

Chapter 2:

Comparison and summary on Systems and Practices of the TM5 Offices

- Compare and summarize each Office's systems and practices according to the questionnaire items.

Chapter 2: Comparison and summary of each office' s system and practice

I . General

【 1 : Definition of bad faith】

- Under the legal systems at the TM5 offices, there is no definition for the term “bad faith”. This is common among all TM5 offices.
- However, the JPO and the KIPO describe elements to determine that application is made in bad faith in the examination standard.
- The KIPO, the OHIM and USPTO introduce the elements of bad faith on which courts have made judgments in the past.
- Important factors determining bad faith at each of the TM5 offices are the extent that trademarks are considered to be well-known, an intention of an unfair purpose and the existence of a relationship between applicants and other persons. These factors are only some of the factors used to determine bad faith. This means that, when assessing bad faith in actual cases, any bad-faith filing should be determined with full consideration given to all relevant factors and circumstances.

【 2 : Timing when application is judged to be bad faith】

- In the JPO and the KIPO, bad faith is judged even at the stage when the examiner examines by ex officio, and bad faith is also allowed to be judged at times of opposition and trial for invalidation.
- In the SAIC and USPTO, bad faith is allowed to be requested for judgment from the opposition at the time of publication before registration, and is allowed for judgment even at a time of trial for invalidation after registration.
- In the OHIM, bad faith is allowed to be requested only after the trade mark has been registered (invalidity/cancellation action or counter-claim in national infringement proceedings).

【 3 : When is the earliest point of time when the application is judged to be bad faith in terms of system?】

- In the JPO and the KIPO, bad faith is allowed to be judged at the earliest, in other words, at the stage of ex officio examination by examiner. With regard to this, the JPO and the KIPO have a system where any third party is allowed to provide information that the application has any reason not to be registered. Any third party is allowed to claim that the application for trademark is in bad faith by using the

system. Further, the KIPO has strengthened its efforts to prevent the bad-faith filing application from registering since August 2013, which means that the bad-faith filing application could be rejected by ex officio examination even without information provided by a third party.

- The SAIC and USPTO indicate that bad faith is allowed to be claimed for judgment in the procedure of opposition after publication.
- In the OHIM, bad faith is allowed to be requested only after the trade mark has been registered (invalidity/cancellation action or counterclaim in national infringement proceedings).
- On the other hand, none of each TM5 offices have set any deadlines as to when parties can make claims of bad faith. The SAIC has no time restriction, however, those who are not subject to time restrictions are limited to the owners of well-known trademarks. For the trademarks that are not well-known, it's five years.

【 4 : What is the crucial moment at which the 'bad faith applicant' must have had bad faith to fall foul of the provisions?】

- It is common that each TM5 offices judge at the time of application for trademark.
- The OHIM determines in the cancellation action regarding the registered trade mark whether the owner was in bad faith at the time he applied for the mark.
- The USPTO judges bad faith also at the time when trademark is adopted or at the time of filing an intent-to-use application.

【 5 : Is a subjective element of mind of applicant related to assessment of bad faith? If so, how does the examiner deduce that this subjective element exists in a given case? 】

- The TM5 offices answered that a subjective element of bad faith in the mind of an applicant is related to judgment for bad faith, and is related to an intention of an unfair purpose by an applicant. However, it is difficult to judge the intention of bad faith in mind of an applicant, and it is concluded that the intention is judged from the circumstantial evidence to identify.

【 6 : Are there rules on burden of proof? If so, who bears it? Are there situations in which there is a presumption of bad faith?】

- In each TM5 offices, any person (opponents, demandants, etc.) who claim bad faith has the burden of proof
- Bad faith is generally determined based on the details of proof submitted in

individual cases. However, the USPTO indicates that although bad faith intent is considered as a factor in a likelihood of confusion analysis, it is not necessary to prove bad faith to establish likelihood of confusion.

- The OHIM indicates that there is no presumption of bad faith.

【 7 : Is there a defined list of conditions ('check-list') according to which 'bad faith' is established?】

- None of the TM5 offices have defined conditions (check list) to prove bad faith and comprehensively take into consideration all facts related to individual cases.
- However, all of the TM5 offices have certain factors to be taken into consideration in judging the application to be bad faith. Typical ones to be taken into consideration are whether a trademark is well-known, similarity of the trademarks and the relationship between litigants etc.

II . Details

In laws of TM5 offices, there are articles, standards, practices and specific cases (such as examination cases, trial decision cases and court cases) in which substantive reasons applicable to application for trademark in bad faith are described, and are explained from the following five viewpoints.

(Five viewpoints)

- 1 . From the viewpoint of applicant with/without an “intention of use”
- 2 . From the viewpoint of applicant with/without “unfair purpose”(except for cases that fall under 1)
- 3 . From the viewpoint of “protection of well-known and famous trademark” for any person other than the applicant
- 4 . From the viewpoint of “unfair application by agent”
- 5 . From the viewpoint of “protection of rights other than trademark rights”

【 1 : From the viewpoint of an “intention of use”, can a filing be refused (or invalidated) for “bad faith” based on the absence of “actual use” or lack of “intent to use” the trademark at the time the application is filed?】

- The JPO, KIPO and USPTO determine that the application may be refused if an applicant has no intention to use. However in the US, it should be a “bona fide” intention to use, which is an intention to use in good faith.
- The OHIM does not have any requirement for the trade mark owner to have an intention to use the mark when applying for it; however, it can be an indication of a dishonest intention of the trade mark owner, if it becomes apparent, subsequently, that he applied for the mark without intending to use it, his sole objective being to prevent a third party from entering the market.
- The SAIC answered that China Trademark Law has no provision which refuses the application of a trademark lacking intent to use.
- The USPTO judges presence/absence of the applicant’s intention of use at the time of application and JPO and KIPO judge it at the time of examination

When judging an intention of use of trademark by an applicant, the practices of the JPO, the KIPO the OHIM and the USPTO whether facts and situations of the following 1) to 7) are taken into consideration are as follows.

