

53-00 T

Procedure of Trial for Rescission Proceedings

1. Oral Proceedings

A trial for rescission shall be conducted by oral proceedings; provided, however, that a chief administrative judge may, upon a motion by a party concerned in the case, or ex officio, decide to conduct the trial by documentary proceedings (Trademark Act Article 56 (1) → Patent Act Article 145 (1), Trademark Act Article 68 (4) → Trademark Act Article 56 (1) → Patent Act Article 145 (1)).

After deciding to conduct the trial by documentary proceedings, the chief administrative judge may change his/her mind and decide to conduct the examination by oral proceedings again. In such a case, the notice of oral proceedings shall be transmitted.

In a trial for rescission where the adversarial system is taken, it is often the case that the reasons for requesting for a trial and the answers are unclear or complicated, and it is also often the case that parties concerned make many claims, and that the claims are disorganized. In such cases, utilizing oral proceedings has the effect of accuracy with respect to the findings, and organizing the points of dispute among the parties facilitates prompt and precise proceedings.

Accordingly, a trial for rescission is conducted by oral proceedings except for the exceptional cases, such as those described in 2. below, where documentary proceedings is appropriate.

2. Documentary Proceedings

(1) Documentary proceedings in a trial for rescission

A trial for rescission is conducted by oral proceedings in principle; however, as exceptional cases, the trial may be conducted by documentary proceedings in the following circumstances (→33-00.1).

- A. Where a request for a trial or a procedure pertaining to a request for a trial (a written request for trial) shall be dismissed
- B. When it becomes clear that neither party will dispute in court
- C. When all parties (and intervenors) have filed a motion for documentary proceedings

D. Where, in a trial for rescission of registered trademark not in use (→53-01), there is no reply from the demandee or it is clear from the evidence submitted that the request shall be approved or disapproved.

E. Other cases where it is determined that there is no need to conduct oral proceedings.

(2) Notice of documentary proceedings

Where the examination is to be conducted by documentary proceedings, the notice of documentary proceedings shall be transmitted except for the case of above (1) A (→32-01).

(Added Feb. 2015)

53-01 T

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

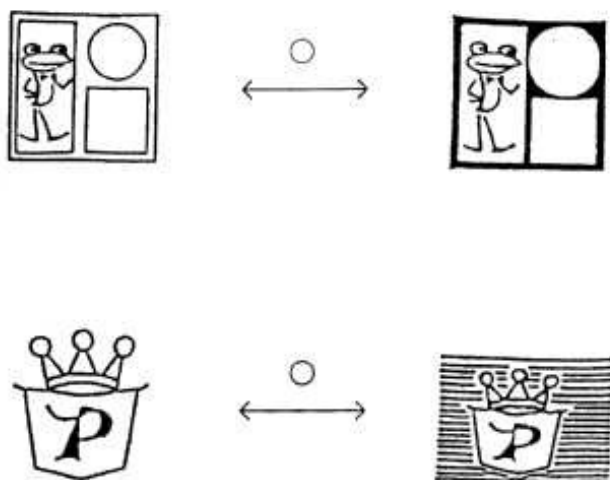
Example 2 Use of Hiragana characters, Katakana characters, and Latin alphabetic characters

	○		
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.

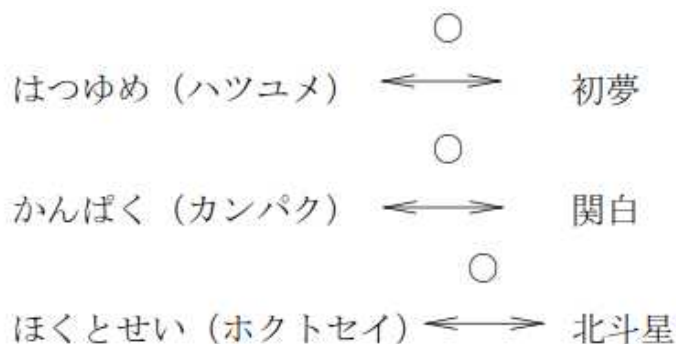
(C) A trademark consisting of figures that are considered identical, in terms of appearance, with those of the registered trademark

