

September 2001 -

Asia IP Focus, Japan: A strategic approach for TM protection

To obtain secure trade mark rights in Japan you must prepare properly, writes Paul Smith of Ryuka IP Law Firm

The Trade Mark Law in Japan is designed to identify a particular manufacturer or seller's products or services and distinguish them from products or services made, sold, or provided by another. Trade marks in Japan, like patents, operate under a first-to-file system. The duration of a trade mark is 10 years, and is renewable. Since 1992 service marks can also be registered. All communications with the Japanese Patent Office (JPO) must be in Japanese.

This article provides an overview of the Japanese trade mark process and strategies for trade mark applicants to successfully secure their trade marks in Japan. We also propose guidelines for avoiding common pitfalls in Japanese trade mark practice.

Requirements for filing

An applicant in Japan may claim priority based upon a trade mark application filed in any other country that is a signatory of the Paris Convention.

Necessary information

Any person desiring trade mark registration is required to submit a request to the Commissioner of the Japanese Patent Office stating the following:

1. the name and address of the applicant and, in the case of a legal entity, the name of an officer entitled to represent the applicant;
2. the trade mark for which registration is sought; and
3. the designated goods or designated services and the class of goods or services as prescribed by Cabinet Order.

If foreign priority is being claimed, then a declaration indicating at least the filing date and the country of the first application is necessary at the time of filing. A certified copy of the priority document must be submitted within three months from the Japanese filing date.

A power of attorney is not required at the time of filing but is required for some procedures, such as filing an appeal against the final rejection, abandoning an application, or withdrawing an application. The power of attorney must be signed by the applicant (not notarized or legalized).

Who may register a trade mark

Any person or legal entity that intends to use a trade mark in Japan may file for registration. The threshold for showing intention appears to be met merely by filing.

Current use in Japan is not required for the applicant to file an application or to register a trade mark. Furthermore, it is not necessary for the applicant to prove intent-to-use.

An applicant who has no domicile or place of business in Japan is also entitled to registration if the person is a national of the country that constitutes a Union of Paris Convention, International Protection of Industrial Property Trade mark Law Treaty, or the World Trade Organization (WTO).

Representation

An applicant who has domicile or residence in Japan may represent himself or herself before the Patent Office, or may be represented by a patent attorney (*benrishi*) or a general attorney (*bengoshi*). However, an applicant who does not have a domicile or residence in Japan must be represented by a *benrishi* or *bengoshi* who has their domicile or residence in Japan.

The domicile or residence of a *benrishi* or *bengoshi* representing an applicant who does not have a domicile or

residence in Japan will be considered when determining the proper venue for litigation.

Ownership rights

The registration of a trade mark gives the registrant an exclusive right to use the mark in connection with the designated goods or services. Only when a trade mark is registered does its respective right become effective. Therefore, prior use of an unregistered trade mark does not automatically confer an exclusive right to use the mark with respect to the specified goods or services. However, any person or business that has been using a trade mark in Japan that is identical or similar to a registered trade mark prior to the application date of the registered trade mark is allowed to continue to use the mark, assuming the mark has become well-known.