- (1) In cases where applicants designate a wide variety of classes or a large number of

goods or services

- In this case, the JPO, as a rule, notify reasons for rejection as there's a rational question of whether the applicant is doing business pertaining to the designated goods or designated services on the assumption of use of trademark or schedules to do business, and confirms use of trademark or an intention of use through the applicant's business.
- Because the OHIM has no requirements related to an intention of use in the CTM system, CTM right holder is not required to submit evidence showing an intention of use and it is legitimate to demand registration of signs for goods or services which may be sold in the future. At the same time, there's no legal basis to identify bad faith based on the length of list of goods and services designated in the application.
- The USPTO requires applicants to submit a verified statement asserting an intention to use the designated goods or services in commerce, and prior to registration, specimens showing use for each classification of goods or services in the application. On the other hand, in case of Madrid protocol applications or applications filed on the basis of a foreign registration, although a statement of bona fide intent to use is required, registration may be made without showing use in commerce. However, a third party can oppose an application or can seek cancellation after registration based on a lack of bona fide intent to use in commerce.
- If an applicant files a trademark application on lots of dissimilar kinds of goods /services which are unrelated each other, the KIPO's examiners are able to have rational question as to whether the applicant has an intention to use the mark on the designated goods/services and issue a provisional refusal.

(2) In cases when applicants file a large number of applications to register the trademarks of others

- In such a case, there were some examples of court cases in Japan: Judge recognized that since an applicant filed a series of trademarks of another person for a wide variety of designated services, these trademarks were registered for only collection, then it is hardly recognized that the applicant actually used these trademarks for any goods or services relating to its own business, or had an intention to use it in the future for those relating to its own business.
- In such a case, there were some examples (Trademark Examination Guideline Article 42-2): When a KIPO examiner has a question that the applicant files a trademark application for the purpose of prior occupation and/or interfering with a third party's

trademark registration without the intention of use, the examiner can issue provisional refusal. In this case, the examiner can presume the subjective intention such as prior occupation by referring to not only the pertinent application, but also the history of the applicant's present and/or past trademark applications and/or registration and/or the scope of the applicant's current business. Further, if the applicant files a mark of celebrities' named, TV Program titles and titles of famous characters on more than two non-similar goods/services or a certain mark and/or a large number of marks on a large number of goods/services, the examiner can issue a provisional refusal.

- The OHIM has no requirements for an intention of use in the CTM system; therefore, the OHIM does not require applicants to submit evidence demonstrating an intention of use. However, in an invalidity action against the registered trade mark, when determining whether the owner had a dishonest intention at the moment of application for that mark, filing a large number of applications to register trade marks of others can be a strong indication of such a dishonest intention.
- In the USPTO, an examiner will not evaluate the good faith of an applicant in the ex parte examination of applications. Generally, the applicant's sworn statement of a bona fide intention to use the mark in commerce will be sufficient evidence of good faith unless evidence of record clearly indicates that the applicant does not have a bona fide intention to use the mark in commerce. However, a third party can file an opposition based on the lack of bona fide intent to use. Judges have held that filing an application for the famous trademarks of other parties for different goods was a basis to support the claim of a lack of a bona fide intent to use .

(3) In cases when persons (natural persons) designate goods or services that require large-scale equipment or investment. (Example: general retail services)

- For example, when an individual applicant designates services that comes under the condition of "provision of convenience to customers conducted in retail sale and wholesale collectively handling various products for clothing items, beverages and livingware", JPO notices reasons for rejection as there's a rational doubt that the applicant is doing or schedules to do business for the designated goods or designated services on the assumption of the use of trademark.

In such a case, there were some examples (Trademark Examination Guideline Article 42-2): When an individual designates goods or services requiring large-scale equipment or investment, a KIPO examiner can issue a provisional refusal. In this case, the examiner should consider the nature of goods/services and market situation,

etc. as a whole; however, the examiner should not interpret the scope of the individual's possible business too narrowly.

- OHIM's system does not have a requirement of intention to use when applying for a trade mark (consequently, applicant does not need to submit any evidence of such an intention); however, it can be an indication of a dishonest intention of the owner of a registered trade mark, if it becomes apparent, subsequently, that he applied for the mark without intending to use it, his sole objective being to prevent a third party from entering the market.
- In the USPTO, examiners do not require an applicant to submit evidence of an intention to use in good faith. However, during an opposition or cancellation proceeding, a third party in its discovery requests may ask the applicant or registrant for evidence showing that the applicant is engaged in the manufacturing or sale of the goods or services, or that it has plans to do so. Failure to produce this evidence would weigh in favor of a finding of lack of bona fide intent to use.

