

Date	February 7, 2018	Court	Intellectual Property High Court, Second Division
Case number	2016 (Ne) 10104		
- A case in which the court determined that the accused act fell under so-called parallel import of genuine goods and lacked substantial illegality with respect to the infringement of the trademark right.			

References: Article 36, paragraphs (1) and (2) of the Trademark Act

Summary of the Judgment

1 In this case, the appellee having the trademark right alleged that the appellant's act of affixing the appellant's marks to the advertisements with respect to the goods and distributing them infringed the trademark right, and claimed for the appellant's injunction of the sale and distribution of the goods, and disposal thereof pursuant to Article 36, paragraphs (1) and (2) of the Trademark Act.

The judgment in prior instance upheld all of the appellee's demand on the grounds that it cannot be said that the appellant's act of importing and selling the goods corresponds to a justifiable cause for illegality of the infringement of the trademark right due to the so-called parallel import and that it cannot be said, either, that the appellee's exercise of the trademark right against the appellant falls under the abuse of the right.

2 If a person other than the trademark owner imports the goods to which a trademark identical with the registered trademark is affixed and the goods are identical with the designated goods of the trademark right in our country, the person's act infringes the trademark right unless a license is obtained (Article 2, paragraph (3) and Article 25 of the Trademark Act). However, it is proper to understand that even the above import of the goods lacks substantial illegality with respect to the infringement of the trademark right, /1/ if the trademark was lawfully affixed by a trademark owner in a foreign country or a person who has obtained a license from the trademark owner, /2/ if the trademark indicates a source identical with that of the registered trademark in our

country due to the presence of a relationship in which the trademark owner in the foreign country is an identical person or can be legally or economically regarded as a person identical with the trademark owner in our country (hereinafter referred to as the "second requirement"), /3/ if the goods are assessed as not being substantially different from the goods to which the registered trademark is affixed by the trademark owner in our country in the quality guaranteed by the registered trademark on the grounds that the trademark owner in our country is in a position to directly or indirectly control the quality of the goods (hereinafter referred to as the "third requirement")(Supreme Court, First Petty Bench, February 27, 2003; Minshu Vol. 57, No. 2, page 125).

If a person other than the trademark owner affixes a trademark identical with the registered trademark to advertisements, for the goods identical with the designated goods of the trademark right in our country, the person's act infringes the trademark right unless a license is obtained (Article 2, paragraph (3) and Article 25 of the Trademark Act). However, even the above act may lack substantial illegality with respect to the infringement of the trademark right like the act of importing the goods to which the trademark identical with the registered trademark is affixed. In that case the above requirement /1/ should read: the use of the trademark for the goods is lawful due to a relationship with the trademark owner in a foreign country (hereinafter referred to as the "first requirement").

3(1) The appellant's marks 1 and 2 are similar to the trademark of PVZ. All the appellant's goods are imported from PVZ and the appellant is not considered to have made adjustments to them before selling them. Consequently, the appellant's act of affixing the appellant's marks 1 and 2 to the appellant's advertisements of the goods does not impair the source distinguishing function or the quality maintenance function of the trademark right of PVZ. The act can be said to be lawful due to the relationship with PVS.

Accordingly, the accused infringement act fulfills the first requirement.

(2) The appellant concluded a sales agency agreement in Japan for the brand goods with PVZ and became an exclusive sales agent of PVZ in Japan. Therefore, PVZ and the appellant can be said to be in the relationship in which they can be legally regarded as an identical person, and therefore the accused infringement act fulfills the second requirement.

(3) The third requirement is directed to the quality management capability of the trademark owner in Japan. If the trademark owner in a foreign country and the trademark owner in our country can be legally or economically regarded as an identical person, in principle, it can be said that the quality management capability of the trademark owner in a foreign country and that of the trademark owner in our country should be identical. However, even though the trademark owner in a foreign country and the trademark owner in our country can be legally or economically regarded as an identical person, if it can be said that importing the goods relating to the trademark owner's source in a foreign country resulted in impairing the quality or goodwill specific to the goods relating to his source, despite his record of utilizing the exclusive power of the trademark right in our country and making efforts to maintain the quality or goodwill specific to the goods relating to his source, these interests due to such record can be said to be worthy of protection.

