the trademark registration for said designated goods has been made against the international faith between Japan and the government of Canada including the defendant and is invalid for violating the provisions of Article 4, paragraph (1), item (vii) of the Trademark Act. Dissatisfied, the plaintiff instituted an action seeking rescission of the JPO Decision.

1. Developments in procedures at the JPO

(1) The Trademark

Holder of the trademark right: Plaintiff

Trademark:

*Anne
of Green Gables*

Designated goods: Class 9 "Spectacles, phonograph records, metronomes, slot machines, weight belts, wet suits, swimming rings, air tanks, kickboards, regulators, home video game machines" and Class 14 "Clocks and watches, personal ornaments, unwrought and semi-wrought precious stones and their imitations, coin purses with a metal snap frame and wallets made of precious metal, compact made of precious metal"

Application date: June 20, 2000

Date of registration of establishment: April 27, 2001

Registration number: No. 4470684

(2) Procedures in question

Date of request for trial: March 13, 2003 (Invalidation trial No. 2003-35094; a request for a trial for invalidation of registration filed with respect to Class 9 among the designated goods)

Date of trial decision: July 13, 2004

Conclusion of trial decision: "The registration made with respect to Class 9 'Spectacles, phonograph records, metronomes, slot machines, weight belts, wet suits, swimming rings, air tanks, kickboards, regulators, home video game machines' among the designated goods of the trademark (Registration No. 4470684) shall be invalidated."

Date of service of the certified copy of the trial decision: July 23, 2004 (to the plaintiff)

2. Summary of the reasons of the JPO Decision (the evidence shown in the part quoting the JPO Decision refers to the evidence submitted in the trial procedures)

The JPO Decision can be summarized as follows. In its decision, the JPO found that the trademark registration in question ("Trademark Registration") is invalid for violating Article 4, paragraph (1), item (vii) of the Trademark Act by holding that the plaintiff's act of carrying out the Trademark Registration without obtaining the approval of the heirs of the Original Author, the defendant and Anne of Green Gables Licensing Inc. mentioned below (hereinafter referred to as "AGGLA") is inappropriate for being against the principles of good faith applicable to the relationship between the plaintiff and the abovementioned persons and that the plaintiff's act of registering the Trademark as a trademark of Japan is against the international faith between Japan and the government of Canada including the defendant.

"(1) Regarding the characters 'Anne of Green Gables'

Taking into consideration in a comprehensive manner Exhibits Ko submitted by the demandant, the following facts can be found: [i] the characters, 'Anne of Green Gables,' constituting the Trademark show the title of a work written by Lucy Maud Montgomery, a Canadian novelist; [ii] the work was published in 1908 and is a novel in which the process of growth of an orphan heroine, Anne, living on Prince Edward Island in Eastern Canada is described ("Akage no Ann" in Japanese); and [iii] this novel and its title are familiar to people around the world.

In addition, it is found that the copyright, trademark right and other legal rights in the world for the work in question ("Work") and other works related thereto are managed and protected by B1 and B2, who are the heirs of the original author in question ("Original Author") who passed away in 1942 (note of the judgment: hereinafter referred to as the "Heirs"), and 'Anne of Green Gables Licensing Authority Inc. (AGGLA),' which was established based on the laws of Prince Edward Island in Canada on May 26, 1994 as a third sector whose members include the government of Canada and the demandant and others (Exhibit Ko 36).

The Trademark consists of the characters, 'Anne of Green Gables,' although the characters are designed as separately shown. As described above, this term is the title of a work written by the Original Author and famous around the world. Moreover, it should be said that it has the characteristics of a cultural asset of Canada including the abovementioned demandant and others due to its use as the incuse of the 1 ounce gold coin put into circulation by the Royal Canadian Mint (Exhibits Ko 17-11 and 25) and the stamps, etc. issued by the Canada Post (Exhibits Ko 26 and 39) or its use in the commercialization business by AGGLA as part of its protection.

(2) As such, the JPO will examine in the following parts whether or not the Trademark registered based on the demandee's act of filing an application for trademark registration and obtaining a trademark right in Japan is a trademark which is likely to cause damage to public policy.

A. Trademarks that fall under Article 4, paragraph (1), item (vii) of the Trademark Act are not limited to trademarks whose indication itself is likely to cause damage to public policy or those whose use is against the social and public interests, but it should be said that even in the case where the act of adopting and establishing rights for the relevant trademark is inappropriate and is against international faith, the trademark registered based on such act may be considered to fall under the category of trademarks that disturb the order of transactions and cause damages to public policy (judgment of the Tokyo High Court of December 22, 1999, 1998 (Gyo-Ke) 185, website of the Supreme Court).

B. The demandee alleges that [...] the act of filing an application for registration and obtaining a trademark right for the Trademark is lawful based on the agreement shown in Exhibits Otsu 1-1 and 1-2 dated February 17, 1984, and the agreements shown in Exhibits Otsu 2-1 and 2-2 dated July 31, 1986, that have been entered into between the demandee (the demandee's predecessor company) and the heirs of the Original Author.

