

**42.400.01****Handling of Examinations Concerning Exceptions to Another Person's Registered Trademark Applied for Prior to the Filing Date of the Trademark Application Concerned**

Article 4(4) (hereinafter referred to as "this paragraph") is an exception to Article 4(1)(xi). If this paragraph is applied, similar trademarks may be registered concurrently. In view of the fact that trademark rights can be renewed semi-permanently, in order to fall under "no likelihood of confusion," it is necessary to be determined that there is no likelihood of confusion not only at the present time of the examiner's decision, but also in the future, based on the time of the examiner's decision. Therefore, the specific operation in determining "no likelihood of confusion" shall be as follows;

**1. Likelihood of confusion at the present time of the examiner's decision****(1) Mode of use of the trademark and other actual state of transactions**

As for "(viii) Mode of use of the trademark and other actual state of transactions," in the reasons for consideration in the Trademark Examination Guidelines Part III, Chapter 19, Article 4(4) (hereinafter referred to as the "Guidelines") 4.(3), the current mode of use of the trademark and other actual state of transactions of the cited trademark and the trademark as applied (hereinafter referred to as "both trademarks") disclosed by the applicant shall be taken into consideration. If, at the present time of the examiner's decision, there is an agreement between the parties as to the mode of use, etc., the details of the agreement shall be taken into consideration.

Furthermore, since some specific current mode of use, etc., can be grasped through the ex officio research by the examiner, the circumstances obtained through the ex officio research will also be included in the judgment.

**(2) Cases where the cited trademark or the trademark as applied is disused or unused**

This paragraph examines whether or not there is a likelihood of confusion by considering the specific circumstances of the actual use of both trademarks. Even if both trademarks or one of them are not in use at

the time of the examiner's decision, this does not preclude the application of this paragraph. The same shall apply if an ex officio research reveals that the trademark is not currently in use. In such cases, the decision shall be based on the fact that the trademark is not in use, and if at least one of them is not in actual use, this shall be considered as a factor denying the likelihood of confusion at the present time of the examiner's decision.

## 2. Likelihood of future confusion

### (1) Circumstances that are recognized as not fluctuating in the future

The circumstances that may be considered in the direction of denying the likelihood of future confusion are circumstances that are recognized as not fluctuating in the future among the specific circumstances regarding both trademarks; therefore, in determining the reasons for consideration in 4.(3) of the Guidelines, it shall be determined whether or not the matters disclosed by the applicant and the circumstances obtained from the ex officio research by the examiner are circumstances that are recognized as not fluctuating in the future.

### (2) Period of agreement between the parties

Basically, it is necessary that there is always no likelihood of confusion at any time while both trademarks are registered. Therefore, if the agreement is for a short period of time, such as one or two years, it cannot in principle be said that there is no likelihood of confusion in the future. The same shall apply to any such short-term agreement, even if it is possible to renew the details of the agreement, as there is no guarantee that it will be renewed. However, if it is clear that the duration of the cited trademark will not be renewed and that the trademark right will expire, it may be considered in the direction of denying the likelihood of future confusion as long as the agreement exists until the time of expiration.

In addition, in the case of indefinite term agreements, it is presumed that the agreement will continue as long as both trademarks are registered, unless there is doubt that the circumstances will not fluctuate in the future, such as a reservation of the right to terminate at will.

### (3) Cases where the evidence shows that the circumstances will not fluctuate in the future

4.(4)(ii) of the Guidelines "cases where there are reasonable grounds to recognize that the specific circumstances regarding both trademarks will not fluctuate in the future based on the submitted evidence, etc." refers, for

example, to cases where there is no confusion at present and it can be confirmed on the basis of objective facts that the situation of no confusion will continue in the future because the specific circumstances are unlikely to fluctuate due to the fact that both trademarks have been used for many years only for certain goods and the probability that the parties will not enter into a business in a different field due to the nature of their business.

(4) Cases where the current mode of use differs from the future mode of use

The current mode of use of both trademarks, which may be found not to cause confusion, and the agreed future mode of use of both trademarks need not be the same; even if they are different, this paragraph may be applied if it is determined that there is no likelihood of confusion in the future based on the content of the future mode of use of the trademarks.

Furthermore, if both trademarks or one of them are not in actual use at the present time of the examiner's decision, the likelihood of confusion in the future shall be determined based on the expected mode of use, etc. Even in cases where both trademarks are in use at the present time of the examiner's decision, if there are circumstances, such as an agreement that the goods to be used in the future are limited among the goods, etc. included in the designated goods, etc. as for at least one of the trademarks, the goods, etc. not to be used shall be considered as a factor denying the likelihood of future confusion.

(5) Method of claim

It is also possible to claim by combining an agreement that the specific circumstances regarding both trademarks will not change in the future and reasonable grounds to recognize that the specific circumstances regarding both trademarks will not fluctuate in the future based on the submitted evidence, etc. Furthermore, the applicant does not have to allege and prove all the reasons for consideration in 4(3) of the Guidelines, but it is sufficient to allege and prove the extent necessary to deny the likelihood of confusion.

