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Trial for Rescission of Registered Trademark Not in Use

1. Background

The Article 50 of the Trademark Act was revised in 1959 by reducing the burden 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 (Trademark Act Article 50 (1)). However, since it was difficult for the demandant to prove the fact of nonuse, a complete transition of the burden of proof to the side of the holder of trademark right was made (Trademark Act Article 50 (2)) in the partial revision 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 revision 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 revision 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 conditions for demandant, (ii) prevention of last-minute use, (iii) retroactivity of the effect of rescission, (iv) abolition of the special provision for use of associated trademarks, and (v) extension of the scope regarded as use of a registered trademark (Trademark Act Article 50, Trademark Act Article 54 (2)).

2. Improvement with Respect to the “Trial for Rescission of Registered Trademark Not in Use” in the Trademark Act as Revised in 1996.

(1) Purpose of Revision

A. Relaxation of conditions for demandant

The Trademark Act prior to the revision in 1996 did not clearly stipulate the conditions for demandant for a “trial for rescission of registered trademark not in use.” According to the interpretation by argument from the contrary, conditions for demandant were restricted to

the "interested persons," whereas under the Trademark Act after the revision, it was determined that "any person" may file a request for a trial for rescission, as is clearly stipulated in the Act (Trademark Act Article 50 (1)).

Even when "any person" is stipulated as the conditions for demandant, if the request for said trial is deemed as having been intended to harm the demandee, the request shall be considered as abuse of right and thus shall not be approved.

B. Prevention of last-minute use

In a "trial for rescission of registered trademark not in use" prior to the revision, 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 (Trademark Act Article 50 (2)). Accordingly, there were a number of cases in which the holder of trademark right would, after sensing from the other party's behavior, including the negotiation for transfer of trademark right and the negotiation for licensing, etc., that there is a possibility of the other party filing a request for a "trial for rescission of registered trademark not in use," 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 revision, 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, use of a registered trademark shall not be approved as constituting the use of the registered trademark unless there are legitimate reasons for said use if the demandant can prove that said use took place after the user became aware that said request for a trial would be filed (Trademark Act Article 50 (3)).

C. Retroactivity of the effect of rescission

If the trial decision to rescind in a "trial for rescission of registered trademark not in use" becomes final and binding, the said trademark right shall be deemed to have extinguished on the date of registration of the request for a trial (Trademark Act Article 54 (2)).

In other words, in principle, the effect of the trial decision to rescind in a trial for rescission is produced when the trial decision becomes final and binding (Trademark Act Article 54

(1)), however, with respect to the “trial for rescission of registered trademark not in use”, there is the case of exception in which the effect of the final and binding trial decision to rescind is recognized retroactively to the date of registration of the request for a trial. As a result, the enforcement of the right including demanding compensation for damage based on the trademark right of the registered trademark not in use 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 to rescind becomes final and binding.

D. Abolition of the special provision for use of associated trademarks

In the revision, with the abolishment of the system of associated trademarks in order to eliminate the harmful effects of factors such as the increase of the trademarks which are not in use and the delay in examinations by the JPO, the special provisions concerning the prevention of rescission by use of the registered trademark which is an associated trademark of the registered trademark in a “trial for rescission of registered trademark not in use” (the part in parenthesis in the Trademark Act Article 50 (2)) were also deleted.

E. Extension of the scope regarded as use of a registered trademark

The scope regarded as use of a registered trademark 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: (1) 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 with the registered trademark 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 (Trademark Act Article 50 (1)).

(2) Case Examples of the Operation to Regard as the Use of a Registered Trademark

Finding of whether or not a registered trademark is being used is subject to judgment based on each of the specific case examples by sufficiently taking into consideration the actual transactions made in the field of industry in which the designated goods and designated services pertaining to the registered trademark belongs. The following cases basically apply.

A. Case example regarded as the use of a registered trademark

(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 (including seicho, mincho, gothic fonts, etc.)

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

Example 2 Use of fonts in cursive script (including kaisho, gyosho, sosho fonts, etc.)

