

**Brief Overview of Trademark Act  
Revisions  
during the last decade  
(1996 – 2007)**

Japan Patent Office  
Asia-Pacific Industrial Property Center, JIII

## CONTENTS

	Page
Introduction .....	1
I. Revision of the Trademark Act in 1996 .....	1
1. Revisions in response to the participation in the Trademark Law Treaty ...	1
(1) Adoption of single application for multiple classes .....	1
(2) No examination for renewal and establishment of grace period for renewal .....	2
(3) Treatment of contracting parties of the Trademark Law Treaty .....	2
(4) Others .....	3
2. Rules for registered trademarks not in use .....	3
(1) Mitigation of eligibility as appellants .....	3
(2) Prevention of rushing-in use .....	4
(3) Retroactivity of decision on appeal for cancellation .....	4
(4) Extension of the scope regarded as use of a registered trademark .....	5
3. Promotion of quick granting of trademark rights .....	6
(1) Notice of rejection for a reason of previously filed but not registered trademark application .....	6
(2) Shift to opposition after granting of trademark rights .....	6
(3) Adoption of the standard character system .....	8
(4) Adoption of payment of registration fee in installment .....	8
4. Prohibition of registration of well-known and famous trademark of others for unfair purposes .....	9
5. Introduction of three-dimensional trademark system .....	10

6. Collective trademark system .....	12
7. Introduction of reclassification of designated goods system .....	13
II. Revision of the Trademark Act in 1999 .....	15
(1) Participation in the Madrid Protocol .....	15
(2) Application for international registration .....	16
(3) International application for trademark registration .....	17
(4) Monetary claim before trademark right registration .....	19
III. Revision of the Trademark Act in 2002 .....	20
Clarification of Use of Trademarks on Internet .....	20
IV. Revision of the Trademark Act in 2005 .....	21
(1) Treatment under the Trademark Act .....	21
(2) Mitigation of registration requirements .....	21
(3) Eligibility as applicants .....	22
(4) Types of regionally based collective trademarks .....	22
(5) Registration requirements for regionally based collective trademarks .....	23
(6) Trademark rights for regionally based collective trademarks .....	23
(7) Required documents .....	23
V. Revision of the Trademark Act in 2006 .....	25
1. Protection of retailer trademarks .....	25
2. Addition of “export” to the definition of use .....	26
3. Strengthening of punishment for trademark infringement .....	26

## **Introduction**

The first Japanese Trademark System was established in 1884. The present Trademark Act (Law No. 121-1959) was enacted in 1959 and has been enforced since 1960. Subsequently, partial revisions have been made repeatedly. The outline of the Trademark Act revised during the last 10 years is as follows:

### **I. Revision of the Trademark Act in 1996**

In 1996, Japan joined the Trademark Law Treaty. In response to this action, and to establish appropriate rules for unused registered trademarks and to promote quick granting of trademark rights, to strengthen protection of well-known/famous trademarks, and to introduce a three-dimensional trademark system, the Trademark Act was revised in 1996 (Law No. 68-1996).

#### **1. Revisions in response to the participation in the Trademark Law Treaty**

Japan participated in the Trademark Law Treaty (Treaty No. 100-1997) effective as of April 1, 1997. In response to this participation, the Trademark Act was revised to simplify the trademark-related formalities in accordance with the Treaty and to keep in line with other countries.

##### **(1) Adoption of single application for multiple classes**

According to the requirement in Article 3.(5) and other provisions of the Trademark Law Treaty, the Trademark Act was revised so that a single application (i.e. application form) may designate goods or services that belong to two or more classes (Article 6.1).

Before this revision, the system of "single application for single class" (an application must be filed for each class) was adopted in Japan. By the adoption of the "single application for multiple classes" system, the process for users to prepare application forms was simplified. Moreover, since a single trademark may be registered for two or more classes, management of renewal procedures and other processes has become easier.

At the Patent Office, examination of a single application for multiple classes is undertaken by experienced examiners who are well versed in all fields.

## **(2) No examination for renewal and establishment of grace period for renewal**

In the Japanese trademark system before participation in the Trademark Law Treaty, renewal of the protection term of a trademark right was examined regarding whether its renewal should be refused for a reason of public interest (Article 4.1, Subparagraph 1 and others). Moreover, it was examined whether a trademark had been actually used. Renewal was permitted only if actual use was confirmed. By the revision of the Trademark Act according to the requirement in Article 3.(6) of the Treaty, these examinations were abolished and renewal upon only fee payment was adopted (Articles 20 and 23). Since the renewal process was changed from the application system (before revision) to the reporting system (after revision), the burden for users was reduced.

The rule for the renewal period was also revised. In principle, the renewal formalities must be completed during the period from six months before the expiration of the protection term to the last day of said term. However, if a trademark right holder fails to complete the formalities within said period, he/she/it may file a renewal during six months after the expiration of the then protection term by paying an additional fee (Article 20.3). Further, if filing of a renewal during the renewal period and said grace period was prevented by natural disaster or any other uncontrollable cause, an expired trademark right may be reinstated during six months after said grace period, by filing a renewal within 14 days (two months for non-residents) from the elimination or discontinuance of such uncontrollable causes (Article 21). Uncontrollable causes include, but not limited to, earthquake or other natural disaster and serious illness of the trademark right holder.

