

Trial Decision

Invalidation No. 2015-890087

Italy

Demandant KRISTANINI SPA

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The following trial decision is made for the case of trial for trademark invalidation between the above Parties for Trademark Registration No. 5118514.

Conclusion

Registration of the Trademark Registration No. 5118514 shall be invalidated.
The demandee shall pay the costs of trial.

Reasons

No. 1 The Trademark

Trademark Registration No. 5118514 (hereinafter referred to as "Trademark") consists of Alphabetic characters "CRISTANINI" written in standard characters. An application for registration was filed on August 2, 2007 with the designated goods of "power sprayers of medical agents for detoxification, disinfection, sterilization, and deodorization (not for agricultural purposes)" in Class 7. The decision of trademark registration was made on February 25, 2008, and on March 14 of the same year, the registration was effected.

No. 2 The demandant's allegations

The demandant requested for a decision, which is of the same purport as the above "Conclusion", and stated the reason as follows. The demandant submitted Exhibits A1 through A29 (including branch numbers) as means of evidence.

1 About the demandant and the Demandant's Trademark

The demandant is an Italian company engaged in the business of manufacture and sale of various cleaning apparatuses using high-pressure spraying technology.

Since the beginning of its business in 1972, the demandant has used the trademark consisting of Alphabetic characters "CRISTANINI" (hereinafter referred to as "Demandant's Trademark"), when selling its products, which constitutes the main parts of the demandant's house mark or trade name and indicates the origin of the goods pertaining to the demandant's business.

Core merchandise of the demandant includes a CBRN (Chemical, Biological,

Radiological, and Nuclear) decontamination system, which works to remove contamination by spraying high-pressure medical solutions onto the surface of an object (building, vehicle, ground, etc.) on which toxic chemicals or radioactive materials are attached (Exhibit A2-2, Exhibit A21). The demandant's CBRN decontamination system has been adopted for military and crisis control purposes, in addition to being used for various industrial purposes, and has also been used by NATO troops.

2 About the demandant's sales activities worldwide

The demandant sells its products in countries around the world through its distributors located in the respective countries.

The amount of sales made by the demandant around the world for each of the years during 2005 and 2008 has shifted within the range of approximately 4 million to 9.4 million Euros (approximately 0.6 billion to 1.3 billion yen) per year.

Exhibits A3-1 through A3-12 are copies of invoices which the demandant issued to distributors in countries outside Japan during the period of 2005 to 2008. Since the demandant's products include large-scale equipment as well, the amount per unit of transaction is relatively large, mostly at the level of three hundred thousand Euros (approximately 42 million yen).

Since 2002, the demandant has engaged in promotional activities and participated in exhibitions in countries around the world (Exhibit A4).

3 About the relationship between the trademark holder (demandee) and the demandant

Since 2007, the demandant has sold the above apparatuses in the Japanese market through the demandee.

Exhibit A5 indicates the demandee's company information, in which the demandant is listed as a major business partner.

Exhibits A6 through A15 are copies of letters (e-mails) exchanged between the demandee and demandant during the period of 2005 to 2007. From these e-mails, the following facts can be assumed.

Around November 2005, N, the president of the demandee, proposed to the demandant to establish a business relationship (Exhibit A6). On December 14 of the same year, the demandee actually paid a visit to the demandant's head office located in Rivoli Veronese in the province of Verona, Italy, and met with the demandant's president, Adolfo Cristanini, to discuss business terms (Exhibit A7).

In October 2006, the demandant sent to the demandee a price list which was then in effect (Exhibit A8), and the demandant presented N with discounted prices (Exhibit A9).

On November 26, 2006, the demandee issued to the demandant a formal order form for the demandant's goods, specifically, one unit of "Sanijet C921" (Exhibit A11). The demandant sent to the demandee an invoice for this order (Exhibit A15).

Exhibits A16-1 through A16-4 are copies of invoices which the demandant issued to the demandee in 2007, 2009, and 2011.

As described above, it is evident that the demandee offered a business relationship to the demandant around 2005, which is prior to the filing of the application for the Trademark, and has continuously maintained a business relationship with the demandant since 2007.

It should be noted that the demandant learned about the existence of the registration of the Trademark only recently. After coming upon this knowledge, the demandant has, by way of its patent agent, negotiated with the demandee concerning the

transfer of the trademark right of the Trademark.

