

**53-01 T****Trial for Rescission due to Nonuse****1. Background**

The Act of 1959 amended Article 50 of the Trademark Act by reducing the onus of proof of the demandant by stipulating that, while the fact of nonuse of a registered trademark is subject to proof by the demandant, such nonuse of a trademark shall be presumed, albeit only in special cases (Article 50 (1) of the Trademark Act). However, since it was difficult for the demandant to prove the fact of nonuse, a complete transition of the onus of proof to the side of the holder of trademark right was made (Article 50 (2) of the Trademark Act) in the partial amendment to the Trademark Act in 1975 (Act No. 46 of 1975). Furthermore, with the new inclusion of the classification of services in addition to the classification of goods in the partial amendment to the Trademark Act in 1991 (Act No. 65 of 1991), a trademark registration pertaining to designated services also became the subject of a trial for rescission. Moreover, in the partial amendment to the Trademark Act in 1996 (Act No. 68 of 1996), the following measures were implemented so that registered trademarks which are not in use become more organized: (i) relaxation of eligibility of a demandant, (ii) prevention of last-minute use, (iii) retroactivity of the effect of rescission, (iv) abolition of the special rules for use of associated trademarks, and (v) extension of the scope in which use of a registered trademark can be acknowledged (Articles 50 and 54 (2) of the Trademark Act).

Then, the Trademark Act was amended with the enforcement of the “Act on Adjust Related Acts to Coordinate with the Conclusion of the Trans-Pacific Partnership Agreement” on December 30, 2018. With this amendment, the provision that “including a trademark deemed identical from common sense perspective with the registered trademark” (Trademark Act Article 50 (1) the part in parentheses) was deleted from the Article 50 (1) of the same Act, however, it was stated that this provision would continue to be maintained in the Trademark Act Article 38 (5) and thus there is no substantive changes in content.

## **2. Improvement With Respect to a Trial for Rescission Due to Nonuse in the Trademark Act As Amended in 1996.**

### **(1) Purpose of amendment**

#### **A Relaxation of eligibility as a demandant**

The Trademark Act prior to the amendment in 1996 did not clearly stipulate eligibility as a demandant for a trial for rescission due to nonuse. According to the interpretation by argument from the contrary, the eligibility as a demandant was restricted to the “interested persons,” whereas under the Trademark Act after the amendment, it was determined that “any person” may file a request for a trial for rescission, as is clearly stipulated in the Act (Article 50 (1) of the Trademark Act).

Even when the eligibility as a demandant is stipulated as “anyone”, if the request for said trial is deemed to be intended to harm the demandee, the request shall be considered as abuse of right and shall not be approved.

#### **B Prevention of last-minute use**

In a trial for rescission due to nonuse prior to the amendment, the holder of trademark right may prevent the rescission of the trademark registration by starting the use of the registered trademark within three years prior to the registration of the trial for rescission (Article 50 (2) of the Trademark Act). Accordingly, there were a number of cases in which the holder of trademark right would, after sensing from the other party's behavior, for example, the negotiation for transfer of trademark right and the negotiation for licensing, that there is a possibility of the other party filing a request for a trial for rescission due to nonuse, suddenly start the use of the registered trademark concerned (so-called “last-minute use”) in order to prevent the rescission of the trademark registration.

In order to eliminate such last-minute use of registered trademarks, it was determined under the Trademark Act after the amendment, that, with respect to the use which took place three months prior to the request for a trial until the date of registration of the request, when the demandant can prove that said use took place after the user became aware that said request for a trial would be filed, the use of a registered trademark shall not be approved as

constituting use of the registered trademark unless there are legitimate reasons for said use (Article 50 (3) of Trademark Act).

#### C Retroactivity of the effect of rescission

If the trial decision for rescission in a trial for rescission due to nonuse becomes final and binding, the trademark right shall be deemed to have extinguished on the date of registration of the request for a trial (Article 54 (2) of the Trademark Act).

In other words, as a fundamental rule, the trial decision for rescission in a trial for rescission comes into effect when the trial decision becomes final and binding (Article 54 (1) of the Trademark Act); however, with respect to the trial for rescission due to nonuse, there is the case of exception in which the effect of the final and binding trial decision for rescission is recognized retroactively to the date of registration of the request for a trial. As a result, the enforcement of the right to claim for damage based on the trademark right of the registered trademark of nonuse can be avoided with respect to the period from the date of registration of the request for a trial until the day the trial decision for rescission becomes final and binding.