## **(3) Treatment of contracting parties of the Trademark Law Treaty**

In the Japanese Trademark Act, contracting countries of the Trademark Law Treaty are treated equally with Paris Convention allies and WTO member countries. Therefore, provisions relating to contracting countries of the Trademark Law Treaty were added to the

clauses relating to prohibition of registration of national crests and emblems (Article 4.1, Subparagraphs 2 and 5), special treatment of applications relating to items exhibited in expositions (Article 9), preferential rights (Article 13.1) and appeal for cancellation of illegal registration by agent (Article 53-2).

#### **(4) Others**

According to the requirements in (1) and (2) of Article 7 of the Trademark Law Treaty, the revised Trademark Act permits division of an application which has become subject to a pending lawsuit regarding judgment revocation (Article 10.1) and division of a trademark right (Article 24). By these revisions, if an application or a registration contains a reason for refusal or invalidity, said inadequate portion may be divided from the valid portion.

## **2. Rules for registered trademarks not in use**

Since the Japanese Trademark Act takes the rule of “first to file,” the actual trademark use is not a required condition for registration. Due to this system, a number of registered trademarks have not been used at all after the registration. Accordingly, the revised Trademark Act stipulates that, under the system of appeal trial for cancellation of registered trademarks not in use, any trademark that has not been used at all for three years by the trademark right holder, or exclusive or non-exclusive license holders shall be cancelled upon request from any third party (Article 50.1). If an appeal for cancellation is filed for a certain registered trademark, unless the trademark right holder proves the actual use of said trademark or unless there is good reason for the disuse, said trademark shall be cancelled (Article 50.2). This is a system allowed under the Paris Convention (Paris Convention, 5C (1)).

To strengthen the rules for registered trademarks not in use, the following revisions were made to the system of appeal trial for cancellation of registered trademarks not in use:

### **(1) Mitigation of eligibility as appellants**

Before the revision, only interested parties were eligible for filing an appeal for

cancellation of registration of disused trademarks. The revised Trademark Act stipulates that “any person” may file an appeal for cancellation. By this revision, any user may file an appeal for cancellation of registration of a prior registered trademark before filing a registration application.

## **(2) Prevention of rushing-in use**

Before the revision, if an appeal for cancellation was filed, and if the trademark right holder commences the use after knowing the intent of filing of the appeal, the registration was often not canceled because such case was deemed use of the registered trademark. The revised Trademark Act denies such rushing-in use, stipulating that if it is proved by the appellant that the trademark use was commenced only after knowing the intent to file an appeal for cancellation, such case shall not be deemed use of the registered trademark (Article 50.3).

Effective proving documents include, but not limited to, a written notice informing the intent of filing of an appeal for cancellation, delivered during negotiation of trademark right assignment before filing said appeal.

## **(3) Retroactivity of decision on appeal for cancellation**

The Japanese Trademark Act stipulates that if cancellation of a registered trademark is decided in an appeal trial for cancellation, the trademark right in said trademark shall terminate on and after the date of final decision (Article 54.1). Therefore, if cancellation of registration of a disused trademark is decided in an appeal trial for cancellation, and subsequently if any infringement lawsuit relating to such trademark is instituted, any infringement before said date of final decision is deemed constituting infringement effectively and subject to compensation for damage. To improve this distortion, the revised Trademark Act stipulates that if registration of a disused trademark is cancelled by the final decision in an appeal trial, the trademark rights in said trademark shall be nullified retroactively from the filing date of such appeal of cancellation (Article 54.2).

#### **(4) Extension of the scope regarded as use of a registered trademark**

If an appeal for cancellation is filed for a registered trademark not in use, the trademark right holder must prove the actual use of said trademark in designated goods and/or services (Article 50.2). To identify use of a registered trademark, the socially accepted idea of identity scope according to the change in time and forms of use has been adopted. One of the reasons for this is to eliminate the necessity to file a new application for trademark registration for each different use mode.

In the revised Trademark Act this policy was clarified. Specifically, the identical use refers to use of trademarks comprising of the same characters with only the font modified, trademarks any character of which is replaced with hiragana, katakana or alphabetical character but that bring about the same pronunciation and the same notion, trademarks composed of graphical elements identical in appearance, and other similar trademarks (the parentheses in Article 50.1). This provision is in accord with the provision in 5C (2) of the Paris Convention.

By this revision, it was clarified that, with respect to the use of a registered trademark, a trademark right holder needs not file a separate application for trademark registration for each minor difference in the use mode.

#### **Statistics of Appeal for Cancellation**

<b>Year</b>	<b>Number of appeals filed</b>	<b>Number of final decisions supporting appeals</b>
1997	1,339	772
1998	1,454	1,079
1999	1,761	1,163
2000	1,576	1,072
2001	1,475	1,539
2002	1,500	1,227
2003	1,745	1,244
2004	1,644	1,535
2005	1,597	1,221
2006	1,601	1,259

### **3. Promotion of quick granting of trademark rights**

#### **(1) Notice of rejection for a reason of previously filed but not registered trademark application**

The Japanese Trademark Act takes the first-to-file rule. Accordingly, any subsequent application for registration shall be rejected if the trademark claimed in said subsequent application is, with respect to the trademark and designated goods and/or services, within the same or similar scope as that of the registered trademark of another person who has previously filed an application (Article 4.1, Subparagraph 11).