3. Specific operations in determining "no likelihood of confusion"

(1) Consideration of "the mode of use of the trademark and other actual state of transactions"

Among the matters to be considered in 4. (3) of the Guidelines, "(viii) Mode of use of the trademark and other actual state of transactions," it is

generally considered that matters relating to the trademark which is directly seen by consumers, and the goods, etc. in which the trademark is used (a.-c.) have a greater impact on the determination of whether there is a "likelihood of confusion" than matters not directly relating to the trademark or the goods, etc. (d.-g.).

Moreover, even if there is an agreement on the matters to be considered, the decision will be made after considering the degree to which each matter prevents confusion, based on the characteristics of the trademark and the goods, etc., in which it is used, rather than on the number of matters agreed upon.

(Example)

- An agreement to use a house mark, etc., for a trademark with relatively weak distinctiveness between one's own goods and services and those of others (e.g., where a common name is used for goods other than those to which that name refers) is likely to reduce the likelihood of confusion.
- For trademarks used on a wide range of goods (e.g., house marks), the extent to which the likelihood of confusion is reduced is small, even if the goods on which the trademark is used are limited.
- For goods whose consumers are general consumers (e.g. stationery), the consumer's attention is usually low, so a high likelihood of confusion exists if the trademarks have a high degree of structural similarity.
- For goods sold by small business owners (e.g., handmade confectionery), the likelihood of confusion may be easily reduced by limiting the place of sale to a particular region, thereby creating a difference in place of sale.

## (2) Processing of the identical trademark and the identical designated goods and services

The statement "the identical designated goods or services" from 4. (3) of the Guidelines refers to the designated goods or designated services of the trademark as applied that have the same indication as the designated goods or designated services of the cited trademark (except for those that are conceptually included).

## (3) Cases where an exclusive right to use or a non-exclusive right to use is established on the cited trademark

In order for this paragraph to apply, there must be no likelihood of confusion not only with the holder of the cited trademark right but also with the holder of exclusive right to use or the holder of non-exclusive right to use (hereinafter referred to as the "holder of exclusive right to use, etc.").

Therefore, in cases where, despite the establishment of an exclusive right to use or a non-exclusive right to use, only materials concerning the mode of use or the agreement, etc., of the cited trademark concerning the holder of the cited trademark right are submitted, the submission of additional materials, etc., shall be required to show that there is no likelihood of confusion either to the relationship with the holder of exclusive right to use, etc.

Even if the holder of the cited trademark right does not use the trademark due to the establishment of an exclusive right to use or non-exclusive right to use at the present time of the examiner's decision, there must be no likelihood of future confusion with the holder of the cited trademark right, since it is not known when the agreement establishing the exclusive right to use or non-exclusive right to use in question will expire.

(4) Cases where the applicant and the holder of the cited trademark right have a certain relationship (e.g., parent-subsidiary company, sibling company, etc., so-called group company relationship)

If the holder of the cited trademark right and the applicant are objectively in a so-called group company relationship, such as a parent-subsidiary company, sibling company, etc., only in the application of this paragraph, it is determined that, in principle, there is no likelihood of confusion as to the source of the goods, etc., among consumers of the goods, etc., by mistaking them as goods, etc., pertaining to the business of a person who has some economic or organizational relationship with the holder of trademark right or the holder of exclusive right to use, etc., pertaining to the registered trademark of another person in Article 4(1)(xi). On the other hand, the so-called group company relationship does not eliminate the likelihood of confusion as to the source of the goods, etc., among consumers of the goods, etc., by mistaking them as goods, etc., pertaining to the business of the holder of trademark right or the holder of exclusive right to use, etc., pertaining to the registered trademark of another person. However, there are cases where there are circumstances that can be considered as the mode of use of the trademark and other actual state of transactions due to having a certain relationship as a so-called group company (for example, circumstances such as an agreement to use the trademark written that the company is a group company attached to it). Therefore, it will be determined whether there is a likelihood of confusion based on such circumstances.

Since it is also possible to claim the applicability of this paragraph

together with a claim for the non-applicability of Article 4(1)(xi), in cases where a controlling relationship between the applicant and the holder of the cited trademark right is recognized and falls under the Trademark Examination Guidelines Part III, Chapter 10, Article 4(1)(xi)13. Treatment in the case where there is a controlling relationship between the applicant and the holder of a cited trademark, it shall be determined that Article 4(1)(xi) does not apply due to the treatment.

4. Amendment of designated goods, etc., that are clearly not to be used

If it is clear from the materials submitted by the applicant that the applicant intends to use only some of the designated goods, etc., the amendment is required to limit the designated goods, etc., to those goods, etc., that the applicant intends to use.

References

[Examination Guidelines for Trademarks:](#)

Article 4(4)(Exceptions to another person's registered trademark applied for prior to the filing date of the trademark application concerned)