However, the demandee not only failed to respond to the demandant's offer with sincerity, but also pointed out, without any grounds, the disadvantages to be incurred by the demandant as a result of the present matter becoming further complicated (Exhibit A19). The demandant decided that it was impossible to reasonably negotiate with the demandee any further, and thus filed the present request for invalidation trial.

4 About promotional activities in Japan concerning the demandant or the demandant's products

The demandant or the demandant's products are introduced and advertised by way of the demandee in workshops, tradeshow, and other events to customers and traders in Japan, especially those related to crisis control (Exhibit A20, Exhibits A21 through A27).

Exhibits A28 and A29 indicate a list of exhibitors at the "2013 New Environmental Exhibition/Exhibition for Prevention of Global Warming" and news articles concerning the Exhibition. From these documents, it is evident that the demandee participated in the exhibition and introduced the demandant's products.

As such, the demandant or the demandant's products were, by way of the demandee, widely and continuously introduced to the relevant consumers in Japan. If, as stated in Exhibit A22, there are only three manufacturers in the world that can handle decontamination systems, it is easily imaginable that the demandant has always attracted a lot of attention in the industry of crisis control and/or disaster countermeasures.

5 About the applicability of Article 4, paragraph (1), item (xix) of the Trademark Act to the Trademark

(1) About whether the Demandant's Trademark is well-known and/or famous

As described above, the demandant has used its trademark over the years, as a trademark to represent the goods pertaining to its business, for cleaning apparatuses using high-pressure water technology, especially the CBRN decontamination system, not just in Japan but also in the rest of the world.

It should be said that, as a result, the Demandant's Trademark came to be widely known in Japan or outside Japan among relevant customers and traders as referring to the merchandise pertaining to the demandant's business, at least at the time when an application for the Trademark was filed and at the time when the Trademark was registered.

In view that, as stated by N, the demandee's president, the demandant is one of only three companies operating in the field concerned (Exhibit A22), it can be assumed that, at the time when an application for the Trademark was filed and at the time when the Trademark was registered, the demandant had acquired a considerable degree of recognition and fame in the industry pertaining to disaster prevention and/or crisis control, through long years of business activities and promotional activities by means of exhibitions.

(2) About the similarity between the Demandant's Trademark and the Trademark

It can be said that the Demandant's Trademark and the Trademark are clearly the same because they both consist of the letters, "CRISTANINI".

(3) About unfair purposes

Even before an application for the Trademark was filed, the demandant and

demandee had had a business relationship, and the two Parties have known each other.

Under such circumstances, it is not difficult to imagine that the demandee had detailed knowledge about the demandant's use of the trademark, "CRISTANINI", as the Demandant's Trademark at the time when an application for the Trademark was filed; thus it cannot be considered that the demandee adopted the Trademark by accident without relying on the Demandant's Trademark in any way.

Accordingly, the following must be said: While the demandee was aware of the existence of the Demandant's Trademark, which was well-known and famous nationwide as of the time of filing an application for the Trademark, the demandee had the purpose of taking a free ride on the trademark's capability to attract customers, or the purpose of interfering with the demandant's entry into the Japanese market, or the purpose of drawing out advantageous terms of business; thus, the demandee filed an application for registration of the Trademark, which is the same as the Demandant's Trademark, and was granted the registration.

Meanwhile, the demandant has never acknowledged or given approval as to the demandee filing an application for registration of the Trademark.

(4) Summary

As described above, the Trademark is the same as the Demandant's Trademark, which is widely recognized among consumers in or outside Japan as representing the goods pertaining to the demandant's business. Furthermore, since the use is based on unfair purposes, the Trademark was registered in violation of Article 4, paragraph (1), item (xix) of the Trademark Act.

6 About the applicability of Article 4, paragraph (1), item (vii) of the Trademark Act to the Trademark

(1) As described above, it can be assumed that the demandee, with the knowledge that the Demandant's Trademark is used as a trademark to represent the goods pertaining to the demandant's business, filed an application for registration of the Trademark, which consists of the same letters, "CRISTANINI", with the purpose of taking a free ride on the capability of the Demandant's Trademark to attract customers, or with the purpose of interfering with the demandant's entry into the Japanese market, or with the purpose of drawing out advantageous terms of business. Approving the exclusive use of such Trademark has a risk of causing significant confusion to the order in the society and public, which is not the aim of the Trademark Act, whose objective is to maintain order of transactions; thus, it should be said that the Trademark is not worthy of protection.