(4) In cases when it is clear that applicants will not carry out their businesses in connection with designated goods or services because the scope of the applicants' businesses are legally limited, or because persons executing businesses connected with the designated goods or designated services are legally restricted.

- The JPO notifies reasons for rejection as there's a rational question of whether the applicant is doing business pertaining to the designated goods or designated services on the assumption of use of trademark or schedules to do business in case of the question.

In such a case, there were some examples (Trademark Examination Guideline Article 42-2): KIPO examiner can issue a provisional refusal on the condition that when an individual files an application for more than two non-closely related services which needs law requires licenses, such as hospital services and legal services.

- OHIM's system does not have a requirement of intention to use when applying for a trade mark (consequently, applicant does not need to submit any evidence of such an intention); however, it can be an indication of a dishonest intention of the owner of a registered trade mark, if it becomes apparent, subsequently, that he applied for the mark without intending to use it, his sole objective being to prevent a third party from entering the market.
- In the USPTO, if evidence is submitted that the applicant is legally restricted from offering the goods or services, this evidence would be a factor that a judge would weigh in favor of a finding of lack of bona fide intent to use..

(5) In cases when it is obvious that the filing is done under the intent to block entry into the market by others.

- The JPO may also take an intention of interference with market into consideration by examiner.

If the intention of market interference includes the situations of filing a trademark application for the purpose of prior occupation and/or interfering with a third party's trademark registration without the intention of use, the KIPO can say that the intention of market interference can be considered to determine whether there is bad-faith or not.

- The OHIM has no requirements for an intention of use in the CTM system. However, if it becomes clear later that the CTM right owner applied for registration of a sign without having an intention of use, his only purpose being to prevent a third party from entering into the market, this can be an indication of a dishonest intention (one factor to judge bad faith).
- In the USPTO, if a party, during an opposition or cancellation, submits evidence that the application is made to simply interfere with entry into the market, this evidence is examined by a judge and would support a judgment in favor of a lack of bona fide intent to use.

(6) In cases where the mark they registered (allegedly in bad faith) is subsequently revoked for non-use?.

- In the JPO, KIPO, OHIM and the USPTO, revocation due to non-use, in itself, is insufficient for a finding of bad faith.
- In the SAIC, cancellation based on three years of non-use has no relation to bad faith.

(7) Are there other reasons affecting decisions on "Intent to use"?

- OHIM's system does not have a requirement of intention to use when applying for a trade mark (consequently, applicant does not need to submit any evidence of such an intention); however, it can be an indication of a dishonest intention of the owner of a registered trade mark, if it becomes apparent, subsequently, that he applied for the mark without intending to use it, his sole objective being to prevent a third party from entering the market. Another possible bad faith scenario is that the CTM right owner intends to artificially extend the grace-period for non-use by filing the same CTM again to avoid loss of right due to non-use.

- In the USPTO, each case is fact specific, and a judge will carefully evaluate lack of an intent to use.

【2: Is there any legislation for refusing an application (or invalidating the registration) on the basis of unfair intention, except for cases that fall under Q1?】

- The JPO and the KIPO have laws to reject or invalidate an application for an unfair purpose on the stages of examinations, opposition or trial. Further, in the KIPO, as of June 11, 2014, an application will be refused where the applicant obtained knowledge of the mark from the original owner through an agreement, transaction or other relationship.
- The OHIM can invalidate a registered CTM on the basis of bad faith. A factor of particular relevance in the overall assessment of all factors is whether the CTM owner had a dishonest intention at the moment of filing the CTM application.
- The SAIC have laws to reject or invalidate an application for an unfair purpose in opposition or trial.
- The USPTO does not have a stand-alone ground to reject or challenge on bad faith, however, bad faith is one element that the TTAB or court judge will weigh in determining likelihood of confusion or dilution. Bad faith may also be addressed through challenges on the grounds of misrepresentation of source under Trademark Act Section 14(3), and refusals or challenges on the basis of a false suggestion of a connection under Trademark Act Section 2(a).

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Actual practices of the JPO, KIPO, OHIM, SAIC and the USPTO of whether the facts and situations of the following 1) to 5) are taken into consideration in judging and unfair purpose (bad faith) of trademark are as follows.

(1) Applicants' actions or facts involved with filing, such as business partnerships, prior business contacts, demands to buy filed or already registered trademarks, etc. In addition, does it make a difference if the demand for compensation is disproportionately high?

- In TM5 offices, the background of application such as action of an applicant and related facts may become an element to be taken into consideration when finding an unfair purpose (bad faith).

(2) In cases when applicants designate a wide variety of classes or a large number of goods or services

- The JPO and the KIPO consider that such a case is one element to find an unfair intention in application for trademark.
- Because the OHIM has no requirements for an intention of use in the CTM system, it does not require the applicant to submit evidence demonstrating an intention of use in such a case. There's no legal basis for a finding of bad faith based on the length of list of goods and services designated in the application.
- In the USPTO, although there is not a stand-alone ground for refusing on bad faith, the fact that an applicant designates various goods or services but cannot demonstrate evidence of use for commercial purpose may result in a judgment on the basis of lack of bona fide intent to use or may be weighed in a likelihood of confusion analysis.

