

Appeal decision

Appeal No. 2018-2427

Tokyo, Japan

Appellant

Global Tax Association

Patent Attorney

SHIMA, Nobuyuki

The case of appeal against the examiner's decision of refusal of Trademark Application No. 2016-52622 has resulted in the following appeal decision:

Conclusion

The demand for trial of the case was groundless.

Reason

1 The trademark in the Application

The trademark in the Application consists of standard characters of "国際税務士" (Kokusaizeimushi; international tax accountant), and the application for its registration was filed on May 16, 2016 by setting Class 41 "Educational and instruction services relating to tax service and providing information of same; arranging, conducting, and organization of examinations regarding tax and providing information on the same; arranging, conducting, and organization of seminars; providing electronic publications; arrangement, provision, and publication of books and electronic publications; production of videotape film in the field of education, culture, entertainment, or sports (not for movies or television programs and not for advertising or publicity)." and Class 42 "Computer software design, computer programming, or maintenance of computer software; rental of computers; providing computer programs on data networks." as the designated services.

2 Gist of reasons for refusal stated in the examiner's decision

The examiner's decision acknowledged and determined that "the trademark in the Application consists of standard characters of "国際税務士 (Kokusaizeimushi)". The character "士" (shi) in the configuration is a word having a meaning of "a person who has a certain license and role". For example, it is acknowledged that a name including "...士" (...shi) such as "弁護士 (Bengoshi; lawyer)", "公認会計士 (Kouninkaikeishi; certified public accountant)", "税理士 (Zeirishi; certified public tax accountant)", "行政書士 (Gyouseisyoshi; certified administrative procedures legal specialist)", and "司法書士 (Shihousyoshi; judicial scrivener)" represents a business that requires high expertise and a person who has specially qualified by the national government under the law in many cases. Then, regarding the characters of "国際税務" (Kokusaizeimu; international tax) in the configuration of the trademark in the Application, international tax services for providing advice regarding tax generated in relation to transnational transactions are widely provided, and existence of the certified public tax accountant license that is the national license to provide services for tax representation, preparation of tax documents, and tax consultation in response to a

request of a client is typically known in Japan. In consideration of these factors, it is acknowledged that traders and consumers coming into contact with the trademark in the Application would wrongly recognize the trademark in the Application as one of national licenses similar to that of a certified public tax accountant who provides the services such as the tax representation, the preparation of tax documents, or tax consultation regarding international tax services, and it is determined that the trademark in the Application being likely to cause damage to public order. Therefore, the trademark in the Application falls under Article 4(1)(vii) of the Trademark Act", and refused the application.

3 Judgment by the body

(1) Regarding applicability of Article 4(1)(vii) of the Trademark Act

A Meaning of name to which "士" (shi) is added at the end

The trademark in the Application consists of characters of "国際税務士" (Kokusaizeimushi; international tax accountant), and the character "士" (shi) at the end of the configuration has a meaning of "a person who has a certain license and role." As an example of a word to which the above character is added at the end, "弁護士" (Bengoshi; lawyer) is described ("Kojien, 6th edition", Iwanami Shoten, Publishers).

"A certain license" in the above meaning is not particularly limited and may formally include "national license" (based on laws) and "private qualification" (other than national license). However, the names of the licenses to which the character "士" (shi) is added at the end that are frequently seen by consumers and are known in general include many licenses regarding a national license such as 弁護士 (Bengoshi; lawyer), 公認会計士 (Koninkaikeishi; certified public accountant), 税理士 (Zeirishi; certified public tax accountant), 建築士 (Kenchikushi; architect), 不動産鑑定士 (Hudosankanteishi; licensed real estate appraiser), 司法書士 (Shihousyoshi; judicial scrivener), and 行政書士 (Gyouseisyoshi; certified administrative procedures legal specialist).

Under these circumstances, it is reasonable to recognize that a citizen often understands that the name represents a person who has a certain national license in a case where a citizen sees the name to which "士" (shi) is added at the end.

B Characters of "国際税務 (Kokusaizeimu; international tax service)" and services of "税理士 (Zeirushi; certified public tax accountant)"

The trademark in the Application consists of the characters of "国際税務士 (Kokusaizeimushi)", and the characters "国際 (Kokusai)" in the configuration are widely understood as a word having a meaning of "related to a plurality of countries", and the characters "税務 (Zeimu)" are widely understood as a word having a meaning of "administrative affairs for imposing and collecting tax" (both are from "Digital Daijisen", SHOGAKUKAN Inc.).