Example

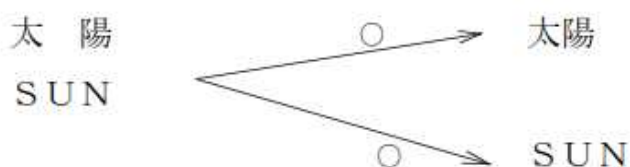


(D) Any other trademark deemed identical from common sense perspective with the registered trademark

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

×
 チョコ [チョコレート略称] ↔ ちょこ [猪口]
 ×
 カム [機械装置一種] ↔ 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 characters 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 common sense perspective with the registered trademark

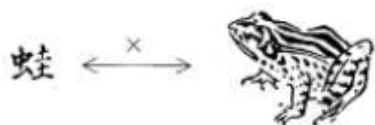
Example 1 Where the pronunciation may be identical, use of Hiragana characters, Katakana characters, and Kanji characters when any one of such characters contains a different concept

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

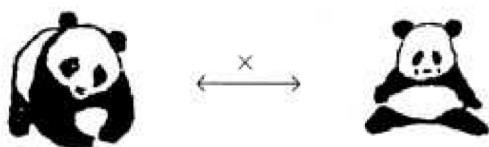
Example 2 Where the pronunciation is different, use of Kanji characters and Latin alphabetic characters

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 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)

53-02 T

Trial for Rescission of Misuse of Registered Trademark

1. Background

The former act (the Trademark Act of 1921) provided in the Trademark Act Article 15 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, the registration of such trademark shall be rescinded in a trial.

The current act (the Trademark Act of 1959) provides in the Trademark Act Articles 51 through 53 that, where a holder of trademark right uses its trademark in a manner that misleads as to the quality of the goods or causes confusion in connection 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, in a partial revision to the Trademark Act in 1991 (Law No. 65 of 1991), the trademark registration for services also became the subject of 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 the former act Article 15, the two marks shall be similar in appearance with respect to major parts, with difference found only with respect to incidental parts in principle (for example, Judicial Decision No. 117 of 1932, rendered on May 31, 1933).

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

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

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

(3) Under the former act, there were questions as to matters such as whether a trial for rescission can be requested even when there is no longer the fact of misuse at the time of requesting for the trial, and furthermore, even if the trial can be requested, whether there are restrictions to the time limit during which the a trial can be requested; however, the current act makes it clear that a request for a trial for rescission may be filed even when there is no longer the fact of misuse, and that a request for a trial may not be filed after the lapse of "five years" (Trademark Act Article 52).

(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" (Trademark Act Article 15 (1)). The current act revised the above Article to "uses ... in a manner that ... causes confusion" (Trademark Act Article 51 (1), Trademark Act Article 53 (1)).

(5) The provisions of the current Trademark Act Article 51 (2) can be interpreted as having the same purpose as the provisions of the former Trademark Act Article 15 (2); however, while this restriction applies to the person concerned, who is the holder of the said trademark right and whose trademark registration has been rescinded, the above provisions can be interpreted as there being no problem with the case of a person becoming a holder of trademark right when another person files an application for registration of a trademark, and after the trademark is registered, said person transferring the trademark right to the above holder of trademark right. In this regard, the current act is not different from the former act.

(6) Under the current act, acts by not only a holder of trademark right but also by a holder of exclusive right to use or non-exclusive right to use also became subject to the restrictions (Trademark Act Article 53).

Under the current act, the above Article was established to guarantee liabilities of the holder of right to use against the fact that the right to use, as established in connection with the registered

trademark (Trademark Act Article 30, Trademark Act Article 31), shall be allowed without any restrictions.