PVZ had been selling and distributing the branded goods to the appellant and the appellee in Japan before the registration of the trademark. The appellee registered the trademark right to exclusively import and sell the goods of PVZ and the trademark was registered with the permission of PVZ. The trademark 1 per se is the brand name and the trademark 2 is considered to use the marks that PVZ had been using for the brand. In this case, the appellee's goods are ornaments and have a function of being worn so that their user can be seen by others, and utilizing their beauty to decorate the user. It is found that the appellee designates the combination of the parts from PVZ and the chain length and attached spring clasps and earring parts, but judging from the main function of the appellee's goods, the spring clasps and earring parts constitute only an incidental part. At the appellee's website, the images

created by PVZ and the same brand logo as the one used by PVZ are used and the lace-like patterns of the parts from PVZ can be clearly recognized. However, the parts individually attached by the appellee are emphasized nowhere. In addition, the above website fails to disclose that the design other than that of the lace-like handiwork of the parts from PVZ is excellent and that the spring clasps and earring parts can be easily used. These matters are not considered to have been recognized by consumers. Further, even though the appellee issued a warranty for the appellee's goods, the warranty describes only an "article number" and "specification" (Ko 23). It is not considered that from the content of the warranty consumers can recognize that the appellee's original parts are attached.

Comprehensively considering these circumstances, it cannot be considered the appellee has a record of making efforts to maintain the quality or goodwill of the appellee's goods independently of PVS. It cannot be said that the appellant's importing the goods and the accused infringement act result in impairing the quality or goodwill of the appellee's goods. Accordingly, it cannot be said that the appellee has interests worthy of protection.

As described so far, the appellant's goods and the appellee's goods should be assessed as not being substantially different in the quality guaranteed by the trademark. The accused infringement act fulfills the third requirement.

4 As described above, the accused infringement act fulfills each of the first to third requirements and lacks substantial illegality.

Judgment rendered on February 7, 2018
2016 (Ne) 10104 Appeal case seeking injunction of sale
(court of prior instance/Tokyo District Court 2016 (Wa) 10643)
Date of conclusion of oral argument November 2, 2017

Judgment

Appellant (defendant in the first instance) JEWELRY MIURA
Appellee (plaintiff in the first instance) MITSUMURA CO., LTD.

Main text

- 1 The judgment in prior instance shall be revoked.
- 2 The appellee's claims shall be dismissed.
- 3 The appellee shall bear the court costs of both the first and second instances.

Facts and reasons

I Object of the appeal

The same effect as the main text

II Outline of the case

In this case, the appellee having trademark rights (hereinafter respectively referred to as "trademark right 1" and "trademark right 2" and collectively referred to as the "trademark rights") with respect to first and second trademarks (hereinafter respectively referred to as "trademark 1" and the "trademark 2" and collectively referred to as the "trademarks") shown in an attached list of trademark rights alleged that the appellant's act of affixing first and second marks (hereinafter respectively referred to as "appellant's mark 1" and "appellant's mark 2" and collectively referred to as the "appellant's marks") shown in an attached list of appellant's marks to the advertisements relating to the goods and distributing them infringed the trademark rights, and claimed for an injunction against the appellant's sale and distribution of the appellant's goods, and disposal thereof pursuant to Article 36, paragraphs (1) and (2) of the Trademark Act.

The judgment in prior instance upheld all of the appellee's demand on the grounds that it could not be said that the appellant's act of importing and selling the goods corresponded to a justifiable cause for non-compliance with the law with respect to the

infringement of the trademark rights due to the so-called parallel import and that it could not be said, either, that the appellee's exercise of the trademark rights against the appellant fell under the abuse of the right.

The appellant filed an appeal.