Then, the word of "国際税務 (Kokusaizeimu; international tax service)" obtained by combining "国際 (Kokusai; international)" and "税務 (Zeimu; tax service)" is described as, for example, "The international tax service indicates a tax problem between countries in a case of transnational transactions. the theme regarding how to cope with the tax problem between a plurality of countries is 'international tax services'." ([Attachment 2] in the decision of refusal (7)),

"International tax services indicates a tax problem caused when a company conducts a transaction across borders." ([Attachment 2] in the decision of refusal (10)), and "In transnational transactions, which country imposes the tax, for what kind of profits, and how is the tax imposed? These issues are considered in international tax services." ([Attachment 2] in the decision of refusal (14)), in the description regarding an actual condition in which various tax accountancy corporations and tax accountant offices provide services for providing advice as to tax generated in relation to transnational transactions indicated in the original examination ([Attachment 2] in the decision of refusal).

Furthermore, in today's increasingly globalized environment, international transactions between the plurality of countries in the course of economic activity have become an everyday affair. According to the circumstances indicated in the original examination, as specific services regarding tax problems in the international transactions, for example, a consultation service regarding foreign tax credits and taxation in the international transactions, a service for providing advice regarding withholding income tax, a service for tax consultation and preparation of tax documents such as preparation of an income-tax return for individual non-permanent resident, and the like ([Attachment 2] (3), (12), (15), and the like in the decision of refusal) are referred to as "international tax service".

In consideration of these together, it can be said that the characters "国際税務 (Kokusaizeimu)" are used in the meaning of "the service regarding tax problems caused in transactions between a plurality of countries". Furthermore, a large number of tax accountancy corporations and tax accountant offices that call tax problems caused in transactions between a plurality of countries as "国際税務 (Kokusaizeimu; international tax service)" and are specialized in these services exist as indicated in the Attachment, in addition to the circumstances indicated in the original examination ([Attachment 2] in the decision of refusal).

Then, "税理士 (Zeirishi; certified public tax accountant)" is widely known in general in Japan as "a person who files returns and makes application regarding various taxes, prepares tax documents, and provide tax consultation, and the like at the request of others" ("Digital Daijisen", SHOGAKUKAN Inc.).

Furthermore, the national government grants the "税理士 (Zeirishi; certified public tax accountant)" license as the national license, sets the "services of certified public tax accountant " for engaging in business affairs such as tax representation, the preparation of tax documents, and tax consultation at the request of others (Article 2 of the Certified Public Tax Accountant Act) as exclusive services of the certified public tax accountants or tax accountancy corporations (Article 52 of the same Act), qualifies a person who has passed the examination and acquired knowledge and technique equal or higher than a certain standard or a person who has knowledge and technique equivalent to the above specified by the same Act as a certified public tax accountant (Article 3 of the same Act), and ensures the fulfillment of the tax liabilities stipulated in laws and ordinances concerned with taxes by providing tax services with exclusive knowledge and technique from an independent and fair standpoint by the person described above (Article 1 of the same Act).

C Judgment

According to A and B described above, the services referred to as "the international tax services" include tax consultation regarding tax problems caused in

transactions between a plurality of countries and the preparation of tax documents, a large number of tax accountancy corporations and tax accountant offices that are specialized in such services exist in actuality, and the "税理士(Zeirishi; certified public tax accountant)" license is widely recognized by citizens as the national license for providing the services regarding tax such as tax consultation. In consideration of these together, it is reasonable to understand that, in many cases, the characters "国際税務士 (Kokusaizeimushi)" are understood by traders and consumers coming into contact with the characters as the representation of "the national license similar to that of a certified public tax accountant who provides services regarding tax problems caused in transactions between a plurality of countries".

Then, when the trademark in the Application consisting of the characters "国際税務士 (Kokusaizeimushi)" is used for its designated services, it should be said that the use of the trademark in the Application makes traders and consumers coming into contact with this wrongly recognize that the service relates to the national license with exclusive knowledge and technique regarding tax problems caused in transactions between a plurality of countries. It should be said that registering the trademark in the Application and giving the exclusive right to use and the exclusive right regarding the designated services undercut citizens' confidence in the national license system, may disturb trade order, and violate public benefit.

Therefore, the trademark in the Application falls under Article 4(1)(vii) of the Trademark Act.

