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Research Theme

**Conditions for the study and implementation of a search system based on
Similarity Group Codes at INPI Brazil**

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The views and findings in this report are those of the author and do not necessarily reflect the views and policy of the organization or sponsor of this study.

Abstract

This research project aims to evaluate the convenience and feasibility of adopting the “similar group codes” (SGC) system established by the JPO in the routine examination of trademark applications. To this end, we seek to gather information on the history of the development and maintenance of this system, as well as related norms and procedures; the professionals and sectors of the JPO involved, their structures and responsibilities; the external agents involved; the software and platforms used; the degree of satisfaction of system maintainers and users and any criticisms and suggestions for improvement. With this information in hand, all of them are compared with equivalent information from the reality of the INPI and the trademark system in Brazil.

The SGC are a potential tool for streamlining, standardizing and predicting examinations of trademark applications, through standardized and accurate searches for conflicting prior trademarks. They consist of alphanumeric codes made up of 3 parts: the “old classification”, consisting of two digits that correspond to the number indicating classes of the old goods classification in Japan; the “major categories”, indicated by letters that correspond to comprehensive categories of goods or services; and the “intermediate categories”, composed of 2 digits that correspond to more specific categories subordinated to broader categories.

The Examination Guidelines for Similar Goods and Services, which serve as the basis for the SGC, derive from Japan's continued effort to improve, since at least the 1920s, the classification of goods, and later of services, and the criteria for establishing similarities, affinities among the items covered by a trademark. Well-defined criteria for examining the similarity between goods and services have solidified over the years, with the contribution of stakeholders from Japanese companies and attorneys, having as premises the predictability of decisions and the ability to satisfactorily meet the regular evolution of the markets and its expectations. The balance between the desired stability and flexibility, although difficult to achieve and tending more towards stability than flexibility, is perceived as successful by all those involved in the management of the SGC. Faced with the agility and predictability of decisions, the difficulties in adapting and updating the SGC for the purpose of correcting inconsistencies or responding to market changes are considered by the JPO and external users as minor disadvantages. These would be overcome through consensus traditionally established by a long and regular relationship between the parties, based on transparency, trust and synergy.

Information obtained through lectures given by officials of the Trademark and Customer Relations Department and the IT Department, through interviews with members of the Japan Intellectual Property Association and the Japan Patent Attorney Association, as well as employees of the JPO's IT Department, through meetings with advisors and the supervisor of this research project and texts published mainly by the JPO, by Japanese attorneys and international experts in Intellectual Property and Trademarks point to the convenience of adopting the SGC by the INPI, as a way of overcoming procedures that affect the quality and fairness of decisions uttered. However, they prove to be indispensable, among other actions, the continued investment in human and material resources in the Trademarks and IT sectors, the stability of projects and teams in the long term, the segmentation of tasks and the permanent interaction and exchange of information between all the involved, as well as lastingly overcoming the backlog of trademark applications.

Table of Contents

Abstract.....	2
Chapter 1 – Introduction.....	6
1.1 – Problem consciousness.....	6
1.2 – Methodology.....	9
1.3 – Expected findings and contributions.....	9
Chapter 2 – Basic Information.....	12
2.1 – Development of Examination Standards for similar goods based on classification of goods at JPO.....	14
2.2 – The Similar Group Codes (SGC).....	24
2.3 – JPO's internal participants for development and maintenance of Similar Group Codes.....	28
2.4 – JPO's external participants relating to goods and services similarity.....	33
2.5 – Software used by JPO's Trademark and Customer Relations Department and Their management.....	35
2.6 – Development of Examination Standards for similar goods and services at INPI – Brazil....	36
2.7 – Criteria for judgment of similarity at INPI – Brazil.....	38
2.8 – INPI's staffs involved in classification matters.....	46
2.9– Software used by INPI's Trademarks Department and their management.....	50
Chapter 3 – Methodology.....	52
Chapter 4 – Results and Analysis	57
4.1 – The relevance of the classification of goods and services.....	57
4.2 – The paradox to be faced by the INPI.....	58
4.3 - Advantages and disadvantages of SGC.....	62
4.4 – The foundations of the success of the JPO in conducting the SGC.....	67

Chapter 5 – Recommendations to INPI.....	72
5.1. Administrative recommendations.....	72
5.2. Normative recommendations.....	76
5.3. Technical recommendations.....	78
Acknowledgment.....	83
References.....	85
Appendix I – Minutes of interviews with JIPA and JPAA.....	92
Appendix II – Draft taxonomy of class 9 of Nice International Classification.....	99
Appendix III – Minute of interview with the JPO’s IT Department.....	101

Chapter 1 – Introduction

1.1 – Problem consciousness

The existence of similar or related goods or services in different classes of the International Classification of Nice (NCL), as well as the coexistence of goods or services with little or no similarity within the same class, are complicating factors for searches for prior trademarks potentially conflicting with a trademark application under analysis. In a methodology of searches for previous trademarks based on Nice classes, such factors tend, in the first circumstance, to oblige trademark examiners to carry out sequences of searches in different classes. In the second circumstance, searches are performed in a single class, however, accessing each similar previous trademark and filtering in each goods or services specification those which are similar or related to the goods or services of the trademark application under examination.

Concerning the second circumstance, the search in notoriously large and heterogeneous classes, for which there are a significant number of trademarks and market segments, such as classes 9 or 35, represents an even greater challenge for trademark examiners.

Both circumstances result in a longer examination time and require special attention from the examiner for the selection of classes of interest and the detection of similar or related items among several negligible items. The difficulties caused by these two circumstances, with impacts on the duration and uniformity of exam, added to a reduced number of trademark examiners and a growing backlog of opposed and unopposed trademark applications, led the INPI – Brazil legal department to publish a legal opinion aiming to standardize and facilitate searches for previous trademarks, and also to mitigate the delay in the examination of trademark applications. This opinion guided the Trademark Board to carry out searches for previous conflicting trademarks only in the class for which the unopposed trademark was applied. The procedure suggested by this legal opinion would be incorporated by several subsequent norms. The last one consists in article 26 of the INPI/PR Directive No. 08/2022, in the following terms:

Art. 26. For the verification and analysis of the availability of the trademark sign, the examiner will carry out a search for previous trademarks, which will be performed

exclusively in the classes claimed in the application under analysis, except for cases of correspondence between classes belonging to different classification systems.

In that case, "different classification systems" is understood as the classification system of goods or services designed and instituted by INPI - Brazil, published in the Normative Act 51, of January 27, 1981, called "national classification". That classification was in force in Brazil until 1999. It was extinguished after the publication of Normative Act 150, of September 9, 1999.

Searches in other classes would also be allowed for opposed trademark applications, in the event that the opposing party is the owner of conflicting trademarks intended for similar or related goods or services in different classes.

The procedure incorporated by article 26 of INPI/PR Directive No. 08/2022, although standardizing and streamlining the search for conflicting previous trademarks, raised debates about its convergence with the Industrial Property Law of Brazil, Law nº 9.279/1996, besides the justice and effectiveness of its application. The item XIX of article 124 of the LPI says:

Art. 124 - The following are not registrable as trademarks:

XIX - reproduction or imitation, in whole or in part, even with an addition, of a registered trademark of another person, to distinguish or certify an identical, similar or related good or service, liable to cause confusion or association with another's trademark

Article 159 of the same law also says:

Art. 159 - After the opposition period has elapsed or, if an opposition is filed, after the manifestation period has expired, the examination will be carried out.

Therefore, Brazilian law establishes that trademarks that reproduce or imitate previous trademarks will be refused, in order to distinguish an identical, similar or related good or service, regardless of the presentation of opposition. As a consequence, the omission of the search for conflicting prior trademarks in other classes that contain goods or services similar or related to those of the examined trademark may seem unforeseen in the Brazilian industrial property law.

Furthermore, the omission of the search in classes other than the filed class for unopposed applications, neglects, for example, the notorious similarity or affinity of the food goods distributed among the 5 food classes of the Nice Classification, as well as the affinity between any goods and their retail trade. The result known by the INPI – Brazil trademark examiners and its users is the frequent coexistence of identical or similar trademarks intended for similar or related goods or services, due to the fact that there was no opposition and the Trademark Division has not carried out searches in similar classes.

This reality is imposed above all on small depositors, which correspond to almost 80% of trademark applicants. It is important to highlight that around 28% of the resident applicants in Brazil are natural persons and around 51% of the resident applicants are small or individual companies¹. With little knowledge of industrial property legislation and INPI procedures, and possessing few resources to maintain attorneys responsible for monitoring their trademarks, these applicants often refrain from filing oppositions. This reality establishes an undesirable imbalance between the protection guaranteed to big depositors, clients of big law firms in the area of industrial property, and to small depositors, lacking attorneys and/or IP knowledge. The law that ensures the assessment of the availability of trademarks regardless of the presentation of oppositions, precisely with a view to this public, contradictorily does not serve its purpose.

The weaknesses of the current procedure are known. It relativizes the premises of the Industrial Property Law, unbalances the treatment between small and large depositors, allows the coexistence of similar competing trademarks and ignores the difficulties imposed by spread market segments or large and heterogeneous classes. Nevertheless, restrictive budgets, the recurring situation of growth in the backlog of trademark applications and the periodical mismatch between the number of examiners and the growth of demands intimidates the Trademark Board in the exploration and implementation of alternatives.

Among the possible alternatives known by the INPI-Brazil, the search system based on “similar group codes” managed by the Japan Patent Office (JPO) stands out.

1.2 – Methodology

Through the study proposal of the fellowship program, whose theme consists of "Trial Introduction of Similar Group Codes", it is intended to deepen the knowledge of the search system for codes based on similarity of goods or services, of the taxonomy of goods and services developed by the JPO, the means of transition to this system, the difficulties faced by the IT Division and the Trademarks Division for the development of the search routine/code, the advantages and disadvantages of the system in the opinion of its developers, maintainers and users and the gains obtained in the quality and agility of trademark examinations.

This information is searched through the classes taught during the training, also through the JPO developers and examiners, through trademark attorneys and company representatives, as well as from texts available at the JPO, in libraries, book stores and on the internet.

1.3 – Expected findings and contributions

Previous information shared by Brazilian trademark examiners who participated in the JPO scholarship program, as well as reports presented by other foreign scholarship holders and lectures given by JPO examiners in Brazil, suggest in advance the approval of the search system based on similar group codes.

Conceptual and practical advantages are expected from the introduction of similar group codes at first, based on JPO systems and procedures published on JPO website and presentation given by Japan's consul in Rio de Janeiro and former JPO examiner, Mr. Hikaru Nakajima. Some of the advantages would consist of improving the analysis of similarity and likelihood of confusion between trademarks, of speeding up searches and comparisons, of improving uniformity and predictability of examination results for trademark examiners and applicants.

At the end of the research, it is expected that enough information has been gathered which will allow outlining the stages of development of a system to search for similarity of goods and services and estimate the demands to the IT and trademarks divisions, the knowledge needed by each team, the size of the teams and the required interfaces between them, as well as the total execution time and duration of each stage of a project like this.

Thus, as far as possible, it is intended to compare the realities of the JPO and the INPI – Brazil, in order to first assess the convenience and the gains in quality and productivity in adopting a similar system in Brazil. Once the expected convenience of adopting an identical or similar system has been confirmed, for examinations of opposed trademarks or, preferably, also for trademarks without oppositions, an attempt will be made to evaluate the technical and normative conditions, the human and material resources available or to be pleaded for the implementation of a similar system at INPI's Trademark Division, in partnership with the Institute's IT division and occasionally with WIPO and the JPO itself.

As the “Ipas” software for the examination of trademarks at the INPI is designed and licensed by WIPO, and updated in partnership with a team from the INPI's Trademark Division, it is hoped to gather the necessary information during the fellowship program to further assess contractual agreements and technical issues for incorporating a search routine based on similar group codes to WIPO's software. In principle, the parallel operation of the two search systems and searches focused on specific market segments of special interest can be evaluated. Alternatively, once the infeasibility or inconvenience of integrating the codes is verified, the possibility of developing a system apart from the Ipas system is considered, just to perform searches based on similar group codes.

The introduction of similar group codes at the stage of online filing of trademark applications through the E-Marcas system, website developed and maintained by INPI, may also be evaluated. Thus, the association of similarity codes to the goods or services would possibly be assigned by the applicant, manually or automatically, at the time of filing, therefore before receiving the requests for examination in the Ipas system.

This final report should allow the Trademark Board at INPI – Brazil to assess the conditions for implementing a system to search for previous trademarks based on the market affinity between its goods or services and those specified for the trademark under examination. It is believed, as a hypothesis, that this system will offer conditions to improve the current procedure through article 26 of INPI/PR Directive No. 08/2022 and overcome the contradictions and inconveniences arising from its application.

Once the process of designing and implementing a search system for similar group codes is thoroughly known, as well as its obstacles and means of overcoming them, the advantages,

disadvantages and gains of the system, conditions will be created to shorten the internal studies on this system, to minimize the risks and resources for its implementation and maximize its positive results. After that, it is estimated that the Trademarks Board may be able to promote a faster, more qualified, more uniform, more predictable, more equitable and fairer examination, which decreases difficulties and errors resulting from limited searches in one class, in more than one class or from searches in very extensive or heterogeneous classes.

Chapter 2 – Basic Information

The structure that supports the creation and maintenance of similar group codes at the Japan Patent Office (JPO) is composed of laws, procedures, court decisions, software and professionals from different sectors within the JPO and outside, through service providers and associations.

With regard to regulatory aspects, the following stand out:

- Trademark Act
- Ordinance for Enforcement of the Trademark Act
- Enforcement Regulations of the Trademark Act
- Examination Guidelines for Similar Goods and Services
- Examination Guidelines for Trademarks
- CUP
- TRIPS
- Nice Agreement
- court decisions

With regard to JPO professionals and sectors involved, the following stand out:

-In the Trademark and Customer Relations Department:

- the trademark examiners of the seven Trademark Examination Sections
- the professionals of the Trademark Examination Standards Office
- the professionals of the International Trademark Classification Office and
- the professionals of the Electronic Trademark Examination System Planning and Coordination Office
- the professionals of the Quality Management Section

- In the Appeals Department:

- the professionals of the Appeals Division

- In the Information Technology System Development Office

- the trademark examiners and other professionals

- In the IT Department and IT and Patent Information Management Office:

- the IT professionals and trademark examiners working for the IT Department's Trademark System Group

With regard to outsourced software development and maintenance companies:

- the IT professionals who develop and maintain the software for examining trademarks, searching for prior trademarks by name, searching for prior marks by figure, and the system used for examining international marks under the Madrid Protocol

With regard to outsourced companies providing formal examination of trademarks:

- professionals who carry out searches for previous trademarks similar to the trademark in question and intended for an identical or similar market segment

As for the software used:

- Trademark Examination Peripheral System, used by trademark examiners for merit examination

- Trademark Search System, used mainly by trademark examiners to perform a search for previous trademark names; professionals of outsourced company perform searches of a sample of trademark names as a pilot project

- Trademark System for Figurative Search, used by trademark examiners and mainly by professionals from outsourced company to search for images of previous trademarks

- Madpro System, used by trademark examiners to examine international trademarks under the Madrid Protocol

- J-PlatPat (Japan Platform for Patent Information), used by JPO professionals and external users to search for descriptions of goods and services and trademarks, among other searches

With regard to civil society representatives:

- experts from private companies and legal professionals representing associations such as the Japan Intellectual Property Association (JIPA) and the Japan Patent Attorney Association (JPAA), and academics.

2.1 – Development of Examination Standards for similar goods based on classification of goods at JPO

The normative repository in Japan that supports the evaluations and actions related to the classification of goods and services and the examination of market affinity or similarity between goods and services has as its backbone the Trademark Act, whose regulation and supplementation regarding the classification of goods and services are given, in principle, through the Cabinet Order for Enforcement of the Trademark Act (Ordinance for Enforcement of the Trademark Act), and its attached table, and the Ministerial Ordinance for Enforcement of the Trademark Act (Enforcement Regulations of the Trademark Act), and its attached table.

In addition to these legal instruments, there are general procedural norms of the Trademark and Customer Relations Department of the JPO, such as the Guidelines for Trademark Examination and the Trademarks Examination Manual, which guide formal and merit examinations of trademark applications. With regard to the quality of the examination of trademarks, the Quality Management Manual is observed. With regard to definitions specifically related to the classification and similarity of goods and services, beyond the Guidelines for Trademark Examination and the Trademarks Examination Manual, there is the Examination Guidelines for Similar Goods and Services. All definitions related to the classification and specification of goods and services seek to be compatible with the Nice Agreement, to which Japan has been acceded since November 1989, and the Nice International Classification of Goods and Services.

Trademark Act (Act No. 127 of 1959)

The Trademark Act was enacted on April 13, 1959 and has been in force in Japan since April 1, 1960. The new law appears in the post-war context, a period of development and internationalization of the Japanese economy. It underwent successive revisions from the 1990s

onwards in order to make it compatible with local and global commercial demands, as well as with international treaties. Notable are the 1991 updates, which incorporated the service trademarks; 1996, which included three-dimensional trademarks, post-grant opposition examination, novelties of the Trademark Law Treaty (TLT) and measures to strengthen protection of well-known and famous trademarks; 2005, to include regional collective marks; from 2006, to introduce the trademark system for retail services or wholesale services; and 2014, for admission of non-traditional trademarks.

The first measures directed at industrial property would be taken in Japan in the Meiji Era, which followed, from 1868 on, the long period of political and economic isolation and technological backwardness of the Edo era. Fukuzawa Yukichi an academic devoted to the study of the West and the promotion of education in Japan, would be one of the main promoters of the “Exclusive Rights Law”. For Fukuzawa, IP law and education were directly related topics, as one should be able to support and encourage the other. The law, inspired by the experiences that were consolidating in the Western economic powers, would be enacted in 1871, following the “first-to-file” principle still in force in Japan. The implementation of the IP system proposed by the law, however, proved to be impracticable, due to the lack of a planned government infrastructure that preceded it.