1 Basic facts (the facts that are not disputed between the parties and the facts that can be admitted based on the evidence listed in the text and the entire import of the oral argument)

(1) Parties

The appellee is a company engaged in the manufacture and wholesale of precious metal products and the appellant is a company engaged in the import, processing, and sale of jewelry/precious metals.

(2) Appellee's trademark rights

The appellee has the trademark rights and sells personal ornaments marked with the trademarks (hereinafter referred to as the appellee's goods") (Exhibit Ko 25, 26).

(3) P.V.Z. srl of Italy (hereinafter referred to as "PVZ") was an owner of a trademark (hereinafter referred to as the "PVZ trademark") shown in an attached PVZ trademark list in Europe from May 1, 2008 to May 17, 2017 (Exhibit Otsu 52). PVZ sells the personal ornaments manufactured by PVZ under a brand name "NEONERO" (hereinafter referred to as the "brand") using the same mark as the trademark 2.

(4) The appellant published the appellant's marks in the flyers (hereinafter referred to as the "flyers") for an exhibition and spot sale fair (hereinafter referred to as the "event") held at "Bell Jew Adachi" from December 11 to December 13, 2015 and distributed them so as to advertise the appellant's personal ornaments (hereinafter referred to as the "appellant's goods") to be shown at the event (Exhibit Ko 10, 11).

2 Points at issue

(1) Whether or not the infringement of the trademark rights due to the parallel import falls under the justifiable cause for non-compliance with the law

(2) Whether or not the exercise of the trademark rights falls under the abuse of the rights

(omitted)

III Court decision

The court determines that the demand made by the appellee shall be dismissed

since the appellant's act of alleged infringement (to be defined later) lacks substantial noncompliance with the law with respect to the infringement of the trademarks. The reasons for this determination are as follows.

1 Facts found

According to the evidence shown below and the entire import of the oral argument, the following facts are found.

- (1) PVZ uses the same mark as the trademark 2 under the "NEONERO" brand (the brand) to sell personal ornaments such as pendants, necklaces, clip-on earrings, earrings, rings, and bracelets. The goods brochure of PVZ explains the concept of the company products in Italian and English as follows: "The originality of young designers who were fascinated by a long tradition of lace production, which was very well known in Toscana, led to the creation of the Pizzod'oro Collection under the NEONERO brand, and this wonderful design is manufactured in a factory in Alezzo. Our idea is transformed into very interesting pieces of work which look like pieces of lace work in consequence of the production by skilled goldsmiths who bore fine holes in marvelous gold leaves, although traditional cotton laces are not used." (Exhibits Ko 33, Ko 35, Ko 36, Otsu 45)
- (2) The appellee started to handle the brand goods in March 2013. (Exhibit Ko 6)
- (3) The appellant started dealing with PVZ in February 2014 and received posters from PVZ around July of the same year and obtained permission to create price cards with the mark "NEONERO." (Exhibits Otsu 2-2, 2-3 Otsu 4, Otsu 23)
- (4) The appellant directly imported the goods from PVZ around June 18, 2014 (Exhibits Otsu 37-1, 37-2, Otsu 38-1, 38-2, representative of the appellant).
- (5) The appellant sold the goods of PVZ in Japan from August 20, 2014 through August 28, 2015. (Exhibits Ko 6, Ko 7, Exhibits Otsu 7, Otsu 8-1, 8-2), Otsu 9, Otsu 10-1, 10-2).
- (6) On August 20, 2014, the appellee requested PVZ to appoint the appellee as its exclusive sales agent in Japan, stating that apart from the appellee, the appellant is also selling the goods of PVZ in Japan. Subsequently in Hong Kong the appellee and PVZ discussed the content of a sales agency agreement and agreed that no later than September 22, 2014, [i] the wage paid by the appellee to PVZ would be increased from the previous wage, 5 Euros per gram, to 6 Euros per gram from the next order, and [ii] PVZ would sell the goods to nobody in Japan other than the appellee (hereinafter referred to as the "sales agency agreement"). No written contract on the sales agency agreement was prepared. (Exhibits Ko 6, Ko 14 (1 and 2), Ko 29 (1 to 5),

