

Date	December 19, 2012	Court	Intellectual Property High Court, Fourth Division
Case number	2012 (Gyo-Ke) 10267		
– A case in which the court held that the use of the trademark "シャンパンタワー (champagne tower)" for the designated services, such as the provision of food and drinks, may be regarded to be against international good faith and therefore found that said trademark shall be regarded to fall under Article 4, paragraph (1), item (vii) of the Trademark Act.			

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

Summary of Judgment

The plaintiff is the trademark holder of the disputed trademark registered for the designated services, such as “Class 43: provision of food and drink,” which consists of horizontally written characters "シャンパンタワー (champagne tower)." The defendant is a French corporation established under law. One of the purposes of the corporation is to protect the profits of the liquor manufacturers in the Champagne region of France. Against third parties, the corporation, which had been conducting activities to judicially protect the exclusive nature of the name "CHAMPAGNE," filed a request for an invalidation trial for the disputed trademark registration. The JPO found that the disputed trademark falls under Article 4, paragraph (1), item (vii) of the Trademark Act and made a decision of invalidation.

This is a case where the plaintiff sought rescission of the JPO decision by alleging that the JPO decision was illegal because it contained an error specified in said item.

In this judgment, the court dismissed the request by holding as follows.

Regarding the disputed trademark, "シャンパンタワー (champagne tower)," the "champagne" part enjoys a high level of consumer recognition as a word meaning "sparkling wine produced in the Champagne region of France." In light of the fact that this indication has great customer appeal, the disputed trademark may be regarded to be associated not only with "champagne tower" but also with the pronunciation and the concept of "champagne."

The defendant, which was established under French law, cooperated with INAO in strictly managing and supervising the grape producers and wine manufacturers in the Champagne region and also strictly managing and controlling the grape and wine quality in order to maintain the aforementioned consumer recognition and reliability guaranteed by the indication "champagne." Thanks to these efforts by grape producers and wine manufacturers in the Champagne region, including the defendant, the consumer recognition of the "champagne" indication "champagne" has been enhanced

and maintained, increasing the level of fame, reliability, and reputation thereof. The indication "champagne" represents not only the Champagne region but also the culture of France and French people.

It may be recognized that the indication "champagne" has great customer appeal to general consumers in Japan as well, and is not limited to a specific product field, namely, wine.

Based on a comprehensive evaluation of various factors, such as the structure of the characters included in the disputed trademark, the designated services thereof, and the significance and importance of the "champagne" part of the disputed trademark in France, and also based on the consumer recognition thereof in Japan, the use of the disputed trademark for the designated services in question related to the provision of food and drinks, such as sparkling wine, could not only damage the defendant, who represents the interests of liquor manufacturers in the Champagne region of France but also hurt the national sentiment of French people, who have protected the fame, reliability, and reputation of "CHAMPAGNE" by law. Such use of the disputed trademark could also have a negative effect on the amicable relationship between Japan and France and should be regarded to be against international good faith.

On these grounds, the disputed trademark shall be considered to fall under Article 4, paragraph (1), item (vii) of the Trademark Act.

Judgment rendered on December 19, 2012, the original received on the same date, Court Clerk

2012 (Gyo-Ke) 10267 Case of Seeking Rescission of a JPO decision

Date of conclusion of oral argument: December 5, 2012

Judgment

Plaintiff: Gotham Co., Ltd.

Defendant: Comité Interprofessionnel du vin de Champagne

Main text

1. The plaintiff's claims shall be dismissed.
2. The plaintiff shall bear the court costs.

Facts and reasons

No. 1 Claims

The JPO decision on Invalidation Trial No. 2011-890100 dated May 28, 2012 shall be rescinded.

No. 2 Background

The defendant filed a request shown in 2 below for a trial for invalidation of the registration (the "Trademark Registration") of the plaintiff's trademark presented in 1 below (the "Trademark"). The JPO made a decision (the grounds are summarized in 3 below) to accept said request as shown in the attached written JPO decision (copy). In this court case, the plaintiff sought rescission of said JPO decision by alleging that there are grounds for rescission as described in 4 below.

1. Trademark

The plaintiff is the holder of a trademark consisting of horizontally-written characters "シャンパンタワー" (champagne tower) registered for the designated goods of Class 43 "Provision of food and drinks, rental of non-electric cooking heaters, rental of kitchen worktops, rental of sinks, rental of curtains, rental of furniture, rental of wall hangings, rental of floor coverings, rental of table and table linen, rental of glass tableware, and rental of towels" (Registration No. 5362124, a trademark registration application filed on May 7, 2010, the examiner's decision of registration made on September 15, 2010, the registration made on October 22, 2010) (Exhibits Ko No. 1 and No. 114).