Japan's first trademark law, which would put the country firmly on the path of industrial property, innovation and technological progress, would appear on June 7, 1884. Korekiyo Takahashi, Japan's Minister of Agriculture and Commerce and future first president of the Japan IP Office and Prime Minister of Japan initiated the drafting of the first Japanese industrial property law through trademark law, based on the traditions of western countries, mainly England, France and the United States.

The primary premise of the Trademark Act, as set out in its first article, is

Article 1 - The purpose of this Act is, through the protection of trademarks, to ensure upholding the reputation of businesses of persons who use trademarks, thereby contributing to the development of the industry and the protection of the interests of consumers.

In its second article, it conceptualizes “trademark” in Japan:

Article 2(1) - "Trademark" in this Act means, among those which can be perceived by people, any character, figure, sign or three-dimensional shape or color, or any combination

thereof; sounds, or anything else specified by Cabinet Order (hereinafter referred to as a "mark") which is:

(i) used by a person in connection with a good which the person produces, certifies or assigns as its business; or

(ii) used by a person in connection with the services which the person provides or certifies as its business (except those provided for in the preceding item).

Among the articles with a direct impact on the examination of classification and similarity of goods and services, the first would be article 4, which stipulates what cannot be registered as a trademark. In this article, the following prohibitions are highlighted from the perspective of private interest, especially those dealing with the availability of a trademark sign in the face of similar prior marks of third parties:

Article 4(1) - Notwithstanding the preceding Article, no trademark may be registered if the trademark:

(...)

(x) is identical with, or similar to, another person's trademark which is well known among consumers as that indicating goods or services in connection with the person's business, if the trademark is used in connection with the goods or services or goods or services similar thereto;

(xi) is identical with, or similar to, another person's registered trademark which has been filed prior to the filing date of an application for registration of that trademark, if such a trademark is used in connection with the designated goods or designated services relating to that registered trademark (referring to goods or services designated in accordance with Article 6, paragraph (1) (including cases where it is applied mutatis mutandis pursuant to Article 68, paragraph (1)); the same applies hereinafter), or goods or services similar thereto;

(xii) is identical with a registered defensive mark of another person (referring to a registered mark as a defensive mark; the same applies hereinafter), if the trademark is used in connection with designated goods or designated services relating to the defensive mark;

(...)

(xv) is likely to cause confusion in connection with the goods or services pertaining to a business of another person (except those listed in items (x) through (xiv) inclusive);

(...)

(xix) is identical with, or similar to, a trademark which is well known among consumers in Japan or abroad as that indicating goods or services pertaining to a business of another person, if the trademark is used for unfair purposes (referring to unfair gaining profits, causing damage to the other persons, or any other unfair purpose, the same applies hereinafter) (except those provided for in each of the preceding items).

The mandatory registration of goods or services targeted for the applied trademark and the compatibility of these goods or services with the classification provided for in the Cabinet Order for Enforcement of the Trademark Act is established in article 5:

Article 5(1) - Any person who desires to register a trademark must submit an application to the Commissioner of the Patent Office accompanied by the required documents. The application must state the following:

(iii) the designated goods or designated services and the class of goods or services provided by Cabinet Order as provided for in Article 6, paragraph (2).

Article 6 of the Trademark Act deals specifically with the specification and classification of goods and services and their linkage to the Cabinet Order for Enforcement of the Trademark Act:

Article 6(1) - An application for trademark registration must be filed for each trademark and designate one or more goods or services in connection with which the trademark is to be used.

(2) The designation provided for in the preceding paragraph must be made in accordance with the class of goods and services provided by Cabinet Order.

(3) The class of goods and services provided for in the preceding paragraph must not be perceived as prescribing the scope of similarities of goods or services.

Cabinet Order for Enforcement of the Trademark Act (Government Order 19 of March 8, 1960)

The “Cabinet Order for Enforcement of the Trademark Act”, also called “Ordinance for the Enforcement of the Trademark Act” (among other translations found) published in 1960, appears after the enactment of the Trademark Act of 1959 as one of its regulations. Essentially, this rule complies with what is designated in article 6 (ii) of the Trademark Act, establishing through the so-called “Attached table in the Cabinet Order” categories of goods and their respective classes. In the 1990s and 2000s, the Cabinet Order underwent revisions to include categories of services and their respective classes and adapt to the International Classification of Goods and Services, resulting from Japan's accession to the Nice Agreement in 1990.

In its article 2, as a result of article 6 (ii) of the Trademark Act, the Cabinet Order creates an attached table with categories of goods and services, in analogy to the class-headings of the International Classification of Nice:

Article 2 - The classes of goods and services specified by Cabinet Order under Article 6, Paragraph 2 of the Trademark Act shall be as shown in the attached table and goods or services belonging to each class shall be specified by the Ordinance of the Ministry of Economy , Trade and Industry in line with the international classification prescribed in Article 1 of the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks dated June 15, 1957, as revised at Stockholm on July 14, 1967, and at Geneva on May 13, 1977, and amended on September 28, 1979.

The classification of goods and services is a central issue in Japan's trademark system that predates the enactment of the Trademark Act in the late 1960s by decades. As early as 1921, after one of the revisions of the 1884 trademark law, a goods classification known as “old goods classification”

was established through the former Enforcement Regulations of the Trademark Act (Ordinance No. 36 of the Ministry of Agriculture and Commerce). This classification, which was in force for 40 years, was considered the most important and fundamental classification of goods, having been the first to seek to systematize the similarity of goods in Japan.

With the start of work on revising the national trademark law, the old goods classification would also be revised, from 1954 onwards, by specialists from the Japan Patent Office. The new classification of goods would then be published in April 1960 under the name “Classification of Goods”, as part of the Ordinance for Enforcement of the Trademark Act and the Enforcement Regulations of the Trademark Act.

If, on the one hand, Japan's economic and technological progress would imply a potential increase in the diversity of goods to be classified, on the other hand, the consequent expansion of Japan's commercial ties to several countries would induce the alignment of its classification system with international trends. Therefore, the new Classification of Goods would increase the total number of classified goods from 2,000 to 4,500, but reduce the number of good classes from 70 to 34. The expansion of the diversity of goods and the reduction of the number of classes, would therefore imply the agglutination of a greater variety of goods under a smaller number of categories, that is, the homogenization of categories previously considered heterogeneous.

Currently, the Classification of Goods corresponds to the Attached Table in Cabinet Order, which incorporates services since the revision of the Trademark Act in 1991 to contemplate trademarks of this nature. In short, the aforementioned table reproduces the caput of classes 1 to 45 of the Nice International Classification.

Ministerial Ordinance for Enforcement of the Trademark Act

The Ministerial Ordinance for Enforcement of the Trademark Act appears with the Cabinet Order for Enforcement of the Trademark Act as one of the regulations arising from the new Trademark Act of 1959. The Ministerial Ordinance, corresponding to what was originally called, in the early 1960s, Enforcement Regulations of the Trademark Act, also serves as a supplement to the Cabinet Order. Whereas the Cabinet Order and its table offer broad categories of goods and services, the Ministerial Ordinance and its table offer specific examples of goods and services in line with the examples provided by the Nice International Classification.

The Ministerial Ordinance table also incorporates examples of ancient Japanese classifications, adapted to the descriptive and classificatory premises of the Nice International Classification.

Examination Guidelines for Similar Goods and Services

As discussed earlier, the “Old Goods Classification”, from 1921, would have been the first initiative of the Japanese Patent Office to categorize goods according to criteria of similarity or affinity. The initiative was deepened in March 1932 with the publication of the “Collection of Examples of Similar Goods”, which intended to standardize the understanding of goods similarity among trademark examiners.

The perception at the time, and still during the conception of the Trademark Act and its regulations in the transition from the 1950s to the 1960s, was that, although there was a fair amount of theory and jurisprudence to support decisions regarding the similarity of trademarks, the amount of theories and judicial decisions related to goods similarity was scarce. This fact would have given rise to disharmony for a long time, a lack of uniformity in decisions on this matter.

Still in 1953, some guiding principles for evaluating the similarity of goods were already consolidated. Concomitantly with the publication of the revised collection of examples of goods that year, it was established:

when the similarity of two or more goods becomes an issue, a specific judgment should be made by comprehensively taking into consideration the identicalness of production departments and sales departments of goods, the identicalness of materials or purposes, or relations among finished goods, half-finished goods and parts.

A second premise, which would endure in future revisions of January 1956 and December 1957, was:

fundamentally, since a judgment of similarity should be based on the actual circumstances of commodity transactions, the scope of similarity of goods is naturally subject to change depending on time and place.

As a natural consequence, the principle adopted by the Japan Patent Office would follow that the issue of “goods similarity” would become inseparable from the current business community. Thereafter, all revisions of classification of goods and understandings of goods similarities would be widely circulated for review by the business community.

The validity of the Trademark Act and its regulations, as well as the publication of the “Classification of Goods” would result in a change of focus in the assumptions for assessing affinity between goods. Due to a demand from the community, the focus that until then was more dedicated to the constitution of goods and the producers, started to turn to the purpose and the point of sale.

Added to this fact, the reduction, to less than half, of the number of classes in the Classification of Goods gave rise to a major revision of the goods similarities criteria. Although the Classification of Goods fulfilled its objective of facilitating and standardizing the filing and evaluation of trademarks application, in the understanding expressed by the Japan Patent Office when creating the new “Examination Standards for Similar Goods Based on 'Classification of Goods'”, the “'Classification of Goods' without appropriate standards for judging the similarity of goods is like a living corpse”.

An important principle of the “Examination Standards for Similar Goods Based on 'Classification of Goods'”, based on Article 6 (iii) of the Trademark Act, was that “the class of goods and services provided for in the preceding paragraph must not be perceived as prescribing the scope of similarities of goods or services”. This was already a precept of paragraph 3 of the “collection of examples of similar goods”, which clarified that “while there are dissimilar goods in the same class, there are similar goods across classes”. In other words, the goods classification and the scope of similarity of goods are not the same thing.

Some other precepts that guided the creation of the “Examination Standards for Similar Goods Based on 'Classification of Goods'” were:

- affinity criteria should not be focused on theories that disregard the “real world”
- consequently, the opinions of organizations, the business community and others involved in the subject must be known and taken into account whenever possible
- since they always seek to reflect the real and current context of the business world, affinity criteria must be able to adapt quickly to society's new demands

- the criteria must be aimed not only at trademark proprietors but also at consumers

With regard to consumers, the concern is centered not only on avoiding confusion between trademarks that result in confusion between goods, but also that which results in confusion as to the origin of the goods and their quality. In this sense, it was also foreseen the deepening in studies of Social Psychology to better understand the psychological reaction and the mental association of consumers to trademarks.

Furthermore, the standards play a fundamental role in preventing and mitigating unfair competition.

As a general objective to be pursued with the initiative to create the Examination Standards would be obtaining quality exams, that is, consistent and fast. For all these reasons, the Examinations Standards are seen as the centerpiece of the Japan Patent Office trademark system, having been defined in its incorporation document as “vitaly important”.

The adaptation of the goods to a new classification, reduced in number of classes and with different comparative principles, gave rise, however, to conceptual and operational challenges. From a conceptual perspective, if, on the one hand, a classification with 70 classes was considered excessively fragmented, with the reduction of the number of classes, some of the 34 classes would group many goods under the same category. Many of these goods were not considered sufficiently related in either the old classification or the new classification. In addition, the change in classification perspective from the constitution of the goods and the producer to the purpose of the goods and the point of sale made it difficult to radically change procedures and make the old and new classifications compatible.

From an operational point of view, the need to reconcile the old classification attributed to previous trademarks and the new classification to be attributed to new trademarks would require carrying out extensive searches and cross searches which, depending on the goods and classes, could be quite laborious to be carried out. The consequence of the new procedures could therefore be an excess of potentially conflicting trademarks and a significant increase in the time taken to examine trademark applications.

For this reason, it was decided to avoid radical changes in the scope of similarity and fully maintain the principles that regulated the similarity of goods in the “old collection of examples of similar goods”. For a year, all 4,500 items of the Classification of Goods were reviewed, seeking to group them by affinity according to the criteria of identicalness of (1) production and (2) sales departments, the identicalness of (3) raw materials and (4) quality, the identicalness of (5) intended purpose, the identicalness of the (6) scope of consumers, and (7) relations between finished goods and parts.

After submitting the new standards widely to public criticism, it was considered that the focus of the similarity judgment fell excessively on the intended purpose and sales outlets. A new review would then be made to seek to balance the issues according to the consensus obtained. In the end, 5 large general groups of goods were reached, related to chemicals, metals and machinery, textiles, daily necessities and foodstuffs.

On April 11, 1961, the “Examination Standards for Similar Goods” would be published as a key piece for the examination of trademarks, being from then on, the basis for any decision of trademark application and deliberation in matters of classification and affinity of goods. Goods, regardless of the class in which they fell in the Classification of Goods, that were grouped under the same category, according to the principles agreed upon by all project participants, would be considered similar, at first.

“At first”, because there was a concern that the application of similarity principles would not be too conceptually fixed. Therefore, in its constitution document, it was established that goods grouped under the same category were “presumably similar”. Although seeking the uniformity of decisions, the standards admitted the possibility of exceptions in the application of the rule derived from the peculiarities of specific goods and contemporary changes in business practices.

Since then, the premise would remain consolidated that, for the search for prior marks similar to the one under examination and intended for identical or similar goods in compliance with Article 4(1) (xi) of the Trademark Act, one or more classes and all its goods would not be available as a parameter, but only the groups of goods categorized as identical or similar according to agreed principles.

The “Examination Standards for Similar Goods Based on 'Classification of Goods”” underwent several revisions in order to update the Classification of Goods list of items, as well as the examination standards themselves. At the time of Japan's accession to the Nice Agreement, in 1990, the country began to adopt the Nice Classification as a secondary classification system, in parallel with the Classification of Goods. In 1992, the Nice International Classification became the main classification system, which implied the prior incorporation of services to the Attached Table of Cabinet Order and Attached Table of Ministerial Ordinance, based on the international classification, and to the list of examples of the now called “Examination Guidelines for Similar Goods and Services”, which aggregates items from the old Japanese classifications and the international classification. All these lists are revised annually to correspond to the updates promoted in the Nice Classification.

Currently the “Examination Guidelines for Similar Goods and Services” has about 6,300 examples of goods and services. All these examples of goods and services from the different classifications, although annually classified and described in line with the editions and versions of the Nice International Classification, are gathered in one or more groups according to the established principles of affinity of goods and services. Each group is assigned a code that is carried by each good or service belonging to it. This code is called the “Similar Group Code” (SGC) and is the main parameter for searching for previous trademarks aimed at identical or similar goods or services to those covered by a trademark under examination.

2.2 – The Similar Group Codes (SGC)

The Similar Group Codes are intended to ensure compliance with Article 4 (1) (xi) of the Trademark Act regarding the search for potentially conflicting prior trademarks intended for identical or similar goods to those covered by the trademark under examination, since, at similar to the old Japanese classifications, Nice Classification classes sometimes include unrelated goods or services within a single class and sometimes include related goods in different classes. Therefore, if a trademark under examination specifies goods or services with one or more SGC that are the same as the goods or services specified by prior trademarks, those goods or services being compared will be considered to be related, and potentially conflicting trademarks.

The criteria defined for grouping goods and/or services under the same code are established in the “Examination Guidelines for Trademarks” and reflected in the “Examination Guidelines for Similar Goods and Services”. The “Examination Guidelines for Trademarks” establishes:

Similarity of goods or services is judged based on whether or not the relevant goods or services are likely to cause confusion as if they are goods manufactured and sold or services provided by the same business entity, when an identical or similar trademark is used for the designated goods or designated services of the trademark as applied and the cited trademark due to circumstances such that normally the goods are manufactured and sold or services are provided by the same business entity.

With regard to the similarity between goods, it is established that the examiners of trademarks and the groupings of similar goods to be reflected in the SGC found in the “Examination Guidelines for Similar Goods and Services” must consider:

- (i) Whether they correspond in production stage*
- (ii) Whether they correspond in stage of sales*
- (iii) Whether they correspond in materials and quality*
- (iv) Whether they correspond in intended purpose*
- (v) Whether they correspond in a range of consumers they are targeted at*
- (vi) Whether they are in a finished- product -and-parts relationship*

Regarding the affinity between services, it will be observed:

- (i) Whether they correspond in the manner, purpose and place of their provision*
- (ii) Whether they correspond in articles connected with their provision*
- (iii) Whether they correspond in the range of consumers and customers they are targeted at*
- (iv) Whether they correspond in the category of their business*
- (v) Whether they correspond in laws regulating business relating to the services concerned and their business operators*
- (vi) Whether they are provided by business operators in the same category of business*

Regarding the affinity between goods and services, the guiding principles will be:

- (i) Whether it is common for the same business operator to engage in the production and sales of goods and in the provision of services*
- (ii) Whether the goods and services correspond in intended purpose*
- (iii) Whether the goods and services correspond in the points of sales of the goods and provision of the services*
- (iv) Whether the goods and services correspond in a range of consumers and customers they are targeted at*

The structure of the codes that make up the SGC is formed by alphanumeric characters in 3 parts. The first two characters correspond to the number of class of the old Japanese goods classification; the center character corresponds to a letter, called “major categories” of the old classification; the last two characters form a number corresponding to the so-called “intermediate categories” of the old classification.