However, it is found that the agreement shown in Exhibit Otsu 1-1 is one primarily concerning the 'film production and making of a TV series' for 'Anne of Green Gables' and that Exhibit Otsu 2-2 shows an agreement concerning the sequel thereof. These exhibits do not contain any statement which allows one to find that the demandee had been licensed to establish a trademark right for the characters 'Anne of Green Gables,' which show the title of the Work and constitute the Trademark.

Even if these agreements were some sort of copyright agreements related to the work of 'Anne of Green Gables' as alleged by the demandee, it is appropriate to construe that, in general, a title of a work cannot have copyrightability independent of the work (judgment of the Osaka High Court of September 26, 1985, 1984 (Ne) 1803, website of the Supreme Court). In this case, it cannot be found that there were special circumstances to find that a copyright had emerged in Japan and Canada with respect to the characters (term/title) 'Anne of Green Gables' and thus, the agreements shown in Exhibits Otsu 1-1 and 2-1 as mentioned above cannot serve as the basis to find that the demandee was the legitimate right holder of the application for trademark registration filed for the Trademark in Japan based on the copyright agreement.

C. The demandee alleges that [...] his/her act of filing an application for trademark registration for the Trademark in Japan and establishing a right therefor has not been made for unfair purposes.

However, this allegation made by the demandee is irrelevant to whether or not the background to the adoption of the Trademark is against international faith. Moreover, as found and determined in B. above, the demandee cannot be found to be the legitimate party entitled to obtain registration of the Trademark or the licensed person therefor. [...]

In addition, it is obvious that the demandee filed an application for the Trademark and received registration therefor in Japan without obtaining consent from the relevant parties including the Heirs, government of Prince Edward Island, and AGGLA.

The characters (title) 'Anne of Green Gables' constituting the Trademark should be found to have the characteristics of a cultural asset of Canada including the demandant and others, as found and determined in (1) above.

If such is the case, the demandee's act of filing an application for trademark registration and obtaining registration without obtaining the consent (license) from the

abovementioned parties concerned, etc. and with the intention to exclusively use the Trademark in Japan is against the principles of good faith in relation to the abovementioned parties concerned, etc. and is inappropriate from an objective perspective even if the demandee had no unfair purposes. Furthermore, there is no choice but to find that the act of registering the Trademark in Japan is against the international faith between Japan and the government of Canada including the demandant.

(3) Based on the abovementioned findings, it should be said that the Trademark was registered in violation of Article 4, paragraph (1), item (vii) of the Trademark Act and thus, pursuant to the provisions of Article 46, paragraph (1) of said Act and as stated in the object of claim, the registration of the Trademark for the goods belonging to Class 9 'Spectacles, phonograph records, metronomes, slot machines, weight belts, wet suits, swimming rings, air tanks, kickboards, regulators, home video game machines' among its designated goods should be invalidated."

(omitted)

No. 5 Court decision

1. Regarding the grounds for rescission (errors in the determination on the applicability of Article 4, paragraph (1), item (vii) of the Trademark Act)

(1) Meaning of Article 4, paragraph (1), item (vii) of the Trademark Act

Article 4, paragraph (1), item (vii) of the Trademark Act provides that "a trademark which is likely to cause damage to public policy" cannot be registered. It should be said that "a trademark which is likely to cause damage to public policy" as referred to in said provision includes trademarks that fall under the following cases: [i] case where the trademark's composition per se consists of characters or figures that are unethical, obscene, discriminative, outrageous, or unpleasant to people; [ii] case where the trademark does not have the composition per se as prescribed in [i] above but is liable to conflict with social and public interests or contravene the generally-accepted sense of morality of society if used for the designated goods or designated services; [iii] case where the use of the relevant trademark is prohibited by other laws; [iv] case where the trademark is liable to dishonor a specific country or its people or is generally considered contrary to the international faith; and [v] case where the trademark whose registration is contrary to the order predetermined under the Trademark Act and is utterly unacceptable for lack of social reasonableness in the background to the filing of an application for trademark registration.

In the JPO Decision, the Trademark Registration was invalidated on the grounds that

it is contrary to the international faith between Japan and the government of Canada including the defendant. The determination on whether or not a trademark registration is against the international faith in relation to a specific country should be made by taking into consideration such matters as the composition of the trademark such as the characters and figures thereof, the details of the designated goods or services, the meaning and significance of the subject of the trademark in said country, the relationship between Japan and said country, the possible impact on the country in the case where the relevant trademark is registered, the public interest of Japan for registering the trademark and internationally accepted general principles and business customs.

Based on such determination, the decision on whether or not the relevant trademark falls under "a trademark which is likely to cause damage to public policy" as prescribed in Article 4, paragraph (1), item (vii) of the Trademark Act shall be made while taking into consideration in a comprehensive manner the specific circumstances prescribed in [i] to [v] above found in the relevant case.

(2) Facts of this case

In light of the facts, according to the evidence (statement of branch numbers is omitted in principle) and the entire import of the oral argument, the following facts are found.