(3) In cases when applicants file a large number of applications for trademarks of others

- The JPO and the KIPO consider that such a case is one element to find an unfair intention in application for trademark.
- The OHIM has no requirements for an intention of use in the CTM system; therefore, the OHIM does not require applicants to submit evidence demonstrating an intention of use. However, in an invalidity action against the registered trade mark, when determining whether the owner had a dishonest intention at the moment of application for that mark, filing a large number of applications to register trade marks of others can be a strong indication of such a dishonest intention.
- The USPTO may consider application for a large number of trademarks of other parties as evidence of bad faith.
- The SAIC may consider that as an element to be bad faith.

(4) Are there other reasons affecting decisions on unfair intentions?

- The JPO also takes (i) well-known trademarks of any other person, (ii) creativity of well-known trademarks, (iii) preparing situation of business of well-known trademarks, (iv) concern to defame reputation, fame and customer attraction of well-known trademarks into consideration.
- The KIPO also takes into consideration the following: (i) famousness of well-known/famous trademark, (ii) creativity of well-known trademark, (iii) whether the applicant is preparing business using the registered trademark, or (iv) whether the designated goods/services are same, similar, or economically related.
- Because the OHIM has no requirements for an intention of use in the CTM system, it is necessary to judge whether the intention of the CTM right owner at the time of

the application is unfair based on individual cases and related elements. One predicted scenario is an application for the purpose of preventing other companies from entering into the market as described above. The other one scenario is that the CTM right owner seeks to intentionally extend the grace period for non-use by filing the same CTM again to avoid loss of right due to non-use.

- According to the USPTO, the TTAB or a court has broad discretion to consider any number of factors which may be evidence of bad faith. For example, if an applicant acts in bad faith through e discovery and is not candid, this may be evidence of bad faith in adoption of a mark.
- The SAIC considers the following: (i) commonality of business areas of applicants and right owners and sales route of goods or services of both; (ii) existence of other disputes between applicants and trademark right owners in other times; (iii) existence of recognition of prior users' trademark, (iv) existence of exchanges between applicants of disputing trademark and internal personnel of trademark right owners (organizations) in other times; (v) whether applicants of trademark aim at obtaining unjust profit; (vi) advertisement resulting in misunderstanding; (vii) existence of creativity stronger than trademark of any other person.

(5) Is any relationship between the original owner of the trademark and the applicant required?

- In the JPO, the relation between the original owner of the trademark and the applicant is not an essential requirement, but is an element to be taken into consideration.
- The KIPO does not require such a relation, however, if there's any relation between the original owner of the trademark and the applicant, it is highly possible that unfair intention is found by the Intellectual Property Tribunal (IPT) and Patent/Supreme court.
- In the OHIM, such a relation is not a condition for a finding of bad faith, but it is taken into consideration in the overall assessment of all relevant factors. In particular, it is relevant when there has been a prior contractual or pre-contractual relationship giving rise to a duty of fair play.
- In the USPTO, it is unnecessary for an opponent to demonstrate any relationship between the original owner of a trademark and an applicant in order to prove bad faith.
- In the SAIC, such a relation is one factor to identify bad faith.

【 3 : Can a bad-faith filing be refused (or invalidated) based on legislation for well-known/famous marks, including protection against trademark dilution?】

- The JPO and the KIPO have laws to reject or invalidate any application for trademark in bad faith in examination (by ex officio), opposition or trial by laws concerning well-known and famous trademark protection (including protection from dilution.).
- The SAIC has laws to reject or invalidate any application for trademark in bad faith in opposition or trial by laws concerning well-known and famous trademark protection.
- The USPTO will weigh factors in a likelihood of confusion analysis, including how well known a mark is, bad faith intent, and similarities of the marks and the goods or services, and will consider bad faith in a dilution claim. Bad faith filing of well-known marks may also be addressed through challenges on the grounds of misrepresentation of source under Trademark Act Section 14(3), and refusals or challenges on the basis of a false suggestion of a connection under Trademark Act Section 2(a).
- The OHIM has no individual law related to bad faith on well-known and famous trademarks, however, the extent of distinctiveness of a trademark is a relevant element in the assessment of bad faith.

Actual practices of TM5 offices are as follows on whether facts and situations of the following 1) to 11) can be taken into consideration in judging elements of well-known and famous trademarks.

(1) How do you define the difference between 'well-known', 'famous' and 'reputed' trade marks? Do you have any guideline for approving well-known or famous marks? What kind of evidence is needed to establish the fact or degree of “well-known” or “famous” trademarks?

- The JPO has no definition of “well-known”, “famous” and “renowned” trademarks in the Trademark Act, and judges well-known and famousness, for example, in total consideration of the following facts.

(a) Facts related to using status of the trademark are quantitatively grasped, then extent of recognition of trademark demander is estimated and presence/absence of discrimination is judged according to the range.

- (i) Trademarks and goods or services which are actually used
- (ii) Start time of use, duration of use, areas of use
- (iii) Production, certification or assignment quantity or sales scale (number of

stores, sales areas, sales amount, etc.)

- (iv) Method, frequencies and contents of advertisement
- (v) Publishing frequencies of articles on general newspapers, industry journals, magazines or Internet and their contents
- (vi) Results of questionnaire on demanders' recognition of trademarks

(b) Fact of the above (1) shall be, for example, based on the following evidences and methods.