Under the number of class of the old Japanese classification there are comprehensive categories corresponding to good categories from the country's old classification and others incorporated or adapted over the years until the adoption of the Nice International Classification. These categories are subdivided into more specific categories indicated by the “major categories”, which branch into even more restricted categories indicated by the “intermediate categories”,

The “Examination Guidelines for Similar Goods and Services” itemize all Nice classes from 1 to 45, and in each class indicate examples of goods or services belonging to it, the corresponding basic numbers according to the Nice Classification and one or more SGC corresponding to each good or service. In its main structure, for each Nice class sorted in ascending order, rectangles are verified and inside each rectangle a SGC accompanied by a description of the good or service category. Below each rectangle, one or more classes are cited in which the same SGC can be found, in addition to the one in which it is highlighted. Next, several examples of goods or services of that Nice Classification are listed below, to which the aforementioned SGC is associated, in parallel with other eventual SGC to which these examples may also be associated and their corresponding basic numbers in the Nice Classification.

As a side note, the rectangles with SGC are called “TANZAKU” by examiners, a word inspired by the colorful strips of paper on which Japanese people write their wishes at the Tanabata Festival during the summer.

Although the Nice International Classification was used as the main classification system by the Japan Patent Office since 1992, only in 2002 did the “Examination Guidelines for Similar Goods and Services” become fully compatible with the International Classification, in its 8th edition.

Between 2006 and 2012, the “Examination Guidelines for Similar Goods and Services” and the Similar Group Codes underwent a major revision, not only to make them compatible with the new Nice edition, but also to reconcile them with the current business conditions and business transactions. In the transition from the 9th edition to the 10th edition of the Nice Classification, new SGC were adopted and the old ones were revised, sometimes leading to changes in the codes of some goods or services.

A new “Check Table” (database of goods and services) was created with the new associations between the SGC and the descriptions then existing in the “Examination Guidelines for Similar Goods and Services”.

For the establishment of categories of goods and services and the creation and updating of the SGC, suggestions made by groups of representatives of different market segments contribute, by means of periodical submissions to JPO of lists of goods or services considered similar. Comprehensive national lists of industry categorization standards, such as the Japan Standard Industrial Classification (JSIC), also serve as the basis for the goods and services taxonomy of the Examination Guidelines for Similar Goods and Services.

Court decisions

Although the Japanese legal tradition was consolidated at the end of the 19th century based on “Civil Law” and Roman Law, like countries based on “Common Law”, Japan strongly guides its examination procedures based on jurisprudence.

Judicial decisions influence not only the merits of administrative decisions within the scope of the JPO but, rather, the very criteria of affinity between goods and services. Therefore, court decisions that imply a new understanding regarding the competitive bases of two market segments in which the litigants operate, should result in changes to Similar Group Codes, so that the goods or services involved are no longer considered related or pass to be considered related.

In these judicial decisions, it is recurrently observed that the focus of decisions is not only on the interest of the litigating parties, but also on the interest of the public. In this sense, jurisprudence tends to observe, in addition to the possibility of confusion between two goods by the consumer, the possibility of association as to their origins and quality.

On the other hand, it is observed that, contrary to the rigor observed in the application of the Examination Guidelines for Similar Goods and Services by the JPO, the same rigor is not observed in judgments involving market affinity. For this reason, changes in understanding in the interpretation of the similarity of goods and services with relative frequency can derive from judicial decisions, in addition to changes that result from changes decided by experts in classification of the Nice Union and by influence of the business community.

2.3 – JPO's internal participants for development and maintenance of Similar Group Codes

Notably, two departments of the Japan Patent Office are dedicated to maintaining the structure that supports the similar group codes. The first is the Trademark and Customer Relations Department, with regard to the formulation and maintenance of rules and procedures related to the examination of trademarks, including those concerning the classification and similarity of goods and services; updating good and service classification lists; quality control of trademark examinations; and the design and management of software used in the examination of trademarks. The second, the IT Department, specifically the Information Technology and Patent Information Management Office, regarding the management of systems used by the Trademark and Customer Relations Department and the internet search system known as J-PlatPat.

Trademark and Customer Relations Department

The Trademark and Customer Relations Department brings together 7 Trademark Examination Sections, each section devoted primarily to one of the following subjects: Chemicals; Machinery; General Merchandise and Textile; Foodstuffs; Industrial Service; General Service and International Trademark Application. This department also includes the Trademark Division which consists of 6 Offices that conduct affairs related to trademark administration. Among the Offices, the Trademark Examination Standards Office, the International Trademark Classification Office and the Electronic Trademark Examination System Planning and Coordination Office stand out in terms of interaction with the SGC.

The Trademark Examination Sections have approximately 170 trademark examiners who are primarily responsible for examining the merits of trademark applications. Each section primarily examines trademarks intended for the market segment that nominates them. However, since the JPO adopts the multiclass system, there is often a need to examine requests for other market segments in addition to the one that the examination section has as a priority.

Orthographic, phonetic and figurative searches for previous conflicting trademarks, as well as searches to know the distinctiveness of the trademarks, are carried out by an outsourced company, which provides them to the examiners to conduct the merit exam. Nevertheless, specifically the search for the word elements has been just partially conducted by that outsourced company for the past 3 years as a pilot project. Among around 180.000 applications a year, 30.000 searches are outsourced. The examiners, however, always have the autonomy to redo the searches if they deem it necessary.

Similarly, the assignment of Similar Group Codes to the goods or services specified for a trademark application occurs before it passes the examination of the trademark examiner. Such assignments are made automatically by the software directed to the examination of trademarks, which compares the descriptions of goods and services in a trademark application with the descriptions contained in the “Check Table”. Whenever the descriptions are identical, automatic assignments of SGC to these descriptions will occur.

International Trademark Classification Office

In the event that the descriptions of goods or services are not identical to those provided for in the “Check Table”, the assignment of SGC to these new descriptions will first be undertaken by the International Trademark Classification Office. This office's team is made up of 6 examiners with partial dedication to classification matters, 1 administrative officer and 9 researchers with full-time dedication to the Office responsibilities. Among its other duties are maintaining the Check Table through deletions, changes and additions of data in response to Examiner requests or revisions to the Examination Guidelines for Similar Goods and Services and its list of goods and services; participation in the annual meetings of the Committee of Experts in Classification of Goods and Services of the Nice Union; translations and updates of new versions of the Nice Classification; revision and updating of the SGC, the Examination Guideline for Similar Goods and Services and the

Ministerial Ordinance, in interactions with representatives of associations and other interested parties in classification and similarity of goods and services matters, for sending proposals for updates and receiving opinions; and answers to questions from trademark examiners and external users regarding the classification and similarity of goods and services.

With regard to the manual attribution of SGC to goods or services specified in a trademark application that are not included in the Check Table, the International Trademark Classification Office will verify the existence of similar goods or services in the list of the Examination Guideline for Similar Goods and Services, observing the principles of affinity established. If it finds them, it will assign the same SGC to the specified items.

In the event that it is not possible to find affinity with existing goods or services, given the imprecision or lack of knowledge of the specified item, all SGC that can be found in the Nice class of the application under examination will be listed as a search parameter for prior similar trademarks. If the trademark examiner does not consider it feasible to proceed with the examination due to the inaccuracy of one or more specified goods or services, it may publish a provisional refusal for the applicant to present the necessary clarifications. When possible to determine affinity, the SGC will be assigned to that new good or service, which will be automatically included in the Check Table.

All larger interventions in systems used by the Trademark and Customer Relations department or for which the trademark examiners and employees of the International Classification Office are not qualified will be required from the Electronic Trademark Examination System Planning and Coordination Office.

Electronic Trademark Examination System Planning and Coordination Office

The Electronic Trademark Examination System Planning and Coordination Office is the sector of the Trademark Division responsible for planning and managing systems dedicated to the different stages of trademark examination. Among other professionals, it integrates 3 trademark examiners, without a degree in Computer Science or Information Technology, responsible for dealing with the systems used in the Trademark and Customer Relations Department.

The professionals of the Office work in parallel with the Trademark System Group, a group integrated with the Information Technology and Patent Information Management Office in the periodic maintenance and in meeting demands related to the systems used for trademark examination.

Among the attributions of this Office is to gather data for updating the lists of goods and services, the Examination Guidelines for Similar Goods and Services and the “Check Table”, these data forwarded by the International Classification Office, for implementation in the systems. It is also responsible for other routine entries or updates of Trademark Examination System data for which trademark examiners are not qualified or require assistance.

IT Division

The IT division is designated as Information Technology and Patent Information Management Office, which is responsible for matters including the maintenance and operations of information systems, as well as collaborations with and support for overseas patent offices and provision of information to public users.

The Trademark System Group is the team responsible for trademark issues in the Information Technology and Patent Information Management Office. Its staff is composed of 2 trademark examiners, of which no previous degree in IT is required.

The interaction between the Information Technology and Patent Information Management Office and the Electronic Trademark Examination System Planning and Coordination Office takes place regularly through meetings, telephone contact, chat applications and, above all, by e-mail.

Quality Management Section

The Trademark Division has a Quality Management Section responsible for quality management planning, for initiatives with the Trademarks Examination Sections to improve and maintain the quality of examinations and for auditing the quality of decisions issued. The creation of a Quality Management System in the Trademark Division would only become effective in 2014, after the completion of the project started in 2004 to speed up the examination time for trademark applications.

The Quality Management Section works in partnership with the Internal Committee on Quality Management, which is formed by all the heads of the sectors that make up the Trademark and Customer Relations Department, including the International Classification Office. The Committee

evaluates operational and conceptual issues related to the examination of trademarks and the quality of decisions and regularly reports them to the Quality Management Section, which jointly develops and applies the necessary measures.

Externally, applicants and patent attorneys collaborate in the development of the Quality Management System through: communication channels with the JPO and user satisfaction surveys; the Subcommittee on Examination Quality Management, made up of industrial property specialists from companies, patent attorneys and scholars, including 10 industry representatives in Japan; and foreign industrial property offices, through the exchange of knowledge.

The Quality Management Section's actions are guided by the Quality Policy on Trademark Examination, published in August 2014. It sets some targets like contributing to the protection and enhancement of trademarks and the smooth consumption of goods and services; conducting consistent and objective trademark examination; promoting the utilization of the trademark system by closely communicating with applicants; actively sharing information with relevant people inside and outside of Japan in order to improve the quality of trademark examination; consistently improving operations and raising the knowledge and capabilities of the staff .

In December 2014, the objectives of the Quality Policy on Trademark Examination and the Quality Management System were materialized in the Quality Management Manual for Trademark Examination (“Quality Manual”). The Manual, which follows a PDCA cycle (Plan, Do, Check, Act), collects quality management measures on trademark examination and their implementation system.

Three measures stand out for the JPO's Quality Management of Examinations:

(1) Initiatives to enhance the examination quality, summarized as “Quality Assurance”

- Quality checks and approvals of all notices by directors
- Consultations (opinion exchange and knowledge sharing among examiners and among examiners and directors)
- Utilization of check sheets for examiners (among the topics related to searches and evaluation of merit, there is the confirmation of the clarity of the specification of goods and services and the correctness of the SGC attributed to the goods or services)

(2) Initiatives to verify the examination quality, summarized as “Quality Verification”

- Quality audits (based on sample checks) led by the Quality Management Officer and confirmed by the Director in charge of quality management
- User satisfaction surveys
- Opinion exchange between Examination Division and the Trial and Appeal Department

(3) External evaluation of the quality management

- Evaluations and recommendations for improving quality management

The quality audits review 1,200 decisions per year, equally split between “reasons for refusal”, “decisions of registration” and “decisions of final rejection”. Since the system was implemented, nearly 100% of decisions have been approved by the audit. The principle of auditing is not to be excessively rigorous in revisions and not to re-examine the trademark applications as a trademark examiner, but rather to check the compliance of decisions with established parameters and eventually detect unquestionable errors or omissions.

2.4 – JPO's external participants relating to goods and services similarity

The external participants that in some way influence the goods and services similarity are divided mainly between the group of different outsourced companies that develop the software used by the Trademark and Customer Relations Department and the group of specialists in industrial property, formed by representatives of large Japanese corporations and patent attorneys. Subsidiarily, trademark depositors and researchers who participate in meetings and training at the JPO collaborate with their opinions and criticisms.

System Integration Vendors and software developers

With regard to the development of the 4 main software for substantive examinations within the scope of the Trademark Division, namely the Trademark Examination Peripheral System, the Trademark Search System, the Figurative Trademark Examination System and the International Trademark System (MADPRO system), at least 3 different external developers acted. The International Trademark System and the Trademark Search System are maintained by the same software developer.

Around 3 to 6 people from the system integration vendors are engaged in maintenance for each of those systems. These professionals establish solid and lasting partnerships with the JPO and their actions are considered successful.

Representatives of companies and attorneys

Among representatives of Japanese companies and attorneys highlight the members of the Japan Intellectual Property Association (JIPA) and the Japan Patent Attorneys Association (JPAA).

The JIPA is a non-profit, non-governmental organization that represents industries and users of the intellectual property (IP) system. It has more than 1,340 members and acts actively and regularly in a long and stable partnership with JPO. The Association offers proposals and analyses and participates in meetings to which it is invited by JPO for the update of rules, procedures and systems in order to improve the trademark system in Japan. The organization also acts offering IP training courses to its members and managing initiatives for harmonization of international procedures and against counterfeiting.

The JPAA is a century-old organization that brings together all Japanese and foreign patent attorneys qualified to practice in Japan. Today it has more than 11,200 members working in different areas of intellectual property. Like JIPA, it has a frank, friendly and frequent relationship with the JPO to deal with proposals or criticisms that it forwards to the Office, as well as updates of rules, procedures and systems at the invitation of the JPO.

Both associations participate periodically and actively in updating goods and services classifications, giving opinions on their translations, wording and acceptability, additions and amendments to similar group codes and changes in trademark examination procedures, including issues related to guidelines for similar goods and service. They also act through their members in the Subcommittee on Examination Quality Management, through objective evaluations and proposals for improvements to the Quality Management System, forwarded in a report edited by the Subcommittee.

The relationship established between the associations and the Japan Patent Office is based on transparency, openness and mutual trust, in which the role of its members is seen as central in the conduction of decisions in charge of the JPO. The result of the long and permanent partnership is seen as harmonic, friendly, synergistic and productive by all involved.

2.5 – Software used by JPO's Trademark and Customer Relations Department and their management

The 4 main software for examining marks, used by the Trademark Examination Sections and the International Classification Office, are divided between those dedicated to examining marks and those dedicated to searches. With the exception of the software dedicated to examining international orders, the other software has been in use for over 20 years, having undergone occasional upgrades, and they are not web-based. The systems dedicated to searching for names or figures communicate with the system dedicated to examining applications for national trademarks.

These software and their functions can be summarized as follows:

- Trademark Examination Peripheral System: It supports substantive examinations from the point in which an examiner obtains a case to the point in which a draft is submitted to a decision maker for conclusion. The assignment or update of a SGC can be carried out by this system. It began operating around 20 years ago, and a project is currently underway to revamp the system, based upon Government Digital Transformation Plan for the Ministry of Economy, Trade and Industry.
- Trademark search system: It searches for trademarks by characters or phonemes, using Similar Group Codes
- Figurative Trademark Examination System: It performs graphic searches using the Vienna classification codes
- MADPRO system: It is used for examination of international trademark applications under the Madrid Protocol

According to the Trademark System Group, in order to manage system operations, it is important to take proactive approach, such as preventing failures by accurately identifying the signs of failure, in addition to promptly responding to incidents as they occur. Although this is an operational challenge that requires constant and lean monitoring, the staff considers that all the systems are stable and usually operate smoothly. Because of that, it is considered that the systems are fully approved by their users. No critics, complaints or suggestions have been received over the years.

It is also worth mentioning the web platform called J-PlatPat (Japan Platform for Patent Information), which is run by the National Center for Industrial Property Information and Training (INPIT) and has the collaboration of the IT division. The platform is an integrated search tool, with access to a vast database, which allows examiners and external users to search for trademarks, patents, utility models, industrial designs, classification of goods and services, documents, publications, among other information.

Regarding databases, the JPO uses two databases to manage cases from filing to examination: they are called "Application Master" and "Basic Trademark Master":

- Application master: primarily a database for managing the status of applications. This database collects data on designated goods and document information, but does not include search keys such as similar group codes

- Basic Trademark Master: can be said to be a database for searching prior applications. Search keys such as trademark images and similar group codes for displaying search results are collected

Information updates to both databases are basically system updates by the Examination System. Data maintenance can be performed through screen functions, or by requesting it to the electronic system staff, depending on the information to be modified.

2.6 – Development of Examination Standards for similar goods and services at INPI – Brazil

The structure that supports the examination of trademarks and the resulting decisions in Brazil, especially with regard to the classification and affinity of goods and services, is essentially composed of laws, rules, procedures, software and professionals from different sectors within the INPI and outside, through service providers and national and international organizations.