In addition, the possibility cannot be denied that such use may cause misunderstanding about the relationship between the demandee and demandant, which in turn may not only dilute the reputation and credibility built over the years by the demandant, but may also cause damage to the customers and traders having misunderstood the situation.

(2) Summary

Based on the above, the application for registration of the Trademark lacks social adequacy in its background, and use of the Trademark for the designated goods of the Trademark is in violation of the interests of the society and public.

In view of the above, the Trademark was registered in violation of Article 4, paragraph (1), item (vii) of the Trademark Act.

7 About the applicability of Article 4, paragraph (1), item (xv) of the Trademark Act to the Trademark

(1) About whether the Demandant's Trademark is well-known and/or famous

As describe above, the demandant has used its trademark over the years, as a trademark representing the goods pertaining to its business, on cleaning apparatuses which use high-pressure water technology, especially CBRN decontamination systems.

Specifically, as is shown by the demandee, who is one of the relevant customers in Japan, offering a business relationship to the demandant back in 2005, it can be assumed that the existence of the demandant had won a certain level of name recognition among relevant consumers in Japan by that time.

At least by August 2, 2007, which is the application filing date of the Trademark, the Demandant's Trademark had been widely recognized among consumers and traders, at least among those related to crisis control, as a trademark representing the goods of the demandant's business, and it should be said that the Demandant's Trademark continued to be well-known and/or famous until the registration of the Trademark.

(2) Whether the Demandant's Trademark is a creative mark or a house mark

As described above, the Demandant's Trademark is the demandant's own creation and adoption and is not commonly adopted in the industry concerned. The demandant has used the trademark as its house mark for a long time.

(3) About the relevance in the goodss of the Parties

As described above, the Demandant's Trademark is used for various cleaning apparatuses using high-pressure water technology, especially CBRN decontamination systems. Meanwhile, the designated goods for the Trademark are "power sprayers of medical agents for detoxification, disinfection, sterilization, and deodorization". Quite simply, the demandant's CBRN decontamination system is an apparatus for spraying medical solutions for the purpose of disinfection, and is therefore closely related to the foregoing designated goods.

Accordingly, it should be said that the goods, for which the Demandant's Trademark is actually used, and the designated goods for the Trademark are either the same or are very closely related.

(4) About the level of similarity between the Trademark and the Demandant's Trademark

As described above, the Trademark and the Demandant's Trademark share the same letters of "CRISTANINI" and are therefore essentially the same, and thus have a very high level of similarity.

In addition to the high level of uniqueness and name recognition of the Demandant's Trademark, in view of the fact that the demandee was in a business relationship with the demandant when the application was filed for the Trademark, there is a risk of causing relevant traders and consumers the misunderstanding that, when the Trademark is used for the above designated goods, the goods bearing the Trademark is manufactured and sold by someone having been authorized by the demandant.

(5) Summary

As described above, in light of matters such as (a) the Demandant's Trademark has been widely known among relevant consumers and traderstraders as representing the goods pertaining to the demandant's business, and has attracted a high level of attention and evaluation, (b) the Demandant's Trademark is a house mark independently adopted by the demandant and has been used exclusively, (c) the two trademarks are very much similar, and (d) the goods of one Party overlaps or is closely related to the

goods of the other Party, and the relevance is such that the demandant already handles the designated goods for the Trademark, or, as is easily imaginable, will handle the same personally or by way of a licensee, etc., it should be said that there is a sufficient risk that, when the Trademark is used for the designated goods, consumers and traders who come across such goods will be confused as to the origin of the goods, which seems to pertain to the business of the demandant or someone who has capital ties with or business alliance with the demandant.

As such, the Trademark was registered in violation of Article 4, paragraph (1), item (xv) of the Trademark Act.

The present request for trial was filed after five years had passed from the registration date of the Trademark. However, as described above, it is evident that the demandee filed an application for registration of the Trademark with the detailed knowledge that the Demandant's Trademark is used by the demandant; thus, it should be acknowledged that the trademark registration is based on unfair purposes.

8 Conclusion

In conclusion, the Trademark was registered in violation of Article 4, paragraph (1), items (vii), (xv), and (xix) of the Trademark Act. Accordingly, the Trademark should be invalidated.

No. 3 The demandee's reply

In response to the demandant's allegations described above, the demandee has not given any reply.

