

## **“The Industrial Property Rights System in Japan”**

### **Chapter 3. The Trademark System in Japan**

In this chapter we'll introduce the Japanese Trademark System.

Article 1 of the Trademark Law stipulates that its purpose is as follows: “through the protection of trademarks, to ensure the maintenance of business confidence of persons who use trademarks, and thereby to contribute to the development of the industry and to protect the interests of consumers”.

The term "trademark" in the Law is defined as “any character or characters, figure or figures, sign or signs, or three-dimensional shape or shapes, or any combination thereof, or any combination thereof with colors, that is: used in connection with the goods of a person who produces, certifies or assigns the goods as a business; or used in connection with the services of a person who provides or certifies the services as a business”.

In the Trademark Law, the term "services" includes retail and wholesale services; namely, the provision of benefits for customers conducted in the course of retail and wholesale business.

Trademarks include:

“Character trademarks” that consist solely of characters;

“Figure trademarks” that consist of figures making a design of something realistic, or figures such as geometrical patterns;

“Symbol trademarks” that combine the designs of certain symbols and characters;

"Three-dimensional trademarks" that consist of three-dimensional shapes;

and “Composite trademarks” that are a combination of characters of different meanings, or trademarks that combine characters, figures, signs, and three-dimensional shapes.

There are also plans to protect things such as movement, holograms, colors, position and sound as new types of trademarks.

The distinctive feature of a trademark right is that it combines a mark with the products or services that use the mark. Along with the trademark for which registration is being sought, an application for trademark registration must designate the goods or services in connection with which the trademark is to be used.

The class of the goods and services must be stated in the application for trademark registration.

There are 45 classes in alignment with the International Classification based on the Nice Agreement.

This classification facilitates the search and management of prior trademarks to be examined. And because the classification consists of combinations of marks of the trademark right, and the products and services that use those marks, the same mark can be registered for the same product as long as the service is different.

Here, you can see the various ways that trademarks are used. Carrying out these kinds of actions using a mark is called “use of a registered trademark”.

In order to obtain a trademark right, the applicant must fill out the prescribed forms and submit them to the Japan Patent Office. A “first-to-file” system has been adopted in Japan, so if applications are submitted for an identical or similar trademark, priority will be granted to the one whose application was filed with the Patent Office first.

When an application is made for a trademark registration, the unexamined application is published in the Official Gazette, so that unauthorized third party use of a trademark for which an application for trademark registration has been made can be restrained even before the application is registered.

After a “formality examination”, examiners carry out a “substantive examination” to determine whether or not there are any reasons for refusal.

Now, let’s look at some “unregistrable trademarks”.

First, trademarks likely to cause confusion in connection with the goods or services pertaining to another person’s business because they are indistinguishable will not be registered.

Common names of goods or services

For example, a common name or term such as “PC” cannot be registered as a trademark for a personal computer.

Trademarks customarily used

Trademarks that could originally be distinguished from someone else's goods or services, but that are now customarily used in the same trade, cannot be accepted.

Indication of quality, place of origin, etc.

“Deluxe”, for example, is merely an indication of quality, so it cannot be approved as the name of a

car model.

In principle, the place of origin cannot be accepted as a trademark, either. However, in order to support the enhancement of industrial competition and regional revitalization, any association such as a business cooperative is entitled to obtain a “regional collective trademark registration”, provided that the trademark combines the name of the region and the name of the goods or services, and that the trademark is well known in the region.

Trademarks including a common surname or name

Trademarks consisting solely of a mark indicating a common surname or the name of a legal entity, or a very simple and common mark, cannot be accepted.

Trademarks by which consumers are unable to recognize the goods or services as those pertaining to the business of a particular person will not be approved, either.

If it can be proved that a trademark that has basically been determined as difficult to distinguish has become well-known as the result of its use, it may be registered as being distinguishable.

Any trademark that is identical with, or similar to, the Japanese national flag, Imperial chrysanthemum crest, a decoration, a medal, a foreign national flag, a mark indicating an international organization, a famous mark indicating the State or a local public entity, or a trademark that works against the public interest, such as an indication which could be confused with the trademark of a public organization, will not be registered.

Any trademark that is confusingly similar to another person’s registered trademark, or to trademarks that are famous or widely known, will not be registered, either.

In order to exclude applications that aim to obtain unfair profit, and to avoid unnecessary problems after the granting of rights, examinations in Japan are carried out regarding similarity with widely known overseas trademarks.

Although meat grilled on a skewer called “satay” is widely known in Southeast Asia, for example, it is not so well-known in Japan. If an application for the name “Satay” is made in Japan in the same class concerning food or food services, it will not be registered because it is a familiar term in other countries.

The grounds for refusal to register a trademark following the substantive examination can be roughly divided into two types: absolute and relative. “Absolute grounds” include the lack of distinguishability mentioned earlier, and being identical or similar to public trademarks. “Relative

grounds” include possible confusion with someone else’s prior trademark.

In most countries, absolute grounds for registration refusal are determined during the examination ex-officio. In some countries, however, an examination for relative grounds for refusal is not carried out. Registration of a later application of a similar trademark may be accepted as long as no opposition to the registration is filed by the holder of a prior registered trademark before the trademark right is granted.