- (i) Printed materials with advertisements (such as newspaper, magazine, catalog, or leaflet)
- (ii) Invoice check, delivery sheet, order sheet, bill, receipt or commercial book
- (iii) Photos clearly showing use of trademark
- (iv) Written certification of advertising agency, broadcaster, publisher or printer
- (v) Written certification of fellow trader, trader and demander
- (vi) Written certification of official bodies (such as national, local government, foreign embassies in Japan)
- (vii) Articles on general newspapers, industry journals, magazines or internet
- (Viii) Report of result of trademark recognition survey (questionnaire) targeted for demander: However, the objectivity of conductor, conducting method and targeted persons shall be sufficiently taken into consideration for recognition survey (questionnaire) of demander.

- The KIPO has no definition of “well-known,” “famous” and “renowned” trademarks in the Trademark Act. And the Intellectual Property Tribunal (IPT) and patent court require the trademark right owner to submit substantial money amount for evidence of famousness including sales amount, advertisement cost, market share, brand ranking, trademark registration in the world and marketing reference material.
- In the OHIM, independent of any bad faith scenario, a well-known trademark (CTMR8 (2)(c)) or a renowned trade mark (CTMR8(5)) can be used by the trademark right owner to oppose to a CTM application or to apply for the invalidity of a registered CTM (CTMR53(1)(a)).

An earlier well known mark (Article 8(2)(c)CTMR) is a trade mark that is well known in an EU Member State, in the sense in which the words well-known are used in Article 6 bis of the Paris Convention. It can be either registered or non-registered.

As regards a registered trade mark which has a reputation in the EU or a Member State

(Article 8(5) CTMR), reputation ‘implies a certain degree of knowledge of the earlier mark among the public’ and it ‘is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks ... and the earlier mark may consequently be damaged’. The earlier mark must be known by a significant part of the public concerned by the goods or services covered by that trade mark (CJ judgment of 14/09/1999, C-375/97 ‘General Motors’, paras 22, 23).

In practical terms, the threshold for establishing whether a trade mark is well-known or enjoys reputation will usually be the same. Therefore, it will not be unusual for a mark which has acquired well-known character to have also reached the threshold laid down by the Court in *General Motors* for marks with a reputation. The Court of Justice qualified the notions of ‘reputation’ and ‘well-known’ as kindred notions (‘notions voisines’), underlining in this way the substantial overlap and relationship between them.

As regards the approval of mark as a CTM, the CTM system takes account of the recognition in the market through the concept of “distinctiveness acquired through use” (Article 7(3) CTMR), which can overcome some of the absolute grounds for refusal of a CTM application. A trade mark is distinctive in this sense if it is recognised by a sufficiently large part of the relevant public as a mark of one single trader.

- The SAIC takes the following factors into consideration when determining well-known trademarks (Trademark Law, Article 14)
 - (a) the degree of knowledge of the relevant public;
 - (b) the duration of trademark use;
 - (c) the duration, extent and geographical area of any publicity of the trademark;
 - (d) any record of the trademark being protected as a well-known trademark;
 - (e) other factors which makes the trademark well-known.
- Where the holder of a trademark that is well known to the relevant public believes that his rights to the trademark has been infringed, he may request for protection of the trademark as a well-known trademark in accordance with this Law.(Trademark Law, Article 13)
- In the United States, in determining likelihood of confusion under Section 2(d) of the Trademark Act, the TTAB or a court will weigh a number of factors, including how well-known a mark is to the relevant public. However, with regard to dilution, the U.S. requires the trademark to be “famous” and be “widely recognized by general

consumers as a source identifying the mark right owner.” There is no separate standard for something being “renowned” in the U.S.

The TTAB judge uses the following non-exhaustive factors in order to judge whether the mark is well-known or not: degree of distinctiveness, duration and extent of use of mark, duration and extent of advertisement of mark, extent of geographical sales region, sales channels, degree of recognition of the mark in those channels of trade, nature and extent of use of the same or similar mark by the third party, and whether the mark is registered or not.

(2) Could bad faith provisions also apply if the well-known or reputed original mark was registered in the territory in which the bad faith application was made, but had not been used for an extended period of time?

- The JPO potentially refuse any application in bad faith later because of the similarity with the prior well-known of original trademark.
- If well-known or reputation original trademark is registered, the KIPO potentially rejects any application in bad faith later because of the similarity with the prior same trademarks.
- OHIM can potentially reject.
- If any mark is registered with the USPTO and not used for three years in the United States, there is a presumption that the mark has been abandoned; therefore, the registration may be subject to cancellation on grounds of abandonment However, in certain limited circumstances where a mark retains “residual” goodwill after non-use, courts are unlikely to find in favor of a new user whose intent was to confuse consumers by capitalizing on the previous owner’s reputation.
- Where a registered trademark has not been in use for three consecutive years without just cause, any organization or individual may apply to the SAIC for cancellation of such a registered trademark. If well-known trademark is registered in areas where application in bad faith is made, the application will be likely to be refused because of similarity with the well-known trademark.

(3) Do you have any legislation or practice on examination that specifically deals with trademarks that are well known or famous only abroad but are not registered domestically?

- The JPO and KIPO have particular provisions in the Trademark Act to protect trademarks which are not registered in the country but are well-known or famous

only in foreign countries.

- The OHIM, SAIC and the USPTO have no particular law or actual practice related to trademarks which are well-known only overseas.