#### D Abolition of the special rules for use of associated trademarks

In the amendment, with the abolishment of the system of associated trademarks in order to eliminate the harmful effects of factors such as increase of the trademarks which are not in use and the delay in examinations by the JPO, the special provisions that allows a trademark to be avoided rescission by use of a registered trademark that is associated with the registered trademark in a trial for rescission due to nonuse (the part in parenthesis in Article 50 (2) of the Trademark Act) has been also abolished.

#### E Extension of the scope in which use of a registered trademark can be recognized

The scope in which use of a registered trademark can be recognized is clearly stated as “including a trademark deemed identical from common sense perspective with the registered trademark,” and the following are listed as case examples: (i) a trademark consisting of characters identical with the registered trademark but in different fonts, (ii) a trademark that is written in different characters: Hiragana characters, Katakana characters, or Latin alphabetic characters, from the registered trademark but identical in terms of pronunciation

and concept, and (iii) a trademark consisting of figures that are considered identical in terms of appearance as those of the registered trademark (Article 38 (5) of the Trademark Act).

(2) Case examples of the system of recognizing the use of a registered trademark

The finding of whether or not a registered trademark is being used is subject to determination based on each of the specific case examples by sufficiently taking into consideration the actual transactions made in the area of industry in which the designated goods and designated services pertaining to the registered trademark belongs; generally speaking, however, the following cases apply.

A Case example in which the use of a registered trademark can be recognized

(A) A trademark consisting of characters identical with the registered trademark but is in a different font

**Example 1** Use of fonts in block letters (such as seicho, mincho, and gothic fonts)

清朝体 (かい書体)      ○      ゴシック体  
永い春      ←————→      永い春

**Example 2** Use of fonts in cursive script (such as kaisho, gyosho, and sosho fonts)

かい書体      ○      草書体  
永い春      ←————→      永い春

**Example 3** Use of fonts in block letters and in cursive script

○  
B l u e b i r d      ←————→      B l u e b i r d

**Example 4** Use of Kanji characters in the traditional way and in the abbreviated form

○  
學藝      ←————→      学芸

**Example 5** Use of Latin alphabetic characters in small letters and in capital letters

○  
H I - K E      ←————→      h i - k e

(B) A trademark written differently from Hiragana characters of the registered trademark but identical with the registered trademark in terms of pronunciation and concept

**Example 1** Use of Hiragana characters and Katakana characters

	○	
チャンぴおん	↔	チャンピオン
	○	
わんぱく	↔	ワンパク
	○	
よいこのくに	↔	ヨイコノクニ

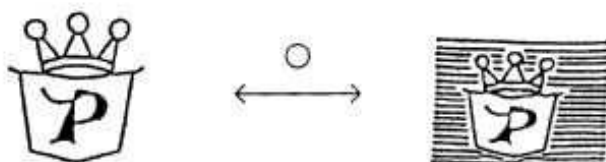
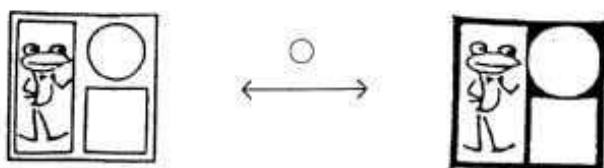
**Example 2** Use of Hiragana characters, Katakana characters, and Latin alphabetic characters

	○	
ラブ (らぶ)	↔	l o v e [愛]
	○	
アップル (あっぷる)	↔	a p p l e [林檎]
	○	
ライオン (らいおん)	↔	l i o n [獅子]
	○	
ポスト (ぽすと)	↔	p o s t [柱、郵便、地位]
	○	
スクール (すくーる)	↔	s c h o o l [学校、授業]
	○	
スモモ (すもも)	↔	s u m o m o [李]
	○	
ホタル (ほたる)	↔	h o t a r u [螢]

(Note) The concept of each case example is shown in brackets.