No. 4 Judgment by the body

1 About whether the Demandant's Trademark is well-known or famous

(1) Based on the evidences submitted by the demandant and the allegations made by the demandant, the following facts can be acknowledged.

(A) The demandant is a manufacturer of decontamination systems and was established in Italy in 1972 (Exhibits A2-8, A22). At least by around 2005, the demandant was selling "SANIJET C.921", which is an apparatus constituting a CBRN decontamination system bearing the trademark "CRISTANINI" (hereinafter referred to as the "Trademark Used by Demandant"), which is the company name of the demandant, on brochures and invoices, and accessories thereof, as well as "BX24", "BX29", and "BX40", which are medical agents for decontamination to be used for vehicles, persons, and airplanes (Exhibit A2-2, A3-1, A3-2).

(B) The demandant's decontamination system is a special apparatus which works to remove contamination by spraying high-pressure medical agents onto the surface of the object (building, vehicle, ground, etc.) on which toxic chemicals or radioactive materials are attached. The structure of the apparatus includes a controller, which is structured from water-supplying pumps, etc.; a gun, which sprays medical agents; and a hose, which connects the controller and the gun (hereinafter referred to as "Demandant's Goods"), and the apparatus is sold with the medical agents to be used with the apparatus (Exhibits A2-2, A21, and A25).

(C) Exhibit A4 indicates a history of the demandant's sales activities and participation at exhibitions in countries around the world in 2002 and thereafter. From February 2002, which is before the application filing date for registration of the Trademark (August 2, 2007), until July 2007, the demandant held twenty-five meetings with the Ministries of

Defense, Departments of the Interior, and military-related organizations, etc. of sixteen countries in Europe in addition to holding thirty-five expositions, symposiums, and international meetings in various countries in Europe, and even afterwards until December 2014, held a total of seven hundred and thirty-seven meetings and expositions, etc. mostly in European countries.

(2) Based on the above, the demandant is a manufacturer of decontamination systems and was established in 1972. At least by 2005, the demandant was selling decontamination systems using the Trademark Used by Demandant. In view that the demandant's decontamination system is a special apparatus for removing contamination such as toxic chemicals and radioactive materials, and that such apparatus is used mostly by limited organizations such as the government (military, Ministry of Defense, etc.), the demandant conducted a considerable number of meetings, etc. with such organizations in Europe, and thus it is reasonable to determine that the Trademark Used by Demandant was, at the time when an application for registration for the Trademark was filed (August 2, 2007) or at the time when the decision for registration was made (February 25, 2008), widely acknowledged at least among the consumers in European countries as a trademark to indicate the demandant's goods pertaining to the demandant's business.

2 Similarities between the Trademark and the Trademark Used by Demandant

As described in No. 1 above, the Trademark consists of Alphabetic characters "CRISTANINI" and it is reasonable to give rise to the pronunciation of "kurisutaniini" according to the constituent characters and evokes no meaning.

Meanwhile, the Trademark Used by Demandant, as described in above 1 (1), consists of Alphabetic characters "CRISTANINI" and it is reasonable to give rise to the pronunciation of "kurisutaniini" according to the constituent characters and evokes no meaning.

As such, when the Trademark and the Trademark Used by Demandant are compared, the two trademarks share the same appearance in spelling and the same pronunciation of "kurisutaniini", with no distinction as to the meaning; thus it should be said that the two trademarks are very similar.

3 Relationship between the designated goods of the Trademark and the demandant's goods

The designated goods of the Trademark are, as described above in No. 1, "power sprayers of medical agents for detoxification, disinfection, sterilization, and deodorization". Meanwhile, the demandant's goods are apparatuses and accessories with the objective of removing contamination from the surface of an object on which toxic chemicals or radioactive materials are attached. As such, the trademarks of the two Parties concern apparatuses for implementing chemical processing for eliminating or removing toxic or harmful substances; thus, consumers for both trademarks include persons who take a deep interest in the effects of detoxification and sterilization, etc. (mostly those involved in the risk control division). In that case, it is reasonable to consider that both trademarks concern items of goods which are closely related and which share the same quality, use, and consumers.

4 Unfair purposes

(1) The following facts can be acknowledged from the evidences submitted by the demandant and the demandant's allegations

(A) On December 14, 2005, the demandee's president, N, paid a visit to the demandant's

factory located in Rivoli Veronese in the province of Verona, Italy (Exhibits A6 and A7).
(B) Afterwards, the demandant and demandee exchanged e-mails from October 2006 until March 2007 and commenced business talks (Exhibits A8 through A15) concerning "SANIJET C.921", which is published in the demandant's brochure (Exhibit A2-2), and in fact, from March 2007 until April 2011, various products listed on the demandant's brochure were delivered to the demandee (Exhibit A16 (including branch numbers)).