(4) Regarding well-known and famous trademarks that are known only abroad but are not registered domestically, how is “well-known” or “famous” determined? What evidence is needed to prove that the trademarks are well-known or famous?

- The JPO requires “trademark which is broadly recognized among demanders in foreign country” to be well-known in the country, but does not require it to be well-known in some countries. In addition, JPO does not also require well-known in Japan. Furthermore, any trademark which has been registered as a defensive mark or determined to be broadly recognized among demanders by trial decision or judgment is estimated to be recognized as a “trademark which is broadly recognized among demanders”(refer to the answer of the above 1)).
- The KIPO made a revision to delete the word “easily” in the Trademark Act, Article 7 (1)(xii) on July 1, 2007 to ease the standard of well-known.

And the Intellectual Property Tribunal (IPT) and patent court require the trademark right owner to submit substantial amount for evidence of famousness including sales amount, advertisement cost, market share, brand ranking, trademark registration in the world and marketing reference material. In addition, the Supreme Court of Korea judged that judgment of recognizing well-known status of trademark in foreign country by the court in the country should be respected.

- The OHIM requires the invalidity applicant to show that the CTM owner knew or must have known about the existence of the invalidity applicant’s mark outside the EU. The well-known character of a trade mark may help, depending on the specific circumstances of each case, to prove said knowledge (e.g. owner established or present in the country where the earlier mark is famous). The evidence to be provided will depend, again, on the specific circumstances of the case (e.g., whether the owner is active in the same sector or in a different one), since what has to be proven is not the degree of knowledge of the average consumer but rather the actual knowledge of the CTM owner as such.
- The USPTO has no law which provides protection of a trademark which is well-known or famous only overseas.
- The SAIC takes the following factors into consideration when determining well-known trademarks (Trademark Law, Article 14)
 - (a) the degree of knowledge of the relevant public;

- (b) the duration of trademark use;
- (c) the duration, extent and geographical area of any publicity of the trademark;
- (d) any record of the trademark being protected as a well-known trademark;
- (e) other factors which makes the trademark well-known.

• Where the holder of a trademark that is well known to the relevant public believes that his rights to the trademark has been infringed, he may request for protection of the trademark as a well-known trademark in accordance with this Law.(Trademark Law, Article 13)

(5) Are well-known and famous trademarks protected under other classes or in the area of dissimilar goods and services? (How do you search and examine cross-classes?)

- JPO protects well-known and famous trademarks when there's some concern that sources of goods and services are confused (Trademark Act, Article 4, Paragraph 1, Item 15) or they are used for unfair purpose (Trademark Act, Article 4, Paragraph 1, Item 19), even if they are other classes or dissimilar goods or services. JPO accumulates "well-known and famous trademark list in Japan" in the database for examination to conduct search and examination between the other classes. In addition, the JPO also uses Internet search by examiner and information provided by third party.
- The KIPO protects (notably) well-known marks when a third party's mark would cause confusion as to the (notably) well-known mark's goods and/or business or would do damage to distinctiveness or reputation of (notably) well-known marks (Korean Trademark Act 7(1)10. Further, trademarks that are identical or similar to a trademark that consumers in or out the Republic of Korea recognize as indicating the goods of a particular person, and are used to obtain unjust profits or to inflict harm to a particular person and so on would be rejected and/or invalidated (Korean Trademark Act 7(1)12. If KIPO examiner concludes by search that a mark is a famous and/or well-known, he and/or she conduct a search on other classes.
- In the OHIM, the degree of inherent or acquired distinctiveness enjoyed by the invalidity applicant's sign and by the CTM owner's sign are relevant factors when assessing bad faith. Another of the factors to be taken into account when assessing bad faith is whether the CTM owner knows or must know about the use, in at least one Member State of the EU, of an identical or confusingly similar sign by a third party for identical or similar products or services. A finding of bad faith based on the knowledge of the existence of an earlier sign might also be justified when the CTM was applied for in respect of goods or services which, although dissimilar from those

covered by the invalidity applicant's sign, can be considered as belonging to a neighbouring/adjacent market and thus to an area to which an extension of the invalidity applicant's sign can be reasonably expected. On the other hand, the more removed the goods or services of the CTM are from those in respect of which the invalidity applicant's sign is used, the more unlikely a finding of bad faith would be.

- Trademarks that are well-known or famous in the U.S. may be protected against trademarks for goods or services that are dissimilar, provided there is a likelihood of confusion or dilution. Examiners will search across classes during examination. An examiner may give broader protection to a well-known or famous mark, since the more distinctive or famous a mark is, the more likely a consumer is likely to believe the goods or services come from the same source.
- The SAIC provides protection on non-identical or dissimilar goods/services for well-known trademarks that are registered in China. A trademark that is applied for registration on non-identical or dissimilar goods shall not be registered and its use shall be prohibited, where it is a reproduction, an imitation or a translation, of a well-known trademark which is registered in China, thus misleads the public, and the interests of the registrant of the well-known mark are likely to be damaged by such use. (Paragraph 3 of Article 13)

(6) How does the level of recognition interact with the burden of proof of bad faith?

(e.g. If the mark has a greater degree of recognition, is less proof of bad faith needed? (or vice versa?))