A. Parties

The plaintiff is a corporation established based on the laws of Ontario in Canada and is mainly engaged in the distribution of produced films and TV programs as business. Its name prior to the change in trade name is Sullivan Films Distribution Inc. (hereinafter referred to as the "Sullivan Films"). Sullivan Entertainment Inc. is an affiliate company of the plaintiff and its name prior to the change in trade name is Huntingwood Films Limited (hereinafter referred to as "Huntingwood").

On the other hand, the defendant is the government of Prince Edward Island, which is one of the provinces that constitute Canada.

(Exhibits Ko 996 and 997 and Exhibit Otsu 101)

B. Work

The Work, "Anne of Green Gables," is a novel about an orphan girl, Anne, sent to live with a middle-aged brother and sister living on Prince Edward Island, describing the process of her growth from a girl to a young woman while living in the house with green gables and being supported by the warm human kindness and friendship of the people of the island in the beautiful natural environment of Prince Edward Island. The Work was written by Montgomery, who was born on the Island in 1874 and passed away on April 24, 1942. Since its publication in 1908, the Work has not only been widely read within Canada but has also been translated into various languages and has become a worldwide

bestseller. In addition, the Work has been made into TV programs, movies and stage plays and has attracted a large audience.

According to the copyright law of Canada, copyrights expire on the 50th year after the author has passed away, and thus the period of protection of copyrights for the Work expired as of April 24, 1992 (it has been disputed between the parties concerned including the plaintiff and the defendant as to whether or not the Heirs have subsequently recovered copyrights).

The Work has also been widely familiar in Japan for generations under the Japanese title "Akage no Anne (Red-haired Anne)" and a number of Japanese tourists visit Prince Edward Island, the setting of the Work, every year. Moreover, at the 70th anniversary of the establishment of diplomatic relations between Japan and Canada held in 1999, a memorial distinguished service award for the promotion of cultural exchanges upon the 70th anniversary of the establishment of the diplomatic relations between Japan and Canada was given to C, a grandchild of the Japanese translator of the Work, from the prime minister of Canada. Furthermore, the Canada museum of the 21st world exposition, "Exposition of Global Harmony," set May 5, 2005 as the "Day of Anne of Green Gables" and held various events concerning Anne.

(Exhibits Otsu 2 to 8, 10 to 16, 18, 33, 45, 46, 55 to 59, 61 to 65, 67 to 72, 88, 91 to 101, 116, 118, 127 and 141)

C. Issuance of memorial gold coins and memorial stamps, etc. regarding the Work

The Royal Canadian Mint issued and sold 200 dollar memorial gold coins under the theme of "Rising generation and legacy of Canada" in 5 series during the period from 1990 to 1994. Following the designs of the national flag in 1990, hockey in 1991, Niagara Falls in 1992 and Royal Canadian Mounted Police in 1993, the last gold coin was issued in 1994 in commemoration of Anne, who is the character of the Work, and Anne's portrait is placed in the middle of the coin. This gold coin was also put on sale in Japan.

In addition, in May 1975, an 8 cent stamp with the design of Anne placed in its center and the characters including "Lucy Maud Montgomery Anne of Green Gables" stated on the left side was issued.

Furthermore, Historic Sites and Monuments Board of Canada, a public advisory body of Canada, designated Montgomery as an important person in the history of Canada in 1943 and the house used as a model for Anne's house in the Work and its surroundings are preserved in Prince Edward Island National Park.

(Exhibits Otsu 25, 39, 57, 83 to 85, 105 and 107)

D. Relationship between the Work and the defendant

Prince Edward Island, which formed the setting of the Work, is a nature-rich island

located in Eastern Canada and has the nickname "The Home of Anne" in tribute to the Work. Tourism is one of the major industries for the Island, and the government of Prince Edward Island has advertised the Island as the home of Anne of Green Gables around the world and has actively attracted tourists by placing the Work at the core of the tourism industry. The defendant has also taken measures such as the maintenance and preservation of the facilities and places related to the Work that are located on the Island (such as the house which inspired the house in which Anne lived, Lover's Lane, birthplace of Montgomery, post office, church and museums, etc.) and also started to add the indication "Home of 'Anne of Green Gables'" to the car identification plates of the province in 1993. As a result of these activities for attracting tourists, Prince Edward Island has come to have various facilities and places related to Anne of Green Gables across its entire area. (Exhibits Otsu 17, 57, 60, 64, 65, 117, 118 and 128)

E. The Work and registration of official marks

Article 9(1) of the Trade-marks Act of Canada provides that "No person shall adopt in connection with a business, as a trade-mark or otherwise, any mark consisting of, or so nearly resembling as to be likely to be mistaken for" and item (n)(iii) of said paragraph lists "any badge, crest, emblem or mark, adopted and used by any public authority, in Canada as an official mark for wares or services" as one of the examples.