It takes longer to acquire the right when an examination for relative grounds for refusal is included than when there is only an examination for absolute grounds.

However, the right granted in such cases is superior in terms of stability because there is less confusion with other rights holders regarding its source after registration.

Taking the stability of the right into account, examiners in Japan carry out examinations for both absolute and relative grounds for refusal ex officio.

Here are two examples of cases that will not be registered because they are similar to prior registered trademarks:

“HCNDA”, because it looks similar to the prior application “HONDA”;

and “Bahhalo”, because it sounds similar to the prior application “Buffalo”.

Any trademark that is likely to mislead those who see or hear it will not be registered.

For example, “tora” is the Japanese word for “tiger”. If an application is made for “TIGER”, but there is already a prior “TORA” trademark, “TIGER” may be determined to be a similar trademark, even though the two words differ in appearance and pronunciation. Since they both have the same meaning, it will therefore not be eligible for registration.

When an application is refused, a notification is made of the grounds for refusal. The applicant may then submit a written opinion or amendment that includes any amendment or amendments made to the designated goods or designated services or trademark for which the registration is sought.

A decision of refusal is made when there is no response from the applicant for a notification for grounds of refusal, or when the written opinion or amendment may not eliminate the grounds for refusal.

An applicant who is dissatisfied with the examiner’s decision may file a request for a trial against the

examiner's decision of refusal.

Where no reasons for refusal are found in connection with an application for trademark registration, the examiner will render a decision to the effect that the trademark can be registered. The application is registered in the Trademark Registry by carrying out the subsequent procedures, and a trademark right will go into effect upon registration of the establishment of that right.

A trademark right expires ten years after the date of its registration of establishment. However, because the aim of trademark protection is to ensure the maintenance of business confidence among those who use trademarks, it may be renewed any number of times.

Trademarks play a major role in global business development today. For that reason, an international rule-based system is required for their use.

Applications for trademark registration must include the class of goods or services that conforms to the International Classification of Goods and Services based on the Nice Agreement.

Concluded in the French city of Nice in 1957, the Nice Agreement is an international classification of goods and services that went into effect in 1961 for the purpose of registering trademarks and service marks.

While 84 States are currently party to the Nice Agreement, more than 150 States adopt an international classification based on it.

Under this international classification, Classes 1 to 34 list "goods", while Classes 35 to 45 list "services".

Although this classification standardizes the basic concept of classification, the indications of goods and services acceptable for examinations differ from country to country.

Cooperative efforts are now being made for this indication to be standardized.

Let's now look at the procedures for acquiring a trademark directly in other countries.

One way to do this is to submit an application in the language of each country through the intermediary of a local agent. Another method is to make an application based on the Madrid Protocol.

Let's take a look at the Madrid Protocol.

While the Madrid Protocol requires a basic application or basic registration in one's own country, it's possible to submit a single application to multiple countries.

Instead of having to file separately in different languages, the procedures can be carried out in one of the three prescribed languages: English, French or Spanish.

In the case of Japan, the procedures are carried out in English.

Negotiation with an agent in each country is required when submitting individual applications to different countries. But under the Madrid Protocol, the application documents submitted to the Office of Origin are sent via the International Bureau of the World Intellectual Property Organization (WIPO) to the Office of the Contracting Party in the country for which registration is requested. They are then treated in the same way as if the application had been made individually.

Because the selection of representatives in each country is not required, merits include simplifying application document preparation and procedures, as well as the possibility of cost reduction.

In addition, because the time limit for making notifications regarding any provisional refusal is specified at 12 months, or 18 months from the date notified by the International Bureau, acquisition of the right is facilitated at an early stage.

The simplification of rights management is also an advantage, owing to the centralized management of the International Register recorded and administered by the International Bureau.

The amendment of domestic trademark laws is required for accession to the Madrid Protocol.

For example, international registration will no longer be protected when the basic application or registration ceases to have effect within a five-year period from the date of international registration.

This is known as "central attack". For this reason, Japan has prescribed "Special Provisions under the Protocol relating to the Madrid Agreement" as remedial provisions to deal with accession.

The "Office of Origin" carries out formality examinations for international applications as made on the application form MM2 to present to the International Bureau.

The formality examination checks whether the entries in the basic application and the registration trademark submitted to the Patent Office of Origin are identical, whether the applicant is appropriate, etc. The international application is then sent to the International Bureau.

If an international application is found to have deficiencies, the International Bureau reports this to

the applicant and the Office of Origin.

The Designated Office of the Contracting Party carries out a substantive examination on the notification from the International Bureau in alignment with domestic trademark laws.

If registration is not approved, a provisional refusal must be notified to the International Bureau within 12 months, or 18 months from the date of notification by the International Bureau. In Japan the period is within 18 months.

If there are grounds for refusal as the result of an examination, a notification of provisional refusal is made to the applicant via the International Bureau.

Where no reason for refusing registration is found, the office notifies the International Bureau that it has issued a grant of protection. It then sends the decision of registration to the holder of the international registration, and issues a trademark registration certificate on completion of the designated procedures.

**End of Chapter 3**