- In the JPO, when applying Article 4, Paragraph 1, Items 10 and 15, bad faith is not a requirement. When Article 4, Paragraph 1, Items 19 is applied, well-known and unfair purpose are related to each other, however, higher well-known does not always mean that the demonstration of the unfair purpose is unnecessary.
- In the KIPO, extent of famousness of well-known/famous trademark is one factor to judge bad faith in application for trademarks. In this regard, the bad-faith is not a factor in applying Korean Trademark Act 7(1)10; however, the bad-faith should be established in applying Trademark Act 7(1)12.
- In the OHIM, extent of recognition which sign of cancellation or invalidity applicant has is just one element when bad faith is examined. Demonstration of such recognition does not relieve complainant from burden of proof related to bad faith in general.
- In the USPTO, when judging likelihood of confusion, the TTAB or courts will

examine many factors including how well-known it is, bad faith intent, and similarities of the marks and relatedness of the goods or services. When judging likelihood of confusion, bad faith and fame are not required. To find likelihood of confusion, the TTAB and courts will weigh the factors and use a sliding scale in application. For example, the more evidence of bad faith, the less evidence needed to establish the relatedness of goods or services and fame of the trademarks accordingly. Similarly, the more evidence of fame of the trademark, the less evidence would be needed to demonstrate bad faith.

- At SAIC, extent of recognition and burden of proof for bad faith are independent elements to be considered in specific cases, subject to the claims of the party concerned.

(7) Would the level of distinctive character of the mark be taken into account? (For example, in cases when the mark is so fanciful that it is highly unlikely for the applicant to come up with an identical or similar mark by chance.)

- The JPO, KIPO and the OHIM take strength of distinctive character of trademark into consideration as one element.
- The USPTO takes the distinctive character of the mark into consideration when judging likelihood of confusion.
- At SAIC, significant originality of trademark is one element to consider in cases.

(8) Would the fact that the mark is identical or similar to other's house-marks be taken into account?

- The JPO and the KIPO takes it into consideration as one element when judging bad faith.
- By OHIM, potentially, yes, if these house-marks of the invalidity applicant are considered to be similar to the CTM registered by the CTM owner.
- The USPTO may take the fact into consideration as circumstantial evidence to support the determination of bad faith again.
- According to Article 32 of the Trademark Law, A trademark application for registration shall not damage the existing prior rights of others. In the trademark registration practice of SAIC, the prior rights that a trademark application may infringe upon include trade name right.

(9) Is there a time limit for claiming that a mark has been registered or is being used in

bad faith where bad faith regarding a well-known or famous mark is concerned?

- No, the JPO, the KIPO (in case of the Korean Trademark Act 7(1) 10 and 7(1)12), the OHIM (after registration).
- In the USPTO, a challenge to a registered mark may be brought on the basis of likelihood of confusion within 5 years of registration. However, if a party can establish fraud or false association, a party may challenge a registration at any point, even beyond 5 years.
- In the SAIC, Where a registration was obtained in bad faith, there is no deadline for the owner of a well-known trademark to declare the invalidation of such a registered trademark.

(10) Is it relevant if the mark that is claimed to have been applied for in bad faith has acquired itself well-known character or reputation in the territory in which it has been registered?

- The JPO grants no period of exclusion for invalidation trial (for trademark registration) based on a bad faith, and the judgment reference time is at times of application and determination, then, even if application and registration based on a bad faith acquire well-known after the registration is determined, (application and registration based on a bad faith) are not influenced by the (well-known) fact.
- To the best of our knowledge, there is no court decision which dealt with this issue. However, the Patent Court (Case No. 2010Heo9255) stated that even if the registrant in bad faith used his mark in dispute, such fact is not enough to deny the bad-faith of registrant (please be advised that the court did not determine whether the mark in dispute acquired reputation by such use).
- In the OHIM, in order to determine whether the CTM owner was acting in bad faith, consideration may be given to the extent of the reputation enjoyed by a sign at the time when the application for its registration as a CTM is filed. The extent of that reputation might justify the CTM owner's interest in ensuring a wider legal protection for his sign (CJ judgment of 11/06/2009, C-529/07, 'Lindt Goldhase', paras. 51-52).
- In the USPTO, the fame and reputation of a trademark which was applied for in a bad faith are not relevant to an analysis of likelihood of confusion. The fame of the trademark alleged to have been infringed would only be relevant.

(11) Are there other reasons affecting decisions on well-known or famous marks?

- The JPO, the KIPO and the OHIM have nothing in particular.
- In the USPTO, well-known or famous trademarks are given a broad range of

protection or exclusivity of use. The fame of the prior trademark plays an important role in a case of likelihood of confusion featuring famous trademark.

【 4 : Is there any legislation for refusing an unfair application (or invaliding the registration) filed by an attorney?】

- The JPO, the OHIM and the SAIC have laws to reject or invalidate unfair application by agent, but the KIPO has no such law. However, if such an application is considered to be filed under the bad-faith, such as free-ride on the fame of a third party, the application can be rejected.
- The JPO has a law to cancel in appeal trial.
- The OHIM and the SAIC have laws to reject, cancel or invalidate in opposition.
- The SAIC has a law to reject or invalidate during the proceedings of opposition or appeals and trials.
- The USPTO has laws to reject in examination (ex parte), opposition proceedings, or cancellation proceedings if the applicant is not the owner of the mark.
- It is unclear whether the KIPO has such a law or not.