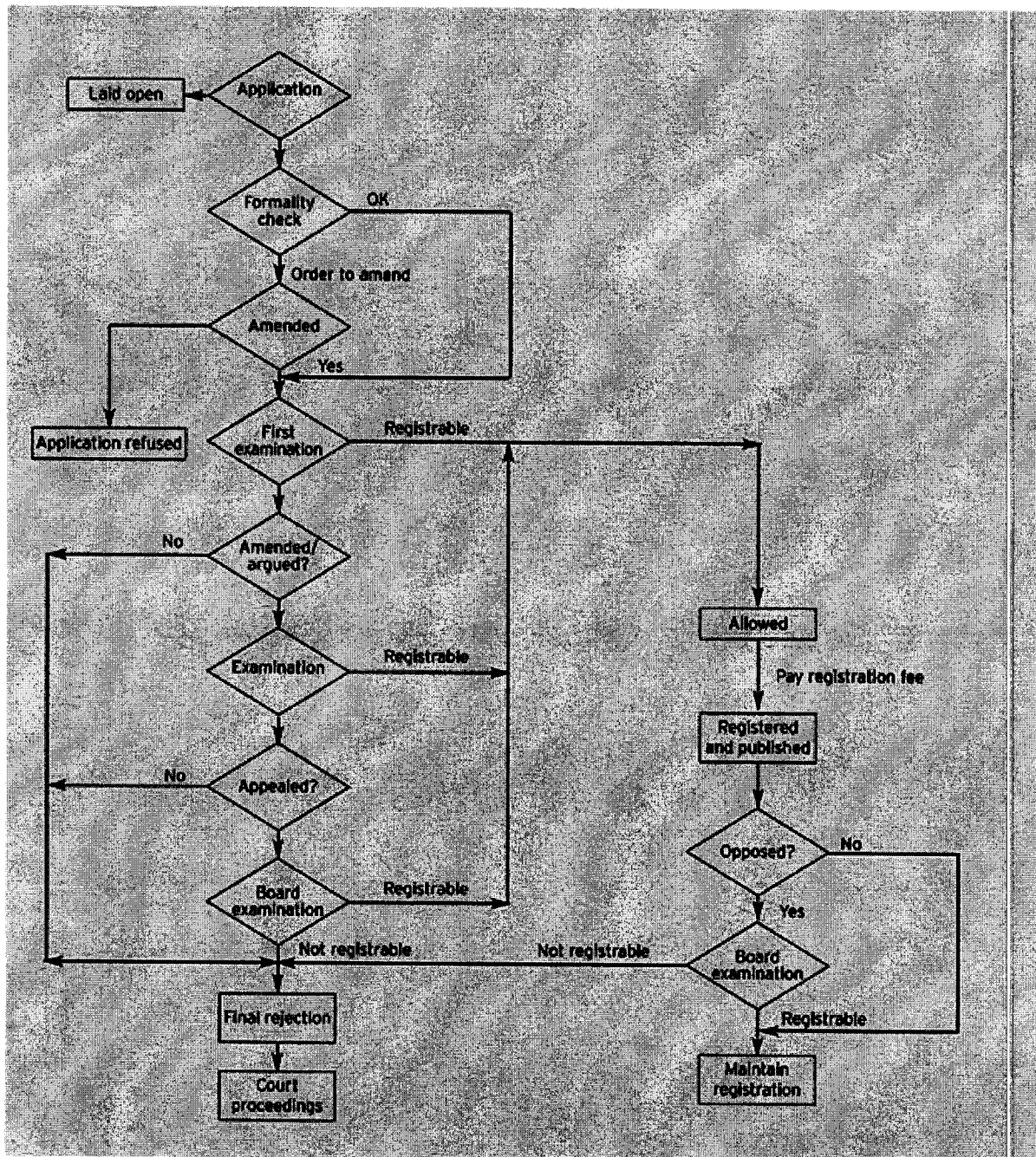
Applying for a trade mark

Trade mark applications to the JPO can be filed online, at which time an application number is immediately issued.

The chart below shows the steps in prosecution of a trade mark application in Japan.

Japanese law allows for multi-class applications. This means that the designation of more than one of the 42 classes of goods and services is permitted in a single application.

Japan trade mark filing process



Is a preliminary trade mark search necessary?

It is strongly recommended that a preliminary trade mark search be carried out in order to decrease the possibility of rejection and infringement based on identical or similar marks.

Trade marks filed or registered under different classification systems coexist in Japan therefore it is insufficient to conduct a search using only the International Classification system. Rather, the trade mark search should be carried out based on the similarity group code as adopted by the JPO. It is strongly advised to contact a patent attorney firm experienced in this field to ensure a thorough search is executed.

First-to-file system

Like the Japanese patent system, the Japanese trade mark system employs a first-to-file system. This system provides that if one or more applications conflict with another, the application that was filed first is registered. In the unlikely event that two or more applications are filed for identical or similar marks on the same day for identical or similar goods or services, the parties involved are given the opportunity to decide which one may obtain registration. If no agreement can be reached within a specified time limit the director-general will draw lots.

What is registrable

A trade mark may consist of characters, letters, figures, or signs. A combination of these may also be a trade mark. Assuming that it can be represented graphically, a trade mark may be any combination of characters, figures, or signs with colours. Three-dimensional trade marks can also be registered. Sounds and smells cannot be registered.

Examination

All trade mark applications are subject to a substantive examination to determine whether the mark satisfies the requirements for registration. A request for expedited examination is permissible in special circumstances, such as possible infringement of the trade mark or a pending application in a foreign country, however reasons for the expedited examination along with any related documentation and trade mark searches must be submitted to the JPO.

The trade mark is examined for distinctiveness and registrability. The examination of distinctiveness, as outlined in section 3 of the Trade Mark Law, determines whether or not the trade mark indicates the common name of goods or services, the quality of goods or services, or the shape of goods or their packaging.

