

Handing of Cases where the Applicant and the Owner of a Cited Trademark Right have a Dominance Relationship

Examination Guidelines for Trademark Article 3(x), Article 4(1)(xi)

13. Handling of cases where the applicant and the owner of a cited trademark right have a dominance relationship

When the applicant claims that he/she is in any of the relationships (1) and (2) with the owner of a cited trademark right and submits an evidence (3), the case shall be handled as if this item does not apply.

(1) The owner of a cited trademark right is under the control of the applicant.

(2) The applicant is under the control of the owner of a cited trademark right.

(3) An evidence to the effect that the owner of a cited trademark right agrees that the trademark as applied is to be registered.

(Examples that fall under (1) or (2))

(a) Business of the owner of a cited trademark right of which the majority of voting rights of all shareholders are owned by the applicant;

(b) Business of the owner of a cited trademark right which has a capital alliance with the applicant and whose corporate activities are substantially under the control of the applicant, although the requirement specified in (a) above is not satisfied.

(Concept)

The Examination Guidelines for Trademark prescribe the exceptional handling of Article 4, paragraph (1), item (xi) of the Trademark Act. They do not have any effect whatsoever on the traditional way of making a judgment of similarity of trademark and goods nor permit the introduction of so-called consent system (See Material 3 of the second “Trademark System Subcommittee, Intellectual Property Committee, Industrial Structure Council”). Moreover, a relationship between the applicant and the owner of a cited trademark right subject to the Guidelines is limited to cases where they have a parent-child relationship as described below. Therefore, even if the applicant has a certain relationship with the owner of a cited trademark right (e.g. affiliated relationship, sub-affiliated relationship, group company, franchiser/franchisee), it shall not be subject to the Guidelines.

1. Dominance relationship

The cases where the applicant is under the control of the owner of a cited trademark right or vice versa and how to judge such cases are explained below.

(1) When the owner of a cited trademark is under control of the applicant

(a) Business of the owner of a cited trademark of which the majority of voting rights of all shareholders are owned by the applicant;

(b) (i) Business of the owner of a cited trademark right which has a capital alliance with the applicant and (ii) whose corporate activities are substantially under control of the applicant, although the requirement specified in (a) above is not satisfied.

(2) Cases where the applicant is under the control of the owner of a cited trademark right

(a) Business of the applicant of which the majority of voting rights of all shareholders are owned by the owner of a cited trademark right;

(b) (i) Business of the applicant which has a capital alliance with the owner of a cited trademark right and (ii) whose corporate activities are substantially under the control of the owner of a cited trademark right, although the requirement specified in (a) above is not satisfied.

(3) Proving materials

For the cases of (1)(a) or (2)(a), materials proving the structure of shareholders that have already been made public (e.g. quarterly corporate reports) shall be submitted.

For the cases of (i) mentioned in (1)(b) and (2)(b), documents proving that the applicant or the owner of a cited trademark right owns between 10 to 50% of outstanding stocks of the business of the other party, and for the cases of (ii) in those items, documents proving that, for example, the applicant dispatches executives to or constantly directs the management of the business of the owner of a cited trademark right (e.g. company profiles, catalogues, articles of incorporation, pamphlets, etc.), shall be submitted.

Whether or not the applicant is under the control of the owner of a cited trademark right or vice versa may change. Therefore, materials proving their dominance relationship shall not be used citing materials submitted for examination of other applications.

2. The owner of a cited trademark right agrees that the trademark as applied is to be

registered.

In order to prove that the owner of a cited trademark right agrees that the trademark as applied is to be registered, the following documents shall be submitted.

(Example)

Statement	
<p>Our company is the owner of the cited trademark right (Registration No. □□□□) that was judged to fall under Article 4, paragraph (1), item (xi) of the Trademark Act in the notice of reasons for refusal in connection with the application for trademark registration filed by the applicant ★★★ and Trademark Application No.○○-△△△△.</p> <p>Our company agrees that the trademark claimed in the said application is to be registered.</p> <p>The above statement is true and correct</p>	
(Owner of cited trademark right)	Date:
Address:	
Name:	
CEO ×××	

3. Application identical with registered or prior trademarks

Even in cases where the applicant is found to be under the control of the owner of a cited trademark right or vice versa and the owner of a cited trademark right agrees that the trademark as applied is to be registered, if the trademark pertaining to the cited trademark and that pertaining to the application are identical and the designated goods or designated services are also identical, it falls under this item. Consequently, its registration shall not be permitted. Please be reminded that whether the designated goods or designated services are identical shall be judged in accordance with 41.01-1 and 41.01-2 in the Trademark Examination Manual.

4. Judgment of similarity of trademarks and designated goods or designated services

This handling is to permit a trademark to be registered as an exception in cases where the applicant and the owner of a cited trademark right have a certain relationship and the owner of a cited trademark right agrees that the application for trademark

registration is to be made in consideration of both the convenience of using the trademark and the necessity of preventing consumers from suffering from an disadvantage caused by misleading or causing confusion over the source of the goods or services.

Therefore, this handling does not affect the judgment of similarity of trademarks and designated goods or designated services nor alter the interpretation in the past.