2. Progress of procedures at the JPO

On November 14, 2011, the defendant filed a request for a trial for invalidation of the registration of the plaintiff's Trademark on the grounds that the Trademark

Registration violates Article 4, paragraph (1), item (vii) of the Trademark Act.

The JPO examined this request as Invalidation Trial No. 2011-890100 and made a decision on May 28, 2012 to the effect that the Trademark Registration shall be invalidated (the "JPO Decision") and served a certified copy of the JPO Decision to the plaintiff on June 21, 2012 (the entire import of oral argument).

3. Summary of the grounds for the JPO Decision

The JPO Decision was made on the grounds that since the Trademark Registration was made in violation of Article 4, paragraph (1), item (vii) of the Trademark Act, the Trademark Registration shall be invalidated under Article 46, paragraph (1) of said Act.

4. Grounds for rescission

The erroneous interpretation of Article 4, paragraph (1), item (vii) of the Trademark Act.

(omitted)

No. 4 Court decision

1. Accepted facts

The following facts may be found based on the entire import of oral argument.

(1) Parties concerned

The plaintiff is a stock company engaged, as a business, in the planning of various ceremonies and parties, sale of alcoholic beverages, retail/wholesale and import/export, etc. of fresh flowers, interior goods, foods, refreshing beverages, and daily commodities.

The defendant is "inter-professional Champagne Wines Committee", which is a French corporation established under law partially for the purpose of protecting interests of wine manufacturers in the Champagne region of France. As a part of its activities against third parties, the committee is trying to judicially protect the exclusive nature of the name "CHAMPAGNE" (Exhibits Ko No. 65 and No. 67, the entire import of oral argument).

(2) Trademark

The Trademark consists of horizontally-written characters "シャンパンタワー" (champagne tower) and was registered for the designated goods of Class 43 "Provision of food and drinks, rental of non-electric cooking heaters, rental of kitchen worktops, rental of sinks, rental of curtains, rental of furniture, rental of wall hangings, rental of floor coverings, rental of table and table linen, rental of glass tableware, and rental of towels" (Exhibit Ko No. 1).

(3) Regarding "シャンパン"

A. "シャンパン" is a Japanese word for champagne. "Champagne" is the name of the north-east region of France. "Champagne" is specified as an appellation of origin under the law, Appellation d'Origine Contrôlée of France, and is permitted to be used only for sparkling wine made of grapes harvested in the Champagne region of France. Various quality control measures are taken for Champagne. For example, only three kinds of grapes, i.e., Chardonnay, Pinot Noir, and Pinot Meunier, produced in the Champagne region are approved as raw materials. Also, there is a limitation on the maximum production volume, etc. in each fiscal year.

In France, the name "Champagne" was designated by law in 1908. Subsequently, the indication method for sparkling wine was specified. In 1935, the law of "Appellation d'Origine Contrôlée" was established for the purpose of protecting and supervising wine produced in renowned places of origin. Said law has been enforced by a government agency, namely, INAO (Institut National des Appellation d'Origine). According to said law, AOC wine is required to be produced in compliance with various standards such as the place of origin, quality, the minimum alcohol level, the maximum yield, winemaking process, etc. The appellation d'origine controlee may be used only for goods that fulfill those standards. However, at a wine tasting test, any winemakers who are found to be unqualified would lose their rights to use the appellation. In this way, strict quality control is required. The main purpose of the appellation d'origine controlee is to control the use of the name of the place of origin by law and to protect producers. The strict restrictions are imposed on the use of such name in order to guarantee product quality for consumers.

As described above, "Champagne" is an appellation of origin permitted to be used only for certain sparkling wine that satisfies the standards such as the adoption of the Champagne method in the production of wine (Exhibits Ko No. 4 to No. 6, No. 8, No. 42, No. 52 to No. 56, and No. 65).

B. In dictionaries, etc., "Champagne" is described as "a type of sparkling wine, a high-quality alcoholic beverage produced in the Champagne region in north-east France" (Exhibits Ko No. 2 to No. 5, No. 7, No. 9, and No. 15 to No. 32).

Goods carrying the indication "シャンパン" (champagne) are widely sold in Japan as high-quality goods with scarcity value. "Champagne" is a type of wine that is so world-famous that it has become synonymous with sparkling wine. Magazines, books, newspapers, etc. often contain articles about champagne (Exhibits Ko No. 6, No. 8, No. 10 to No. 14, and No. 33 to No. 49).

In those documents, etc., the name "Champagne" is also permitted to be used only

for sparkling wine produced by the Champagne method in the Champagne region.

