Handling of Regional Collective Trademarks

1. Introduction of regional collective trademarks

Recently, regional brands are gaining increased attention in the light of revitalizing regional industries and boosting local development. Regional branding consists of the collaborative efforts made by business entities in a region to sell or provide local specialties, such as agricultural and marine products, or food enriched by the natural conditions in the region, traditional crafts historically related to the region, or distinctive services in the region, by using a common regional brand name in order to differentiate their products or services from those in other regions and to enhance their added values.

However, as a regional brand becomes well known among consumers and brand credibility is enhanced among them, other persons may take advantage of the established credibility and damage it by utilizing the same name as a brand for other goods or services in other regions, or other low-quality goods or services.

To prevent other persons from taking advantage of established brand credibility and to eliminate such cases, registering the brand as a trademark is an effective countermeasure. Yet, under the Trademark Act, it has not always been easy to register a trademark consisting of the name of the region, often used as a brand name and the name of goods (services). In other words, word marks consisting of the name of a region and the name of goods (services) were not registered, in principle, since the source of goods or services is not identifiable or since such marks are widely used among businesses and are not appropriate for exclusive use by one business entity, which falls under a case of a trademark consisting solely of a mark indicating, in a common manner, in the case of goods, the place of origin, place of sale, and quality, or in the case of services, the location of provision, quality, and other matters (Article 3(1) of the Trademark Act).

To be registered, trademarks must be widely known across the nation as a trademark of the applicant practically and recognized as “(the trademarks) consumers are able to recognize as the goods or services pertaining to a business of a particular person” (Article 3(2) of the Trademark Act). Therefore, illicit utilization by other persons was not eliminated until the applicants earned recognition at the national level. Furthermore, such illicit utilization made it more difficult for the applicants to obtain national-level recognition, which is a requirement to register a trademark.

In the meantime, a trademark comprised of the name of a region and the name of goods (services) with a distinctive figure is registered as long as it satisfies other requirements since the figurative part of the trademark can differentiate the applicant’s designated goods (services) from others’ and the trademark has distinctiveness as the whole, and therefore does not fall under Article 3(1) of the Trademark Act. As for a trademark with a figure, however, there was a problem in that illicit utilization by other persons was not effectively eliminated since if other
persons used a trademark consisting of the same characters and a different figure, the two trademarks were, in principle, not deemed as similar to each other.

For the above reasons, it was pointed out that a word mark consisting of the name of the region, often used as a regional brand, and the name of goods (services) was protected to a limited extent under the Trademark Act, and that the existing law did not fully meet the needs of business entities expecting the protection of the brands they were developing. Responding to such arguments, it became a challenge to implement the system enabling a trademark to be registered even before it has gained national level awareness among consumers, with its source still clearly unidentifiable.

As a solution to this problem, the Regional Collective Trademark System has been introduced. With respect to trademarks consisting of the name of a region and the name of goods (services), this new system allows any association, including those established by special laws, to register a regional collective trademark, provided that such trademark is used for goods (services) that have a close relationship with the region and are well known among consumers.

2. Requirements for registering regional collective trademarks

Article 7-2 of the Trademark Act provides requirements for registration as follows:
1) Applicants must meet eligibility requirements for regional collective trademarks;
2) The collective must intend to allow its members to use the trademark;
3) The trademark must be well known among consumers;
4) The trademark must consist solely of the name of the region and the name of goods (services); and
5) The name of the region in the trademark must have a close relationship with the goods (services).

It should be noted that other registration requirements are the same as those for regular trademarks, excluding the application of Article 3(1)(iii) through (vi) and Article 3(2) of the Trademark Act.

3. Conversion of applications

Applicants for a trademark may convert an application for trademark registration of a regional collective trademark into a regular application for trademark registration or into an application for trademark registration of a collective trademark, and vice versa (Article 11 of the Trademark Act).

It should be noted that when converting a regular application for trademark registration or an application for trademark registration of a collective trademark into an application for trademark registration of a regional collective trademark according to Article 11(1) or (3) of the Trademark Act, applicants must submit, according to Article 7-2(4) of the Trademark Act, “a document certifying that the applicant for trademark registration is an Association, etc.” and “documents necessary to prove that the trademark for which the registration is sought contains the name of a region as provided in paragraph (2).”
However, this conversion shall not apply to an international application for trademark registration (Article 68-13 of the Trademark Act).

4. Procedures for trademark rights pertaining to regional collective trademarks

The content and scope of a right of a regional collective trademark are basically the same as those of a regular trademark right.

However, based on the policy of this system (Article 7-2(1) of the Trademark Act), treatments different from those for regular trademarks are also stipulated; namely, transfer of a trademark right (Article 24-2(4) of the Trademark Act), the limitation of an exclusive right to use (Article 30(1) of the Trademark Act), a right to use the registered trademark of members (Article 31-2 of the Trademark Act), relaxation of requirements for a right of prior use (irrespective of whether or not it is well known among consumers; Article 32-2 of the Trademark Act), and an exclusion period for a trial for invalidation of trademark registration (remedy for defect pertaining to requirements for being well known among consumers; Article 47(2) of the Trademark Act).

(Note) Click below to see the Examination Guidelines for Trademarks

Examination Guidelines for Trademarks:

Article 3(1)(iii) (Indication of Origin, Place of Sale and Quality of the Goods, or Indication of Location and Quality of Provision of the Services)
Article 3(2) (Distinctiveness Acquired Through Use)
Article 7-2 (Regionally based collective trademarks)