

# Q1. What kind of claims and allegations may the Plaintiff (“XBC”) raise regarding trademark infringement in your country?



## ➤ Plaintiff (P) 's claims:

1. **Injunction** to demand Defendant (D) to suspend the import, sale and lease of D's products (Trademark Act (TA) Art. 36, para. 1)
2. **Disposal** of D's products (TA Art. 36, para. 2)
3. **Compensation** for damages

## ➤ P's allegations:

1. Requirements for **injunction**
  - a. P holds a registered trademark right, and
  - b. D infringes the P's registered trademark right:
    - ✓ D's marks are identical with or similar to P's registered trademark, and
    - ✓ D's products are identical with or similar to the designated goods or the designated services of P's registered trademark, and
    - ✓ D imports, sells, and leases D's products affixed by D's marks.
2. Requirements for **disposal**

In addition to a and b above:

  - c. Necessity of disposal
3. Requirements for **compensation** for damages

In addition to a and b above:

  - d. D's intent or negligence for infringement (TA Art. 39, Patent Act (PA) Art. 103)
  - e. P's damage and its amount (TA Art. 38)

## Q2. What kind of defenses and allegations may the defendant (“YBCM”) raise regarding trademark infringement in your country?



### ➤ D's defenses:

1. P's trademark right shall be **deemed never to have existed** by the JPO's final and binding trial decision the trademark registration is to be invalidated. (TA Art. 46-2)
2. P's trademark registration **should be invalidated** by the JPO's trial decision for trademark invalidation. (TA Art. 39, PA Art. 104-3)
  - ✓ P's registered trademark is identical with or similar to the mark “ABCM” which is well known among consumers in another country as that indicating products or services pertaining to the business of ABCM Corp. and is used for unfair purposes. (TA Art. 4, para. 1, item 19)
  - ✓ P's registered trademark is causing damage to public policy. (TA Art. 4, para. 1, item 7)
3. The exercise of the P's registered trademark right constitutes an **abuse of right**. (Civil Code (CC) Art. 1, para. 3)
  - ✓ The registered trademark does not embody credibility of P. It should be properly vested to D. Those conditions are comprehensively considered.

### Q3. Please explain how the trademark infringement cases are determined in your country, and how would you judge trademark infringement in this case?



#### ➤ Similarity of trademarks

##### ◆ Standard to determine the similarity of trademarks

Similarity of trademarks should be discussed on the whole by generalizing the impression, memory, suggestion, etc. given to traders and consumers by **appearance**, **concept**, and **sound** of a trademark which is used for the same or similar goods or services, in light of the **conditions of the transactions** for the goods or services.

(Sup. Ct. Feb. 27, 1968 [Hyozan Case] etc.)

##### ◆ Composite trademark

Extracting a part of constituent parts of a trademark and using only such extracted part for comparison with another person's trademark in order to determine the similarity of trademarks themselves should not be permitted unless in the following situations:

- a. It would not be unnatural to observe each constituent part separately according to the reasonable standard of trade practice.
- b. One of the constituent parts is acknowledged to give a strong and dominant impression to traders and consumers as a source-identifying indicator of goods or services.
- c. Other parts cannot be acknowledged to generate any sound or concept as a source-identifying indicator.

(Sup. Ct. Dec. 5, 1963 [Lyra-takarazuka Case], Sup. Ct. Sep. 8, 2008 [Tsu-tsu-mi-no-o-hi-na-kko-ya Case] etc.)

#### ➤ Similarity of goods or services

“When **both goods in question**, for reasons such as the fact that they are normally manufactured or sold by the same business entity, might create a misperception of being a product manufactured or sold by the same business entity if the same or similar **trademark is affixed**, they fall under similar goods”