However, the provision in Subparagraph 11 of Article 4.1 of the Trademark Act cannot be applied until the trademark claimed in such previously filed application is registered. If the examination takes a long time, the first filed application and one or more subsequently filed competing applications will become pending. To improve this inconvenient situation, the following situation was added as a reason for refusal (Article 15-3): Even if a trademark claimed in a previously filed application has not been registered, subsequent applications competing with said previous application shall be refused because there is a previously filed competing application and, in accordance with the provision in Subparagraph 11 of Article 4.1, trademarks claimed in such subsequent applications cannot be registered if said previously filed application is registered.

By this revision, applicants may become aware of the existence of competing applications at an early stage, thus, may give up their applications or take other appropriate actions quickly.

#### **(2) Shift to opposition after granting of trademark rights**

To promote quick granting of trademark rights, the revised Trademark Act adopts a system of post-grant opposition in which an opposition against registration may be filed after trademark right is registered for any trademark (Article 43-2). Before the revision, a pre-grant opposition system had been adopted. That is, if no reason for refusal was found for an application in the examination by examiners, said application was published to provide other persons with an opportunity to file oppositions. Under the pre-grant

opposition system, the number of filed oppositions was very small compared with the total number of published applications, and oppositions supported by examiners were much fewer. Despite the situation where vast majority of applications did not have oppositions filed (approximately 98% of all published applications), trademarks could not be registered during the two-month opposition period and the publication and other preparation periods before and after the opposition period.

To improve this inefficiency, the revised Trademark Act adopts the post-grant opposition system. If no reason for refusal is found in an application by examiners, registration of said application shall be decided. After the trademark right is registered for said application, a trademark gazette shall be published. Oppositions may be filed during two months after the publication of the gazette.

By this revision, the first action now takes about seven months, and the time until the registration is significantly reduced compared with that under the pre-grant opposition system.

Under the pre-grant opposition system, oppositions were examined by individual examiners. Under the post-grant opposition system, oppositions are examined by a panel of hearing examiners (Article 43-3).

### **Statistics of Oppositions to Registration**

Year	Number of oppositions filed	Number of oppositions supported
1998	2,499	110
1999	1,722	314
2000	1,350	255
2001	994	167
2002	921	97
2003	860	95
2004	795	104
2005	676	172
2006	700	160

### **(3) Adoption of the standard character system**

The revised Trademark Act adopts the standard character system (Article 5.3). In this system, if an applicant does not demand protection of specific modes for a trademark consisting of characters only, said trademark shall be registered and published in the standard characters designated by the Commissioner of the Patent Office.

By this revision, an applicant who elects to register a trademark in standard characters may indicate a trademark directly in the application form by stating his/her/its intent of registration in standard characters in the application form. As standard characters, JIS Level 1 and Level 2 sets were designated. If an applicant desires to register a trademark in any mode other than standard characters, a written document in which said trademark is presented shall be attached to or referred to in the application form. The adoption of the standard character system promoted the data processing of applications, which resulted in improvement of the process efficiency, including publishing of trademark gazettes, issuance of trademark registration certificates, and preparation of examination data at the Patent Office.

### **(4) Adoption of payment of registration fee in installment**

The Japanese Trademark Act stipulates that trademark right holders must pay registration fees at the time of initial registration and renewal of the trademark right (Article 40). These registration fees are paid for each 10-year protection term.

However, some registrations may be intended for protecting trademarks relating to goods with short life cycle or preparing for future use of trademarks.

Accordingly, in addition to the conventional single payment of 10-year registration fees, an option was added to pay registration fees in installments in the first year and the fifth year (Article 41-2, Paragraphs 1 and 2). The aim of this arrangement is to give an opportunity to trademark right holders during the trademark protection term to review whether registration of their trademarks should be continued or not, and to reduce or eliminate unnecessary registered trademarks. If a trademark right holder decides that no protection is needed for a certain trademark any more, he/she/it may elect not to pay the

registration fee for the second half of the protection term, and the trademark right for such trademark shall automatically terminate (Article 41-2, Paragraph 4).

#### **4. Prohibition of registration of well-known and famous trademark of others for unfair purposes**

The Japanese Trademark Act stipulates that registration of any trademark shall be refused if such trademark is, at the time of filing a registration application, identical with or similar to any well-known or famous trademark of another person, with respect to the trademark itself and designated goods and/or services (Article 4.1, Subparagraph 10). Moreover, if a trademark of another person is famous, even if designated goods and/or services for the applicant's trademark are different from those designated for said another person's trademark, registration of the applicant's trademark shall be refused to the extent that may cause confusion with said other person's businesses (Article 4.1, Subparagraph 15).

However, all of these provisions cannot be applied to trademarks that are well-known or famous only in other countries. Moreover, they cannot be applied to applications for registration designating goods and/or services that do not cause confusion (Article 4.1, Subparagraph 15).

Accordingly, to strengthen protection of well-known and famous trademarks, a new provision was added to the Trademark Act (Article 4.1, Subparagraph 19). It stipulates that registration of a trademark shall be refused if it is identical with or similar to any well-known or famous trademark of another person in Japan or in any other country and if it is intended for unfair purposes. The threat of confusion is not a required condition, and trademarks well-known or famous only in other countries are also protected by this provision.