Ko 38 (1 and 2), representative of the appellee)

After October 2, 2014, PVZ and the appellee discussed how the orders received by PVZ from the appellant before the conclusion of the sales agency agreement would be treated. On October 9, the appellee agreed that PVZ would directly deal with the above orders from the appellant, and in response the parties agreed that the wage of the goods sent from PVZ to the appellant on the end of the same month would be left unchanged at 5 Euros per gram. (Exhibits Ko 29 (6 to 11), Ko 38 (1 and 2), representative of the appellee)

(7) On October 10, 2014 the appellee made a proposal to PVZ that the appellee and PVZ should file a joint application for the registration of the trademark "NEONERO" in Japan, and the appellee requested PVZ to send the appellee a logo used by PVZ. PVZ agreed that by October 14, 2014, the appellee would independently file an application for the registration of the "NEONERO" trademark in Japan. (Exhibits Ko 14 (2), Ko 39 (1 and 2))

(8) On October 15, 2014 the appellee filed an application for the registration of the trademark. (Exhibits Ko 25 (1 to 4), Ko 26 (1 to 4))

(9) Around October 28, 2014, the appellant directly imported the goods from PVZ, but after that, the appellant became unable to directly import the goods of PVZ from PVZ. The appellant decided to import the goods by directly placing an order with PVZ by mail and having PVZ send the goods to M.C.E in Hong Kong (hereinafter referred to as "MCE") and then having MCE send the unopened goods to the appellant. (Exhibits Otsu 31-1, Otsu 31-2, Otsu 32-1, Otsu 32-2, Otsu 33-1, Otsu 33-2, Otsu 34-1, Otsu 34-2, Otsu 35, Otsu 39-1, 39-2, Otsu 43, representative of the appellant)

(10) Around May 11, 2015, the appellant imported the goods from PVZ through MCE. (Exhibits Otsu 31-1, Otsu 31-2, Otsu 32-1, Otsu 32-2, Otsu 40-1, Otsu 40-2, Otsu 41-1, Otsu 41-2, Otsu 43, representative of the appellant)

(11) The trademark was registered on October 16, 2015. (Exhibits Ko 1 and Ko 2)

(12) On November 10, 2015 the appellee notified the appellant that the appellee had the trademark rights and the use of a trademark identical or similar to the trademarks with no permission from the appellee constitutes infringement of the trademark rights. (Exhibit Ko 3 (1 and 2))

(13) On December 8, 2015 the appellee alleged to the appellant that the act of selling the appellant's goods at the event constituted the infringement of the trademark rights, and demanded that the appellant should stop the sale. (Exhibit Ko 4 (1 and 2))

(14) From December 11 to 13, 2015, at an event, the appellant showed and sold the personal ornaments (appellant's goods) specified in an attached list of shown goods.

The respective shown goods were imported directly from PVZ, or through MCE. (Exhibits Ko 10, Ko 11, Otsu 47).

(15) Around December 24, 2015 the appellant notified the appellee that the appellant saw no problem in the handling of parallel imports and the appellant's parallel importing could be suspended by the appellee's purchase of the stock of the appellant's goods. (Exhibit Ko 5)

(16) The appellee places an order of goods with PVZ as explained below:

The appellee uses the design collections received from PVZ and the shown goods brought by PVZ to the fair to place an order of the goods; about 15% of such an order is unchanged from the design collections and the shown goods and about 85% of the order is changed. When changes are made, the appellee specifies the kind, color, size, and number of parts which are designed and produced by PVZ (hereinafter referred to as the "parts of PVZ") and which are in such shapes as a lozenge and an ellipse and on which lace-like workmanship is added. The appellee also specifies the length between the respective parts of PVZ and orders the production of necklaces, pendant tops, clip-on earrings, and bracelets etc. The appellee attaches necklaces separately obtained by the appellee to pendant tops imported from PVZ and attaches clip-on earring parts with Japanese silicon parts to the clip-on earrings imported from PVZ. The appellee obtains finished products by attaching to the necklaces imported from PVZ pico-pull rings (pull rings developed by the appellee and each having a larger pull projection and a decorative ball) and joint jumping rings. (Exhibits Ko 16 to Ko 19, Ko 27, Ko 28 (1 to 8), Ko 44, Ko 45 (1 and 2), Ko 47, representative of the appellee)