With regard to regulatory aspects, the following stand out:

- the Industrial Property Law (Law 9.279/1996)
- internal resolutions
- opinions by the Trademark Department, the Appeal Board and the internal Federal Prosecution staff
- Trademarks Examination Manual

With regard to INPI professionals and sectors involved, the following stand out:

-In the Trademarks Department:

- the trademark examiners of the 10 Technical Sections
- the voluntary trademark examiners that make up the Committee of Classification of Goods and Services
- the trademark examiners that make up the Knowledge and Technical Documentation Management Service
- the managers of the Trademarks Department who make up the Meetings of Coordinators on Trademarks, Industrial Designs and Geographical Indications Procedures (COPEX) and the Permanent Committee for Improvement of Trademarks, Industrial Designs and Geographical Indications Procedures (CPAPD)
- the Coordination of Quality, Data and Flows Management professionals
- the professionals of the Workgroup of Quality Management

- In the Appeals Department:

- the examiners and managers of the General Coordination for Appeals and Administrative Invalidation Procedures

- At the General Coordination of Information Technology (CGTI)

- permanent and outsourced professionals dedicated to the development and maintenance of software and websites

As for the software used:

- E-Marcas, used by trademark applicants
- IPAS, used by trademark examiners and formal examination technicians
- BuscaWeb
- Marcasdoc, used by trademark examiners and trademark applicants
- INPI Portal, used by trademark examiners and trademark applicants

With regard to national and international organizations and associations:

- Industrial Property Brazilian Association (ABPI)
- Industrial Property Agents Brazilian Association (ABAPI)
- World Intellectual Property Organization (WIPO)

2.7 – Criteria for judgment of similarity at INPI – Brazil

In Brazil, the Industrial Property Law (LPI), Law 9.279, published in 1996, is the federal law that defines the principles of the country's trademark system. Directives, resolutions and opinions are subordinated to the LPI, which aim to regulate in detail the general principles established in the highest law.

Resolutions and opinions are, as a rule, published by the INPI presidency, by the Trademarks Department, by the General Coordination for Appeals and Administrative Invalidation Procedures and by the Federal Prosecution to guide the operational, technical and legal aspects involved in the examination of trademark applications, appeals and invalidations. Among the resolutions, Resolution INPI/PR 249/2019 stands out, referring to the most recent version of the Trademarks Manual, the main instrument accessible to examiners and applicants for understanding the procedures for applying the principles of the LPI in the filing and examination of trademarks.

For the purpose of searching for conflicting trademarks, the opinion of the Federal Prosecution of the INPI of the year 2000 stands out, which provides guidance on its execution. That opinion would be successively incorporated into different INPI resolutions up to the current directive, Directive INPI/PR 08/2022.

Industrial Property Law (LPI)

The first action with the force of law to regulate industrial property rights in Brazil was a patent license granted by the then king of Portugal and Brazil, D. João VI, to a Brazilian inventor, in 1809. In 1883, Brazil was among the first signatories of the Paris Convention (CUP). From then on, different incipient laws were published by Brazilian governments until the first consistent industrial property law, Law 7.903, enacted in 1945, which was followed by Law 5.772, published in 1971.

The contemporary Industrial Property Law, Law 9.279/1996 (LPI), regulates rights and duties related to industrial property in Brazil, being the third title of the LPI dedicated to trademarks. The LPI emerged as a way to adapt Brazilian legislation to the TRIPS Agreement, which would be signed by Brazil in 2000. It establishes the LPI, following the “first-to-file” principle:

Article 2 - The protection of rights relating to industrial property, considering its social interest and the technological and economic development of the Country, is effected through:

(...)

III - granting of trademark registration;

(...)

Article 123 - For the purposes of this Law, it is considered:

I - good or service trademark: the one used to distinguish a good or service from an identical, similar or related one, of different origin;

Among the prohibitions on trademark registration, the LPI stipulates in item XIX of Article 124 the basic premise for the conflict between a registered trademark and a third-party prior trademark:

Article 124. The following cannot be registered as a trademark:

(...)

XIX - reproduction or imitation, in whole or in part, even with additions, of another's registered trademark, to distinguish or certify an identical, similar or related good or service, likely to cause confusion or association with another's trademark;

(...)

Exceptionally, trademarks officially recognized by the INPI, upon application by the holder and document analysis by the Trademarks Department, as famous trademarks will be protected in all branches of business:

Article 125 – A trademark registered in Brazil considered famous will be ensured special protection, in all branches of activity.

Compliance with the provisions of article 124 of the LPI is the responsibility of the trademark examiner, and the presentation of opposition by third parties that motivates it is not required by law.

Trademarks Manual

The Trademarks Manual is the main guide for directing the substantive examination of trademark applications, examination of appeals and invalidations and formal examination by examiners, as well as for the filing and follow-up of trademarks by applicants and trademark holders. Its first edition dates back to 2010, succeeding the Provisional Rules for Trademarks Examination, published in 1997. It was the result of an initiative by the Trademarks Departments in collaboration with the Industrial Property Brazilian Association (ABPI) and the Industrial Property Agents Brazilian Association (ABAPI) . Its first version had a full version dedicated to examiners and a summarized version aimed at external users.

The first full edition shared between examiners and external users through the INPI Portal was published in 2014, followed by a new edition in 2017. The most recent edition was published through Resolution INPI/PR 249/2019 and its fifth and last revision took place in February 2022. This version brought important updates that made it possible to adapt the Trademarks Department's examination routine to the examination of international applications based on the Madrid Protocol, the future filing of multiclass national marks and the co-ownership of trademarks, among other changes.

The Trademarks Manual is the document that establishes the principles for evaluating the similarity between goods and/or services. These principles were first established through a study commissioned by the Director of the Trademarks Department to the Committee of Classification of Goods and Services (CCPS) in 2013. In order to overcome assumptions exclusively of a legal nature, empirical assumptions or assumptions based on mere reproduction of internal traditions, in this study, the CCPS opted for the theory of Marketing as a theoretical foundation.

According to the premise of the “Marketing Mix”, or “the 4 Ps of Marketing”, conceived by Neil Borden, embodied by Jerome McCarthy and definitively popularized by Philip Kotler, the Marketing of goods or services must have four fundamental concerns to establish a successful relationship between company and consumer and to position a trademark in the market and in the consumer's mind: “product” (what is supplied by the company, its presentation, its origin, its quality?), “place” (where is it supplied, by whom is it supplied along its distribution chain?), “promotion” (how

is it promoted, what other goods and ideas are associated with for sale, is it widely disseminated or disseminated to specific audiences?) and “price” (is it a low-cost or high-cost good/service, consumed impulsively or thoughtfully, consumed by a wide or narrow audience, daily or occasionally?). If these are the essential fundamentals to be considered by a company, or trademark owner, to successfully position and distinguish a good, a service and a trademark in the market and in the consumer's mind, CCPS considered that these elements should be relevant factors to be considered in the comparative analysis of competing goods, services and trademarks in order to establish potential conflicts.

CCPS also sought to compare these fundamentals with the procedures adopted by other industrial property offices, notably those defined and published by EUIPO. Finally, an attempt was made to trace in the Trademarks Department database (1) the Nice International Classification classes for which there were more concomitant deposits by the same applicant; (2) the classes between which there were more conflicts presented through opposition; (3) the pair of classes most frequently cited as conflicting in refusal decisions.

With the material that was possible to collect, the Committee selected some of the most requested goods and services in trademark applications, as well as goods and services for which the judgment of similarity was perceived as problematic by the examiners. CCPS then generated a preliminary diagram of criteria for establishing similarities of goods and services, a text with reasoned comparative analyses between specific goods and services, and an unfinished matrix of potential affinities between classes of the International Classification of Nice.

The project was interrupted in order to allocate efforts to combat the backlog of trademark examinations. However, the study was reviewed by the Trademark Department managers and some of its foundations gave rise to the following questions integrated to the Trademarks Manual, to be observed in the establishment of market affinities:

a) Nature: set of essential qualities for which the good or service is known, its type, genre or specific category. In the case of goods, nature is usually defined by a combination of factors such as composition (eg ingredients, components or raw materials), operating principle (eg motorized, mechanical, electrical, biological, chemical etc.) or physical state (liquid/solid/gaseous, flexible/rigid, etc.). In services, nature is usually the category in which they fall (eg financial services, health services, transport services, etc.)

b) Purpose and mode of use: expected utility or function of the goods or services, as well as their form, condition or circumstance of use or contracting

c) Complementarity: goods or services are considered complementary when one is indispensable or important for the use of the other

d) Competition or interchangeability: goods or services that can be substituted for each other are considered competitive or interchangeable. Typically, they are goods or services with the same purpose and aimed at the same target audience

e) Distribution channels: goods or services that share the same distribution channels or points of sale/supply have greater marketing affinity, increasing the risk that they will be perceived by the consumer as originating from the same source. This aspect, however, is not considered definitive for the characterization of market affinity, since medium and large establishments such as supermarkets or department stores offer goods of the most varied nature, without any similarity or market affinity between them

f) Target public: goods or services aimed at the same consumer (general or specialized) may be considered similar from a marketing point of view. However, this aspect, when isolated, is not considered decisive for the characterization of market affinity, since many completely different goods or services are consumed or contracted by the same general public

g) Degree of attention: the degree of attention of the target audience when purchasing goods or contracting services is also important in assessing the possibility of conflict between trademarks. The risk of confusion increases in cases where the target public pays little attention, such as when buying goods or contracting services that are used daily or that require little planning

The opposite occurs in cases of high value, infrequent or risky purchases, when the public normally seeks additional information about the goods or services involved. Specialized consumers also tend to show a greater degree of attention, as they have greater experience and knowledge of the market segment.

h) Usual origin: refers to the type of company responsible for manufacturing or marketing

the goods or providing the services. It is not the actual place of production or supply, but the type of entity that is commonly responsible for such goods or services. This aspect is influenced by factors such as manufacturing/supply methods and facilities, relevant technical knowledge, in addition to the usual marketing expansion practices of the agents that operate in the specific marketing segment

The Trademarks Manual observes, however, that the requirements for establishing market affinities should not be valued in the same way in the different market segments and trademark applications to be examined. It is up to the examiner to give due value and priority to each of the questions depending on the circumstances of each examination.

Directive INPI/PR 08/2022

The first classification of goods and services prepared by the INPI was published on December 31, 1971, through Directive 243, just over 1 year after the creation of the Institute. The use of a national classification of goods and services would replace the categorization based on economic activities previously used by, at that time, the Department of Industrial Property, according to the standards of the Brazilian federal government for industrial and commercial classification. The first national classification had structure and numbering inspired by the International Classification of Nice, so that most of its classes could have an association between class numbers and goods or services similar to the associations of the International Classification. The goods were classified from class 1 to 35; services ranged from class 36 to class 41. Each class indicated comprehensive categories of goods or services, to which different numbers of subclasses were subsumed. These subclasses categorized goods and services into more restricted groups according to their own affinity criteria, however without individualizing single goods and services most of the time. This structuring of the national class into comprehensive (wide) categories aimed above all at facilitating and thus speeding up the examination of trademarks.

On January 27, 1981, the second national classification of goods and services came into effect. The new classification repeated most of the classifications of the first national classification, bringing occasional adjustments to the content of some subclasses, and incorporating explanatory notes for each one of them. In addition, specific codes were associated with the different classes and subclasses in order to allow their easy identification in the databases to be used by the new search and examination software under development.

After the voluntary adoption of the Nice classification by the INPI, as of January 3, 2000, the Trademarks Department had to reconcile the old national classification of goods and services and the new classification in examinations involving trademark applications and registrations classified in the different classification systems. Initially, it was attempted to manually reclassify all trademarks deposited in the national classification for the international classification. The process, which involved groupings and divisions of old and new classes, proved to be laborious and time-consuming, involving a large number of trademark examiners, which had an impact on the examinations. The main consequence was a rapid increase in the backlog of trademark applications to be examined, whose time for the first examination exceeded 5 years. The reclassification process was then interrupted indefinitely and informatics solutions were developed to allow the cross search between the classes of the new and the old classification through the trademark examination software.

In the early 2000s, the INPI's Federal Prosecution published an opinion indicating that searches for previous trademarks potentially conflicting with the trademark under examination should adhere to the class of the International Classification in which the trademark under examination was filed. The exceptions to the rule would be (1) any searches deemed necessary using the old national classes and (2) examinations of opposing trademarks in which the opponent indicates conflicting trademarks in classes different from the class in which the mark under examination was classified.

The Resolution 144/07 (reissued as Resolution No. 12/2013) incorporated the legal opinion suggesting a flexibility in the application of the rule and future procedures to be established by the President of INPI. It consolidated the general rules for the substantive examination of trademark registration applications and thus provided:

Article 5 – The search for prior trademarks is necessarily carried out in the class in which the registration application was requested, and may be extended to other classes of goods or services similar to those claimed in the registration application, according to the parameters to be defined , in a specific act, by the President of INPI.

Nevertheless, Resolution 144/07 was revoked by Resolution 88/2013, which returned to the most restrictive rules for searching established by the original legal opinion:

Article 7 – If the sign is considered lawful, true and distinctive, the examiner's next action will be to verify and analyze the availability of the required sign as a trademark

Single paragraph – For the verification and analysis of this requirement, the examiner will carry out a search for a prior trademark, which will be carried out exclusively in the class claimed in the application under analysis, except for cases of correspondence between classes belonging to different classification systems.

By "different classification systems" is meant, at first, the old national classification. This wording was later changed by Resolution n° 248/2019 (which dealt with the multiclass system), but the content remained similar:

Article 7 – For the verification and analysis of the availability of the trademark sign, the examiner will carry out a search for prior trademarks, which will be carried out exclusively in the classes claimed in the application under analysis, except for cases of correspondence between classes belonging to different classification systems.

An exception to this rule is found in Technical Note INPI/CPAPD n. 02/2017, in which it was decided:

4. When examining the availability, in the first instance, of an application for unopposed trademarks that return from suspension, a prior trademark of another class will be considered, in the following cases:

- a) If the prior trademark of another class has been pointed out in opposition or Administrative Nullity Proceeding in a remaining application and is considered to be an impediment to its registration;*
- b) If the sign under examination actually reproduces or imitates the aforementioned prior trademark and aims to distinguish or certify identical, similar or related goods or services, in such a way as to be likely to cause confusion or undue association.*

5. If the down payment meets both conditions, it must be rejected by item XIX of article 124 of the LPI, for reproducing or imitating a previous sign from third parties, with the record in the internal notice of how the priority was found.

The provisions of Resolution 88/2013 were maintained during the consolidation of administrative acts (INPI/PR Directive 08/2022):

Article 26 – For the verification and analysis of the availability of the trademark sign, the examiner will carry out a prior art search, which will be carried out exclusively in the classes claimed in the application under analysis, except for cases of correspondence between classes belonging to different classification systems.

2.8 – INPI's staffs involved in classification matters

Committee of Classification of Goods and Services (CCPS)

The Trademarks Department comprises 10 technical divisions, 2 of which are dedicated exclusively to examining international applications under the Madrid Protocol. Members preferably from different divisions and with different academic backgrounds make up the Committee of Classification of Goods and Services. CCPS was created in 1999 with the initial function of assisting the Trademarks Department in the transition of the classification system of trademarks from the national classification to the international classification. The INPI would voluntarily adopt the Nice International Classification from January 2000, although it is not a signatory to the Nice Agreement.

The main attributions of CCPS, established in Directive/INPI 234/2020, are:

I – Analyze and propose measures for improvement, alteration and expansion of international classifications of goods and services and lists of pre-defined terms;

II – Manage the Brazilian version of the Nice International Classification of Goods and Services (NCL), as well as its auxiliary lists;

The auxiliary lists of goods and services are compounded by more than 4,000 examples, which aim to complement or clarify the examples of Nice Classification, besides offering goods and services particularly interesting for the Brazilian users. In 2019, CCPS included in the auxiliary lists around 600 descriptions of typical goods and services in Brazil, which were also incorporated to the Madrid Goods and Services list. Some of those descriptions are related to Brazilian biodiversity, whose vegetable specialties names are occasionally misappropriated as trademarks in foreign countries.

III – Manage the Brazilian version of the Madrid Goods and Services list (MGS-WIPO);

IV – Manage the database of descriptions of goods and services in Brazilian Portuguese at TMClass-Euipo;

V – Carry out studies on the classification of goods and services and market segments affinity;

VI – Guide to the areas of the INPI, including future technical examination divisions of international requests, as well as working groups, committees, commissions and task forces, regarding the application and improvement of classifications of goods and services;

VII – Subsidize the Trademarks, Geographical Indications and Industrial Designs Department, including the committees dedicated to improvement of procedures and examination guidelines, in formulating procedures, guidelines, standards, resolutions, opinions and technical notes, regarding the classification of goods and services and market segments affinity.

VIII – Represent or support the Trademarks Department in international forums on classification of goods and services, notably in the annual sessions of the Committee of Classification Experts at WIPO;

IX – Provide assistance to INPI's internal and external public on matters related to the classification of goods and services, through: responses to internal queries, and external queries via specific petition; answers to queries via the online service for users of the INPI; support in views of trademark suits by users and arrangement of training courses; and

X – Edit and publish the webpages related to the classification of goods and services on the INPI Portal.

CCPS is currently made up of 5 members, 4 of whom are working effectively, who dedicate 2 hours a week to all the Committee's responsibilities. Considering the last 3 years, CCPS received an annual average of 82 internal consultations and 25 external consultations, in addition to 23 consultations via INPI's customer service.

Knowledge and Technical Documentation Management Service (SEGEC)

The Knowledge and Technical Documentation Management Service (SEGEC) is made up of 4 trademark examiners dedicated to carrying out research on laws, standards, procedures and practices in order to support decisions by Trademarks Department managers on issues related to trademark examination. These questions are mostly referred by trademark examiners as a result of the lack or inadequacy of procedures to deal with the examination of specific trademarks.

The reports produced by the team are forwarded to all Trademarks Department managers prior to the Meetings of Coordinators on Trademarks, Industrial Designs and Geographical Indications Procedures (COPEX) and the Permanent Committee for Improvement of Trademarks, Industrial Designs and Geographical Indications Procedures (CPAPD).

Specific procedural issues are subject to deliberation by COPEX, while larger decisions with an impact on the general structure of procedures of the Trademark Department and the General Coordination for Appeals and Administrative Invalidation Procedures will be the sole responsibility of the CPAPD.