"Unfair purposes" is defined as purposes to gain unfair profits, purposes to cause damages to others and any other unfair purposes. Some examples of unfair purposes are advance registration of a trademark that is identical with or similar to a foreign trademark, anticipating selling the right at a high value to the foreign trademark right holder or to block the foreign trademark right holder's entry into Japan or with the aim to force the foreign trademark right holder to conclude an agency contract with the applicant in Japan; and registration of a trademark identical with or similar to a domestic trademark of any other person with the aim

to dilute its function as source designator irrespective of whether there is a threat of confusion of sources or not or with the aim to damage the reputation of said other person.

In the process of examination or trial judgment, if the mode of a trademark claimed in a registration application resembles closely a well-known or famous trademark of any other person composed of coined words, registration for unfair purposes is presumed. The person demanding protection must prove, in his/her/its opposition or in an invalidation trial, public recognition or famousness of the trademark and the existence of unfair purposes.

## **5. Introduction of three-dimensional trademark system**

Under the Japanese Trademark Act before the revision, registration was granted only to plane trademarks composed of characters, signs or graphics or any combination thereof. However, in the trade community, protection was often demanded for trademarks structured by three-dimensional forms under the Unfair Competition Prevention Law. Moreover, the trend to grant registration to three-dimensional trademarks was increasing in other countries.

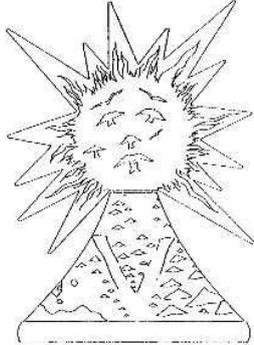
To respond properly to these movements, the Trademark Act was revised to grant registration of three-dimensional trademarks in addition to conventional plane trademarks. Some examples are emblems attached to automobiles, advertising dolls, taxi roof lamps and other three-dimensional signage indicating the identity of the source.

The shape of goods or the shape of packaging may be treated as a three-dimensional trademark. However, registration of a "three-dimensional trademark that is identified as no more than just the shape of the designated goods or the shape of the packaging" shall be refused, for a reason of lacking in the source designating function (Article 3.1, Subparagraph 3). In this respect, from the standpoint of duplicated protection under the Design Act and other laws, and the effect of renewable trademark rights, the Patent Office and courts employ the principle to refuse registration of a shape of goods or a shape of packaging unless said shape satisfies the registration requirement set by the court ("a three-dimensional trademark having an unpredictable unique shape or a decorative shape producing unique impression") (see the Registration Example 1 below).

As an exception, if a shape of goods or packaging has gained a function of source designator as a result of use for long years, such shape may be registered as a three-dimensional trademark (see Registration Example 2 below). However, in that case, registration shall be refused for a trademark structured solely by three-dimensional shapes that are indispensable to maintain the function of goods or packaging, from the standpoint of protecting the public interest (Article 4.1, Subparagraph 18). Some examples are automobile tires and receiving aerials for satellite broadcasting. If trademark registration is granted for such shape, no persons other than the trademark right holder can manufacture or sell goods relating to such three-dimensional trademark during the protection term of the renewable trademark right. Therefore, the manufacture of said goods would be monopolized by the trademark right holder, eventually hindering the growth of industries.

When an applicant files a registration application for a three-dimensional trademark, it must be indicated in the application form that the trademark is three-dimensional, attached with drawing(s) or photograph(s) showing the trademark in one or more direction so that the structure and the mode of the trademark are clearly presented. Other requirements are the same as those of plane trademarks. In the process of examination, plane trademarks and three-dimensional trademarks are cross searched (Article 4.1, Subparagraph 11).

Registration Example 1



(Designated goods Class 3 Cosmetics, etc.)

Registration Example 2



(Designated goods Class 11 Flashlight)

## 6. Collective trademark system

"Collective trademarks" means principally trademarks that certify the common qualitative feature of goods manufactured or sold by members of a group. The group shall be engaged in management of collective trademarks only by establishing management rules. This was a requirement stipulated in the Paris Convention (Paris Convention, Article 7.2). Because these types of trademarks had been protected substantially under the non-exclusive license system, no provision specifically relating to collective trademarks was stipulated in the Japanese Trademark Act.

However, many other countries have collective trademark systems stipulated in the statutory form. To keep in line with these countries, provisions relating to collective trademarks were added to the Japanese Trademark Act (Article 7).

Registration of collective trademarks may be granted only to corporations, co-operative business associations and other associations having juridical personalities or equivalent

foreign corporations (Article 7.1). If a group is granted registration of its collective trademark, members within that group are entitled to use said collective trademark. Members of a group must follow the rules for collective trademarks established by the group, if any.

Some examples of registered collective trademarks are “Shinshu Miso,” “Isobe Sembei,” and “Utsunomiya Gyoza.” Many of collective trademarks comprise a combination of a regional name and the common name of the goods. Registration shall not be granted unless such collective trademark has gained a function of source designated as a result of long years of use (Article 3.1, Subparagraph 3, and Article 3.2).

To file a registration application for a collective trademark, the applicant must submit a written document certifying its status as a corporation, co-operative business association or any other association having juridical personalities or equivalent foreign corporations (Article 7.1)

## **7. Introduction of reclassification of designated goods system**

The Japanese Trademark Act currently adopts the International Classification under the Nice Agreement. The International Classification was adopted as the main classification in April 1992. Before that, Japan used its own commodity classification. Moreover, not a few existing and old trademarks remain classified into five classes that were established in the Meiji Era. The existence of trademarks registered under the old classification system is often inconvenient for search for prior registered applications. Some of the goods defined in the old classification are not distributed in the market any more, and some definitions were not very clear. These situations have caused difficulties in trademark management and other operations.