かい書体	○	草書体
永い春	←→	永い春

Example 3 Use of fonts in block letters and cursive script

Bluebird	○	Bluebird
Bluebird	←→	Bluebird

Example 4 Use of Kanji characters in correct characters and the abbreviated form

○		
學藝	←→	学芸

Example 5 Use of Latin alphabetic characters in uppercase letters and lowercase letters

○		
HI-KE	←→	hi-ke

(B) A trademark written differently from the 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

○		
ちゃんぴおん	↔	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

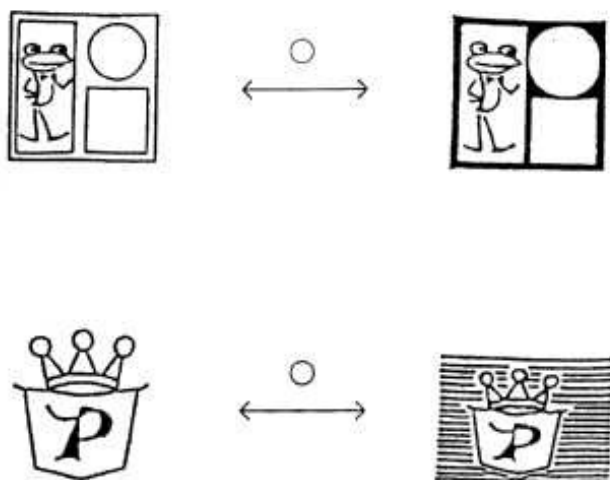
Example 2 Use of Hiragana characters, Katakana characters, and Latin alphabetic characters

	○		
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.

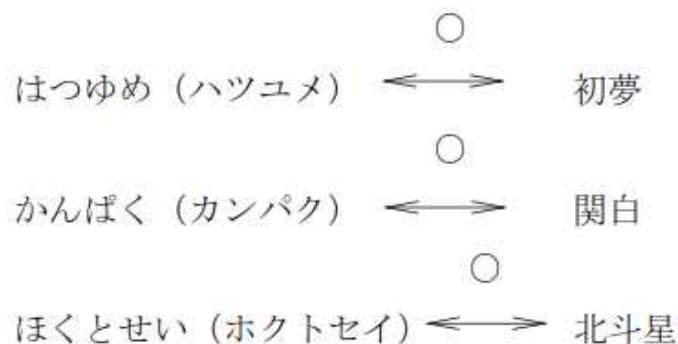
(C) A trademark consisting of figures that are considered identical, in terms of appearance, with those of the registered trademark

(Example)

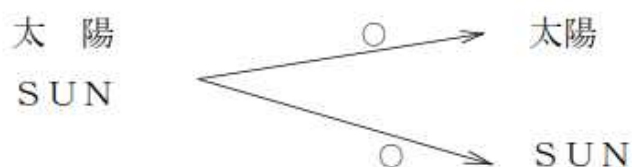


(D) Any other trademark deemed identical from common sense perspective with the registered trademark

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



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



Example 3 Use of vertical display modes, and a writing mode which is left-to-right or right-to-left horizontal and which is regarded as corresponding to said vertical display modes (excluding the right-to-left horizontal writing mode in the case of Latin alphabetic characters)



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

(A) Use of Hiragana characters and Katakana characters

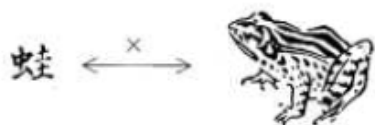
Example In the case of an adopted foreign word, etc. subject to change, a specific concept being lost and a different concept being generated

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

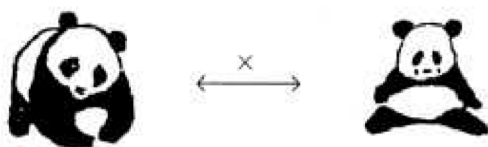
Example 2 Where the pronunciation is different, use of Kanji characters and Latin alphabetic characters

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 letters form a certain concept and the figures are regarded as indicating said concept



Example 4 Use of display modes where the figures form a certain concept and the figures are regarded as indicating said concept (excluding the figures that are identical in appearance)



(Note) In this case example, while the respective figures are regarded as forming a certain concept (panda), the trademarks are not deemed identical from a common sense perspective with the registered trademark because the shapes of the figures are significantly different.

(3) Guidelines for Proceedings

A. Proof by last-minute use

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

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 (three months prior to the request and until the date of registration of the request),
- (ii) the use is after the user (either of the holder of trademark right, exclusive right to use, or non-exclusive right to use) became aware of the fact that a request for a trial would be filed.

Specific examples of method of proving includes verifying, in the course of the proceeding of the trial, that the user (holder of trademark right, exclusive right to use or non-exclusive right to use) has been informed, under circumstances including negotiating over transfer of the trademark right, etc. by 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 of registered trademark not in use," etc.

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 use due to restrictions in terms of the approval, license, etc. for the goods or to conduct business.

(Revised Feb. 2015)