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

- A. Application of this Article does not require there to be the "intention of a holder of right to use."
- B. If the case of using the "registered trademark" in connection with "designated goods" is misleading or causes confusion, this Article shall apply.

(Revised Feb. 2015)

53-03 T

Trial for Rescission against Trademark Registration in Bad Faith by Agent or Representative of the Holder of a Mark in a Country of the Union to the Paris Convention

1. Background

The Trademark Act Article 53-2 reinforces the protection of a holder of trademark right in a country of the Union to the Paris Convention by allowing the holder of trademark right in the other member countries to request for rescission of a trademark registration, for which an application for trademark registration had been filed in bad faith by the agent, representative, etc. of the holder of trademark right. This Article was newly established as a partial revision to the Trademark Act in 1965 (Law No. 81 of 1965) with the purpose of implementing the provisions of the Paris Convention Article 6-septies. Later, in a partial revision to the Trademark Act in 1991 (Law No. 65 of 1991), the trademark registration for services also became the subject of a trial for rescission.

2. Time Limit of Exclusion for Request

A request for trial for rescission of the trademark registration may not be filed after the lapse of five years from the date on which the establishment of the trademark right has been registered (Article 53-3 of the Trademark Act). The purpose of this Article is that once a trademark is registered, even under the name of the agent or representative, a new credibility is built based on the registration. Accordingly, if the registration continues to be subject to rescission forever, the newly-established credibility becomes significantly unstable. As such, taking into account the principal's due care for acts by the agent, etc., and considering the provisions of the Paris Convention Article 6-septies, the time limit for requesting for a trial for rescission came to be limited to five years after the registration of the trademark.

3. Justifiable Reasons

"Justifiable reasons" as used in the Article refers to the cases where a holder of a mark causes its agent or representative to believe that said holder waives its right to the mark or does not have the intention to obtain a right for the mark concerned in the country.

["Chukai Paris Joyaku" (Guide to the Application of the Paris Convention for the Protection of Industrial Property as Revised at Stockholm in 1967, Japanese Ed.) by Bodenhausen, page 121, published by AIPPI JAPAN in 1968]

(Revised Feb. 1997)

53-04 T

A Trial for Rescission to Prevent Confusion Arising from Transfer of Similar Trademark

1. Purpose

This trial for rescission system was established as one of the measures to secure prevention of confusion in response to the abolishment of the associated trademark system, as a result of which it became possible to divide and transfer a similar trademark, as well as to divide and transfer a trademark right with respect to goods and services which have a similar relationship.

(Revised in 1996 "Law No. 68 of 1996")

2. Outline

(1) Where trademark rights which are in conflict with one another become owned by different holders of trademark rights as a result of transfer of trademark right, if the holder of trademark right of one of the registered trademarks uses, for the purpose of unfair competition, the registered trademark for its designated goods or designated services in a manner that causes confusion in connection with the goods (services) pertaining to the business of the holder of trademark right, exclusive right to use, or non-exclusive right to use of the other registered trademark, any person may file a request for a trial for rescission of the trademark registration (Trademark Act Article 52-2).

(2) This trial for rescission may not be requested after a lapse of five years from the date on which the holder of trademark right ceased to use the trademark in the manner provided in the Trademark Act Article 52-2 (Trademark Act Article 52-2 (2) → Trademark Act Article 52).

(3) Where a trial decision to the effect that the trademark registration is to be rescinded becomes final and binding, the trademark right shall become extinguished thereafter (Trademark Act Article 54 (1)).

(4) A holder of the trademark right who is given the trial decision to the effect that the trademark registration is to be rescinded may not be granted a registration of the same trademark or of a

trademark similar thereto in connection with the designated goods or designated services for which the trademark registration has been rescinded, or in connection with goods or services similar thereto, until after a lapse of five years from the date of the trial decision becomes final and binding (Trademark Act Article 52-2 (2) → Trademark Act Article 51 (2), Trademark Act Article 15 (1)).

(Revised Feb. 2015)