Coordination of Quality, Data and Flows Management (COGEF)

Among the different functions of the Coordination of Quality, Data and Flows Management, made up of 3 employees from the Trademarks Department, there is the maintenance of the IPAS system, developed by WIPO. In addition to developing periodic system improvements, in partnership with the Wipo team, Coordination responds to routine demands from internal users regarding the regularization of access to software functions, in particular login, opening and generation of documents, the flow of data and the response speed of the system.

Occasionally, in matters related to access to databases, network traffic and interactions with other systems, COGEF's work takes place in partnership with the General Coordination of Information Technology (CGTI).

General Coordination of Information Technology (CGTI)

The duties of the General Coordination of Information Technology can be summarized as follows:

I - plan, coordinate, supervise and monitor the activities of INPI's information technology;

II – propose guidelines and norms and implement the INPI's information technology policy, observing the guidelines of the Information and Information Resources Management System – SISP;

III – provide adequate information technology systems and infrastructure to the INPI, observing the concepts of information security;

IV - standardize the development methodology of computerized systems;

V - evaluate and define new technologies, aiming to propose up-to-date solutions for the information systems environment;

VI - technically cooperate in the exchange of information and data transfer between the INPI and other similar institutions;

VII - carry out the technical monitoring of contracts, agreements and projects, and any transfer instruments related to the use of information technology; and

VIII - ensure the effectiveness of operational processes, using appropriate technology.

CGTI is made up of 14 employees directly dedicated to IT matters, 13 administrative employees and around 40 rotating employees linked to different contracts and specific demands.

There is a project to hire new civil servants for the sector in 2024. For 2022, Coordination's budget was approximately US\$ 2,100,000.

Currently, 5 employees are partially dedicated to the demands of the Trademarks Department, 3 of which are system developers and 2 are dedicated to infrastructure. The main projects in which they are involved refer to the Madrid Protocol, in particular the development and maintenance of the tool for translating good and service specifications into Portuguese, the maintenance of the E-Marcas and BuscaWeb systems and the search for images with use of artificial intelligence.

2.9– Software used by INPI's Trademarks Department and their management

Two of the main systems used by the Trademarks Department, namely E-Marcas and BuscaWeb, are developed by the Systems Coordination of CGTI, while the IPAS system is developed by WIPO with collaboration of the COGEF in the Trademarks Department.

E-Marcas

E-Marcas is an online system, accessible through the INPI Portal, dedicated to the application of all petitions and documents required for the registration, maintenance and alteration of a trademark. It also lends itself to forwarding requests for consultations to the Committee of Classification of Goods and Services and the Committee of Classification of Figures, and petitions for requests for searches for prior trademarks to the Trademarks Department.

The system was developed by CGTI and started operating in 2006. It enables selection of two kinds of trademark applications to which correspond different fees: selecting goods and services from around 15,000 examples of the database of goods and services or free wording of items by applicants , which implies a higher fee.

IPAS

IPAS is an electronic system developed by WIPO that has been mainly offered to developing countries for more than 15 years. Nowadays, the tool is used by more than 80 IP offices. IPAS was adopted by INPI in 2013 and it has been used since then to manage the trademarks applications

workflow, including all the stages of the examination from application to registration, and any procedure after the registration or the refusal of a trademark.

The system includes searches for prior trademarks, manually or automatically, by means of letter combinations, phonemes and figures. It accepts the selection at once of one or more classes from Nice Classification or from the old national classification as search parameter.

Corrections and updates to the system are carried out by WIPO or COGEF under the guidance and supervision of WIPO. The possibilities for innovations in the system by direct action or demand from the Trademarks Department are limited.

BuscaWeb

BuscaWeb is an online platform developed and maintained by CGTI that aims to search for trademarks, patents, industrial designs and geographical indications, mainly by external users. The system allows anyone, even those who do not have registered trademarks with the INPI, to search for previous trademarks through combinations of characters and selection of Nice classes. The tool offers more limited search capabilities than those available to the trademark examiner through IPAS, in addition to using a more limited cross search routine.

Chapter 3 – Methodology

Through the possibilities offered by the JPO and APIC teams and the project supervisor, the research seeks, at first, to gather information that allows to know the sectors and teams of the Japan Patent Office involved in the creation and maintenance of the Similar Group Codes, their routines, technical and material resources. It is also intended to know the participation of the external stakeholders of the trademark system in the management of the SGC and in the proposal of technical, normative and procedural updates.

In parallel, an attempt is made to bring together the laws, regulations and procedures that govern the trademark system in Japan, especially those more related to classification and similarity of goods and services.

In a second moment, the objective is seeking to understand in depth the Similar Group Codes, their structure, construction, maintenance and the computerized systems involved in the operation and management of the SGC.

Next, it is aimed to understand the advantages and disadvantages of Similar Group Codes, from the point of view of the JPO teams and external stakeholders. Among external stakeholders, the main sources of information are JIPA and JPAA members. At the end, the aim is to obtain own conclusions about the advantages and disadvantages of the system.

With regard to external stakeholders, the target is to understand the basis on which dialogue with the JPO takes place, the methods of communication, the frequency with which they occur, the degree of freedom they have, the main topics addressed, any difficulties and the degree of success of discussions and proposals.

Finally, all this information related to human, material and technical resources, regulatory aspects and the JPO's relations with external partners are compared with equivalent information from the INPI in Brazil. In this way, an attempt is made to estimate the convenience and feasibility of implementing the SGC in the Trademarks Department of the INPI in the medium or long term and the possible measures that may be necessary for the initiation and maintenance of the project.

That information is obtained by means of the following sources:

- Search and analysis of previous studies; international laws and procedures, mainly the Japanese; articles; presentations and literature by Japanese experts in Industrial Property

The main studies analyzed correspond to final reports from long-term researchers that attended the APIC/JPO program. Of particular note are those entitled “Enhance the Trademark Examination Procedure and Evaluating the Possibility Similar Group Code in Thailand”, by Miss Chayaknit Kanchanakaroon, and “Quality Management on Trademark Examination in Japan”, by Thinet Saktrakun.

The main laws consulted were the Trademark Act of Japan and the Industrial Property Law of Brazil. Among the Japanese regulations and procedures, it can be highlighted the Ordinance for Enforcement of the Trademark Act and the Enforcement Regulations of the Trademark Act, the 1961 Examination Standards for Goods, the contemporary Examination Guidelines for Similar Goods and Services, the Examination Guidelines for Trademarks and the Trademark Examination Manual, as well as the introductory texts on these documents found in the Trademarks section of the JPO website. Among the similar documents in Brazil, the Industrial Property Law (LPI), the Trademarks Manual and the Directive INPI/PR 08/2022 stand out.

The main articles, presentations and books of Japanese origin consulted correspond to productions by Japanese attorneys. Some criteria for interpretation of the possibility of conflict between trademarks are obtained from European offices and European experts. Some Marketing approaches about trademarks with impact on the analysis of similarities are found in Neil Borden, Jerome Mccarthy and Philip Kotler theories.

- Meetings with supervisor and advisors; interviews with IP representatives of Japanese companies affiliated to JIPA and attorneys affiliated to JPAA

Meetings with the project supervisor aim to design its structure, monitor its development, suggest approaches and eventually correct directions. The meetings with the advisors seek, at first, to know their impressions and criticisms about the Japanese trademark system, as attorneys and former employees of the Trademarks and Customer Relations Department, in particular the issues related to classification and similarity of goods and services and the SGC. In addition, they contribute with

suggestions for approaching the theme, reviews of partial reports and suggestions for content and improvements.

The interviews with JIPA and JPAA members have the common goal of getting to know the business community's perspective on the Japanese trademark system and the classification system for goods and services in particular. In addition, it aims to determine the relationship conditions of its members and the associations to which they belong, any difficulties faced in this process, the most sensitive issues and the results obtained. For this, the interview questionnaires were structured into three main topics, the first being focused on the relationship with the JPO, the second on similarity criteria, and the third centered on similar group codes. The interview's minute can be found in Appendix I.

- Lectures by JPO professionals from the Trademark and Customer Relations Department and the Information Technology and Patent Information Management Office ("IT Department")

The online lectures with IT Department employees seek, above all, to learn about the human and material resources available for the development and maintenance of software and IT infrastructure at the JPO. The structure of the department, its responsibilities, its routines and planning and the interactions with the examination departments are known. Additionally, interviews with trademark examiners working in the IT Department allow a comprehensive view of the interaction between the IT Department and the Trademark and Customer Relations Department and the critical issues that eventually exist from the perspective of the two departments. They also allow for a more in-depth knowledge of the software used by trademark examiners, their functions, updates, their strengths and weaknesses from the perspective of system management and trademark examination management. The interview is structured around 3 main themes: the first, the organizational structure of the IT Department; the second, the systems used for examining trademarks; the third, the feedback given by the users of the systems. The full interview can be seen in Appendix III.

Regarding the lessons given by the Trademark and Customer Relations Department staff, the one entitled "Premises of Japan's Trademark Examination" present a wide panorama about similarities between goods and/or services, starting on the premises of Article 4(1)(xi) of the Trademark Act, on court decisions and on the Examination Guidelines.

Criteria for judgment of similarity as manufacturing, point of sales of goods or provision of services, materials and quality, purpose, range of consumers or customers, intermediaries, market

chain, product-and-parts relationship etc. are introduced. The subject is also addressed in the lesson 15, “Judging trademarks”, as well as in the lesson 19, “Mock trial”, of the Course of Practitioners Specializing in Trademarks.

An introduction to the Similar Group Codes is presented in lesson 5 of the Course of Practitioners Specializing in Trademarks, as well as in the “Examination practices related to Japan’s goods and service”, in the “Demonstration of trademark examination” and in “The Nice Classification and the JPO’s operation” lesson.

The numbers and letters structure of the Similar Group Codes, called “TANZAKU”, are introduced and discussed in the lessons of “Examination Practices related to Japan’s Goods/Services”, and also in lesson 5 of the Course of Practitioners Specializing in Trademarks. The subject is further developed in “The Nice Classification and the JPO’s operation” lesson. The flow of automatic and manual assignment of SGC, checking and maintenance of the “check table” of goods and services and revisions and updates on the Examination Guidelines for Similar Goods and Services, Similar Group Codes, Nice Classification and the ancient Japanese Classification are addressed in those lessons. The correspondence between Nice Classification and Ministerial Ordinance, including mentions to the Cabinet Order’s and Ministerial Ordinance’s tables, are also introduced.

The flows and parameters for performing searches for prior trademarks or for goods and services names are presented in the lesson 5 of the Course of practitioners specializing in trademarks. This matter is brought back by “The Nice Classification and the JPO’s operation” and the “Demonstration of trademark examination” lessons with some examples.

Advantages and disadvantages of the SGC are shown by JPO’s staff in the first part of the “Examination Practices related to Japan’s Goods/Services, as well as in the “Lecture by the Electronic Trademark Examination System Planning and Coordination Office”.

From that discussion emerges the question whether JPO’s staff and SGCs are able to follow the speed of technological changes, that regularly develop new functionalities to traditional or new devices or introduce and concentrate usual functionalities in different traditional or new devices. In that sense, the capacity of the Trademark Division to pursue one of the main targets of the preliminary Examination Standards for Similar Goods that consists in permanently follow the evolution of market

trades and “respond quickly to the real world” is particularly discussed in the interviews with JIPA’s and JPAA’s members.

Finally, the "Quality Management of Trademark Examination" lesson presents the challenge of balancing the provision of fast and qualified services to the users.

Chapter 4 – Results and Analysis

4.1 – The relevance of the classification of goods and services

The classification of goods and services is a central element in examining the registrability of a trademark. In addition to its obvious formal aspect, as a mandatory element of every trademark application linked to sorts of catalog numbers, the classification defines the scope of protection of a trademark, therefore its origin, quality, its commercial destination, its public, the limits of action of the trademark in the market before its consumers, its competitors and its suppliers from the legal, commercial and ethical points of view.

Its importance is evident in a practical way in the routine of the trademark examiner, as it is the determining principle of the main reasons for rejecting a mark: the lack of distinctiveness and the unavailability of a sign, in addition to the rejection motivated by the simple formal inadequacy of the text of a specification of goods and services. The generic, descriptive, qualitative and therefore prohibitive character of a trademark can only be safely determined by a perfect understanding of the goods or services targeted by a trademark. Similarly, the refusal or acceptance of a trademark against competing trademarks, and therefore its condition of contributing to the economic progress of a country, its owner and its competitors, is primarily linked to the correct understanding of the limits of the specification of goods and services and the class to which they belong; therefore, the limits of acting of trademarks and their owners.

Ultimately, the adequacy of descriptions of goods and services and their classifications is a safety factor for companies, consumers and bodies that act in the management of a country's trademark system; it stays at the basis of guarantees of returns on its investments and a dynamic and fair competitive environment.

Japan became aware early on of the centrality of the classification of goods and services and the existing relationships between them from multiple perspectives, the perspectives of the different actors participating in the branding system directly or indirectly. This awareness of the importance of classification and the factors that underlie the relationships between different goods and between their trademarks, from the perspective of consumers, producers, service providers and government, for the

quality of trademark examinations and the satisfaction and health of the environment competition led the country to dedicate, since at least 1921, successive efforts to improve classification.

Through long-reflected, agreed upon and lasting actions, Japan and the JPO concretely demonstrate how they consider “vitaly important”, in terms of the descriptive memory of the Examinations Standards for Similar Goods, not only the theme “classification” but the affinity of goods and services. As early as 1959, Japan positioned itself at the forefront of the discussion on classification and market affinity by adding to the classification criteria limited to the constitution of the good and the productive nature (the producer's perspective) the criteria based on the purpose of goods and services and their points of provision (perspective of merchants, service providers and consumers). The application of these criteria to classification would mature slowly over the following years among the signatory countries of the Nice Agreement and the World Industrial Property Organization (WIPO) and would be definitively consolidated in the international classification of goods and services only in the 21st century.

4.2 – The paradox to be faced by the INPI

The history of the INPI actions that affect the examination of goods and services specifications and classifications suggest that the theme has been continuously treated as secondary and rather an obstacle than an indispensable basis for more qualified and agile examinations, for balance and development of economic relations and for the satisfaction of all parties involved, among trademark holders, attorneys, consumers and INPI.

The first suggestion of the purely utilitarian perspective of classification by the INPI was the creation of the 1971 national classification, followed by the 1981 national classification, summarized and generalizing version of the structured, detailed and disseminated Nice International Classification, aimed solely at speeding up the examination of trademarks. The result obtained, in addition to not sustainably surpassing the backlog of trademark examinations, resulted in poorly substantiated and potentially harmful decisions for the applicant or the registration holders. An example of the vagueness of the old national classes and their harmful effects on all parties involved comes from the 38:10 class, corresponding to “communication services”. “Communication services” meant both Social Communication services, such as Advertising and Journalism, and Telecommunications

services. The result was often a conservative presumption of conflict between two trademarks or a lack of trademark distinctiveness on the examiner's part.

The adoption of the Nice Classification was followed by the opinion of the Federal Prosecution of the INPI, incorporated by Directive 08/2022, determining the search for similar trademarks only in the filing class of the trademark under examination. The only exception arises from trademarks with opposition in which conflicting marks are pointed out in classes other than the class of the opposed mark.

Such an opinion, in favor of agility and uniformity of decisions, disregarded two fundamental premises. The first of them remains formally registered in paragraph 3 of the “collection of examples of similar goods” of 1932 and ratified in Article 6 (3) of the Japan’s Trademark Act of 1959: (1) classes do not necessarily define the scope of goods affinity, i.e., there may be goods without similarities within the same class and goods with similarities in different classes. The second (2), that the LPI establishes in item XIX of Article 124 that similar trademarks intended for identical, similar or related goods or services cannot coexist. In addition, the application of this rule and all other rules of Article 124 that prevent the registration of a trademark is the responsibility of the Trademarks Department, regardless of the filing of opposition by third parties. Therefore, there is no provision for partial or conditional application of the text of item XIX or any other item.

The spirit of the LPI and other similar laws in different countries that do not condition the analysis of the availability of a trademark to the filing of opposition is to offer equal treatment to all applicants and holders, to the benefit of all competitors, but also consumers and potential consumers. In the case of developing countries and/or with a degree of maturity of the IP culture considered to be low, the law seeks not to condition the effective protection of an exclusive right over a trademark to the economic power and IP knowledge of a small group of privileged.

The paradox between what the higher law and the subordinate rule aim at is no longer just a logical and theoretical incongruity and passes to prove contrary to the interest of society when it is factually confirmed the low degree of maturity of the IP culture among the main public applicants of trademarks in Brazil. Among INPI trademark applicants, 79% are small businesses and individuals.

According to the Brazilian Micro and Small Business Support Service (SEBRAE) survey, Regarding individual businesses and small companies in 2018, 59% of them say to have a trademark

for goods or services, but just 19% say to have applied for a trademark at INPI one or more times. This survey also points that:

- 52% of the interviewees consider that a trademark application has never been necessary
- 37% have never thought about that
- 25 % didn't know it would be necessary
- 24% don't know how to proceed
- 14% consider that INPI's fees are high
- 13% consider that specialized consultation is expensive
- 7% consider the application process too complicated
- 5% consider that the whole process is very time consuming
- 5 % have no interest or necessity in what concerns trademark application

Among the 19% of individual and small businesses that say to have applied for a trademark at INPI one or more times, 65% say to have got their trademarks registered. In other words, just around 12% of this group have their trademarks effectively protected by a registration at INPI.

Considering that the data show that the main applicants of trademarks at INPI have few awareness or knowledge to value and manage IP rights, and that they are also the businesses with the smallest financial resources, the facts suggest that the perspective of the item XIX of Article 124 of the LPI and the exemption of an opposition for its application remain important. In the environment exposed by SEBRAE's survey, the obligation to apply for an opposition to have a trademark protected from others directed to similar or related goods or services, tend to unbalance the treatment given by INPI to small companies and natural persons and the one given to big companies.