(2) Appellant's allegation

A The Appellant mentioned that the license including the character "士 (shi)" is not limited to national licenses and the character "士 (shi)" is used in many public licenses and private qualifications, and submitted Materials 1 and 2 as means of evidence. The Appellant mentions that "...士 (...shi)" is not naturally recognized as a national license, the characters "国際 (Kokusai; international)" are not used in any one of national licenses, public licenses, and private qualifications, and there is almost no possibility in the future that the characters "国際 (Kokusai; international)" are used for a domestic national license since to give the national license relates to national sovereignty and to give the license to a nation other than the home country violates the national sovereignty of the target country. In addition, the Appellant alleges that the characters "国際税務士 (Kokusaizeimushi)" are recognized as a private qualification and are not wrongly recognized as and confused with the national license.

However, as described in (1) above, in actual, "service regarding tax problems caused in transactions between a plurality of countries" is referred to as "international tax service" and the service is provided by a large number of tax accountancy corporations and tax accountant offices. The citizens widely recognize that the service regarding the tax such as tax consultation and the like is provided by a certified public tax accountant (税理士 Zeirishi) having the national license. Therefore, it should be said that traders and consumers coming into contact with the characters "国際税務士 (Kokusaizeimushi)" understand that the characters represent "a national license similar to that of a certified public tax accountant who provides services regarding tax problems caused in transactions between a plurality of countries". Therefore, it should be said that the trademark in the Application is wrongly recognized as the name of the national license.

B The Appellant alleges that, on the premise that "国際税務士 (Kokusaizeimushi)" is not the national license based on the laws, since the characters "国際税務士 (Kokusaizeimushi)" indicate a coined word and can be distinguished from "税理士 (Zeirishi; certified public tax accountant)" that is well known, "国際税務士 (Kokusaizeimushi)" is not wrongly recognized as "certified public tax accountant".

However, as described in (1) above, many tax accountancy corporations and tax accountant offices provide services regarding tax problems caused in transactions between a plurality of countries in actuality, and the characters "税務士 (zeimushi)" in the configuration of "国際税務士 (Kokusaizimushi)" are similar to and confusing with the characters of "税理士 (Zeirishi; certified public tax accountant)". Therefore, it should be said that traders and consumers coming into contact with the characters "国際税務士 (Kokusaizeimushi)" wrongly recognize the characters as "a national license similar to that of a certified public tax accountant who provides services regarding tax problems caused in transactions between a plurality of countries".

Then, when the trademark in the Application is used for its designated services, traders and consumers coming into contact with the trademark wrongly recognize the designated services as services relating to "a national license similar to that of a certified public tax accountant who has exclusive knowledge and technique equivalent to those of the certified public tax accountant and handles tax problems caused in transactions between a plurality of countries". To register such a trademark in the Application and to give the exclusive right to use and the exclusive right regarding the designated services undercut citizens' confidence in the national license system, may disturb trade order, and violate public benefit.

Therefore, the Appellant's allegation cannot be accepted.

(3) Summary

As described above, the trademark in the Application falls under Article 4(1)(vii) of the Trademark Act and cannot be registered.

Therefore, the appeal decision shall be made as described in the conclusion.

October 24, 2018

Chief administrative judge: TOMISAWA, Mika
Administrative judge: SUZUKI, Masaya
Administrative judge: MANABE, Emi

Attachment Examples of tax accountancy corporations and tax accountant offices specialized in international tax services

1 On the web site of Grant Thornton Yamada & Partners, under the headline of "International tax services", it is described that "Menu of international tax services/1 International tax consulting Our consulting services cover a wide range of issues involved in international taxation, including sharing of costs between parent companies and subsidiaries overseas, handling of salaries of staff on assignment overseas, and handling of withholding tax on overseas payments. /2 Support for preparation of tax returns and financial statements We handle preparation of tax returns, which require international tax expertise, as well as conversion to various reporting data formats and English-language financial statements as needed by overseas parent companies and head offices of foreign-affiliated firms and Japanese branches of foreign corporations".

(<https://www.yamada-partners.gr.jp/services/international/>)

2 On the web site of EY Japan (tax accountants' corporation), under the headline of "international tax", it is described that "oversea expansion advice/ The number of companies that accelerate overseas operations for further growth in business is increasing. However, it is not easy to accurately recognize the taxation system and risk in a country to which the business is expanded. By using our EY global tax desk network, we assist our clients with their cross-border tax structuring, planning, reporting, and risk management. /Global tax management/To reduce taxation risk and consolidated effective tax rate, it is necessary to rapidly establish a tax management system led by the head office. We provide optimal advice by examining the state of overseas development and collecting and analyzing information from overseas subsidiaries".