Accordingly, the registration reclassification system was adopted. Under this system, designated goods relating to trademark rights for which applications were filed on and before March 31, 1992 and registered under the old classification or in any other similar situation shall be reclassified in accordance with the current classification. The purpose of this system was to solve the aforementioned inconvenience and difficulties by reclassifying certain

existing trademark rights to Class 1 to Class 34 of the International Classification, the standardized classification currently adopted in Japan, and to the current goods description (Supplementary Provisions to Trademark Act, Articles 2 to 23).

Reclassification of designated goods shall be executed at the request from trademark right holders. The scope of trademark rights subject to reclassification and the request acceptance start date for each relevant trademark shall be designated by the Commissioner of the Patent Office. The request period for designated trademark rights is between six months before the expiry date of the then protection term which will expire after six months from the request acceptance start date designated by the Commissioner of the Patent Office and one year after the expiry of the then protection term.

Examination and other related processes for reclassification request shall be carried out in accordance with the rules applicable to examination and trial judgment of applications for trademark registration. A request that substantially goes beyond the scope of the designated goods for the trademark right specified in the request shall constitute a reason for refusal or nullification. If reclassified registration is granted, designated goods after the reclassification shall be the designated goods for the trademark rights. If an applicable trademark right holder fails to file a reclassification request or if a request is refused, the trademark right shall terminate on the expiry date of the current protection term and cannot be renewed.

## **II. Revision of the Trademark Act in 1999**

### **Revisions In Response to Participation in the Madrid Protocol**

In 1999, the Trademark Act was revised (Law No. 41-1999) in response to Japan's participation in the Madrid Protocol.

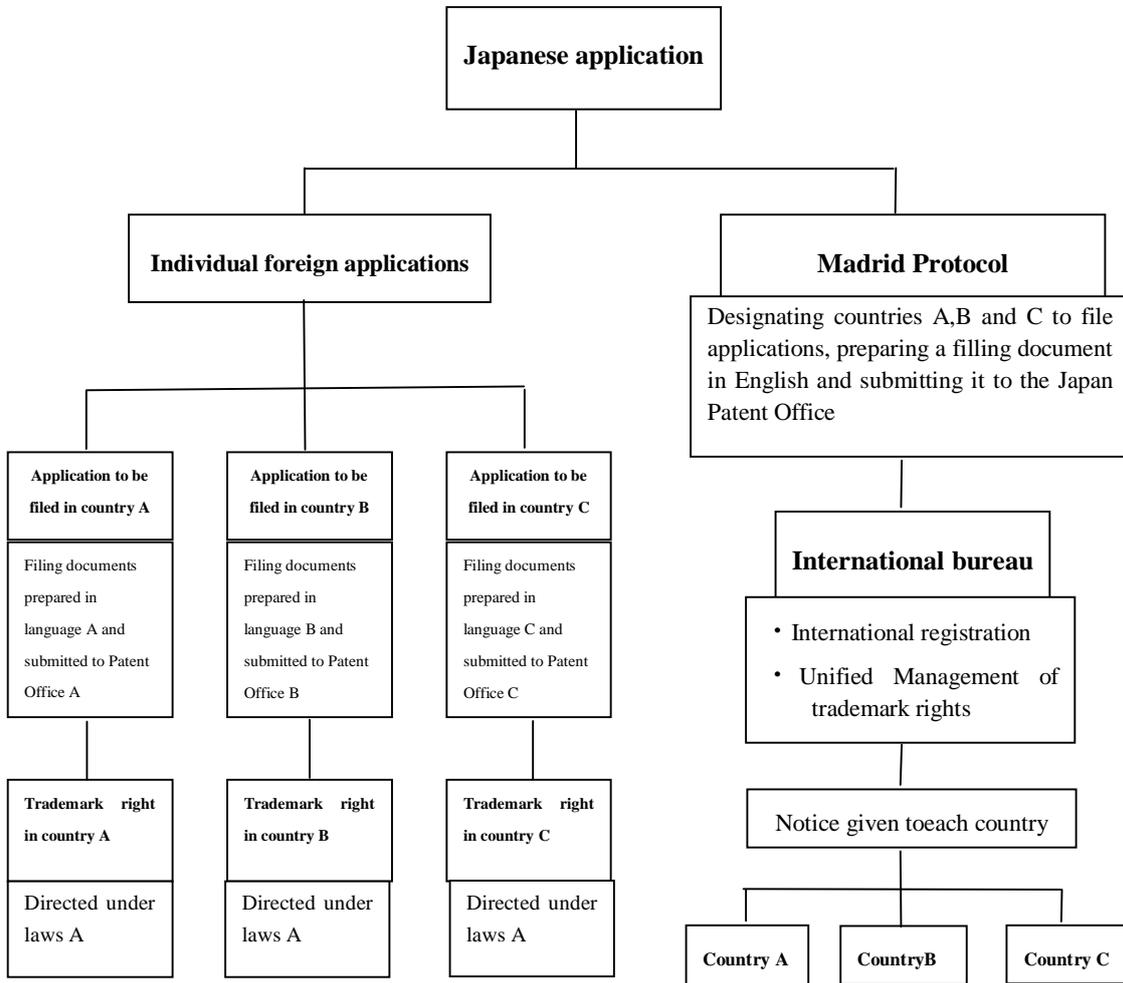
#### **(1) Participation in the Madrid Protocol**

Japan participated in the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol") (Treaty No. 18-1999), which took effect on March 14, 2000.