Based on these provisions, the defendant filed an application for a mark consisting of the characters "ANNE OF GREEN GABLES" on August 27, 1992 (Application No. 0905533) and the mark was registered as an official mark (hereinafter referred to as the "Official Mark"). As other official marks related to the Work, marks such as "GREEN GABLES HOUSE" and "ANNE OF THE ISLAND" are registered with the defendant as the registered owner while marks such as "AKAGE NO ANNE," ANNE SHIRLEY," RED-HAIRED ANN" and "ANN of GREEN GABLES-THE MUSICAL" are registered with AGGLA as the registered owner.

On March 28, 1995, the defendant agreed to assign the official marks including "ANNE OF GREEN GABLES" to AGGLA but the name change of the holder of trademark right has yet to be carried out. (Exhibits Otsu 35, 81, 104 and 132)

F. Management style and business content of AGGLA

AGGLA is a profit-making corporation established on May 26, 1994, based on the company law of Prince Edward Island, and the heirs and the defendant hold the same number of shares thereof. As stated above, AGGLA obtained the official marks including "ANNE OF GREEN GABLES" from the defendant and is engaged in the licensing business in relation to the Work.

The application documents for the establishment of AGGLA state the following items as its main purposes: [i] to seek memorization and recognition of Montgomery, who is the most famous novelist in Canada; [ii] to maintain and improve the good fame of Montgomery and her works, [iii] to protect the image of Anne; [iv] to manage and supervise the use of Anne's image and trademarks related to Anne; [v] to license persons who are engaged in the business of high quality commercialization using trademarks related to Anne or Anne's image, collect royalties for the heirs and the government of the province, etc. and take necessary measures for favorable protection of trademark rights and exercise of rights; and [vi] to carry out other business favorable for the company.

According to the agreement dated May 5, 1994 entered into between the parties concerned including the defendant and the Heirs (Exhibit Ko 976), the directors of AGGLA were set to consist of eight persons, the breakdown of which are three recommended by the defendant, three recommended by the heirs, and two recommended by both the defendant and the heirs. In addition, it was provided that important matters including commercial licenses must be decided by a majority vote of the directors and the approval of the board of directors must be obtained. Furthermore, it was also provided that, on that occasion, the majority of directors must include at least one recommended by the defendant and one recommended by the heirs.

Moreover, according to said agreement, AGGLA has a "P.E.I. licensing committee," whose majority of members is appointed by the defendant, and a "Family licensing committee," whose majority of members is appointed by the heirs (paragraphs 20 to 22 of said agreement). While the "P.E.I. licensing committee" is basically engaged in the prior examination of the license application for goods manufactured or otherwise handled in the defendant's province, the "Family licensing committee" is engaged in the prior examination of the license application for goods manufactured or otherwise handled in places outside said province. Unless prior approval is obtained from these committees, license is not granted (paragraphs 23 to 25 of said agreement). Furthermore, with respect to the distribution of royalties, it is provided that those for which prior approval of the "P.E.I. licensing committee" is required will be the sole property of the defendant's province in principle, while those for which prior approval of the "Family licensing committee" is required will be the sole property of the heirs in principle (paragraph 33 of said agreement). The royalties that will be the property of the Heirs are paid to the company of the heirs of L.M. Montgomery owned by the Heirs.

AGGLA licenses business operators in the defendant's province for free, but it requires business operators outside the province to pay royalties. According to an estimation based on the royalties collected by the Toronto Office of AGGLA, the total

amount of sales of goods that were sold in relation to the trademarks licensed by AGGLA and other relevant organizations, during the period from January 1, 1994 to June 15, 2002, was about 17,700,000 Canadian dollars (about 1,438,200,000 yen).

(Exhibits Ko 975 and 976 and Exhibits Otsu 17, 35, 103, 113, 120 and 123)

G. Background to the transactions, etc. between the plaintiff or its affiliate company and the Heirs

(A) Huntingwood, which is an affiliate company of the plaintiff, and the Heirs reached an agreement on matters such as the conditions and considerations concerning the exercise of option rights held by Huntington in relation to the movie rights and right to create TV programs held by the Heirs with respect to the Work based on the abovementioned letter dated February 16, 1984 (Exhibit Ko 971 and Exhibit Otsu 49). Yet, said letter contained the following wordings: "Family B (note of the judgment: Heirs) holds any and all rights other than the rights individually and specifically granted including, but not limited to, the publishing right or merchandising right."

(B) Sullivan Films, which is the company prior to the change in the trade name of the plaintiff, and the Heirs reached an agreement on matters such as the abovementioned amount of money to be paid to the Heirs by Sullivan Films upon its conclusion of commercialization agreement with CBC, based on the letter dated July 28, 1987, in relation to the commercialization business of Sullivan Films and CBC for the Work. Yet, said letter contained the following wordings: "Any and all instructions to CBC [...] include instructions related to the measures to be taken by CBC, your company (note of the judgment: Sullivan Films) and our client (note of the judgment: Heirs) in order to protect trademark rights, copyrights and design rights. Unless there is any particular agreement in writing, only B, etc. mentioned above shall have the authority to carry out every registration in relation to these rights."