(<https://www.eytax.jp/services/international-tax/cross-border-advisory/index.html>)

3 On the web site of tax accountancy corporation Ion, under the headline of "introduction of our services", it is described that "International tax service/...service contents/...01 Consultation regarding international tax in Japan/(1) service related to export and import transactions/(2) tax service for overseas assigned employees/(3) overseas subsidiaries' contributions/02 Consultation and acquisition of second opinion regarding Asian countries/(1) tax service in the local country (salary tax, withholding on dividends and use fee, VAT, tariff, and the like) (2) trade transaction scheme construction and establishment of foreign currency transfer method (3) consultation regarding personnel labor/03 Solution to transfer pricing problem (calculation of appropriate transfer pricing standard and response to tax inquiry)".

(<http://www.tax-ion.com/service/international/>)

4 On the web site of KMC Partners Tax Corporation, under the headline of "Our services", it is described that "International tax service...monthly traveling audit and monthly report/In recent years, in accordance with economic globalization, internationalization of corporate activities has been advanced, and transactions have been diversified and varied. In the international corporate activities, it is significantly important to develop optimal taxation strategies in consideration of tax cost and risks. We provide appropriate advice on complicated international taxation. /tax haven system/transfer pricing taxation/thin capitalization rules/non-resident withholding related service/ foreign tax credit".

(<https://www.kaikeinet.jp/operation.html#overseas>)

5 On the web site of Clifix Certified Public Tax Accountants' Corporation, under the headline of "Services", it is described that "International tax services/Supporting the calculation of foreign tax credits and the preparation of the attached tables of tax return/ We provide foreign tax credit calculation services, which require complex and specialized knowledge, and preparation of the attached tables of tax return for foreign tax credits.... Calculations and advice concerning the tax haven system/We can support you in judging whether your overseas subsidiary is subject to tax haven treatment, as well as preparing and simulating tax returns in the case of unitary taxation. Furthermore, by providing comprehensive support in areas, such as the dividend schedule of your subsidiary in a tax haven country, we could prepare a scheme for avoiding unitary taxation or, if such avoidance is not possible and unitary taxation applies, minimizing your tax burden. /Providing advice on transfer pricing/We can assist you to determine optimum transaction prices when transacting with overseas affiliates, taking into account, among other factors, your company's size, industry, and transaction details".

(<https://www.clifix.or.jp/services/service01.html>)

6 On the web site of Seiwa tax accountancy corporation, under the headline of "Company profiles and contents", it is described that "Contents/...international tax consultation/investigation on overseas taxation/international transaction consultation service (foreign tax credit calculation service, service regarding application of tax treaty, tax haven system service, withheld tax planning service)/tax planning service regarding expatriate employees and short-time business travelers/international inheritance and gift consultation/tax consultation regarding overseas asset investment".

(<http://www.seiwa-group.jp/wao/company/>)

7 On the web site of Chuo research institute, under the headline of "Our services", it is described that "taxation service...international taxation service/The globalization of business requires global business activities for small and medium enterprises. We solve the problems regarding imposition of exemption for tax, tax treaty, tax haven taxation, transfer pricing taxation, and the like in Japan and local countries caused in accordance with international transactions and overseas expansions".

(<http://chuosoken.com/service/service02/>)

8 In the web site of ASAHI Tax Corporation, under the headline of "Our service line", it is described that "International Taxation Service/We provide a wide range of the international taxation services with high quality regarding withholding tax management, tax haven taxation, credit for foreign taxes, tax treaty, and the like in relation to your international transactions".

(<http://www.asahitax.jp/service/international/>)

9 On the web site of Shimada & Associates International Tax Consulting Office, under the headline of "International Tax Consulting Services", it is described that "International tax consulting service contents...specific supports/examination of tax risk in the cross-border scheme/examination of exception of tax haven taxation/examination of resident and non-resident in Japan in terms of tax/examination of excessive interest payment and thin capitalization rules/examination of transfer pricing system/examination of withholding tax treatment at the time of payment to overseas subsidiaries/preparation of tax treaty registration".

(<https://shimada-associates.com/international/>)

10 On the web site of FUJITA tax, under the headline of "Our services", it is described that "Overseas expansion and international taxation/ We provide appropriate advice on problems specific for international taxation such as tax haven taxation, transfer pricing system, tax planning at the time of overseas expansion, and the like".
(<https://fujita-tax.com/guide/>)