The examination of registrability, as outlined in section 4 of the Trade Mark Law, determines:

1. whether or not a trade mark is identical or similar to national flags or state coats of arms;
2. whether an identical or similar trade mark is registered for identical or similar goods/services;
3. whether a well-known or famous trade mark (in Japan and abroad) exists;
4. whether or not the trade mark contains the stage name of another person or a famous abbreviation thereof; and
5. other registrability considerations as outlined in section 4.

When a trade mark application satisfies the requirements for registration, a decision of registration is made and a notice of the decision is sent to the applicant or their representative. To have the trade mark registered, the applicant must pay the registration fee. After registration the trade mark is published in the *Trade Mark Gazette* for opposition. Any person may file an opposition within two months from the date of publication.

If a trade mark application does not satisfy the requirements for registration, an examiner issues a notice of refusal with a supporting reason(s). The applicant is given an opportunity to respond by filing an amendment and/or an opinion. A response must be filed within three months (for foreign applicants) from the date of transmittal of the decision of the official action. If the applicant fails to overcome the reason(s) for refusal, the examiner issues a decision of refusal.

Term of registration and renewal

The term of a trade mark right is 10 years from the date of registration and is renewable indefinitely. Renewing the term for registration of a trade mark is as simple as filing a request and paying the renewal fee. The request of registration can be filed within six months before the expiration date. It can also be filed within six months after the expiration of the term however a surcharge registration fee must be paid.

How goods are classified in Japan

The International Classification of goods and services was adopted on April 1 1992. Before that, Japan had its own classification systems: Classification of 1899, Classification of 1909, Classification of 1921 and Classification of 1959. Trade marks are currently registered and coexist under the above five different classification systems. As a result, difficulty arises when determining the scope of a trade mark registered under the old classifications.

To clarify the scope of a trade mark registered under the old classifications, a reclassification system has been introduced, which changes registrations to the International Classification system in stages starting from the oldest classification.

Reclassification

The JPO requires that goods under the old classifications be reclassified in accordance with the International Classification within a specified period. Owners of such registered trade marks are required to apply for a reclassification of their designated goods and their classes in accordance with the present classification. The trade mark owners shall file the request of reclassification in the period from six months before the expiration date to one year after the expiration date. Reclassification does not incur a fee payment. The JPO will notify the owner of a trade mark registration of this period. Reclassification is not mandatory. However, if reclassification is not performed during this period, the next application for renewal will be denied.

If an owner of a trade mark filed before March 31 1992 does not file a reclassification request, the mark will not have a renewal term after the first renewal when reclassification becomes applicable to the mark at the first time.

Obtaining broader protection

The JPO encourages applicants to identify goods or services using official group headings provided in the "Guidelines for examination on similarity of goods and services and acceptable identification of goods and services". The essential characteristic of these guidelines is to categorize goods or services by groups of similar goods or services in each international class and list group headings and the specific goods or services covered under each heading. A "similarity group code" is assigned to each group. This code can be used as a cross-reference to determine similarity of goods or services in different classes.

The similarity group code is a string of five alphanumeric characters, for example, 04B01. The first two characters designate the class of the former Japanese Classification (except service classes) and the latter three characters are a JPO internal reference code. It should be noted that the similar group code presumes the range of similarity of the goods or services for which a trade mark is used, but does not presume the range of similarity of the trade mark itself.

The group heading should be listed in an application if the goods or services are listed under a certain group, or appear to be similar to the goods or services covered under the group. If the goods or services are not listed in the guidelines, the goods or services should be listed specifically accompanied with a detailed explanation of the goods or services so that the examiner will clearly understand the nature and scope of the goods or services. Ambiguous descriptions of goods or services will lead to a rejection of the application, to which a response including a detailed explanation of the goods or services must be filed within a prescribed time period.

During prosecution you can delete unnecessary goods or services, but cannot add any new goods or services that are beyond the scope originally specified. It is recommended to list as many goods or services as possible at the time of filing the application.

Dealing with rejection

If the application is rejected based on a prior mark, conflicting goods or services may be deleted to avoid the citation.

If it is not possible to delete conflicting goods, it is necessary to forcefully argue dissimilarity of the mark. Arguments supported by past JPO or court decisions or other supporting documents can prove persuasive. If overcoming the rejection appears difficult, one option is to file a non-use cancellation request against the cited registration. However, this can only be done if three years have passed since the cited mark was registered.