【 5 : Is there any legislation for refusing an application (or invaliding the registration) as bad-faith on the basis of certain factors such as copyrights, rights of publicity, rights to a trade name or other person's name, etc.?】

- In the JPO, any trademark which was composed of, or included name or title of other person and was registered, may be covered by the Trademark Act, Article 4, Paragraph 1, Item 8. In addition, there is the Trademark Act, Article 29 as a provision of adjustment between trademark right and copyright, however, this is a provision that, if trademark right and previously registered other person's copyright conflict with each other, the conflicted part of the registered trademark cannot be used, and is not reason for cancellation and invalidation.
- Trade name, other person's name: according to the Korean Trademark Act 7(1)6, trademark application containing (notably) well-known other person's name or other trade name would be rejected; however, this would not be applied where the consent of the person concerned has been obtained.

Copyright: The TMA, Article 53 stipulates that, "If, for its own registered trademark, the trademark right conflicts with other person's copyright which was granted before application date of the trademark depending on use, the trademark right owner shall not use it without the consent of the trademark right owner." Further, if works of copyright is widely known as source identifier by the merchandising activities, the

works of copyright can be protected by the Trademark Act.

- In the OHIM, this is not a reason to reject a CTM application, but a reason for invalidation/cancellation of a registered CTM (CTMR53(2)), which is different from that of cancellation for bad faith.
- In the SAIC, the Trademark Law, Article 32 has a provision that a trademark application for registration shall not damage the existing prior rights of others “the existing prior rights of others” also include the other rights than trademark, trade name right, copyright, design right, legal name etc.
- In the U.S. there is no legislation for refusing an application or invalidating a registration on bad faith grounds for having violated a copyright, a right of publicity, rights to a trade name or other person’s name. There is no independent ground of refusal based on bad faith. However, it may be possible to object to trademark applications on the grounds noted below. With respect to copyrights and rights of publicity, procedurally it is not possible to refuse an application or file for an opposition or cancellation with the TTAB on the grounds of a copyright or right of publicity (existing under state law). Nevertheless, a party may file a lawsuit in civil court requesting damages, cancellation of a trademark, or ceasing of the use of a trademark, on the basis that a trademark infringes a copyright or right of publicity. Bad faith intent may be considered as part of these proceedings.

While it is not possible in an *ex parte* action for an examiner to refuse an application based on prior trade name rights, it is possible to file an opposition, cancellation or a lawsuit on the basis of these rights. The Board or court would apply a similar analysis as trademark infringement, in which bad faith would be a factor considered in determining likelihood of confusion.

Finally, it is possible for an examiner to refuse registration or a third party to challenge registration under Section 2(a) of the Lanham Act, 15 USC § 1052(a), if a mark falsely suggests a connection with persons, living or dead, institutions, beliefs or national symbols, or brings them into contempt, or disrepute. The following factors would be considered:

- (i) The mark is the same as, or a close approximation of, the name or identity of a person or institution;
- (ii) The mark would be recognized as such, in that it points uniquely and unmistakably to that person or institution;

- (iii) The person or institution named by the mark is not connected with the activities performed by applicant under the mark; and
- (iv) The fame or reputation of the person or institution is such that, when the mark is used with the applicant's goods or services, a connection with the person or institution would be presumed.

It is also possible for an examiner *ex-parte* to refuse registration under Section 2(c) of the Trademark Act, 15 U.S.C. §§ 1052(c), if written consent is not provided for a mark comprising a name, portrait, or signature identifying a particular living individual. The purpose of requiring the consent of a living individual to the registration of his or her name, signature, or portrait is to protect rights of privacy and publicity that living persons have in the designations that identify them. Whether consent to registration is required depends on whether the public would recognize and understand the mark as identifying a particular living individual. Specifically, consent is required only if the individual will be associated with the goods or services, because the person is publicly connected with the business in which the mark is used, or is so well known that the public would reasonably assume a connection.

III. Procedure

【 1 : Procedures for Oppositions in Pre-Publication】

- The JPO and the KIPO may accept information provided. Examiner takes the provided information into consideration when making judgment according to the law and examination standard. Further, the KIPO has strengthened its efforts to prevent the bad-faith filing application from registering since August 2013, which means that the bad-faith filing application could be rejected by ex officio examination even without information provided by a third party.
- The OHIM considers bad faith only as a ground for the invalidity of a registered CTM, to be relied on either before OHIM or, by means of a counterclaim, in infringement proceedings. Therefore, bad faith is not relevant in examination or opposition proceedings in relation to a CTM application.
- The USPTO allows a third party to submit a “letter of protest” to the Commissioner’s Office, by which third parties may submit certain evidence for consideration. This evidence usually relates to likelihood of confusion, descriptiveness, or pending litigation (bad faith is not an independent ground for refusal or letter of protest).
- The SAIC has no provision in the Chinese Trademark Act that information is provided to the Trademark Office before initial examination publication of trademark, in other words, before examiner examines substantively. However, the public may reflect the situation in written form to the Trademark Office as a governmental organization, and it can be referred to for operation of the Trademark Office.

【 2 : Integration of Procedures Related to Oppositions or Appeals and Trials】

- Procedures in opposition, cancellation and trial are allowed to be integrated in the TM (Trademark) five offices.