The Madrid Protocol made it possible for trademark holders to file a single application for trademark registration in their countries that also serves as an international application. An international registration system was also established in accordance with this Protocol. Handling of all procedures, including registration and renewal, were centralized into the WIPO International Bureau to simplify the process of maintenance and management of marks on an international basis. The Madrid Protocol supplements the shortcomings of the Madrid Agreement enacted in 1891. It allows for using a domestic application as the basis for international registration. It also gives consideration to countries adopting the principle of substantive examination with respect to the refusal notification period, options for fee payment and other conditions.

The Madrid Protocol is participated by U.K., German, France, Belgium, Russia, China and many other countries. The participation of Japan took effect on March 14, 2000.

## Route of International application



## (2) Application for international registration

A Japanese national or any other equivalent may file an international application (“international registration application”) on the basis of the registration or application completed under the Japanese Trademark Act, via the Japan Patent Office as home country authorities (Article 68-2). English was chosen as the language for international applications. To file an international application, the basic fee, the supplementary fee and the complementary fee must be paid to the International Bureau. If an applicant designates a country declaring to choose payment of the individual fee in place of the supplementary fee

and the complementary fee, the applicant must pay to the Japan Patent Office (home country authorities) a fee in addition to the individual fee. Japan chose the individual fee (Trademark Act, Article 68-30).

Request for subsequent designation (such as addition of designated countries after international registration is completed), for renewal of the protection term of international registration, or for changing the ownership of international registration, may be filed directly to the international bureau as well as via the Japan Patent Office (Article 68-3 to Article 68-6).

### **(3) International application for trademark registration**

In international registration, any request for territorial extension to designate Japan shall be deemed an application for trademark registration filed on the date of international registration (Article 68-9). Under the Japanese Trademark Act, such request is regarded as an international application for trademark registration and shall be treated equally with domestic applications and shall be subject to examination and trial judgment. As an exception, special handling was stipulated for certain matters, including renewal of the protection term and transfer of trademark rights as specified in the Madrid Protocol (Article 68-21 and others). If an international registration terminates as a result of a central attack, a new application may be filed as a relief measure (Article 68-32).

To require the Japan Patent Office to examine international applications for trademark registration within the refusal notification period stipulated under 5 (2) (C) (i) of the Madrid Protocol, the examination period is set to 18 months, which also applies to domestic applications (Article 16). Examiners are required to deliver a notification of refusal reason within the required period (during the 18 months from the date of the application for trademark registration, in principle). As a result of this revision, applicants can know more quickly than before the revision whether their applications are accepted or refused.

## Statistics Related to Madrid Protocol

**Number of international registration applications accepted / Number of designated countries (home country authorities)**

Year	Number of international registration applications	Number of designated countries	Average number of designated countries
2000	187	1,834	9.8
2001	280	3,259	11.6
2002	237	2,377	10.0
2003	402	3,849	9.6
2004	734	6,517	8.9
2005	839	7,314	8.7
2006	875	5,952	6.8

### Number of international applications by designated country:

China 593, U.S.A. 533, South Korea 501, OHIM 387, Singapore 325, Australia 251, Switzerland 225, Russia 217 (2006 year)

### International trademark registrations designating Japan

Year	Number of applications	Number of registrations
2000	2,575	124
2001	5,709	2,362
2002	5,269	4,196
2003	5,334	3,708
2004	7,160	3,254
2005	9,969	3,991
2006	11,794	5,240

**Number of applications by home country authorities:**

U.S.A. 1,891, Germany 1,829, France 1,233, Italy 1,250, Switzerland 950, China 631 (2006 year)

**(4) Monetary claim before trademark right registration**

Under the Japanese Trademark Act before the revision, during the period from filing of applications until registration of trademark rights, no protection was given to trademark owners since they had no rights in their trademarks. However, Article 4.(1)(a) of the Madrid Protocol stipulates that domestic registration shall be protected from the date of international registration. To keep consistency with the Madrid Protocol, the Trademark Act was revised. To protect the business reputation gained by a trademark owner through the use of a trademark during the period from filing of applications until registration of the trademark right, the trademark owner is entitled to claim, against any person who has used any mark identical with or similar to the trademark claimed in said application in designated goods and/or services, an amount equal to the loss caused by such use, on condition that warning is given to said person in advance. This provision also applies to domestic applications (Article 13-2).

This claim may be exercised after granting of trademark registration is decided and the trademark right is registered. If a registered trademark is cancelled after registration upon filing of an opposition or is held invalid in an invalidation trial, said claim is cancelled as if it had not existed from the beginning.

### **III. Revision of the Trademark Act in 2002**

#### **Clarification of Use of Trademarks on Internet**

As the use of internet communication grew, trading forms different from the conventional forms of sales of goods and provision of services have arisen. Advertising using the internet network also expanded. In the revision of the Trademark Act in 2002 (Law No. 24-2002), the provisions defining use of trademarks were revised so that presentation of marks on the internet communications shall be treated as the use of trademarks for the purposes of the Trademark Act.