The appellee produced fancy boxes, paper bags, catalogues, and forms of guarantee with the trademarks. (Exhibits Ko 21 to 23)

The appellee's website uses the images of the goods produced by PVZ, all of which are images created by PVZ. (Exhibits Otsu 45, Otsu 56, representative of the appellee).

(17) The appellant places orders with PVZ as explained below.

The appellant uses the catalogs received from PVZ and the samples brought by PVZ to the Hong Kong Fair and places an order for the goods shown in the catalogs and the samples without making any change to them or making changes to them. If changes are made, either the color or a combination of colors is specified. (Exhibits Otsu 19-11, 19-2, Otsu 33-11, 33-2, Otsu 34-11, 34-2, representative of the appellant) 2 Points at issue (1) (whether or not the infringement of the trademark rights due to parallel importing falls under the justifiable cause for non-compliance with the law)

(1)A As described above in 1(14), around December 11, 2015 after the registration of the trademarks, the appellant printed the appellant's mark on flyers for selling the appellant's goods which are personal ornaments imported directly from PVZ or through MCE and distributed the flyers (hereinafter referred to as the "act of the alleged infringement").

Appellant's mark 1 is simply the trademark 1 of a different color and is substantially identical with the trademark 1. Appellant's mark 2 is the trademark 2 of a different color and is substantially identical with the trademark 2. All the appellant's goods shown at the event are personal ornaments and are included in the designated goods of the trademarks.

B The appellee contends that of the goods that the appellant asserts were imported from PVZ, some of the goods do not match those shown in the catalogs of PVZ and therefore, the appellant's goods include goods that are not from PVZ. However, as described above in 1 (17), the appellant may place an order based on not only the catalogs of PVZ but also the samples brought by PVZ to the Hong Kong Fair and may change the color or a combination of colors of the goods from the catalogs and the samples. In addition, all of the appellant's goods (Exhibit Ko 52) pointed out by the appellee use the parts of PVZ having a lace pattern which is a characteristic of the goods of PVZ (Exhibit Otsu 48). Accordingly, all the appellant's goods are considered to be goods imported from PVZ.

(2)A If a person other than the trademark owner imports the goods to which a trademark identical with the registered trademark is affixed and the goods are identical with the designated goods of the trademark right in our country, the person's act infringes the trademark right unless a license is obtained (Article 2, paragraph (3) and Article 25 of the Trademark Act). However, it is proper to understand that even the above import of the goods lacks substantial non-compliance with respect to the infringement of the trademark right, [i] if the trademark was lawfully affixed by a trademark owner in a foreign country or a person who has obtained a license from the trademark owner, [ii] if the trademark indicates a source identical with that of the registered trademark in our country due to the presence of a relationship in which the trademark owner in the foreign country is an identical person or can be legally or economically regarded as a person identical with the trademark owner in our country (hereinafter referred to as the "second requirement"), [iii] if the goods are assessed as not being substantially different from the goods to which the registered trademark is affixed by the trademark owner in our country in the quality guaranteed by the registered trademark on the grounds that the trademark owner in our country is in a

position to be able to directly or indirectly control the quality of the goods (hereinafter referred to as the "third requirement")(Judgment of the Supreme Court, First Petty Bench, February 27, 2003; Minshu Vol. 57, No. 2, at 125).

