

53-02 T**Trial for Rescission due to Unauthorized Use of a Registered Trademark****1. Background**

The former act (the Trademark Act of 1921) provided in Article 15 of the Act that if a holder of trademark right intentionally uses its trademark by attaching or making change thereto in a way which may potentially be misleading or confusing as to the product, the registration of such trademark shall be rescinded by trial.

In the current act (the Trademark Act of 1959), Trademark Act Articles 51 ~ 53 provide if a holder of trademark right engages in trademark abuse by using the trademark in a manner that causes misleading of the quality of the goods or confusion with the goods pertaining to a business of another person, the registration of the trademark shall be rescinded for protection of the public and as a measure of sanction against the holder of trademark right. Later, due to a partial amendment of the Trademark Act in 1991 (Law No. 65 of 1991), trademark registrations for services were also subject to a trial for rescission.

2. Differences Between the Current Act and the Former Act

(1) Under the former act, the scope of “attach or make change to” was not clearly specified; however, the general interpretation has been that “attach” refers to the addition of letters, figures, symbols, or colors to the original trademark, and that “make change to” refers to the deletion of a part of the original trademark or the deletion of a part of the original trademark followed by supplementing with other letters, figures, and symbols, so that in order to be applicable under Article 15 of the former act, it has generally been understood that the two marks were similar in appearance with respect to major parts, with difference found only with respect to incidental parts (for example, Trial Decision No. 117 of 1932, May 31, 1933).

Under the current act, the scope is restricted to the scope of similarity with respect to trademarks and goods or services; on the other hand, it was clarified that all acts of trademark

abuse in the scope of similarity are subject to a trial for rescission (Articles 51, 53 of the Trademark Act).

(2) Under the former act, eligibility for being a demandant of a trial was granted only to “interested parties and examiners” (Article 22 (2) of the Trademark Act). The current act prescribes that “any person” may file a request for a trial for rescission (Article 51 (1), 53 (1) of the Trademark Act).

(3) Under the former act, there were some doubts as to matters such as whether a trial for rescission can be requested even when there is no longer the fact of unauthorized use at the time of requesting for the trial, and even if it is possible to request a trial, whether there are restrictions to the period during which the trial can be requested; however, the current act makes it clear that a trial for rescission may be requested even when there is no longer the fact of unauthorized use, but the trial cannot be requested after the lapse of “five years” (Article 52 of the Trademark Act).

(4) The former act stipulates that “where a holder of trademark right intentionally uses its trademark by attaching or making change thereto in a way which may potentially be misleading or confusing as to the product” (Article 15 (1) of the Trademark Act). The current act amended the above Article to “by using ... in a manner that causes... confusion” (Article 51 (1) of the Trademark Act, Article 53 (1) of the same Act).

(5) The provision of Article 51 (2) of the current Trademark Act can be interpreted as having the same purpose as the provisions of Article 15 (2) of the former Trademark Act; however, while this restriction applies to the trademark right holder whose trademark registration has been rescinded, the above provision of the Article 51(2) can be interpreted that there is no problem with acquiring a trademark from another person after that person filed an application for registration and received the registration. In this regard, the current act is not different from the former act.

(6) Under the current act, not only the actions of a holder of trademark right but also those of an exclusive licensee or a non-exclusive licensee are restricted (Article 53 of the Trademark Act).

Under the current act, the above provision of the Article was established to ensure the liabilities of licensees against the fact that the right to use, as established in connection with the

registered trademark (Articles 30, 31 of the Trademark Act), shall be allowed without any restrictions.

The purpose of the provisions is mostly the same as in the case in which a trademark right holder takes the act in person (Article 51 of the Trademark Act) except the following points.

A Application of this Article does not require “intention of the licensee.”

B This provision shall apply if the use of the "registered trademark" on the “designated goods” causes misleading and confusion.

(Revised February 2015)