- (1) Article 2.3 regarding the definition of use of trademarks stipulates that marks shown when computer programs or any other similar programs are assigned via internet communication shall be treated as use of trademarks in connection with goods traded (Article 2.3, Subparagraph 1). The purpose of this provision was to clarify that marks shown when intangible computer programs, electronic publications or any other intangible properties are traded in the form of downloading, i.e. provided via electrical communication lines, shall be regarded as use of trademarks in connection with goods traded.
- (2) Marks shown on monitors or any other displaying devices during music streaming services, on-line banking or any other similar services provided via internet communication shall be also regarded as use of service marks (Article 2.3, Subparagraph 7).
- (3) Marks shown on monitors or any other displaying devices during advertising or displaying of goods and/or services shall also be regarded as use of trademarks for advertising and display (Article 2.3, Subparagraph 8).

## **IV. Revision of the Trademark Act in 2005**

### **Establishment of Regionally Based Collective Trademark System**

In the revision of the Trademark Act in 2005 (Law No. 56-2005), a new trademark system was established to register a trademark composed of a combination of a regional name and a common name of goods. The aim of this system was to support the vitalization of local economy by protecting local brands (Article 7-2).

Under this system, if a trademark composed of a combination of a regional name and a common name of goods or service has been used for goods or service closely related to a certain region, and well-known by a certain range of consumers, a cooperative business association or any other similar association may register such trademark as a "regionally based collective trademark."

#### **(1) Treatment under the Trademark Act**

In principle, in accordance with Subparagraphs 3 and 6 of Article 3.1 of the Trademark Act, trademark registration is not granted to a trademark composed of a combination of a regional name and a common name of goods or service, such as "Hirosaki Ringo" and "Matsusaka Ushi," since it represents just the production place of the goods or service and does not have a function of source designator.

Exceptionally, registration may be granted only to a trademark that has gained a function of source designator after years of actual use, such as "Yubari Melon" (Article 3.2). However, it was not very easy to pursue registration on the ground of national public recognition. Under these circumstances, owners of such trademarks could not demand discontinuance of use of such trademarks by others until they gain public recognition for their trademarks.

#### **(2) Mitigation of registration requirements**

The regionally based collective trademark system was established to provide more adequate protection to regional brands. Under this system, a trademark composed of a combination of a regional name and a common name of goods or service may be registered as a "regionally based collective trademark" if it has been used in connection with goods or

service closely related to said region and has gained a certain level of public recognition (Article 7-2).

An application for registration as a regionally based collective trademark shall be accepted and registration shall be granted if, as a result of actual use, said trademark has been well known among consumers (i.e. gained public recognition) as an indicator of goods or service pertaining to the business of a regional group that has filed the application, or members of said regional group (Article 7-2, Paragraph 1, First sentence). Public recognition at national level may not necessarily be required. Public recognition in neighboring prefectures is sufficient.

### **(3) Eligibility as applicants**

Only corporations established under special laws, including cooperative business associations and agricultural cooperative associations, may file registration applications for regionally based collective trademarks. In addition, freedom to become a member of such corporation must be guaranteed by a legal document, and said trademarks must be those intended to be used by members of such corporation (Article 7-2, Paragraphs 1 and 4).

### **(4) Types of regionally based collective trademarks**

Trademarks that may be registered as regionally based collective trademarks are categorized into the following three types: (i) a trademark consisting solely of characters indicating, in a common manner, the name of the region and the common name of certain goods or service (such as “XXX Ringo”, and “XXX Mikan”), (ii) a trademark consisting solely of characters indicating, in a common manner, the name of the region and the name customarily used to indicate certain goods or service (such as “XXX Yaki” and “XXX Ori ”), and (iii) a trademark consisting of characters defined in (i) or (ii) above, to which are added characters customarily used to indicate, in a common manner, the production place of certain goods or service or any other similar information (such as “Homba XXX Ori” and “Tokusen XXX Cabbage”) (Article 7-2, Paragraph 1, Subparagraphs 1 to 3).

#### **(5) Registration requirements for regionally based collective trademarks**

For trademarks specified in (4) above, all subparagraphs in Article 3.1 excluding Subparagraphs 1 and 2 shall not apply, but all subparagraphs in Article 4.1 specifying unregistrable trademarks shall apply.

The regional name must be the name of the region closely related to the goods or service. The old name of the region or state, the name of a river, mountain or ocean space or any region-related name may be used, as well as the name of the current administrative district unit. The term “closely related” refers to the circumstance where the region is the production place of the goods, the region is the provision place of the service, the region is the origin place of the manufacturing method of the goods, the region is the production place of the main ingredient of the goods or any other similar circumstance (Article 7-2, Paragraph 4).

#### **(6) Trademark rights for regionally based collective trademarks**

Once a regionally based collective trademark is registered, the normal trademark right is set on such trademark. Accordingly, the trademark right holder has the exclusive right to use said registered trademark for designated goods and/or services, and has the right of prohibition to remove use by other parties of said registered trademark within the similar scope (Articles 25 and 37).

However, any person who has used said trademark, without any intention of unfair competition, before the registration application was filed for such registration, has the prior user's right to continue to use such trademark (Article 32-2).