If a person other than the trademark owner affixes a trademark identical with the registered trademark to advertisements, for goods identical with the designated goods of the trademark right in our country, the person's act infringes the trademark right unless a license is obtained (Article 2, paragraph (3) and Article 25 of the Trademark Act). However, even the above act may lack substantial non-compliance with respect to the infringement of the trademark right like the act of importing the goods to which the trademark identical with the registered trademark is affixed. In that case the above requirement [i] should read: the use of the trademark for the goods is lawful due to a relationship with the trademark owner in a foreign country (hereinafter referred to as the "first requirement").

B First requirement

(A) As described in (1) above, PVZ uses the same mark as trademark 2 to sell its goods. As shown in the attached PVZ trademark list, the PVZ trademark comprises a gradual curve that goes down from left to right under the graphically represented alphabetic characters "NEONERO" and under the curve, the alphabetical characters "FORME PREZIOSE" in small font are arranged. Given that the characters "NEONERO" are significantly larger than the characters "FORME PREZIOSE," and that as described in 1 (1) above, PVZ has been manufacturing and selling the personal ornaments under the brand name "NEONERO," the essential part of the PVZ trademark is considered to be the graphically represented character portion, "NEONERO."

As shown in the attached list of the appellant's marks, in appellant's mark 2, the alphabetic characters "PIZZO D'ORO" in small font are arranged in the upper portion and the alphabetic characters "NEONERO" in large font are disposed in the lower portion. Since they are significantly different in size of the characters, the essential portion of the mark is considered to be the portion of "NEONERO." Accordingly, the essential portion of the appellant's mark 2 is similar in appearance and identical in sound to the essential portion of the PVZ trademark. As explained so far, the PVZ trademark and appellant's mark 2 are similar.

As shown in the attached list of appellant's marks, appellant's mark 1 comprises the alphabetic characters "NEONERO." Accordingly, the essential portion of appellant's mark 1 is similar in appearance and identical in sound to the essential portion of the PVZ trademark. The PVZ trademark and appellant's mark 1 are similar.

Thus appellant's marks 1 and 2 are not considered to be usable lawfully in

Europe without the permission of PVZ.

(B) As described above, appellant's marks 1 and 2 are similar to the PVZ trademark. All the appellant's goods are imported from PVZ and the appellant is not considered to have made adjustments to them before selling them. Consequently, the appellant's act of affixing appellant's marks 1 and 2 to the appellant's advertisements of the goods does not impair the source distinguishing function or the quality maintenance function of the trademark right of PVZ. The act can be said to be lawful due to the relationship with PVZ.

(C) Accordingly, the alleged infringement act fulfills the first requirement.

C Second requirement

The second requirement relates to the substantial identity of domestic and foreign right holders. The "case in which the domestic and foreign right holders have a relationship that allows them to be legally regarded as an identical person" refers to the case in which a trademark owner in a foreign country and a trademark owner in Japan have parent-subsidiary relations or are sole sales agents. The "case in which the domestic and foreign right holders have a relationship that allows them to be economically regarded as an identical person" refers to the case in which a trademark owner in a foreign country and a trademark owner in Japan have a close relationship, for example, in which they constitute the same corporate group.

As described in 1(6) above, the appellee concluded a sales agency agreement in Japan for the brand goods with PVZ and became an exclusive sales agent of PVZ in Japan. Therefore, PVZ and the appellee can be said to be in the relationship in which they can be legally regarded as an identical person, and therefore the alleged infringement act fulfills the second requirement.

D Third requirement

(A) The third requirement is directed to the quality management capability of the trademark owner in Japan. If the trademark owner in a foreign country and the trademark owner in our country can be legally or economically regarded as an identical person, in principle, it can be said that the quality management capability of the trademark owner in a foreign country and that of the trademark owner in our country should be identical. However, even though the trademark owner in a foreign country and the trademark owner in our country can be legally or economically regarded as an identical person, if it can be said that importing the goods relating to the trademark owner's source in a foreign country resulted in impairing the quality or goodwill specific to the goods relating to his source, despite his record of utilizing the exclusive power of the trademark right in our country and making efforts to maintain the quality

or goodwill specific to the goods relating to his source, these interests due to such record can be said to be worthy of protection.