Another option is to negotiate with the owner of the cited registration for either an assignment or a licence of the cited registration. In Japan, mere consent from the registrant is not a basis for registration.

If the trade mark application is rejected due to lack of distinctiveness, proof that the mark has acquired distinctiveness through long and extensive use may be enough to warrant registration of the mark. If this option is not available, and use of the mark in Japan is still desired, it may be necessary to ensure that the mark is not registrable in Japan so that no other party is able to obtain registration of the mark. For that purpose, filing an argument or even an appeal to confirm rejection should be undertaken.

Licensing and litigation

Assignment and licensing

Registered trade marks or trade mark applications can be assigned. A registered trade mark or trade mark application may be assigned for one or more of the specified goods or services. The transfer of the right from a trade mark application is not effective until the Director General of the Patent Office is notified and accepts the transfer. Furthermore, except in cases of inheritance or other general succession, the transfer of a registered trade mark is not effective until it is recorded.

In Japan, as in many countries, there are two kinds of licenses; an exclusive licence and a non-exclusive licence.

An exclusive licence grants an undivided interest to an exclusive licensee. An exclusive licence may be transferred only in combination with the business in which it is worked, or only with the consent of the trade mark owner. This does not include transfer by inheritance or other general succession. An exclusive licensee may not grant a non-exclusive licence to another without express permission from the trade mark owner.

A non-exclusive licence does not give the licensee the right to sue those who infringe. Non-exclusive licences also do not have to be registered to be given effect as such. However, like the exclusive licence, registration of the non-exclusive licence prevents the trade mark owner from granting a conflicting licence to a third party.

Post-grant opposition system

A trade mark is registered when the registration fee is paid after a decision of registration is made. The registered trade mark is then published in the *Trade Mark Gazette*. Any party that opposes a trade mark may file an opposition to the registration within two months of the publication of the trade mark.

The opposition is examined by a group of three or five trial examiners. If the examiners find a reason to cancel the registration, the owner is notified and given an opportunity to respond. If the grounds for the opposition are not overcome, the examiners render a decision to cancel the registration. In cases in which the opposition is limited to part of the designated goods or services, that part of the registration is cancelled. If the owner is dissatisfied with the decision of cancellation, an action can be filed with the Tokyo High Court.

Non-use cancellation

If a registered trade mark has not been used on any given item(s) of designated goods or services for three consecutive years in Japan without justifiable reason, anyone can demand an action for cancellation against such trade mark registration in respect of such item(s). The trade mark registration will be cancelled by the action unless the registrant proves use of the registered trade mark.

A registered trade mark is regarded to be in use if the registrant uses another trade mark consisting of the same characters in a different style, or consisting of different characters but the same name and concept. For example, a registered trade mark consisting of Roman letters is considered to be in use if the proprietary uses a trade mark consisting of Japanese Katakana letters (phonetically the same as Roman letters) that have the same name and concept as the registered trade mark.

The use by a licensee is also considered the use of a registered trade mark.

Trial system

Four primary trials exist to comprise the trial system: trial against decision of refusal, trial for invalidation of trade mark registration, trial for cancellation of trade mark registration (due to non-use), and trial for cancellation of trade mark to avoid confusion over source. A body consisting of three or five trial examiners handle all of the trials.

There are other additional trials, eg trial for the cancellation of a registered trade mark due to abuse.

A party may appeal to the Tokyo High Court if a decision is unsatisfactory.

Infringement

Infringement of a trade mark right occurs when a party other than the owner or a licensee

1. uses a mark similar or identical to the registered mark for similar or identical goods or services;
2. holds goods for delivery or assignment if those goods are similar or identical to the designated goods and show a mark similar or identical to the designated mark;
3. assigns, delivers, or holds for assignment or delivery materials to be used in applying such a mark; manufactures or imports materials to be used in applying such a mark;
4. possesses materials used for applying such a mark on such goods; or
5. manufactures, assigns, delivers or imports, in the course of business, materials to be used solely for making articles to be used in applying that mark.

Planning for success

Within the legal framework of Japan trade mark law, applicants seeking trade mark registration can obtain secure trade mark rights by understanding the Japanese trade mark process and using the process effectively. As discussed in this article, we suggest that applicants have a preliminary search undertaken with a view towards registration encompassing a broad specification of goods and/or services. Initial effort and strategic planning will provide an applicant with a greater chance of registration and a final result of a registered trade mark with strong enforcement rights in Japan.

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