Contradictorily, the Directive INPI/PR 08/2022 forsakes the main clients of INPI, that are coincidentally the group with less resources and more vulnerable in the business environment, and favors the applicants that already possess resources to protect their IP rights. Actually, in summary, the major Law and the Directive seem to go in opposite directions. The privilege of the Directive in place of enforcing the small businesses and promoting the fairness, diversity and dynamism in business environment is inclined to concentrate economic power and trade advantages where they are already spontaneously concentrated. These damages may be seen as especially useless if it is noticed that the measure has not been able for 20 years to significantly and perennially assure its goals of

speeding and standardizing examinations, in order to control the backlog of applications and improve the quality of examinations.

The problem is compounded if we extend its dimension from the perspective of small businesses to the perspective of consumers. The coexistence of conflicting trademarks in similar or related segments unbalances business relationships, but also consumption relationships. It exposes the average consumer to the possibility of confusion or association between trademarks, with regard to the nature of the goods or services themselves, but also to their qualities and production chain.

In this sense, the omission of the consumer dimension in the treatment of the issue by the INPI is also based on the traditional dichotomy established in the institute between the defense of the rights of entrepreneurs and their industrial properties and the defense of consumers' interests. This seems to be a fundamental paradox from which others stem. The reality that has imposed itself intermittently for 50 years and constrains the INPI to adopt emergency measures to combat the backlog of applications has shaped the dominant perspective at the Institute that its responsibilities are primarily aimed at the interest of depositors in having their trademarks registered. In other words, granting trademarks quickly is perceived as the common and central objective of INPI and entrepreneurs.

From this perspective, initiatives that result in short-term growth in exam time and a potential increase in rejections are not privileged. They are not privileged, despite the equanimity and quality that they provide for the examination of trademarks and commercial relations, with positive effects especially on those with less representation at the INPI due to the lack of financial resources and/or knowledge of IP to guarantee and continuously manage their rights: small businesses, individuals and the average consumer.

The existence of a specific law dedicated to consumer rights is then highlighted as a sufficient legal condition to defend the interests of this public. Therefore, contrary to what Japan has made explicit since the Examination Guidelines for Similar Goods and the Trademark Act came into force in the early 1960s, there is no cogitation at INPI that there may be convergence between the interests of the business community and those of the consuming public, or complementarity, synergy, communion between industrial property rules and consumer protection rules. Hence the conceptions that the INPI is “the organization that aims to grant trademarks” and not “the organization that aims to ensure trademark rights” and “the organization that aims at the interests of the users of its services”

and not “the organization that aims at the interests of the country”, which presupposes the harmony of interests of the central power, the business community and the consumer of trademarks.

4.3 - Advantages and disadvantages of SGC

The interviews and meetings held with advisors and representatives of the JIPA, the JPAA and the JPO suggest that the participants agree with the existence of the presented paradoxes and with the negative effects of their maintenance. In this sense, the long and successful Japanese experience in the categorization of goods and services, in the definition of their premises and in the use of the resulting similar group codes seems to point to a different path for the INPI to obtain quality, equanimity and satisfaction of users and the public in general in dealing with the classification of goods and services and their consequences. Ultimately, the SGC proves to be a rare tool that is both capable of increasing the quality and speed of examination of trademarks.

The SGC allow, most of the time automatically, that through a single code, goods or services can be located within the same Nice class or in different Nice classes. In any case, even if a good or service specification brings together different SGC, the search for conflicting prior marks will largely occur without the need for the examiner to participate in defining the classes or codes in which similar goods or services to those specified for the trademark under examination would be found.

The similar group codes are like capsules associated with all goods and services contained in a database in which all affinity criteria for goods and services are compressed. They contain the assumptions established by the similarity measurement standards in order to, in most cases, dispense with the examiner's discretion, prior knowledge or the need to search in internal manuals or on the internet about the nature of goods and services, or about the interactions established between them. In this way, in general, the precision of the established affinities and the uniformity in the establishment of the affinities are obtained at the same time. More precise searches most of the times result in more restricted results than those obtained by searches for all goods or services belonging to different classes. This is a considerable factor in speeding up the examination. The presence of the goods or services specified in the good and service database of the search system ensures the automation of the selection of related goods or services through the SGC already associated with them, and therefore greater speed in the search process.

Because they are established on the basis of fixed and long-established criteria, similar group codes are less susceptible to renumbering, for example, as a result of reclassifications of items in the International Classification of Nice. If (1) the concept of a good or service, (2) the relationship of a good or service to other goods or services, or (3) established guidelines for categorizing a good or service into a particular category assigned by a SGC do not change, the good or service code will not change.

Based on opinions shared by JPO officials, attorneys and representatives of large Japanese companies, the advantages of SGC can be summarized as follows:

- they ensure uniformity in examining similarity of goods or services
- they enable fast and efficient searches of conflicting prior trademarks
- they are rarely affected by revisions of the Nice Classification
- they are accessible and easy to be used by applicants in searches performed on J-PlatPat
- they improve predictability of the results of examinations, mainly regarding the availability of a trademark

One of the basic assumptions frequently repeated in the descriptive memory of the “Examination Standards for Similar Goods Based on 'Classification of Goods'” is that the goods similarity criteria must be able to adapt quickly to society's new demands. Although its motivations are clear and its implementation beneficial to society, in practice, the premise is difficult to implement. Firstly, because the changes that take place in trade relations and consumer relations are sometimes not clearly visible or consensual at first. Therefore, until the transition colors move from the gradient to a solid, clearly definable color, some or many affinities or lack of affinities may slip through.

Furthermore, even after agreeing on the new categorization of an item and its corresponding SGC, the process of changing a SGC in an entire database of goods and services and in all specifications of applications that contain the SGC to be changed is operationally laborious. Change requirements arising from new classification and conceptualization of good or service in the Nice Classification are scheduled annually to be discussed from its publication by WIPO in the middle of the year until the change takes effect on the first day of the following year. Changes resulting from new jurisprudence, however, are not programmed and, therefore, have an uncertain effectiveness period.

Changes to the SGC also imply the need to maintain an item's code history, so that old affinity associations that were made between items and between trademarks containing these goods or services can be recovered.

In circumstances where the description of a good or service does not exactly correspond to the description in the Nice classification or in the list of the Examination Guidelines for Similar Goods and Services, more time will be required in the work of research and association of the best SGC to be assigned to a new item. In any case, this work is not the responsibility, in principle, of the trademark examiner, but of the International Trademark Classification Office. Examiners make a final decision based upon the SGCs that are first envisioned by the International Trademark Classification Office. The initial check undertaken by the International Trademark Classification Office therefore lightens the work load of examiners.

However, some similarities in groupings of goods or services suggest distortions, since they are not clearly justifiable by the established similarity criteria. Some examples follow:

- NCL (11) 7: electric food processors → 09A08, 09E28, **11A06**
- NCL (11) 11: electrically heated socks → **11A06**
- NCL (11) 11: water heaters → 09B01, **11A06** , 19A01
- NCL (11) 11: refrigerators → 09E12, **11A06**
- NCL (11) 16: electric pencil sharpeners→ **11A06**
- NCL (11) 21: electric bottle openers→ **11A06**

If we take as a basis the principles of similarity between JPO goods (production, point of sales, materials and quality, intended purpose, range of consumers, finished-good-and-parts relationship) or the INPI criteria (usual origin, distribution channel , nature, purpose and mode of use, target public, degree of attention, complementarity, competition or interchangeability), which are similar in many aspects, there do not seem to be sufficient reasons to establish an affinity between “electric pencil sharpeners” and “refrigerators” or among other goods on the list.

On the other hand, the following goods whose similarity could be expected are considered dissimilar, as shown by their different SGC:

- NCL (11) 11: water heaters →09B01, 11A06, **19A01** x NCL (11) 11: solar water heaters→ 09G61

- NCL (11) 11: gas water heaters for household purposes → **19A01** x NCL (11) 11: solar water heaters
→ 09G61

If it is ruled out that the similarity of these goods is firmly based on the similarity criteria established by the guidelines, it can be assumed that over time the increase in the number of goods or services on the list and the diversity of new technologies and purposes of goods or services in one or more classes of Nice start to generate progressive distortions that require new subdivisions for some SGC. If this hypothesis is confirmed, the work of unfolding one or more SGC into new SGC will imply a supposedly ingenious, laborious and time-consuming reclassification of goods and services in a chain.

If we look at the food segment, as a general rule of examination at JPO, fresh vegetables are dissimilar to fresh fruits. However, it appears that the fruits “tomatoes, fresh”, SGC 32D01, are considered similar to the vegetable “spinach, fresh”, SGC 32D01.

In this case, it seems, the decision was made to abandon the technical rigor in classifying the nature of “tomatoes” as “fruits” in order to favor the similarity of consumption habits and offers at points of sale for tomatoes and spinaches. On the other hand, if we consider the JPO and INPI similarity criteria applied to the Brazilian marketing context in the “fresh food” segment, the usual production of fruits and vegetables concomitantly or in seasonal crop rotations by the same producer, the identity the chain of distribution of these goods and their points of sale, and the destination of all these goods to a wide audience, would possibly suggest the similarity between fresh vegetables and fresh fruits. A greater knowledge of the cultivation, distribution, sale and consumption habits of these goods in Japan would be necessary for the deepening of this examination and the secure understanding of the convenience of this dissimilarity in the Japanese context.

With regard to technology goods, attention is drawn, for example, to the dissimilarity of “DVD players”, 11B01, and “computers”, 11C01, observing their nature (audio-visual electronic goods, domestic, microprocessed, with network card, with multifunctional operating systems), production (joint manufacturers), points of sale (electronics stores, department stores), purpose (entertainment, video and audio playback, games, internet access), complementarity (DVD players can be internal or external peripherals of computers and DVD players have computer functions) and audience (wide audience). On the other hand, there is a similarity between “smartphones”, **11B01** /11C01, and “DVD players”, **11B01** .

In addition to a questionable flaw in the non-aggregation of SGC 11B01 to “computers”, differently from what is proposed for “smartphones”, the apparent distortion may suggest challenges arising from the difficulty of classifying microprocessed devices that are influenced by the convergence of technologies . The speed with which old and new devices aggregate and share technologies and functions implies the aggregation of increasing similarities between different goods and an increasing and faster demand for adaptations in the SGC and their associations to goods or services.

The advances in hardware and software regarding the microprocessing of data and telecommunications by different devices present a challenge for the establishment of similarities between goods and services, insofar as more and more hardware and software become intermediaries for the provision of a rapidly growing number of varied services. The perfect understanding of the limits of the acting of those involved in the production and supply of hardware, software and services and the weighted dosage of similarity criteria in these cases present themselves as a challenge to be faced that may lead to the adaptation or creation of similarity criteria. The perfect balance that allows the multiplication and convergence of technologies and functions, as well as its tendency to widen the similarity between goods and services, and at once does not result in an excessive growth in the conflict between trademarks seems to be difficult to reach.

In the context of the SGC, the acceleration of transformations in market segments and their interactions suggest the inevitable need to define as a priority the smaller rigidity of the system and its punctual updates as quickly as possible or the greater discretion of the examiners in decisions related to the similarity of goods or services. Although the guidelines allow for exceptional decisions by the examiners, according to the JPO examiners themselves and the representatives of companies and attorneys, tradition shows a tendency towards strict compliance with similarity criteria and the SGC in favor of the alleged stability and predictability of the system .

Briefly, some of the main disadvantages of SGC would be:

- little flexibility to update the SGC and guidelines for similar goods and services
- difficulty in dealing with exceptions and new market situations
- need to maintain past data after changes to the SGC of a good or service.

4.4 – The foundations of the success of the JPO in conducting the SGC

The reasons for the success of the SGC can be proposed initially from an empirical perspective of Japanese culture and traditions. The support pillars of the system seem to be based on universally shared impressions that would characterize the Japanese people, among which the following could be highlighted:

- appreciation for traditions
- conciliation between tradition and innovation
- collective spirit
- attachment to routine and stability
- obedience to norms and hierarchy
- appreciation for education

The transition from the Edo Era to the Meiji Era meant for Japan the beginning of the transition from a feudal-based political, economic and social system, deeply closed, averse to international influences and innovations, to a system open to novelties from the West, promoting of education and sympathetic to technological development, while still zealous for its best traditions. These new bases on which Japan grows are reflected from the first moment in the laws that guide industrial property in the country and in the entire system that supports this law.

Academician Fukuzawa Yukichi is the personification of these new foundations that would guide Japanese society and industrial property in the country until today. Fukuzawa represents the value of education in this society. Education that crosses the elementary principles of the moral and technical training of citizens and professionals and is conceived by him, from the base, as an engine of the country's economic and technological development.

Despite being recognized as a country jealous of its age-old traditions, coming out of a deeply traditionalist and conservative period, Japan has actively sought to learn from Western legal traditions to develop the legal foundations of its IP system. Being able to choose a legal system more suited to the observance and reproduction of social traditions, such as the so-called “Common Law”, Japan opted for the Roman tradition and the “Civil Law”. The continuation of this tradition would result in the successive laws and guidelines observed since 1884 to regulate in a solid structure and in detail the rights and obligations of the holders of industrial properties, including early designing goods

categories and their interactions as a priority. Strict compliance with the written norms that characterize this system does not seem to prevent, on the other hand, the harmonious conciliation of guidelines and examination practices with strict obedience to judicial decisions that characterize, in principle, the countries that adhere to the Common Law.

The guidelines and lists of goods and services that followed incorporated new items and sought to improve classification concepts. However, they were concerned with preserving local productive traditions and the methods of classifying them and reconciling them with new goods, technologies and market concepts arising from the rapid innovations that took place in the country after the First and Second World Wars. Although permanently subject to revisions and improvements, the Trademark Act and the regulations that serve it are characterized by the stability of their main structure for more than 60 years.

This stability and continuity are probably explained, at first, by the interest shared by Fukuzawa Yukichi and Takahashi Korekiyo in learning from the most advanced experiences of Western countries in matters of industrial property, in order to then develop the Japanese normative and procedural bases. Their legacies remain in the permanent promotion of interchanges between foreign researchers and local examiners by JPO and APIC, for example, besides the regular participation of JPO staff in international IP forums. Secondly, they derive from the ability of the Japanese authorities to reconcile the traditions and innovations of the Japanese market and, at least since 1953, to share and agree on all their decisions with the main actors involved in the trademark system. The success of the system is perceived by all those involved, starting with the authorities, as the result of a shared responsibility, in which the exchange of information and possible consensus, established regularly, guarantee trust, stability and general satisfaction.

Interviews with JIPA and JPAA members indicate their close, regular and friendly relationship with the JPO. Through meetings proposed by the JPO to deal with legal or procedural issues related to brands, or proposed by JIPA or JPAA to deal with matters of special interest to its members, ties based on trust and complicity were solidified with a view to the common good, which the whole society benefits from.

It is unanimous among the interviewees of the two entities that the criteria used to determine the affinity between goods or services are quite clear and objective and have been known for a long time. They are all adopted with regularity and harmony and allow for greater agility and, above all,

predictability in exam decisions. Exceptional treatment would eventually be given to applicants claiming the fame of their companies or trademarks, however this condition would not be analyzed in isolation, but in conjunction with the other criteria for similarity analysis.

Although well known and considered fair in general, the similarity criteria and the SGC that derive from them also have a disadvantage in their rigor, considered minor: the lack of flexibility in the analysis of each case, in addition to little flexibility in the correction or update of the SGC. JPAA respondents point out that, however, there is always an opportunity for discussion and proposals for improving the SGC, while JIPA respondents point out that the security and stability provided by this system are perceived as a greater good.

This primacy of stability would also be reflected in appeal decisions against first instance decisions that are based on the marketing affinity between two trademarks. The possibility of changing decisions in these circumstances in the JPO is perceived as small. In courts, where the application of the SGC would not be so strict, the chances of reversing decisions related to the similarity of goods or services would be greater.

The interviewees also highlight some segments that would offer more difficulties in the management of the SGC. In the view of the JIPA interviewee, the speed of evolution of the computer segment makes it difficult for the SGC to closely monitor it. New goods or goods with new technologies in this segment tend to receive SGC already shared by other products, which tends to generate a congestion of products with different degrees of similarity under the same code. The JPAA interviewee suggests a similar problem in the food and beverage supply segment. While food and drinks themselves are distinguished with different SGC, suppliers of different foods would all receive a single SGC.

It should also be noted that, in a system in which a large number of actors, sometimes with contradictory interests, regularly and permanently seek to obtain consensus, medium or long-term processes and progress on variable scales must be accepted. These tend to be optimized with the maturation of relationships, processes and results obtained. This arrangement is what can be observed from the successive attempts to balance procedures related to the similarity of goods and services, initiated in the discussions for the “Revised collection of examples of similar goods” in 1953 and reexamined in 1956, 1957 and 1959 until reaching the “Classification of Goods” and the “Examination Standards of Similar Goods”.

The same long-term perspective was verified for conducting the conciliation process of the SGC with the goods and services of the International Classification of Nice over a decade.

With regard to the implementation of the trademark examination quality program, the same 10 years were required, from 2004 to 2014, in order to first consolidate the control of the backlog of trademark applications in the JPO. In addition to time, the quality program also highlights the importance that the segmentation and continuity of tasks and teams, which nevertheless communicate permanently, contributes to the quality and agility of processes. The separation of the specific tasks of the International Classification Office, the Trademarks Sections, the dedicated groups that interact in the Trademark and Customers Relation Department and the Information Technology and Patent Information Management Office for the maintenance of the trademark systems, and the third party company responsible for searches, allow for a balanced dimensioning of the work to be carried out by each team, thus providing a gain in the quality of the results obtained.