(B) According to the found facts in 1, PVZ had been selling and distributing the branded goods to the appellant and the appellee in Japan before the registration of the trademarks. The appellee registered the trademark rights to exclusively import and sell the goods of PVZ and the trademarks were registered with the permission of PVZ. Trademark 1 per se is the brand name and trademark 2 is considered to use the marks that PVZ had been using for the brand. In this case, the appellee's goods are personal ornaments and have a function of being worn so that their user can be seen by others, and utilizing their beauty to decorate the user. It is found that the appellee designated the combination of the parts from PVZ and the chain length, and attached pull rings and earring parts, but judging from the main function of the appellee's goods, the pull rings and earring parts constitute only an incidental part. On the appellee's website, the images created by PVZ and the same brand logo as the one used by PVZ are used and the lace-like patterns of the parts from PVZ can be clearly recognized. However, the parts individually attached by the appellee are emphasized nowhere. In addition, the above website fails to disclose that the design other than that of the lace-like workmanship of the parts from PVZ is excellent and that the pull rings and earring parts can be easily used. These matters are not considered to have been recognized by consumers. Further, even though the appellee issued a warranty for the appellee's goods, the warranty describes only an "article number" and "specification" (Exhibit Ko 23). It is not considered that from the content of the warranty consumers can recognize that the appellee's original parts are attached.

Comprehensively considering these circumstances, it cannot be considered that the appellee has a record of making efforts to maintain the quality or goodwill of the appellee's goods independently of PVZ. It cannot be said that the appellant's importing the goods and the alleged infringement act result in impairing the quality or goodwill of the appellee's goods. Accordingly, it cannot be said that the appellee has interests worthy of protection.

The appellee asserts that it has established its own inspection system to keep the quality of the goods and make efforts to maintain the reliability of the goods by accepting a free part exchange request for its sold goods. However, there is no evidence sufficient to enable the court to find that the appellee conducts these acts beyond the acts generally conducted by the import sales agents of personal ornaments for maintaining the quality and reliability. The appellee's assertion does not affect the above determination.

(C) As described so far, the appellant's goods and the appellee's goods should be assessed as not being substantially different in the quality guaranteed by the trademarks. The alleged infringement act fulfills the third requirement.

(3) As described above, the alleged infringement act fulfills each of the first to third requirements and lacks substantial non-compliance.

3 Accordingly, needless to determine the other matters, the appellee's demand is groundless.

IV Conclusion

Hence, the judgment in prior instance is revoked and the appellee's claims are dismissed. The judgment is made as described in the main text.

Intellectual Property High Court, Second Division

Presiding judge	MORI Yoshiyuki
Judge	NAGATA Sanae
Judge	FURUSHO Ken

(Annex)

List of the trademarks

1 Registration Number No. 5799743

Trademark NEONERO (standard characters)

Designated goods or designated service and the class of goods and service

Class 14

Unwrought and semi-wrought precious stones and their imitations, keyrings [trinkets or fobs], jewelry cases, trophies [prize cups], commemorative shields, personal ornaments, shoe ornaments of precious metal, clocks and watches

Filing date

October 15, 2014 (Trademark Application No. 2014-086695)

Registration date

October 16, 2015

2 Registration Number No. 5799744

Trademark



Designated goods or designated service and the class of goods and service

Class 14

Unwrought and semi-wrought precious stones and their imitations, keyrings [trinkets or fobs], jewelry cases, trophies [prize cups], commemorative shields, personal ornaments, shoe ornaments of precious metal, clocks and watches

Filing date

October 15, 2014 (Trademark Application No. 2014-086696)

Registration date

October 16, 2015

(Annex)

PVZ trademark list

European Union

Registration Number 5914387

Trademark



Designated goods or designated service and the class of goods and service

Class 14 precious metals and their alloys and goods in precious metals or coated therewith (not included in other classes), jewelry, precious stones, and tools for clocks and watches

Filing date May 17, 2007

Registration date May 15, 2008

(Annex)

List of the appellant's marks

1



2