(C) A trademark consisting of figures that are considered identical, in terms of appearance, with those of the registered trademark

**(Example)**



(D) Any other trademark deemed identical from common sense perspective with the registered trademark

**Example 1** Where pronunciation and concept are identical with those of the registered trademark, use of Hiragana characters, Katakana characters, and Kanji characters

○

はつゆめ (ハツユメ)    ⇔    初夢

○

かんぱく (カンパク)    ⇔    関白

○

ほくとせい (ホクトセイ)    ⇔    北斗星

**Example 2** Where the registered trademark is written in two lines or the like, and the upper line and the lower line have identical concepts, use of either line

太 陽                      ○    →    太陽

SUN                      ○    →    SUN

**Example 3** Use of a writing mode that is vertical, and a writing mode which is left-to-right or right-to left horizontal and which is acknowledged as corresponding to said vertical writing mode (in the case of Latin alphabetic characters, excludes the right-to-left horizontal writing mode)

○ 永  
 永い春 ↔ い  
 春

B Case example in which the use of the registered trademark cannot be recognized

(A) Use of Hiragana characters and Katakana characters

**Example** In the case of an adopted foreign word which is subject to change, a specific concept being lost and a different concept being generated

×  
 チョコ [チョコレート略称] ↔ ちょこ [猪口]  
 ×  
 カム [機械装置の一種] ↔ かむ [噛む]

(B) Use of Hiragana characters, Katakana characters, and Latin alphabetic characters

**Example** Where the pronunciation may be identical, use of Hiragana characters, Katakana characters, and Latin alphabetic characters when any one of such styles contains a different concept

ピース (ピース) [平和、小片] ↔ × peace [平和]  
 × piece [小片]  
 ホール (ほーる) [公会堂、穴] ↔ × hall [公会堂]  
 × hole [穴]  
 ライト (らいと) [光、右、書く] ↔ × light [光]  
 × right [右]  
 × write [書く]

(C) Any other trademark not deemed identical from a commonsense perspective

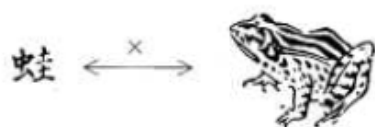
**Example 1** Where the pronunciation may be identical, use of Hiragana characters, Katakana characters, and Kanji characters when any one of such styles contains a different concept

ききょう (キキョウ)	↔ ×	桔梗
	↖ ×	帰郷
さいてん (サイテン)	↔ ×	祭典
	↖ ×	採点
ようせい (ヨウセイ)	↔ ×	妖精
	↖ ×	養成
	↘ ×	要請

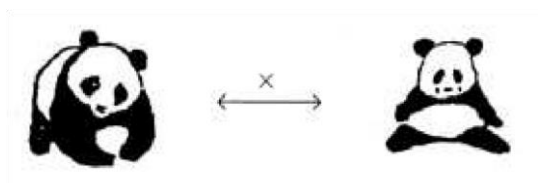
**Example 2** Where the pronunciation is different, use of Kanji characters and Latin alphabetic characters

虹	↔ ×	r a i n b o w
休日	↔ ×	h o l i d a y
音楽	↔ ×	m u s i c

**Example 3** Use of display modes where the letter(s) form a certain concept and the figure(s) can be recognized as indicating said concept



**Example 4** Use of display modes where the figure(s) form a certain concept and the figure(s) can be recognized as indicating said concept (except when the figures are identical in appearance)



(Note) In this case example, while the respective figures can be recognized as forming a certain concept (panda), the trademarks are not deemed identical from a commonsense perspective because the shapes of the figures are notably different.

### (3) Guidelines for examination



#### A Proof of last-minute use

The demandee has the onus of proof per se with respect to the use of the registered trademark. However, it is the demandant who must prove such use as being last-minute.

The demandant must prove that the use of the registered trademark, which was proven by the demandee, falls under the following:

- (i) the use is within the period considered as last-minute (from three months prior to the request to the date of registration),
- (ii) the use is after the user (either a holder of trademark right, exclusive licensee, or non-exclusive licensee) became aware of the fact that a request for a trial would be filed.

Specific examples of manners of proof includes verifying the fact during the examination of the trial, that the user has been informed, under circumstances such as negotiating over transfer of the trademark right, by a content-certified mail or with the presence of a third party, of the demandant's intention of "filing a request for a trial for rescission due to nonuse of the trademark registration."

#### B Legitimate reasons for last-minute use

Even if the use of a registered trademark, as proven by the demandee, fulfills the conditions for last-minute use, the use does not fall under last-minute use if the use is supported by legitimate reasons.

Legitimate reasons include the following:

- (i) the user had clear plans to use the registered trademark even prior to becoming aware of the demandant's intention of filing a request for a trial,
- (ii) the user had no other choice but to use the trademark during the period of last-minute due to restrictions on approval of products and business licenses.

(Revised December 2023)