(C) Sullivan Films and the Heirs reached an additional agreement and made an arrangement with respect to the goods to be commercialized by CBC and the trademarks, etc. to be attached thereto based on the letter dated October 19, 1987 (Exhibit Otsu 137-2) in relation to the abovementioned commercialization business to be carried out with CBC. Yet, said letter contained the following wordings: "Your company must consult with me with respect to every instruction to be given to CBC based on the agreement entered into with CBC Enterprise and reach an agreement between the parties. Such instructions include measures to be taken by CBC, your company and my client in order to protect trademark rights, copyrights and design rights."

(D) The plaintiff and its affiliate company filed an application for trademark registration for a mark having the same composition as that of the Trademark on October 13, 1987,

which is prior to the date on which the abovementioned additional agreement was reached, and notified the heirs of such application on May 9, 1988 (Exhibit Otsu 142). The abovementioned trademark registrations were all rescinded in a trial on the grounds of non-use (Exhibits Otsu 41 and 42).

H. Status of application for the Trademark and registration of marks having the same composition

The trademark application in question ("Trademark Application") was filed on June 20, 2000. There are various marks for which application for trademark registration has been filed or which have been registered with respect to the Work prior to said day including the trademark having the same composition as that of the Trademark for which the plaintiff is the right holder (Exhibits Ko 405 to 424), the trademark consisting of the characters (standard characters) "Anne of Green Gables" for which AGGLA is the right holder (Exhibits Ko 425 and 426), the trademark written in two lines, i.e. the upper line written in alphabetic characters "Anne of Green Gables" and the lower line written in Katakana characters "アン オブ グリーン ゲイブルス (Anne of Green Gables)," for which AGGLA and its parties concerned are right holders (Exhibits Ko 431 to 436), the trademark consisting of the characters "赤毛のアン (Red-haired Anne)" for which AGGLA and its parties concerned are right holders (Exhibits Ko 443 to 446 and 449 to 472), the trademark consisting of the characters "アンシャーリー (Anne Shirley)" for which Kabushiki Kaisha Toyosaki Seika, etc. is the holder of trademark rights (Exhibits Ko 495 to 498), and the trademark consisting of two lines, i.e. the upper line written in alphabetic characters "RED HAIR ANNE" and the lower line written in Katakana characters "レッド ヘアー アン (red hair Anne)" for which AGGLA is the right holder (Exhibits Ko 513 to 536).

I. AGGLA filed an application for trademark registration for the trademark consisting of the characters "Anne of Green Gables" designating the goods that belong to Class 28 "Toys and dolls" on July 3, 2001 (Trademark Application No. 2001-060338) but received a notice of reasons for refusal from the JPO based on Article 4, paragraph (1), items (vii) and (xi) of the Trademark Act on July 2, 2002. Since the Trademark, etc. was cited in the reasons for refusal subject to said item (xi), AGGLA filed a petition dated March 13, 2003 to the JPO to suspend the final decision with respect to the abovementioned trademark application on the grounds that the defendant had filed a request for a trial against the examiner's decision of refusal with respect to the Trademark Registration.

(Exhibits Ko 1004 to 1006 and 1010)

(3) Applicability of Article 4, paragraph (1), item (vii) of the Trademark Act

Based on the abovementioned facts found (where appropriate, some facts found from

the entire import of the oral argument have been added), this court will determine whether or not the registered Trademark constitutes "a trademark which is likely to cause damage to public policy."

A. Cultural values of the Work and the relationship between Japan and Canada

The Work is a literary work famous around the world that was written by an author who represents Canada, and Anne, who is the heroine, is found to be regarded as a symbol of Canada together with the beautiful natural environment of Prince Edward Island which forms the setting of the story. In addition, it can be said that the fact that the public organization of said country has selected Montgomery as an important person in history by adopting the portrait of Anne for the gold coins and stamps of said country notably shows that the government of Canada appreciates the cultural value of the Work exceptionally highly and recognizes it as an important cultural asset which Canada and its citizens should be proud of. In addition, the Work has been widely familiar in Japan for generations and can be regarded as a work which functions as a bridge for an amicable relationship between Japan and Canada. Thus, Japan should be recognized to be in a position to show an understanding of such great appreciation held by Canada and its citizens for the Work. As such, it should be said that if Japan is allowed to register a trademark which is likely to damage the value, good fame and reputation of the Work, original author or the main character, it is highly likely to be against the international faith between Japan and Canada and damage the public interests of both countries.

B. Appearance, pronunciation and concept of the Trademark

The Trademark consists of the alphabetic characters, "Anne of Green Gables," wherein the letter "A" of "Anne" and the two "Gs" contained in "Green Gables" are all designed. The characters "Anne of Green Gables" per se have the meaning of "Anne of the house with a green gabled roof" and give rise to the concept of the Work for those who know the original title of the Work. Thus, it is true that, unless there are special circumstances, the composition per se of the Trademark cannot be found to have the risk to cause damage to the value, good fame and reputation of the Work, original author or the main character as it merely consists of the characters "Anne of Green Gables" that have been partially designed.