However, it should be noted that, in addition to the distribution of tasks and the stability of both their planned execution and their responsible teams, success depends on the maintenance and progression of investments in human and material resources. This is particularly true of the International Classification Office and the IT Department, whose teams and budgets are correctly dimensioned and maintained to ensure the completion of short and long-term projects, the timeliness and quality of the services provided and the reliability of the infrastructure and IT systems used.

In this sense, the permanent and diversified training of the different teams; the structured exchange of information between examiners and superiors, between the examiners for the first and second examinations; and the revision of decisions, consolidate the quality of the examination, through well thought out and uniform decisions.

It is consensus among those involved in trademark examination and the management of the Trademark and Customer Relations Department, those involved in the management of the trademark system in the Trademark Division and IT division, and among representatives of Japanese companies and attorneys that the use of the SGC is a success. Despite identifying specific problems in SGC attributions and in their updates, this system is understood as a guarantor of a greater good, which would be the stability of relations between all those involved. First, because they result from open, regular and perennial relationships between the parties, which result in consensual examination

parameters. In addition, because it is a system that guarantees the objectivity and predictability of decisions, despite the need to tolerate possible distortions, resulting from the strict observance of the SGC by the examiners and the little flexibility of the system for adaptations, including updates.

The reasons for the successful conduct of the SGC by the JPO can then be summarized as follows:

- Harmony between the laws, regulations and guidelines that govern the examination of classification and similarity of goods and services
- Perpetuity of the fundamentals of laws, regulations and guidelines
- Transparency and synergy in the relationships between those involved in the trademark system
- Segmentation and continuity of the tasks of those involved in the different stages of the examination of trademarks and in the management of the examination, and structuring of specialized and stable teams
- Regular communication between those involved in the examination of trademarks in different sectors and between these and their superiors
- Monitoring the quality of examination routines and decisions
- Employee training
- Exchange of information with professionals and external organizations
- Structuring of the IT Information Technology and Patent Information Management Office
- Stability of trademark electronic systems
- Interconnection between employees of the Trademarks Division and the IT Information Technology and Patent Information Management Office
- Control of the trademarks application backlog
- Management of medium and long term projects and processes.

Chapter 5 – Recommendations to INPI – Brazil

The recommendations to INPI's Trademark Department regarding the implementation of Similar Group Codes in the trademarks examination process are divided in 3 main groups: the administrative recommendations, the normative recommendations and the technical recommendations that are specially related to classification matters.

None of these recommendations, however, can precede the unshakable awareness of the importance of the themes “classification” and “similarity” of goods and services. The adequacy of a classification of goods or services and the correct judgment of their interactions and affinities are at the base of 3 of the main causes of refusal of trademark applications, which are: the lack of distinctiveness, the unavailability of the trademark sign and the incorrectness of the specification of goods or services. Therefore a procedure that contributes for the correction of the establishment of similarities between items and the precision of searches for prior trademarks is not just a contribution for the improvement of a tool or formal aspects of examinations, but an improvement of all the examination process and the derived decisions.

5.1 Administrative recommendations

Long-lasting overcome of the backlog of applications

JPO's experience suggests that dedication to projects aimed at improving exam quality requires long-term planning and execution; permanent maintenance; structured, stable teams that communicate regularly; in addition to regular and unreserved vertical communication and communication between the first and the second instances of examination. It also suggests that for this quality projects to materialize with such desired stability and perpetuity, it is advisable to overcome the backlog of trademark applications. For 10 years, from 2004 to 2014, the Trademark and Customer Relations Department made every effort to meet an established deadline for the first examination of trademark applications. Only after this long-term project was completed, in 2014, the quality management project began, which includes checking the conformity of examinations also with regard to classification issues and their consequences.

There is a Zen Buddhist saying that suggests that even when fighting a cat, the tiger uses all its strength. Considering all the backlog waves that the INPI has faced over the last 20 years, it is no longer possible that after the backlog is beaten once again, the Office supposes to be possible fighting like cats. It is necessary that the adopted measures allow for the sustainability of the balance between amount of trademark applications and amount of examiners so that the office obtains sustainable balance between fast examinations and qualified examinations.

In this sense, it is essential to understand that all the tasks and sectors involved in examining trademarks are links in the same chain. This means that changes, even if occasional, in a single link, have repercussions throughout the chain. It also means that improvised and immediate solutions, even if directed at specific links, potentially weaken not only these links but the entire structure.

Design of the project of Similar Group Codes with medium and long term perspectives

The development of similar group codes requires extensive research, comparisons and categorizations of thousands of goods and services, and extensive tests that allow for the safe evaluation of search results. Choosing to start the project shortly or to start it after controlling the backlog of trademark applications, the design of a long-term project guarantees that coexistence with the backlog or that the return of the backlog at some stage of the project will not affect its continuity and the stability of the teams involved.

In a scenery of permanent or intermittent restrictions, being able to develop long-term projects and objectives may be the only way of favoring their continuity and creating reasonable conditions of conduction by the teams involved.

Structuring of CCPS to deal with its traditional and new demands

A comparison between the CCPS and the International Classification Office reveals two groups whose similarity ends in the tasks for which they are responsible. With the exception of the regular task of assigning SGC to goods or services that have not had their SGC automatically associated by the examination software, the tasks of managing national and international lists of goods and services, providing guidance to internal and external users and dealing with procedural issues related to the classification and similarity of goods and services are shared by the teams of the two offices. However, the total of 15 members of the International Classification Office, among which 9

are dedicated exclusively, seems to provide the stability and expertise of the membership, in addition to agility and continuity, with the expected quality, of the tasks in which they are involved.

Conducting a project of the magnitude of the Similar Group Codes and the need to maintain its structure require the CCPS to be structured in a solid and lasting way, with sufficient human resources and dedication time, in order to reduce staff turnover and the need for frequent maturing process for new members. The Committee is an important link in the chain whose responsibilities relate to the basis of the examination of trademarks and have consequences for the quality, and speed, of the entire examination process and the decisions issued. Its constant and unforeseen restrictions decisively weaken the entire system.

Segmentation of Trademark Examination Tasks

The segmentation of trademark examination tasks, including tasks related to classification, to different teams may be one way of speeding examinations and promoting more uniform decisions. Those tasks could include the analysis and adjustment of indications of goods and services, as well as the searches for prior trademarks.

Until the 1990s, the task of searching for previous trademarks in the Trademarks Department of the INPI was the responsibility of a group of people dedicated solely to this task. This condition probably not only favored the uniformity of search results, but also accelerated examination by trademark examiners.

Similarly, the task of preliminary examination of goods and services specifications was scheduled to be carried out by a team trained for this purpose in the late 2010s. However, the apparent control of the backlog of trademark applications induced the Trademarks Department to abort the project. It is convenient to reflect on the resumption of the project, under a sustainable and long-term perspective of controlling the backlog of trademark applications.

Creation of teams from the Trademarks Department to work with the IT Department

An initiative similar to the existing one at JPO with the Trademark System Group allows for greater proximity between the Trademarks Department and the IT Department. The close and regular contact of the teams with technical knowledge of trademarks and with technical knowledge of IT

allows the permanent exchange of knowledge, the in-depth understanding of all those involved of the needs and difficulties of different technical natures and greater agility and precision in communication and service of the demands.

Similarly, the existence of one or more IT Department employees in the Trademarks Department would induce the quality, agility and regularity of communication and actions involving the two sectors.

Development of the quality management program

The development of the quality program of the Trademark and Customer Relations Department seems to point towards the fact that agility in examining marks should not be an obstacle to qualified examination, but a natural consequence of quality management, which promotes the qualification of examiners, the constant exchange of information between all sectors, instances and hierarchical levels, the structuring of the examination routine and the monitoring of examination routines and decisions. It is important to note that the results intended by the quality team, according to them, do not have a coercive or punitive bias, revisionist or exclusively focused on the speed of the exams, which is why traditionally 100% of verified decisions are approved. The initiative is aimed above all at the harmony and stability of the entire system, through consensual, well thought-out, reasoned, uniform and, therefore, predictable decisions.

The project developed and in the initial phase of execution by the Quality Workgroup of the Trademarks Department would have a similar and long-term bias that would not suffer instabilities arising from the need to face the backlog of trademark applications. Its partnership in monitoring the development and evaluation of similar group codes would be an important part of sustaining the project and achieving increasingly positive results that begin with the quality of interpretation of goods and service specifications and search results and end with the quality of decisions of merit.

Organization of the IT team

Similar group codes are a long-term project that requires, firstly, a technical team from Trademarks with deep knowledge of the classification of goods and services and market affinities and, secondly, an IT team that enables the creation of codes and their associations to all approximately 15,000 items in the INPI's database of goods and services, and assignments to all goods and services

specifications in the existing applications and trademark registrations at INPI. The task requires a sufficient number of technicians from both departments and with stability in the development of a long-term project. Once the implementation of the project is concluded, teams from both departments will be demanded for the permanent management of the SGC. That group must offer responses with the necessary quality and agility, given the extent of the impacts of failures in the SGC in the examination of trademarks as a whole, in the businesses of the competitors and consumer relations. The reduced amount of stable technicians at CGTI and the big rotation of temporary technicians seem to be at this moment one of the main challenges to the project of similar group codes.

It is convenient, a priori, to plan IT solutions that allow greater flexibility in system updates, which the JPO system lacks.

Partnerships with WIPO and JPO

The IPAS system, developed by WIPO, is a software used by numerous countries. This not only implies a dependence on the INPI of WIPO with regard to updates, even the routine ones, but also the presumption that significant alterations in the system, such as, for example, the inclusion of the SGC as search parameters, should be replicated in the IPAS existing in other countries.

On the other hand, a partnership between INPI, WIPO and JPO that would enable the implementation of the SGC in the IPAS system in Brazil could represent the success of the Japanese initiative in promoting its system in the West, with potential gains for several countries involved, in terms of the agility and the uniformity of decisions, including international applications.

5.2 Normative recommendations

LPI

The fact that the use of similar group codes not only does not lead to changes in the LPI, but also makes it possible to approximate the content of the LPI and its objectives is the first and essential positive element of the project.

Differentiation between Nice classes and market segments

The central problem of Article 26 of Directive INPI/PR 08/2022 is that, at best, it assumes that each Nice class always correspond to a single market segment or collect all similar goods or services in it. In other words, it could assume that a search restricted to a single class would suffice for the fair application of the entire content of item XIX of Article 124 of the LPI.

The application of the SGC must start from the clear understanding that each class of Nice does not necessarily represent an entire market segment or a whole group of related market segments. That is, the understanding that, in order to reach all related goods and services, as a rule, filters within the same class and/or searches that cover specific items from more than one Nice class are necessary.

This concept must be explicitly stated in the Trademarks Manual.

Categorization of goods and services

The categorization of goods and services from the Nice list and the auxiliary list according to similarity criteria may derive in the issue of a list of similarities with normative character, similarly to JPO's Examination Guidelines for Similar Goods and Services.

In 2013, the CCPS team started a project to categorize goods and services based on the general affinities found between Nice classes. These affinities began to be drawn by means of a class-by-class crossing matrix in which 3 degrees of affinity between two classes were distinguished: classes, at first, totally alike; at first, partially related; and, at first, without similarities. The Trademarks Department's expectation at the time was that the said matrix would be published in table form for the user's knowledge by means of a resolution or similar normative instrument. However, the need to combat the backlog of trademark applications ended the project early.

It is suggested to reactivate the project followed by the publication of the aforementioned table with a normative character.

Definition of similarity codes as the main search parameter for prior trademarks

Considering the concepts that distinguish Nice classes and market segments, which are best represented by one or more SGC linked to a good or service, it is convenient to determine in the Trademarks Manual and occasionally through another normative instrument, that the SGC must be adopted in the examination of trademarks as the main parameter in the search for previous conflicting trademarks, and the Nice classes, occasionally, as secondary parameters.

For this, it is imperative that both the search routine of the IPAS examination software and the search routine of the BuscaWeb platform offer the same parameters and results.

Revocation of Article 26 of Directive INPI/PR 08/2022

Since article 26 of Directive INPI/PR 08/2022 provides as an exception to the search rule, generically, "other classification systems", initially interpreted as the former national classification of goods and services, there is room for the SGC to be interpreted as an admissible "other classification system".

However, the paradox that article 26 gives rise to in the perfect application of the LPI, with its consequent inconveniences for the uniformity and fairness of decisions, for free and fair competition and for consumer relations, it is recommended that it be repealed. In this way, possible new opportunistic interpretations in the future are avoided.

5.3 Technical recommendations

Sources for the design of similar group codes

The design of similar group codes may consider some of those sources:

- the previous studies of CCPS regarding similarities between specific market segments, in which some of the following sources were taken into consideration

- . the taxonomy of goods and services developed by foreign offices like EUIPO and JPO

- . the National Classification of Economic Activities used in Brazil
- . the old Brazilian National Classification categorization
- . the history of trademark applications from trademark applicants that act in related market segments
- . the history of refusal of trademark applications based on the similarity of items belonging to different Nice classes; and finally
- . the permanent consultancy by trademark examiners with academic and/or professional background in specific knowledge fields and market segments
- . the opinion of experts, attorneys, companies' representatives and also the opinions of representative associations of consumers

Incorporation of the SGC as a search parameter, in parallel with the Nice class search parameter, on the IPAS system and on the BuscaWeb platform

As previously discussed, it is convenient to adopt the SGC as a foremost search parameter both in the IPAS system and in BuscaWeb.

With regard to the IPAS system specifically, it may continue to integrate all the necessary functions for examining trademarks, including the search for potentially conflicting prior trademarks. Unlike what happens in the JPO, where more than one software is used for all stages of trademark examination, the integration of functions by IPAS in Brazil facilitates system management, simplifies and potentially speeds up the examiner's work.

If, however, it is not possible to continue searches in the IPAS system using the SGC, an accessory system that allows such searches using the SGC as a parameter should be considered.

Pilot project

Considering the limited resources of INPI and the optimization of the verification of the project results, a pilot project of association of SGC limited to a class of Nice composed by different market segments (for example, class 9 or 35) or to a market segment distributed between different classes of Nice (for example, construction materials, spread across many Nice classes as 19, 17, 11, 6, 2, 1) is suitable.

Due to the difficulties inherent in searches in class 35, due to the volume of applications and registrations in this class, the extreme variety of businesses that it covers and the low uniqueness of the names of the trademarks found, the implementation of SGC in this class, especially for services of commerce, would imply a considerable gain in speed and uniformity of decisions. However, due to the aforementioned characteristics of the class, the operationalization of the SGC in it would be a considerable challenge for all the teams involved.

Similarly, class 9 is known for being a class that brings together many goods from many different segments, such as safety equipment, laboratory equipment, electrical materials or audiovisual equipment, among others. The gains provided by the SGC in this class would be similar to the gains in class 35, however the operational difficulties would possibly be lower. Special consideration should be dedicated to microprocessed equipment with internet access, once observed the growing phenomenon of technological convergence and the internet of things. A previous suggestion for categorization of class 9 can be found in Appendix 2.

The use of SGC for building materials, for example, would significantly help examiners in one of the searches that, in principle, would lead to one of the largest numbers of classes to be searched. Searches of this nature regularly gives rise to omissions of classes to search in and lack of uniformity in procedures and decisions.

Creation of temporary "joker" SGC

Creation of temporary "joker" SGC for goods or services considered exceptions is a device created by the JPO to allow greater flexibility in the categorization of some goods or services that are not precise in their nature or in their relationships with other goods or services, or goods or services

that are somehow difficult to categorize. Some of those items appear on the Examination Guidelines for Similar Goods and Services with the suffix “X99”.

Other uses are possible. For example, an SGC that collects all the goods or services of one Nice class may be sometimes convenient to deal with some broad or somehow difficult items to establish similarities.

Market trends that deserve attention

It is convenient to identify and anticipate some market trends that may bring difficulties to the balance of some similar group codes and that may demand some flexibility or special care to be defined:

- the market segmentation and brand positioning based on “tribes” and ideals tend to “oversegment” the target audience of trademarks and even the purpose of goods, services and trademarks. Issues like sustainability, accessibility, local production, minority groups etc. may cross through and bring together the main purposes of several goods or services and target audiences of many different goods or services
- disruptive technologies like the cloud computing; the streaming of audio and video; the blockchain, its related cryptocurrency; the augmented reality and the virtual reality; the artificial intelligence, the collaborative commerce and the collaborative business chain, among others are changing market segments, the behavior of consumers and providers and the relationship between them
- the technological convergence that approaches traditional and modern devices with shared old and new functions and purposes. The so called “Internet of Things”, or IOT, transforms many different home appliances into computers or into computer peripherals and telecommunication devices
- services intermediated by software (software/platform as a service) put companies dedicated to software development, like Microsoft, and companies that use software just to intermediate specific services, like Uber, in the same class 9 for example. How to deal with the “software-and-service oriented society”, the competition or not between those players, is a good question to be answered

- Multiverse trademarks are trademarks dedicated to Marketing, to entertainment, to the own services that are provided by its owners in the real world or to all those segments?
- big manufactures that in the past were hidden behind specific trademarks, like Unilever or Procter & Gamble, nowadays are trying to show an uniform quality of all its goods by promoting its institutional or “umbrella” trademarks. Considering specifically the industrialized food segment, in which around 10 multinational companies control more than 80 % of the global market, the combination of “umbrella brands” and concentrated markets tends to approach the similarities
- big supermarkets and department stores now offer private label brands to goods that they do not produce; and big market places intermediate any kind of good or service that are provided by third parties. The relationship between production and commerce and the potential of a trademark of goods, by non-producers, to obtain protection similar to a famous trademark, in many segments, deserve consideration
- social responsibility services and programs lead companies acting in several market segments to apply for trademarks in other segments that are not their main segments, like social assistance, forest management, Marketing, entertainment, scientific researches etc. How to compare them with those that effectively act in the referred segments as their main activities?