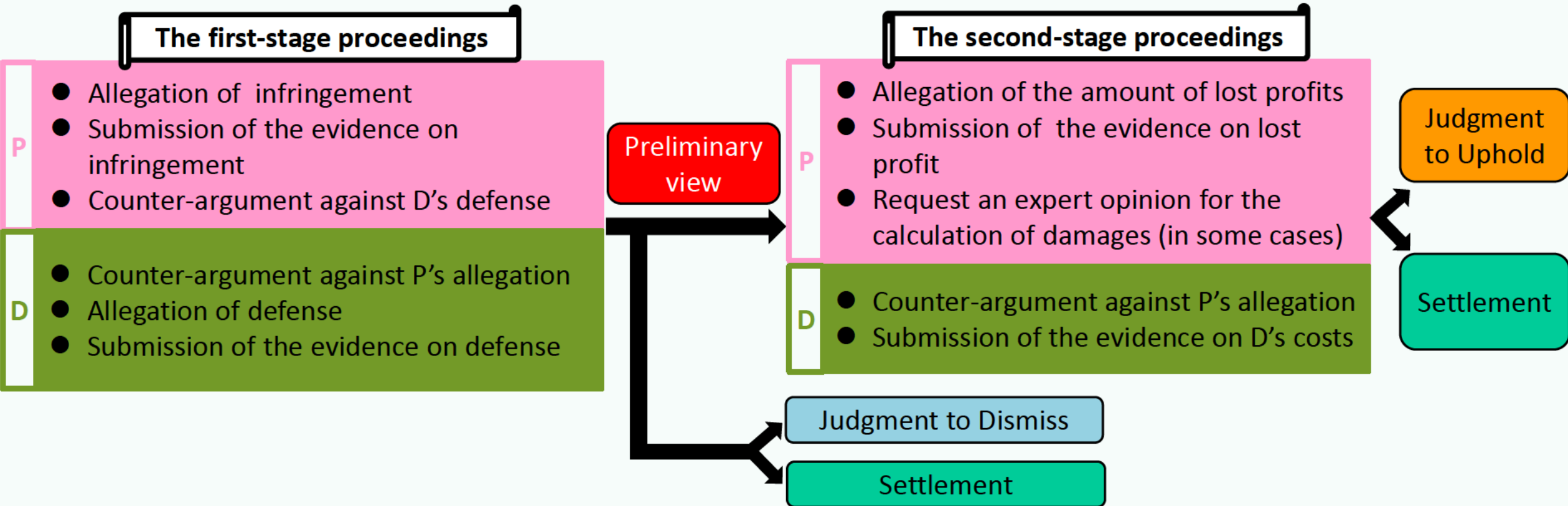
(Sup. Ct. Jun. 27, 1961 [Tachibana-masamune Case] etc.)

# Q4. How are infringement and damages asserted, proven, and refuted in the course of litigation?



**“Two-stage proceeding system” (adopted by the IP Divisions of Tokyo and Osaka District Courts)**

1. The first-stage proceedings: **stage for examination on infringement**
2. The second-stage proceedings: **stage for examination on damages**

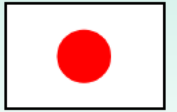


## Q5. Please explain how damages for trademark infringement are calculated in your country.



- **Claims for damages on the ground of infringement of trademark right are based on CC Art. 709, including following damages:**
  1. Lost profits
  2. Damages to reputation
    - ◆ No stipulation for punitive damages
- **Special provisions for calculating the amount of damages of lost profits (TA Art. 38):**
  1. The amount of damages shall be **the amount of lost profits which would have been earned by the holder of the trademark right in the absence of infringement.** (para. 1)
    - ◆ Multiplication of the amount of profit per unit of goods which would have been sold by the holder of trademark right in the absence of infringement and the quantity of goods assigned by infringer
  2. The amount of damages shall be presumed to be **the amount of profits earned by the infringer.** (para. 2)
    - ◆ Presumption can be eliminated by the proof of infringer.
  3. The amount of damages shall be **the amount of money which the trademark would have been entitled to receive for the use of the registered trademark.** (para. 3)
    - ◆ Calculation based on reasonable royalty rate for the infringement

# Q6. How would the conclusions in prior questions be affected if the registered trademark has not been in use ?



## ➤ Trial for rescission of trademark registration

- P's trademark registration shall be **rescinded** when a person filed a request for a trial for rescission of the non-use of P's registered trademark, and P cannot prove the usage of P's registered trademark for **three consecutive years or longer** prior to the registration of the request for the trial. (TA Art. 50).
- P's trademark right is **deemed to be extinguished** on **the date of registration of the request for the trial** when JPO's trial decision to rescind P's trademark registration becomes final and binding. (TA Art. 54 para. 2)

## ➤ Additional defense of D:

1. If the JPO's trial decision above becomes final and binding, P is **not entitled** to seek **injunction** and **destruction** for the **future**.
2. If the trial above has been requested and it is obvious of the registration to be rescinded, D may argue that P's seeking injunction and destruction for the **future** constitutes an **abuse of right** ("abuse of right defense").
  - ◆ P is still **entitled** to seek **damages** in the **past**.