However, taking into consideration the image of Anne as stated above, which has been developed with respect to the main character of the Work, if the Trademark is used for part of the designated goods in question (for example, slot machines), it is undeniable that there will be a risk for the value, good fame and image, etc. of the main character of the Work to be damaged, even though there may be no problem in the quality of the goods, etc.

C. Status of the mark as an official mark in Canada

As found above, it is found that the defendant has filed an application for the mark consisting of the characters "ANNE OF GREEN GABLES" as a "badge, crest, emblem or mark, adopted and used by any public authority, in Canada as an official mark for wares or services" as provided in Article 9(1)(n)(iii) of the Trade-marks Act of Canada and such mark has been registered. According to the main clause of Article 9(1) of the Trade-marks Act of Canada, no person shall adopt in connection with a business such official mark or marks similar thereto, and there are no disputes between the parties with respect to the fact that the plaintiff cannot register and use in Canada a trademark which is the same as the Trademark.

As also pointed out by the plaintiff, the official mark provided in Article 9(1)(n)(iii) of the Trade-marks Act of Canada is not required to be recognized as a cultural asset of said country and does not fall under the official hallmark or emblem, etc. that falls under Article 4, paragraph (1), items (ii), (v) or (vi) and other relevant provisions of the Trademark Act of Japan. However, as stated above, the Work is a cultural asset that Canada is proud of and has been a work widely familiar in Japan for generations. Thus, the facts that the mark consisting of the characters, "ANNE OF GREEN GABLES," which is the original title of the Work, is registered as an official mark and that any private organizations other than the right holder of the mark are prohibited from using it should sufficiently be taken into consideration in determining whether or not the Trademark consisting of the same characters as those used in said mark will be allowed to be registered in Japan. Moreover, it should be said that there is sufficient reason to limit organizations and groups pursuing private interest to register the Trademark from the perspective of public interest to protect and maintain the values, good fame and images, etc. of the main character of the Work and to give consideration to the international faith between Japan and Canada. (As found above, although the defendant has agreed to assign to AGGLA the official marks including "ANNE OF GREEN GABLES," the name change of the right holder of the mark is yet to be conducted. There are disputes between the parties as to whether or not AGGLA is an "official organization," but this point does not affect the abovementioned findings or determination.)

D. Admissibility of trademark registration of titles of famous works

While the Trademark is the title of a famous novel, the Trademark Act of Japan has a provision stipulating that trademarks containing the pen name of another person or famous abbreviation thereof cannot be registered unless the registration of which has been approved by the person concerned (Article 4, paragraph (1), item (viii)) but not any provision explicitly prohibiting the registration of trademarks containing the title of a

famous work or requiring the applicant to obtain approval from the copyright holder, etc. of the work for registration. As a matter of fact, a number of titles of the original piece or the Japanese translation of works famous around the world such as "Hamlet" (Exhibits Ko 12 and 13), "Don Quixote" (Exhibits Ko 18 and 19), "Gone with the Wind" (Exhibits Ko 1001 and 1002), "Little Snow White" (Exhibits Ko 157 and 158) and "Hans Christian Andersen" (Exhibits Ko 213 and 214) have been registered, while it is also found that a number of titles of works famous in Japan such as "Botchan" (Exhibits Ko 88 and 89), "Izu no Odoriko (The Izu Dancer)" (Exhibits Ko 153 and 154) and "Takekurabe (Growing up)" (Exhibits Ko 46 and 47) are also registered as trademarks.

However, titles should be regarded as signs of the relevant works, and thus they have the function to distinguish the works from other works while there may be cases where the appreciation and good fame of a work are embodied in the title and the title per se has a significant economic value with respect to the famous work. Accordingly, the economic value of a world famous title such as that of the Work is off the scale. In the case where a person who has no relation to the relevant work files an application for a title of a work, which should originally be the common property of all people, it is difficult to find it appropriate to allow such person to exclusively use the trademark as the sole right holder for the relevant designated goods, etc. just because he/she is the prior applicant. Moreover, taking into consideration the facts that renewal of trademark registration is easily allowed and that the exercise of the rights thereof will almost permanently continue, it should be said that it is even less necessary to approve such trademark registration.

As such, in the case where the work is famous around the world and has a significant economic value such as in the case of the Work and it is especially required that the appreciation and good fame, etc. held as a work be protected and maintained under international faith, it is appropriate to construe that the registration of a trademark consisting of the title of the work which has been conducted by a person who has no relation with the work constitutes the registration of "a trademark which is likely to cause damage to public policy."