(4) Trademark registration application for "CHAMPAGNE"

A. Regarding the trademark "CHAMPAGNE/シャンパン" registered for the designated goods of Class 14 (Precious metals, etc.), upon request of the defendant, the JPO made a decision to invalidate the trademark registration under Article 4, paragraph (1), item (vii) of the Trademark Act (Exhibit Ko No. 80).

B. In response to a complaint from the defendant, the JPO rescinded the following trademarks on the grounds of the violation of Article 4, paragraph (1), item (vii) of the Trademark Act:

"CHAMPAGNE SAPPHIRE/シャンパンサファイア", "CHAMPAGNE TOPAZ/シャンパントパーズ", "CHAMPAGNE STONE /シャンパンストーン", "CHAMPAGNE GEM/シャンパンジェム", "CHAMPAGNE JEWELRY/シャンパンジュエリー" and "CHAMPAGNE CUBIC/シャンパンキュービック" registered for the designated goods of Class 14 (Precious metals, etc.); "CHAMPAGNE GOLD/シャンパンゴールド" registered for the designated goods of Class 14 (Gold, gold earrings, etc.); "CHAMPAGNE SILVER/シャンパンシルバー" registered for the designated goods of Class 14 (Silver, Silver earrings, etc.); "CHAMPAGNE PLATINA/シャンパンプラチナ" registered for the designated goods of Class 14 (Platinum, platinum earrings, etc.); "CHAMPAGNE GARNET/シャンパンガーネット" registered for the designated goods of Class 14 (Garnet earrings, etc.); "CHAMPAGNE PALLADIUM/シャンパンパラジウム" registered for the designated goods of Class 14 (Palladium, etc.); "DOMAINE CHAMPAGNE/ドメーヌ・シャンパーニュ" registered for the designated goods of Class 16 (Paper and cardboard); "シャンパンクリスタル/CHAMPAGNE CRYSTAL" registered for the designated goods of Class 3 (Soaps and detergents); "Champagne pop" registered for the designated goods of Class 18 (Handbag frames, etc.); "Champagner" registered for the designated goods of Class 3 (Cosmetics and toiletries, etc.); and "Pink Champagne /ピンクシャンペン" registered for the designated goods of Class 22 (Footwear, etc. [other than special footwear for sports]) (Exhibits Ko No. 59, No. 60, No. 68 to No. 78, No. 85 to No. 87, and No. 95).

Regarding the trademark "Pink Champagne /ピンクシャンペン" registered for the designated goods of Class 25 (Clothing, etc.), upon request from the defendant, the JPO made a decision to invalidate the trademark registration on the grounds of the violation of Article 4, paragraph (1), item (vii) of the Trademark Act (Exhibit Ko No. 79).

C. Furthermore, upon complaint from the defendant, the following trademark registrations were also rescinded on the grounds of the violation of Article 4, paragraph (1), item (vii) of the Trademark Act: "シャンパンアイボリ" registered for the

designated goods of Class 25 (clothing, etc.); "シャンパンフラワー" registered for the designated goods of Class 35 (arranging online sale of goods); "シャンパンローズ" registered for the designated goods of Class 30 (Confectionery, bread and buns, etc. produced by use of sparkling wine produced in the Champagne region of France); "シャンパン烏龍" registered for the designated goods of Class 30 (Oolong tea [Chinese tea]); "ゴールドシャンパンの香り" registered for the designated goods of Class 5 (Pharmaceutical); and "シャンパングレイ" registered for the designated goods of Class 19 (Synthetic building materials, etc.) (Exhibits Ko No. 82 to No. 84, No. 88, No. 98, and No. 99).

D. Regarding trademark registration applications for other trademarks including "CHAMPAGNE" or "シャンパン", the JPO sent notices of reasons for refusal and made examiner's decisions of refusal on the grounds of the violation of Article 4, paragraph (1), item (vii) of the Trademark Act. (Exhibits Ko No. 89 to No. 93, and No. 101 to 108 (including branch numbers)).

E. The defendant and the INAO have been trying to protect the trademark "CHAMPAGNE" in other countries as well by filing lawsuits and complaints in order to prevent or seek an injunction against wrongful use of the trademark (Exhibits Ko No. 56, No. 66, and No. 113).

2. Applicability of Article 4, paragraph (1), item (vii) of the Trademark Act to the Trademark

(1) As found in 1 above, the "シャンパン" part of the Trademark is [i] a Japanese word for "CHAMPAGNE," [ii] a word meaning "sparkling wine produced in the Champagne region in north-east France" and an appellation of origin of France that is permitted to be used only for a type of wine that satisfies certain standards such as the place of production, production method, and production volume, and [iii] "CHAMPAGNE" and "シャンパン" are world-famous as synonyms for sparkling wine and are described in many dictionaries, books, magazines, newspapers, etc. in Japan.