#### **(7) Required documents**

An applicant for a regionally base collective trademark must submit the following certifying and evidencing documents:

- (i) Document certifying that the applicant is an association or organization specified in Paragraph 1, Article 7-2 of the Trademark Act

e.g. A copy of the certificate of registered records or a copy of the law in accordance with which the association was established

(ii) Document certifying that the trademark contains the regional name specified in Paragraph 2, Article 7-2 of the Trademark Act

e.g. Articles in newspapers, magazines, books or other publications, certificates issued by public agencies, pamphlets, catalogs, internal rules, or transaction slips, indicating close relation between the regional name included in the application for trademark registration and the designated goods and/or services

(iii) Document evidencing the fact that the trademark claimed in the application has been well-known among consumers as a result of actual use

e.g. Printed matters which contain advertising using said trademark (including newspapers, magazines, catalogs, and handbills), transaction slips/documents, photographs clearly showing the use of said trademark, certificates issued by advertising agents, broadcasters, publishers or printers, certificates issued by fellow traders, suppliers, consumers or other stakeholders, or certificates issued by public agencies (including national or local public bodies, embassies in Japan, and chamber of commerce)

## **V. Revision of the Trademark Act in 2006**

### **1. Protection of retailer trademarks**

In the revision of the Trademark Act in 2006 (Law No. 55-2006), it was stipulated that from the standpoint of promoting convenience for business operators and coordination with the internationally adopted system, trademarks used by retailers and wholesalers shall be protected as trademarks relating to services (“service marks”).

To promote sales of their merchandise, retailers and other similar operators are engaged in service activities to facilitate selection of goods by consumers. They offer a wide variety of merchandise and provide services for the convenience of customers so that customers can choose merchandise. However, since these retailers’ services are incidental services provided to promote sales of goods, they are not regarded as independent transactions and no direct compensation is received. Accordingly, they had been excluded from services defined in the Trademark Act. If protection under the Trademark Act was needed for a trademark used by a retailer or any other similar operator, registration of such trademark has been pursued as a trademark relating to goods traded by said retailer. While it is stipulated that trademarks shall be used in connection with designated goods and/or service, trademark rights relating to goods did not fully cover the use mode of trademarks by general retailers and service operators.

On the other hand, protection was already provided for trademarks used by retailers as service marks in the U.S.A, UK and Office for Harmonization in the Internal Market (OHIM) in Europe. Moreover, the International Classification under the Nice Agreement (the 9th edition) also stipulated that services provided by retailers and other similar operators shall be classified into Class 35 of the International Classification.

To keep in line with this movement, the revised Japanese Trademark Act stipulates that “provision of convenience to customers” in the course of retailers’ and wholesalers’ operations shall be treated as services for the purposes of the Trademark Act and that trademarks used by retailers and any other similar operators shall be protected as trademarks relating to services as defined in the Trademark Act (Article 2.2).

These services include provision of convenience to customers by retailers and wholesalers engaged in trading of merchandise, including department stores, convenience stores, mass home electronics retailers and other general merchandise stores, and shoe stores, bookstores, greengrocers and any other specialty stores. Services provided by mail order houses, internet-based business operators and other similar operators are also included.

Since services provided by retailers are treated as Class 35 services, irrespective of the range of merchandise traded, retailers may now pursue registration of their trademarks designating Class 35 "Provision of convenience to customers." However, the protection shall not cover services relating to goods that are not and will not be traded by the retailer.

For example, in the process of examination, examiners conduct a cross search between trademarks designating "provision of convenience to customers in the process of shoes retailing" as the designated service and trademarks designating "shoes" as the designated goods (Article 4.1, Subparagraph 11). If a registration is granted, trademarks used on signboards, employee uniforms and shopping carts are also protected.

## **2. Addition of "export" to the definition of use**

The revised Trademark Act defines "export" activities and include "export" in the definition of trademark use (Article 2.3, Subparagraph 2). The word "export" was added to said subparagraph before the revision ("to assign, deliver, display for the purpose of assignment or delivery, import or provide through an electric telecommunication line, goods or packages of goods to which a mark is affixed").

Currently, many goods that infringe Japanese trademarks are traded very frequently. By this revision, even if infringement fails to be found at the stage of assignment or delivery within Japan, infringement may be regulated at the border stage of exporting. Accordingly, infringement of Japanese trademarks can be claimed for goods that will cross the border of the country.

## **3. Strengthening of punishment for trademark infringement**

The criminal punishment for infringement of trademark was strengthened to

imprisonment with hard labor for "10 years or less" and a penalty of "10 million yen or less," from "5 years or less" and "5 million yen or less" before the revision. The punishment for indirect infringement of trademarks, including infringement in a similar scope and infringement in the stage of preparation activities was set to imprisonment with hard labor for 5 years or less and a penalty of 5 million yen or less (Articles 37 and 67). Imposition of concurrent sentences shall apply to a case of infringement of trademark. Accordingly both the imprisonment and the penalty may be imposed to the offender at the same time.

Protection of intellectual property rights is being strengthened in other countries. To keep in line with this movement, as the first country in the neighboring area, Japan has revised the Trademark Act to strengthen the criminal punishment for trademark infringement as well as criminal punishment for patent right infringement and acts of unfair competition.

# Japan Patent Office

©2008

Collaborator : **Kanji Kudo**  
Professor,  
Tokyo Metropolitan University Law School