On the other hand, if the heir or subsequent heir of the author of the relevant work is allowed to exercise a strong right with respect to the title of such work even after the copyright has extinguished due to the passing away of the author, it would be contrary to the purpose of the Copyright Act, which was enacted based on an assumption that copyrights will be protected only for a certain period of time and all people will be able to freely enjoy such work after the passage of such period of time. In its decision, the JPO raised the fact that the plaintiff had failed to obtain consent from the relevant parties including the Heirs, the defendant provincial government, and AGGLA as the reasons for

invalidating the Trademark Registration, but the legal grounds to construe that consent from the heir and related organizations of the author are required are not necessarily clear. Except for special cases where the trademark registration of the title of a work by the heirs of the author or the organization operated and managed by them contributes to public interests such as the maintenance and management of the value, good fame and reputation of the original author or the main character, if such registration is conducted merely in pursuit of private interests, such trademark registration may be naturally limited for being contrary to the public policy of Japan, as is the case with the third parties mentioned above.

E. Background to the application for the Trademark

(A) The agreement based on the letter dated February 16, 1984 which has been reached between Huntingwood, which is an affiliate company of the plaintiff, and the Heirs contains the wordings found above. Although these wordings have not necessarily and explicitly referred to the filing of trademark applications in Japan, they emphasize that the Heirs have any and all rights related to the Work and show their clear intention to prohibit Huntingwood from exercising any rights related to the Work except for the specific rights agreed therein. Therefore, it is obvious that the plaintiff was aware of such clear intention of the Heirs.

(B) The agreement based on the letter dated July 28, 1987 which has been reached between Sullivan Films, which is a company that existed prior to the change in trade name of the plaintiff, and the Heirs also contains the abovementioned wordings. The letter also states in detail the gist and reasons, etc., and emphasizes as a whole the fact that the Heirs have all rights related to the Work.

(C) Moreover, with respect to the abovementioned commercialization business with CBC, Sullivan Films and the Heirs included the wordings found above in the additional agreement reached based on the letter dated October 19, 1987.

(D) The plaintiff filed an application for trademark registration for a mark having the same composition as that of the Trademark on October 13, 1987 but failed to notify the heirs of such fact until May 9, 1988. At the time of reaching an agreement as mentioned in (c) above, the plaintiff did not make any explanations on such fact to the Heirs or AGGLA, and although the plaintiff cannot be found to have any unfair purposes in particular, it can at least be said that the background to such application was against the principle of good faith in relation to the Heirs, with whom the plaintiff had conducted transactions for a significant period of time (later in 1992, the copyright of the Work was extinguished as a result of expiration of duration).

(E) In light of these circumstances and especially the contents of the agreements reached between the plaintiff or its affiliate company and the Heirs based on the letters, it is

undeniable that the background to the plaintiff's act of filing an application for the Trademark had an aspect lacking social reasonableness.

F. Summary

As stated above, taking into account in a comprehensive manner the following matters, it should be said that the Trademark falls under the category of "a trademark which is likely to cause damage to the public policy" as prescribed in Article 4, paragraph (1), item (vii) of the Trademark Act and cannot be registered: [i] the Trademark consists of the original title of a work which is famous around the world and has a high cultural value and cannot be found to be unlikely to damage the value, good fame and reputation of the Work, original author or the main character in light of the goods designated in the trademark application filed in Japan; [ii] the Work is an important cultural heritage which Canada is proud of and has also been widely popular in Japan for generations, and has further been playing an important role in the amicable relationship between Japan and Canada; [iii] therefore, if the registration of a trademark which is likely to damage the value, good fame and reputation of the Work, original author or main character is allowed in Japan, it is highly likely to be against the international faith between Japan and Canada and damage the public interests of the two countries; [iv] the mark consisting of the characters "ANNE OF GREEN GABLES," which is the original title of the Work, is protected in Canada as an official mark and private organizations are prohibited from using it, and these points should sufficiently be taken into consideration; [v] the Work has a huge power to attract customers and it is unreasonable to allow a private company having no relation with the Work, as is the case with the plaintiff, to file an application for trademark registration for a trademark consisting of the title of the Work and to have a monopoly on the use of such trademark; and [vi] in light of the contents of the agreements reached between the plaintiff or its affiliate company and the Heirs based on letters, it is undeniable that the background to the plaintiff's act of filing a trademark application had an aspect lacking social reasonableness.

(4) Determination concerning the plaintiff's allegation

As determined above, the grounds for rescission of the JPO Decision alleged by the plaintiff lack legal basis and thus all of the plaintiff's allegations made with respect to the grounds for rescission of the JPO Decision are inappropriate or are unnecessary to determine in particular. Yet, in light of the nature of the case, the court will make separate determination on the following among the plaintiff's allegations.

A. Regarding the admissibility of trademark registration of titles, etc. of famous works

The plaintiff alleges that anyone can freely adopt the Trademark as a registered trademark by raising the following facts: [i] several trademarks that have the same

composition as that of the Work are registered by the defendant, AGGLA, and other companies; [ii] a number of trademarks comprised of the title or name of the main character of a work that is famous around the world or a place famous for its association with said work have been registered; and [iii] similarly, a number of trademarks have been registered with respect to famous cultural heritages and natural assets of other countries.