→ **The conclusion in Q2 would be affected.**

## Q7. What would be the outcome of this case if it was filed in your country taking into account the available defenses? Please briefly explain your conclusions and reasons.



### ➤ Conclusion

P's claim is expected to be **dismissed**.

### ➤ Reasons

1. P's registered trademark and D's marks are found to be **similar** as follows:

a. Mark 1: **similar**

b. Mark 2 : **similar**

There is a ground to extract the word "ABCM" from composite trademark (See Q3) and compare the extracted part with the registered trademark.

c. Mark 3: **similar**

Mark 3 is referred to as "エービーシーエム" in the Japanese language, which is **similar** to the registered trademark in the **sound**.

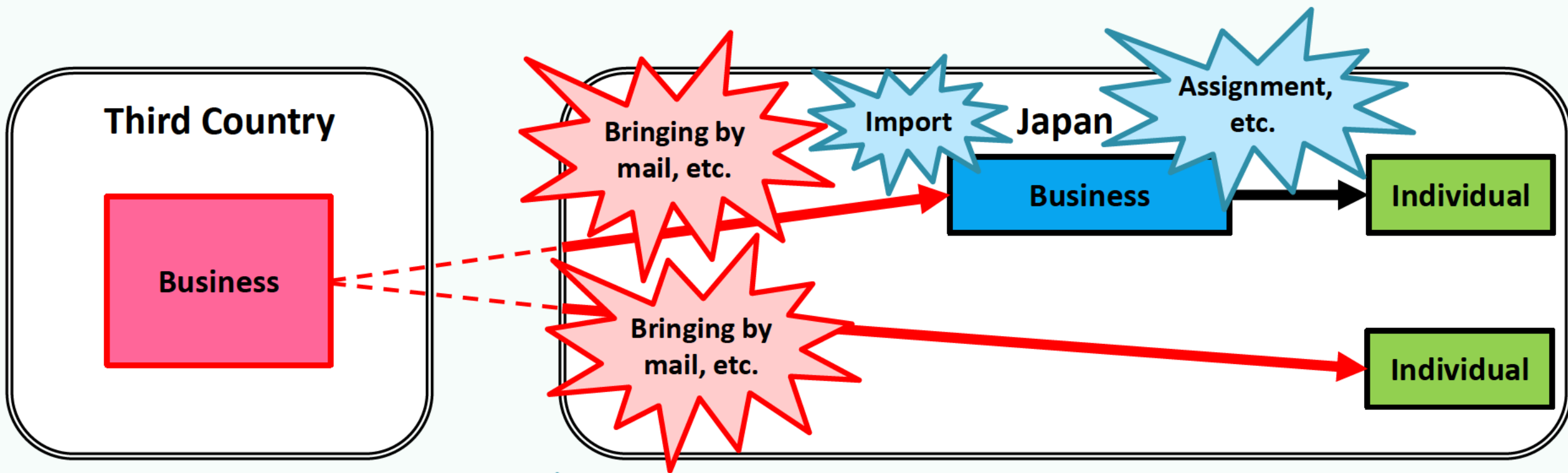
2. P registered trademark "ABCM" which was similar to D's marks which had already embodied the credibility of D, knowing that D intended to sell D's products with D's marks. Therefore, P's registered trademark shall be deemed to have grounds for **invalidation** as it satisfies the requirement of "unfair purposes" (TA Art. 4, para. 1, item 19) (see Q2), and the exercise of P's trademark right shall be regarded as an **abuse of right** (CC Art. 1, para. 3).

**Q8. Please introduce any amendments or legislation in the last five years of the Trademark Law in your country. Please explain whether it is due to the international necessity of the treaty (e.g. the TPP Agreement). Please provide information on the characteristics of the registration and use of trademarks in your country compared to other countries.**



**Revised in 2021**

Import of counterfeits by overseas businesses including import for individuals' personal use purpose is regarded as a trademark right infringement.



New actions of infringement



Current actions of infringement

This figure is based on the website of JPO.

[https://www.jpo.go.jp/system/laws/rule/hokaisei/tokkyo/document/tokkyohoutou\\_kaiei\\_r030521/02.pdf](https://www.jpo.go.jp/system/laws/rule/hokaisei/tokkyo/document/tokkyohoutou_kaiei_r030521/02.pdf)