Based on a comprehensive evaluation of these facts, it may be considered that the indication "シャンパン" is widely recognized by general consumers in Japan as a word meaning "sparkling wine produced in the Champagne region of France."

(2) In light of the facts that Trademark "シャンパンタワー" contains the word "シャンパン", which is famous as "sparkling wine produced in the Champagne region of France" and that the indication has great customer appeal, the Trademark may be considered to be associated with the pronunciation and concept of not only "シャンパンタワー" but also "シャンパン".

(3) The defendant, which was established under French law, has been cooperating with

the INAO for strict quality control and management by strictly controlling and managing grape producers and wine manufacturers in the Champagne region in order to protect the above-mentioned wide customer recognition and reliability of the indication "シャンパン". The efforts made by the defendant and the grape producers and wine manufacturers in the Champagne region have contributed to the accumulation and maintenance of the customer recognition of the indication "シャンパン", which has led to great fame, reliability, and reputation of "シャンパン". Therefore, the indication "シャンパン" may be considered to be a cultural asset of not only the Champagne region but also France and French people as a whole.

According to the evidence presented in 1 (4) above, the indication "シャンパン" may be considered to have acquired great customer appeal not only to wine consumers but also to general consumers in Japan as well.

(4) As described above, based on a comprehensive evaluation of various factors such as the structure of the characters contained in the Trademark, the details of the designated services, the significance and importance of the "シャンパン" part of the Trademark in France, and the wide customer recognition of said indication in Japan, the use of the Trademark for the designated services related to sparkling wine, such as the provision, etc. of food and drinks, would not only cause damage to the defendant, which represents the interest of the liquor manufacturers in the Champagne region, but also hurt the national sentiment of French people, who have protected the great fame, reliability, and reputation of "CHAMPAGNE" by law, and could thereby affect the amicable relationships between Japan and France, and should therefore be regarded to be against international good faith.

Thus, the Trademark should be considered to fall under Article 4, paragraph (1), item (vii) of the Trademark Act.

3. Claims of the plaintiff

(1) The plaintiff alleged that, in the case of violation against the public policy not from the perspective of the structure of a trademark but from the perspective of who is the actor, the issue as to whether an application for the trademark was filed by any person who is not entitled to have the trademark registered should be determined from the perspective of the applicability of Article 4, paragraph (1), item (xvii) of the Trademark Act. The plaintiff also alleged that it is wrong to make such determination from the perspective of the applicability of item (vii) of said paragraph unless there are special circumstances.

(2) Article 4, paragraph (1), item (vii) of the Trademark Act specifies that a trademark that is "likely to cause damage to public policy" may not be registered. This may also be

considered to be the grounds for invalidation (Article 46, paragraph (1), item (i) of the Trademark Act). Article 4, paragraph (1), item (vii) of the Trademark Act is a provision originally established for the purpose of specifying that no trademark that disturbs public order or good morals may be registered, if such trademark consists of any "character(s), figure(s), sign(s) or three-dimensional shape(s), or any combination thereof, or any combination thereof with colors" ("mark") that are immoral, obscene, discriminative, extreme, or otherwise unpleasant to others. Said Article describes the detailed criteria for refusing registration of a trademark depending on the type of person who has special interests in the trademark. Therefore, as alleged by the plaintiff, unless there are special circumstances, any matter that is inextricably related to the applicability of any other provision (item (viii), item (x), item (xv), item (xix), etc.) should be determined based solely on the applicability of the relevant provision. It is not reasonable to apply paragraph (1), item (vii) of said Article even to any case where the issue lies not in public matters but in private matters.

However, since the issue in this case is a trademark related to the designated services, item (xvii) of said paragraph, which is about wines or spirits, it is not applicable to this case. In light of the facts that the indication "シャンパン" does not belong to any specific private person but should be regarded as an appellation of origin of France and that any dispute about a trademark, like the Trademark, containing the indication "シャンパン", which is famous as an appellation of origin or an indication of the place of origin, should not be regarded as a mere dispute between private persons in the private realm, but as a matter of international good faith involving liquor manufacturers in the Champagne region of France represented by the defendant, as well as French people and the French government. In short, it is an issue of public interest, and the application of item (vii) of said paragraph may not be considered to be a broad interpretation of said item, "(trademark) is likely to cause damage to public policy", in an attempt to make it applicable to the private realm.

(3) Therefore, all of the plaintiff's claims are unacceptable.

4. Conclusion

On these grounds, the plaintiff's claims shall be dismissed.

Intellectual Property High Court, Fourth Division

Presiding judge: DOI Akio

Judge: TAKABE Makiko

Judge: SAITO Iwao