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Appendix I – Minutes of interviews with JIPA and JPAA

I -1. Minute of interview to Japan Intellectual Property Association (JIPA) members

The JIPA members that attended the interview were Mr. Tatsuaki Saito (assistant manager at SECOM Co.'s Intellectual Property Department and Legal Department), Mr. Mitsuru Saito (Subaru Corporation's Intellectual Property Department), Mr. Shinya Fujii (manager at Bandai Spirits Co.'s Trademark and Copyright Team and Legal & IP Department), Mr. Takuya Tokuwaka (patent attorney at Kadokawa Corporation), Mr. Tomohisa Manabe (trademark G/L assistant chief engineer at Honda Motors Co.'s Trademark & Merchandising Department, Corporate IP Division and Intellectual Property and Standardization Supervisory Unit) and Ms. Yasuko Sawamoto (assistant manager and patent attorney at Mitsubishi Pencil Co.'s Intellectual Property Department).

All interviewees belong to member companies of Trademark Committee in Japan Intellectual Property Association.

The interview took place at the JIPA's headquarter, on November 18, 2022, from 9:30 A.M. to 10:45 A.M.

1 – How is the relationship of JIPA's members with JPO?

1.1 – How often do contacts occur?

Summary of answers: The relationship between JIPA and JPO is very close. JPO invites JIPA to talk about specific topics, just as JIPA proposes to JPO topics from the point of view of private companies. JIPA members of the Experts Committee and board members of JIPA attend meetings with JPO's staff regularly. It is not possible to affirm precisely the total amount of meetings, but it has been around 10 meetings per year.

1.2– Is there freedom for the JIPA members to proactively present questions or proposals throughout the year that are not foreseen in the schedules or established dockets or agreements?

Summary of answers: Yes, it occurs very frequently. JPO is very open to receive opinions, suggestions from the users that JIPA represents. It is a very friendly relationship.

1.3 – What are your main concerns in the agendas with JPO?

Summary of answers: JIPA has members in JPO's councils or committees, to deal with amendments, improvements, changes in JPO's systems. Regarding trademarks specifically, JIPA's main contributions now are dedicated to the introduction of the "consent system" by JPO.

1.4 – What are the main difficulties faced in the relationship with JPO?

Summary of answers: There are no difficulties to highlight. Relationship is very friendly, open, old and stable.

2 – What is the JIPA's members opinion regarding the criteria for establishing market similarities?

2.1 – Are all criteria used objectively and equitably by the Trademarks Department?

Summary of answers: (a) Because of the SGC, the judgment of the JPO is quite understandable, clear. (b) The decisions are very strict, therefore they are not easily changeable.

2.2 – Is there any criterion that predominate in decisions related to marketing similarities?

Summary of answers: It is quite balanced, JPO manages to balance the criteria well when determining the similarities.

2.3 – Does the notoriety or size of the applicant influence to what extent the determination of the marketing similarity between its brands and the brands of third parties?

Summary of answers: Those facts basically do not influence on the decision, unless it is argued by the applicant.

2.4 – Are there market segments in which you consider that there are more divergences between attorneys and companies with the Similar Group Codes (SGC) established by the JPO? Which?

Summary of answers: Yes. In the computer segment, for example; computers development are very rapid and new goods go to the market in a very fast way, so new SGC are supposed to be assigned. But the tendency, considering the procedures, is the same for any other product, that is to incorporate existing SGC to the new item. This congest some SGC. It's hard to follow developments of new goods quickly, as well as the development of new services.

3 – What is the JIPA's members opinion on Similar Group Codes?

3.1 – What do you understand to be, in general, the advantages and disadvantages of the system?

Summary of answers: (a) The main disadvantage would be the difficulty of any change regarding Similar Group Codes. The main advantage would be the predictability of decisions provided by means of SGC. (b) The difficulty of changing can be an advantage and a disadvantage at once, because that difficulty in some way is one reason for the stability. Stability and safety of the whole process, not just the safety regarding the search for prior trademarks. (c) The balance between consistency and flexibility is difficult to obtain. For example, South Korea perform changes in SGC more frequently and that decreases the predictability of decisions. JPO usually prioritize the stability.

3.3 – Does the system follow with the expected agility the evolution of the different market segments and the interactions that take place between them? For example, do SGC keep up with the technological evolution of products and services, the convergence of technologies and the convergence of services, including services provided through applications or websites?

Summary of answers: *This question was not directly answered by the interviewees, but can be partially clarified by previous answers, like those dedicated to the questions 2.4 and 3.1.*

3.4 – Is it usual and frequently successful to contest refusals from JPO basing the contestation on the alleged dissimilarity between market segments in which an applied trademark and a prior trademark act?

Summary of answers: The interviewees have never filed an opposition related to SGC. Some agreed that they would probably lose in any attempt for reverting decisions based on SGC. It would be better to appeal to the court, because it is not bound by the SGC.

I – 2. Minute of interview to Japan Patent Attorney Association (JPAA) members

The JPAA members that attended the interview were Mr. Sei Sato (patent attorney at Toto Momo Trade Mark Professionals), Mr. Tsunaki Hasegawa (patent attorney at Primework IP Attorneys), Mr. Masahiko Amino (patent attorney at Amino & Associates), Ms. Chikako Hashimoto (Patent Attorney, Chief Manager of Trademark Department at Sakai International Patent Office) and Ms. Misa Shimizu (patent attorney at Toto Momo Trade Mark Professionals).

All interviewees are member attorneys of Japan Patent Attorney Association.

The interview took place at the JPAA's headquarter, on November 18, 2022, from 1:30 P.M. to 2:30 P.M.

1 - How is the relationship of JPAA with JPO?

1.1 – How often do contacts between JPO and JPAA occur?

Summary of answers: JPAA is the only association of patent attorneys in Japan. It is mandatory the affiliation of all Japanese attorneys to JPAA. JPAA represents all the attorneys working in partnership with JPO and supervising tasks developed by JPO.

The current fiscal year started in April. JPAA has usually had several interactions with JPO throughout the year. JPAA often suggest or receive collaboration requests. They suggested, for example, changes in the "trial/appeal system" this year. Whenever JPO adds new SGC, it asks for support from JPAA, which has a person dedicated to Nice Classification matters.

1.2 – Is there freedom for JPAA to proactively present questions or proposals throughout the year that are not foreseen in the schedules or established dockets or agreements?

Summary of answers: The JPAA has freedom to propose contacts. Whenever they have proposals, they schedule meetings with the JPO to deal with them.

1.3 – What are your main concerns in the agendas with JPO?

Summary of answers: Some highlights would be: proposals for procedures revisions; use of names in trademarks; the "consent system" project implemented by JPO. The proposals are not always accepted, but the JPO always makes considerations.

1.4 – What are the main difficulties faced in the relationship with JPO?

Summary of answers: There are no difficulties in general. During the pandemic, some difficulties emerged regarding communication due to the own limitations of videoconferences. The contact in person is considered better, once that it allows more proximity and privacy.

2 – What is your opinion regarding the criteria for establishing market similarities?

2.1 – Are all criteria used objectively and equitably by JPO Trademarks Department?

Summary of answers: They are important to establish predictability and uniformity. Japanese people are meticulous and detail-oriented, it's part of the Japanese culture.

SGC has been operated for years, they are well known and fair. Operation and judging are very strict and not very flexible, but it is always possible to discuss the criteria and review them, so it's not too rigid. There have been issues in the past with outdated standards, but they have recently been reviewed and addressed with standards that better match current businesses practices. The process is transparent and in case of refusals the decisions are well detailed and allow precise manifestation by the attorneys.

2.2 – Is there any criterion that predominate in decisions related to marketing similarities?

Summary of answers: Japan had in the past a rather peculiar grouping system, based on the constitution of goods. After the World War II, the point of sale criterion prevailed, it means, if the compared goods are sold together or not. After Nice Classification, which has several goods, made of different materials, grouped together, Japan was forced to change material-centric criteria. Nevertheless, there are still similarities inherited from the past. Nowadays, consumers point of view is prioritized.

In the past, only one SGC was usually assigned to each good; today many goods are multifunctional, therefore they frequently receive more than one SGC.

2.3 – Does the notoriety or size of the applicant influence to what extent the determination of the marketing similarity between its trademarks and the trademarks of third parties?

Summary of answers: Famous and well-known trademarks matter, and they make similarity and SGC more flexible. In Japan, there are no “famous trademarks” formally, but there are "defensive trademarks” that can be protected in several classes. Even before they are accepted as "defensive", the JPO or the court may consider them famous and approach or distance the similarities.

2.4 – Are there market segments in which you consider that there are more divergences between attorneys and entrepreneurs with the Similar Group Codes (SGC) established by the JPO? Which?

Summary of answers: (a) In some classes, the classification of SGC seems more meticulous. For example, in the case of food, SGC are very meticulous and separate everything with different codes: if we consider sweets, confectionery, bakery, pastry, coffee etc., they have specific SGC. Nevertheless, the providers of those foods, that is, baker shops, coffee shops, cake shops etc., have the same SGC.

(b) In the specific case of restaurants, for example, they have only 1 SGC, regardless of the peculiarities of the providers, although they are specialized in different cuisines. Regarding software, they could have separate SGC depending on the consumer and the personal use of each one. It is necessary to take care every time a trademark for software is applied, to avoid refusals, because all kinds of software have the same SGC.

3 – What is your opinion on Similar Group Codes?

3.1 – What do you understand to be, in general, the advantages and disadvantages of the system?

Summary of answers: Very good for fairness and speed of the examination. Sometimes there are questions about the appropriateness of the assigned code, but the huge advantage prevails and there is the possibility of revision.

The main advantage would be fairness and speed. Disadvantage: SGC focuses on goods and services similarities, not the trademark, the sign itself. JPO’s examination is very straightforward. The

examination of similarity would ideally consider the combination of the trademarks themselves and the destination of their goods. The focus on goods and services and SGC does not consider the likelihood of confusion, the similarity of signs.

3.2 – What are the main problems or difficulties faced by attorneys related to classification, similarities between market segments and the SGC?

Summary of answers: Problems with trademarks deposited by foreigners, mainly from the West, where no countries use SGC and similarities are understood differently. For example, suit and tie in the West are related. Westerners sometimes want oppositions, but in Japan it would not be successful. Often the court is, differently, more flexible with regard to similarity.

3.3 – Does the system follow with the expected agility the evolution of the different market segments and the interactions that take place between them? For example, do SGC keep up with the technological evolution of products and services, the convergence of technologies and the convergence of services, including services provided through applications or websites?

Summary of answers: The impact of a SGC change on a good or service and the change of similarities is very large, it can lead to confusion, it has to be agreed between all stakeholders. The meticulousness and agreement for changes on SGC are great aspects of the process, nevertheless they demand time and, in that sense, it is not possible to say that JPO gives a prompt response to the speedy evolution of technology.

3.4 – Is it usual and frequently successful to contest refusals from JPO basing the contestation on the alleged dissimilarity between market segments in which an applied trademark and a prior trademark act?

Summary of answers: It was extremely difficult in the past, but recently it has been possible to find successful appeal cases. JPO is very careful in accepting oppositions, since a high frequency of acceptances could undermine the stability of the SGC system. It is not legally possible to appeal directly to court, it is necessary to go through the JPO first, which is considered the first instance.

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Appendix II - Draft taxonomy of class 9 of Nice International Classification

Class 9

***Protection, safety and rescue equipment**

- Clothing for protection
- Fire extinguishers

/* Microprocessed equipment with internet access/

***Electronic audio and/or video equipment and data storage**

- Computers
- Audio and/or video players
- Audio and/or video recorders
- Audio and/or video editors
- Cell phones
- Hubs (Alexa/Amazon)

***Software on physical or downloadable support**

- Videogame games
- Software/apps for audiovisual equipment

***Basic electrical equipment**

***Telecommunications equipment**

- Cell phones
- Antennas
- Modems
- Hubs

***Optical equipment**

- Equipment for vision correction
- Photographic equipment
- Laboratory equipment
- Equipment for observation /from space/

***Laboratory equipment**

- Equipment for measuring, testing, storage, etc.

*** Humanoid robots**

- Entertainment robots
- Service robots

***Teaching equipment**

[End of document]

Appendix III – Minute of interview with the JPO's IT Department

The interviewees were Mr. Kota Taniguchi and Mr. Toshimasa Mitsui, members of the Trademark System Group.

The interview took place at the JPO headquarter on November 14, 2022, from 10:00 A.M. to 11:00 A.M.

1. How is the JPO's IT structure?

1.1 Is the IT staff permanently dedicated to JPO demands or the employees are shared among other government or private companies?

At the JPO, where the Information Technology Management Office maintains and manages information systems related to industrial property rights, the staff belonging to this office are basically employees of the Office.

In particular, the Patent Examiner, Design Examiner, and Trademark Examiner are in charge of the patent system, design system, and trademark system, respectively.

On the other hand, those who actually operate and support the development of the systems as system integration vendors are mainly private enterprises that were in charge of system development.

In addition, the staff of the department in charge of systems within the Trademark Division are also trademark examiners (Planning and Coordination Office for Mechanization of Trademark Examination).

1.2 How many are dedicated to the development and maintenance of the system that handles the assignment and updating of similar group codes and the search for previous trademarks?

In the Information System Office, two people in the Trademark System Group are mainly in charge.

About 3 to 6 people are engaged in maintenance, etc. as system integration vendors for each of the systems mentioned below.

About 3 people are in charge of systems in the Trademark Section.

1.3 How does the interface between the IT Division and the Trademarks Division take place (frequency, means of contact, means of forwarding demands, reference people in each division etc.)?

The IT and Trademark departments communicate with the Trademark System Group of the Information Technology Management Office and the Trademark Examination Mechanization Planning and Coordination Office, respectively. The Trademark System Group is in charge of trademarks in the IT Department, and the Coordination Office is in charge of systems in the Trademark Department.

The means of communication always vary depending on the situation and content, such as e-mail, telephone, chat applications, and face-to-face meetings, but basically most of the communication is done by e-mail.

2. What is the system like?

2.1 Is the routine that deals with assignment and updating of SGC and with the search for prior trademarks integrated into the trademark examination system or it can be run apart, outside of the examination system?

As a premise, there are four main trademark systems: Trademark Examination Peripheral System, Trademark (Word Elements) Search System, Graphic Trademark Examination System, Graphic Trademark Search System and MADPRO system.

- Trademark Examination Peripheral Systems: These systems support a series of substantive examinations from the point where an examiner obtains a case to the point where a draft is submitted to a decision maker and the decision maker makes a decision.
- Trademark search system: A system that searches for trademarks by reading or characters using similarity group codes.
- Graphic Trademark Examination System: A system that performs graphic searches using the Vienna graphic classification codes.
- Madpro system: for examination of trademark applications under the Madrid Protocol.

The above-mentioned trademark search system and graphic search system are used for trademark and graphic searches using similarity group codes.

We recognize that the assignment and updating of similarity groups refers to the examination work to determine what the similarity groups are for the designated goods and designated services included in the application, and that work is performed within the Trademark Examination Peripheral System.

Specifically, the work is performed in the screen on the fourth slide of the Coordination Office lecture material.

In addition, searches for prior trademarks are conducted in the Trademark Search System and the Graphic Trademark Examination System.

2.2 Was it developed in which programming language and why (what would be the advantage?)?

The programming languages used were standard and had a good track record of use during initial development, which was thought to be easier for the engineers to implement.

2.3 How long was it developed and by how many developers?

Regarding the development when the search started to be based on similar group codes, it occurred almost 30 years ago, and it is unknown because no data remains.

2.4 Has it been a stable system over the years?

There have been no system failures that have had a significant impact on review decisions.

2.5 How often does it require updates and fixes?

The system may be modified in accordance with amendments to the Trademark Law.

The trademark examination peripheral system currently in operation is a system that began operating approximately 20 years ago, and a project is currently underway to revamp this system. This is not a trademark search or graphic trademark examination system.

The system may be remodeled at the time of server renewal, etc.

2.6 What are the biggest challenges in managing the system?

In order to manage system operations, it is important to take a proactive approach, such as preventing failures by accurately identifying the signs of failure, in addition to promptly responding to incidents as they occur. This requires constant and lean monitoring, and achieving this is an operational challenge.

3. Does the system meet internal users' expectations?

3.1 How satisfied are the examiners with the use of the system or the specific routines for assigning similar group codes and searching for similarities?

Since the Trademark Examination Peripheral System, the Trademark Search System, and the Graphic Trademark Examination System were all built more than 20 years ago, the current examiners are aware that they are fully familiar with the operability of the systems and are generally We have the impression that the current examiners are generally satisfied with the system.

In addition, the assignment of similarity group codes is done automatically if there is a match with the data in the goods and services check table, the list of similar goods and services examination criteria, and past cases of adoption, and there are also staff members who specialize in assigning similarity group codes at the stage before the examiners start the process, so the examiners are generally satisfied with the system. Therefore, the examiners are generally satisfied with the system.

3.2 What are the most frequent complaints?

We checked with the person in charge of systems in the trademark department who is close to the trademark examiners. The person in charge said: "We have never received any complaints from examiners about the system". We provide training to new and transferred examiners on a case-by-case basis, and we have not heard any particular complaints about the system in general. The answer was "We have not received any complaints from the examiners about the system in general".

3.3 What are the main suggestions for improvement?

We are not aware of any suggestions for improvement for claims, partly because we have not received any claims related to the system. We also checked with the person in charge of systems in the Trademark Department, but that person also said: "As for the original section, when we receive a development request from a user, we will convey it to the Information Systems Office for consideration toward its realization". This is the same as the above.

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