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Date of the judgment

2002.02.22

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Case Number

2001(Gyo-Hi)142

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Reporter

Minshu Vol.56, No.2, at 348

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Title

Judgment upon the case concerning permissibility of one of the joint holders of a trademark right to initiate an action on his own to have a decision of the Patent Office which annulled the trademark to be revoked

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Case name

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claim for the revocation of the decision of the patent office

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Result

Judgment of the Second Petty Bench, quashed and remanded

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Court of the Second Instance

Tokyo High Court, Judgment of February 26, 2001

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Summary of the judgment

A joint holder of a trademark right is entitled on his own to initiate an action to have a decision of the Patent Office revoked, if the decision has annulled a given registered trademark.

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References

Article 252 of the Civil Code, Article 40 of the Code of Civil Procedure, Article 35, Article 46, Article 56, paragraph 1, Article 63 of the Trademark Law, Article 73, Article 132 of the Patent Law

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Main text of the judgment

The judgment of the original instance court shall be quashed and the case shall be remanded to the Tokyo High Court

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Reasons

On the grounds of request for certiorari by representatives of the jokoku appellant, SM, HW, CS, II, and YS:

1. Facts lawfully established by the original instance court are as follows:

P Co., Ltd (hereinafter, 'the Company') applied for trademark registration for the trademark "ENTIES" in horizontal roman letters with clothes in the attached list of the Implementation Rules of the Trademark Law Category 25 as designated products on December 17, 1992. The trademark was registered on January 31, 1996 (Registration No.3116038. Hereinafter, 'the Registered Trademark'). The right to the Registered Trademark was partly assigned to the jokoku appellant by the Company and registration was made to this effect on January 21, 1999. Since then, the jokoku appellant and the Company have jointly held the above trademark right.
On August 20, 1999, the jokoku appellee initiated a proceeding at the Patent Office vis a vis the jokoku appellant and the Company claiming that the registration of the Registered Trademark should be nullified.
The Patent Office rendered a decision on October 26, 2000 on this case and on the ground of Article 4, para.1, subpara.19, ruled that the registration of the Trademark was null and void.

2. The present case involves a claim by the jokoku appellant who, on his own, requests that the above decision should be revoked. The original instance court ruled as follows and dismissed the claim.
An action which is aimed at the revocation of a decision of the Patent Office which annulled a registration (hereinafter, 'the Decision to Nullify Registration') of a trademark which is held

jointly has to be determined uniformly since it is aimed at determining the right of the joint holders of the same right, and therefore, this action should be regarded as an inherently mandatory joint action. The Trademark Law provides that it will become impossible for the trademark as a whole to be acquired or to subsist, if one of the joint holders of the right to have a trademark registered or the trademark itself loses the interest in acquiring or holding the right (Art.132, para.3 of the Patent Law as applied with modification by Art.56, para.1 of the Trademark Law). Therefore, it is not unreasonable to acknowledge the same regarding an action for revocation of the Decision to Nullify Registration.

It is assumed that a copy of the decision has been sent to the Company at the same time as a copy was sent to the jokoku appellant, but the Company did not initiate an action, and the period for taking action has expired. Therefore, the present action which has been initiated by the jokoku appellant alone is not lawful.

3. However, the above ruling of the original instance court is not justifiable. The reasons are as follows:

(1) In cases where the right which emerged as a result of the application for trademark registration is in question and an action for a proceeding is brought on this right, it has to be done jointly by all rightholders (Art.132, para.3 of the Patent Law as applied with modification by Art.56, para.1 of the Trademark Law). This is intended to require the conformity of the will of all joint rightholders for the acquisition of one and the same trademark. In contrast, once the trademark has been registered, a joint holder of the trademark right may use the registered trademark without the consent of other joint rightholders, although such consent is required for the assignment of a share in the right or the creation of an exclusive right to use the trademark etc. (Article 73 of the Patent Law as applied with modification by Article 35 of the Trademark Law).

If a decision was made to nullify the registration of the registered trademark and the period for an action has expired without an action having been made against this decision, the trademark is deemed not to have existed from the beginning, and the right to use the registered trademark extinguishes retrospectively (Art.46-2 of the Trademark Law). Thus, initiating the above action to revoke the decision of the Patent Office is an act of preservation, i.e. an act to prevent the extinction of the trademark, and therefore, it can be effected by one of the joint holders of the trademark right on his own. Even if one of the joint holders of the trademark right is allowed to initiate an action to revoke the above decision, it does not harm the right of the joint holders who did not take action.

(2) Adjudication to nullify a trademark can be initiated even after the extinction of the trademark right (Art.46, para.2 of the Trademark Law). It is conceivable that a long time after the registration of the trademark right, the whereabouts of other joint rightholders could become

unknown, or, since the interest and the circumstances of the each rightholder concerning the trademark vary, other rightholders may not cooperate in initiating an action. In such cases, if, upon the understanding that the action to revoke the Decision to Nullify Registration is an inherently mandatory joint action and that it is unlawful for one of the rightholders to initiate an action on his own, once the period for taking an action expires, the Decision to Nullify Registration comes into effect and the trademark is deemed not to have existed from the beginning, and thus, unfairness will result.

(3) Even if one of the joint holders of the trademark right is allowed to initiate an action to revoke the Decision to Nullify Registration on his own, if the judgment which acknowledges the claim comes into effect, the effect of revocation extends to the joint holders of the right (Law on Administrative Litigation, Art.32, para.1), and there is to be an adjudication procedure by the Patent Office in relation to all joint rightholders (Art.181, para.2 of the Patent Law as applied with modification by Article 63, para.2 of the Trademark Law). On the other hand, if the judgment which dismissed the claim comes into effect, by the expiration of the period for an action in relation to other rightholders, the Decision to Nullify the Registration will come into effect and the trademark right is deemed not to have had an effect from the beginning (Art.46-2 of the Trademark Law). In either case, there is no circumstance where the requirement of the uniform determination of rights is not met. Furthermore, if all joint rightholders jointly initiate an action, or separately initiate an action to revoke the decision, these actions are quasi-mandatory joint actions and thus will be consolidated, and the requirement of uniform determination will be met.

(4) Thus, it is appropriate to conclude that if there is a decision to nullify the registration of the trademark which is jointly held, one of the joint holders is entitled to initiate an action to have the Decision to Nullify the registration on his own.

4. Therefore, there is an evident breach of law which affects the judgment in the judgment of the original instance court which found the present action to be unlawful. Incidentally, judgments such as the Supreme Court 1960 (o) No.684, judgment of the Supreme Court, the First Petty Bench, August 31, 1961, Minshu 15-7-2040, Supreme Court, 1977 (Gyo-tsu) No.28, judgment of the Supreme Court, the Second Petty Bench, January 18, 1980, Saibanshu, civil cases, 129-43, and the Supreme Court, 1994 (Gyo-tsu) No.83, Judgment of the Supreme Court, the Third Petty Bench, March 7, 1995, Minshu 49-3-944 are different from the present case and their citation is not appropriate. Therefore, the judgment of the original instance court shall be quashed, and in order to have the case considered on its merit, the case shall be remanded to the original instance court.

Thus, the justices unanimously rule as the main text of judgment.

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Presiding judge

Justice KAMEYAMA Tsugio

Justice KAWAI Shinichi

Justice FUKUDA Hiroshi

Justice KITAGAWA Hiroharu

Justice KAJITANI Gen

(*Translated by Sir Ernest Satow Chair of Japanese Law, University of London)