(C) The demandee participated in the following exhibitions and displayed the demandant's goods: "Security & Safety Trade Expo 2007" held in October 2007; "Security & Safety Trade Expo 2011" held in October 2011; "Security & Safety Trade Expo 2012" held in October 2012; and "N-EXPO 2013 Environmental Exhibition" held in May 2013 (Exhibits A20, A24 through A29).

(D) At the "International Workshop on Biological and Chemical Defense" held on January 27, 2011, in a lecture titled "Current Situation of Decontamination" given by N, the demandee's president, the demandee introduced the demandant as an Italian manufacturer of decontamination systems (Exhibits A22 and A23).

(E) Later, the demandee sent a facsimile to the demandant, in response to the demandant's request for transfer of the Trademark (dated April 17, 2015 and May 11 of the same year) (Exhibits A17 and A18), stating that the demandee "has received the request concerning the trademark right ... it is within the scope of assumption that the matter concerns ethics of business ... if the matter develops into a dispute, Cristanini Spa will lose something conclusive ... this industry is a small world, and if it is discovered that there is a dispute between us, no company is likely to become your agent ... and thus the doors to this industry may be closed to you forever" (dated the 12th of the same month) (Exhibit A19).

(2) Based on the above, the demandee paid a visit in 2005 to the demandant's factory, and later commenced business talks, and by March 2007, received the demandant's goods. As such, on the application filing date for registration of the Trademark (August 2, 2007), the demandee was aware of the existence of the demandant and the demandant's goods; thus, it can be acknowledged that the demandee had, concerning the filing of an application for registration of the Trademark, filed an application for registration of the Trademark with the designated goods of merchandise, which are related to the demandant's goods, without obtaining the demandant's permission. Afterwards, the demandee introduced the demandant's products at exhibitions, etc. in Japan. Then, it is acknowledged that, in response to the demandant's request for transfer of the Trademark, the demandee notified the demandant that the demandee acknowledges that the acquisition of the Trademark has issues in terms of ethics of business and that, if demandant determines not to use the demandee as an agent of the demandant, then it is actually the demandant who will suffer disadvantages.

In addition to the above facts, in consideration that the letters "CRISTANINI" constitute a creative term instead of a ready-made word having a specific meaning, it is difficult to consider that the demandee accidentally adopted the trademark which is very closely related to the Trademark Used by Demandant, but rather, it is reasonable to determine that, at the time of filing an application for the Trademark, the demandant had, with the knowledge about the Trademark Used by Demandant, taken advantage of the Trademark Used by Demandant not being registered in Japan, and filed an application for registration of the Trademark, which is very similar to the Trademark Used by Demandant.

Also, in consideration that, as described above, the designated goods for the Trademark constitute goods having a high level of relevance to the demandant's goods, as well as that, in response to the demandant's request for transfer of the Trademark, the demandee notified the demandant of the risk of occurrence of disadvantages to the demandant as a result of dispute, it must be said that the demandee filed an application for, and was granted the registration of, the Trademark with the purpose of obtaining illicit profit by taking a free ride on the Trademark Used by Demandant being well-known in European countries, or with the purpose of preventing the demandant from entering the Japanese market, or with the purpose of forcing the demandant to enter into an agency contract.

Accordingly, it must be said that the Trademark is very similar to the Demandant's Trademark, which, at the time when an application for registration for the Trademark was filed or at the time when the decision for registration was made, was widely acknowledged among consumers in European countries as representing the goods pertaining to the demandant's business, and thus use of the same was based on unfair purposes.

5 Closing

As described above, the Trademark was registered in violation of Article 4, paragraph (1), item (xix) of the Trademark Act. As for the remaining part of statements of the demand, there is no need to make any decision. As such, the registration shall be invalidated pursuant to the provisions of Article 46, paragraph (1) of the same Act.

Therefore, the trial decision shall be made as described in the conclusion.

July 20, 2016

Chief administrative judge: HORIUCHI, Jinko
Administrative judge: HAYAKAWA, Fumihiro
Administrative judge: HIRASAWA, Yoshiyuki