It is true that, as pointed out by the plaintiff, marks consisting of the characters "Anne of Green Gables" or "ANNE OF GREEN GABLES" (standard characters) have been registered as trademarks in the past and some trademarks including the title or name of the main character etc. of a work famous around the world or the name of a famous cultural heritage or natural assets of other countries have been registered.

However, this court is making examinations based on the premise that the Trademark Act of Japan lacks an explicit provision prohibiting the registration of such marks as mentioned above, and has not instantly construed that the Trademark Registration is against the international faith between Japan and Canada just because the characters of "Anne of Green Gables" that constitute the Trademark are the original title of a work which has the characteristics of a cultural asset in Canada. As it is obvious from the abovementioned holding, this court is determining whether or not Article 4, paragraph (1), item (vii) of the Trademark Act is applicable to this case based on an understanding that determinations should be made for each case by taking into consideration any and all circumstances such as the degree of famousness of the Work, the relationship between the relevant country and Japan, state of legal protection of a trademark consisting of the same characters as that of the Trademark in Canada, whether or not there is any organization managing the cultural values, etc. of the relevant work, background to the negotiations with the author or his/her heirs and the relationship between the work and the type of designated goods.

In addition, even if titles of famous works of other countries have been registered as trademarks in the past, the citizens' awareness and actual state of transactions, etc. have drastically changed nowadays wherein transportation and telecommunication means have achieved an exponential development and internationalization and borderlessness are showing a rapid progress. Thus, such rapid change in circumstances would naturally have more than a little impact on the determination on the admissibility of such trademark registration. Therefore, even if there are a considerable number of cases where trademark registrations of titles of famous works have been allowed, such cases cannot necessarily be found to be a conclusive reference.

B. Regarding the nature of AGGLA as an organization which has a close relationship with the defendant

The plaintiff alleges that the filing of this action and the request for an invalidation trial serving as the basis therefor have been made to protect the corporate profits of AGGLA, and in light of the fact that AGGLA is a purely private company pursuing profits, there is no public interest in the request for a trial for invalidation in question filed by the defendant.

According to the facts found above, AGGLA is a private company established by sharing the equity equally between public and private sectors for the purpose of managing, etc. the rights related to the Work. While AGGLA can be found to be an organization pursuing the public purpose from the aspect of the defendant's participation, it is undeniable that AGGLA is a company pursuing the private interests of the heirs to the relevant extent from the aspect of the Heirs' participation. Thus, it cannot be clarified from the evidence submitted in this case as to whether or not AGGLA is engaged in activities of public interest sufficiently to recognize AGGLA as an appropriate party entitled to obtain trademark registration by itself as the organization managing the Work which has become the joint property of all people.

This court made cautious examinations by recognizing this point as an important fact, recommencing the proceedings of oral argument and asking both parties to give supplemental proof. Yet, this court reached the conclusion that even if AGGLA had an aspect as a profit pursuing corporation as alleged by the plaintiff, such fact does not affect the determination on whether or not Article 4, paragraph (1), item (vii) of the Trademark Act is applicable to the Trademark Registration (the issue as to whether or not AGGLA may be the party entitled to register trademarks with respect to the Work should be examined in a cautious manner in light of the purpose, organization and actual state of activities of AGGLA as well as the distribution and use of royalties, yet, this issue is a future problem and thus this court will not further dwell on this issue).

C. Regarding the advancement of the tourism industry and public interest

While the defendant has alleged that the act of maintaining and managing the Work and its title for the purpose of protecting and advancing the tourism industry is a public service with high public interest, the plaintiff disputes such allegation by arguing that the tourism industry is merely one of the profit-making businesses.

In this regard, in the case where a local tourism industry is dependent on the publicity and popularity of a specific work or the main character thereof, if said local tourism industry as a whole suffers a serious blow as a result of the trademark registration and monopoly of the title of the work or the name of the main character by a third party who has no relation with the relevant area, such trademark registration may be regarded as being against the public policy. Yet, in this case, there is not sufficient evidence to find that the

tourism industry of the defendant province would suffer a serious blow by the plaintiff's act of registering the Trademark in Japan.

As held above, this court drew the conclusion that the filing of an application and registration made in relation to the Trademark Registration for the Work by the plaintiff is likely to damage the value, good fame and reputation of the Work, original author or the main character from a public point of view but the necessity to protect and advance the tourism industry of the defendant province has not been used as one of its reasons.

2. Conclusion

The determination made in the JPO decision to the effect that the Trademark Registration should be invalidated as the Trademark constitutes "a trademark which is likely to cause damage to the public policy" as provided in Article 4, paragraph (1), item (vii) of the Trademark Act is proper and the grounds for rescission of the JPO Decision alleged by the plaintiff lack legal basis.

Accordingly, the plaintiff's claims seeking rescission of the JPO Decision must be dismissed.

Intellectual Property High Court, Fourth Division

Presiding judge: TSUKAHARA Tomokazu

Judge: SATO Tatsubumi

Judge SHIMIZU Chieko cannot sign and seal this document due to difficulty.

Presiding judge: TSUKAHARA Tomokazu