

10 Research and Study on Protection of Trademarks Used on the Internet

Along with the rapid evolution of the Internet, problems are coming to arise with regard to protection of trademarks on the Internet. This research and study aims to establish basic idea on such problems, so as to reflect it upon domestic measures and global-level discussions including the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) of the World Intellectual Property Organization (WIPO). This report first describes the issues and situations that are causing or coming to cause problems on the Internet and their relationship with the application of the current Trademark Law. Second, it clarifies the requirements for regarding an act of indicating a trademark on a web site, which is a typical mode of use, as a trademark infringement. Third, it overviews the practice in the United States, the United Kingdom, Germany, France, the Netherlands, the European Union and Japan concerning international jurisdiction and choice of applicable law when a trademark infringement occurs on the Internet. Lastly, it summarizes a series of discussions over these issues that took place from the Second to Fourth SCT session of the WIPO. Ideas on protection of trademarks on the Internet are still varied on both global and national levels. This Committee report presents various ideas, which could serve as the basis for future discussions.

I Use of Trademarks on the Internet

1 New Modes of Use of Trademarks on the Internet

(1) Domain Name

A domain name is a "symbol", which corresponds to the place name of an address to identify the location of a computer in the world of the Internet. Usually, domain names are provided to applicants by local domain name registrars.

When a domain name has been registered but no web site using that name is established, it would neither be regarded as a mark which is used "in respect of goods by a person who produces, certifies or assigns such goods in the course of trade" (Section 2(1)(i)) nor as a mark which is used "in respect of services by a person who provides or certifies such services in the course of trade" (Section 2(1)(ii)), thus not being regarded as the use of a trademark. This is because no web site exists indicating such domain name, even though it falls under the definition of "trademark" under the Trademark Law.

When a domain name is used on a web site in a way that could serve to distinguish one's own from others' in respect of particular goods or services, besides the indication of the URL (address on the Internet) on the browser, such use could be regarded as use of a trademark specified in the Trademark Law.

(2) Metatagging

A metatag is a character string embedded in a web site's source code file, which is invisible to

the web site users in the normal mode of viewing. Search engines on the Internet play the role of matching web sites with input keywords, based on the sites' metatag information. The chances of hits will increase by embedding keywords that are expected to be searched frequently, as metatags.

Metatags themselves are just embedded character strings, which are usually insensible for users who come in contact with the goods or services. That means, neither consumers nor transactors can recognize the existence of metatags in the normal mode of viewing.

Therefore, it is considered difficult to apply the definition of trademarks under the Trademark Law to a metatag. None of the modes defined in the "use" of trademarks under the Trademark Law (Section 2(3)) is applicable to a metatag. Also, under the current legal interpretation, an act of using a trademark as a metatag is considered neither as the use of a trademark defined in the Trademark Law nor as the use of a trademark required to maintain a trademark right.

On the other hand, there is possibly room for considering that an act of embedding a third party's trademark as a metatag without authorization in order to increase the chances of search hits for his/her own site constitutes a trademark infringement, because such use could cause confusion among users.

(3) Hyperlinking

Hyperlinking is a method by which the user can read text located within the same web site or on another web site by clicking a specific part of the web page where the URL of another web

page is embedded. A major problem here is how to distinguish the scope of content to which a web page title is considered to cover (hereinafter referred to as the "effective scope"). In a logical sense, web pages are connected endlessly by means of hyperlinking, and the effective scope of a certain web page title is not usually distinguished in an objective manner, apart from a subjective distinction intended by the web page author. This is a new issue that has never been discussed in the context of the use of trademarks.

(i) Hyperlinked pages which are not included in the effective scope

Some pages providing hyperlinks clearly indicate that they take users to other web pages, and some hyperlinked pages clearly indicate who the web page author is. In these cases, hyperlinked pages should not be considered as being included in the effective scope.

(ii) Hyperlinked pages which could be included in the effective scope

① Hyperlinking which takes users to other web pages without them knowing

A problem here is what criteria should be applied to distinguish the effective scope.

② Hyperlinking with an intention to make the hyperlinked page supplement the page providing the hyperlink

A typical example here is a web page for online shopping, which provides hyperlinks to the web sites of manufacturers for the explanation of the products.

It should be recognized that these kinds of hyperlinking expand the effective scope of the page to the hyperlinked pages, thus, may give rise to trademark disputes.

- Collection of hyperlinks

Collection of hyperlinks refers to a web page that lists up hyperlinks associated with specific subjects based on a certain intention. The collections of hyperlinks themselves serve as valuable information on the Internet where users often find difficulties in searching the target information, and they are established as one form of digital content. Since they themselves are widely recognized as one of the subjects for search by Internet users, it seems appropriate to consider the web page titles of such collections of hyperlinks as trademarks for information services.

(4) Banner Advertisements

A banner advertisement is a small advertisement appearing on a web page. Like a metatag, it is possible to program so that when an Internet user inputs a specific keyword on a search engine, a banner advertisement matching the keyword is displayed on the web page ("keying"). This function enables intentional indication or elimination of information

associated with keywords other than one's own trademark (e.g. competitors' advertisements).

Since advertisers would want to show their banner advertisements more frequently and those who sell keywords for advertisements can expect higher prices for keywords that are more likely to be input, the goodwill of trademarks and value of keywords seem to be closely linked to each other. This means that the goodwill of trademarks is being used for economic benefits of other parties.

The issue of banner advertisements and keywords will definitely pose a problem in the context of trademark rights in Japan as well. However, the above issue is not considered to constitute an infringement under the current Trademark Law.

"Trade" under the conventional Trademark Law has been interpreted as "acts continually and repetitively conducted for certain purposes" and not limited to commercial acts (See Makoto Amino, "Trademark", Third edition, Yuhikaku Press). If the possible displaying of banner advertisements was regarded to fall under an act "in the course of trade," every web page would be regarded as providing such advertisements "in the course of trade". However, the scope of "trade" is considered to be interpreted too narrowly, if the fact that a banner advertisement is actually being displayed is regarded as "trade". There is one opinion that involvement of monetary transactions is an aspect related to the concept of services and it is not appropriate to consider it as a criterion for "trade". On the other hand, the traditional interpretation of "trade" is not directly applicable to a web page title, as mentioned above. Therefore, the definition of "in the course of trade" in the case of trademarks used on web pages should be studied separately.

(5) Online Magazines

An online magazine is a web page that regularly updates information in which articles and headlines are arranged in a similar way as in a regular magazine. The problem here is whether a title displayed on such a web page should be regarded as a trademark, and if so, for what goods or services it is used.

At present, when an existing (paper) magazine appears on a web page referred to as an online magazine and uses the same trademark as its original magazine as a web page title, it seems appropriate to recognize such a web page as an online magazine and regard such use as the use of a trademark, as long as different classes of goods and services are designated. Nevertheless, more and more web page authors have come to establish their web pages as online magazines from the beginning. Criteria for recognizing those web pages as online magazines should

promptly be established, as well as a review of evaluation criteria for media including CD-ROMs.

(6) Digital Watermarking

Digital watermarking is a digitization technique used to identify the author's right and the source of works in distributing digital information such as images and photos. This can be categorized in two types: visible digital watermarking and invisible digital watermarking.

(i) Visible digital watermarking

A visible digital watermark is a designed watermark, which is composed in an image to the extent whereas it does not disturb the creativity of the original work, such as a photo or a picture, but which can be recognized visually. Because of this visibility, a mark made up of characters, figures, signs or any combination thereof, or any combination of these with colors, which are used in a digital watermark could be regarded as a trademark.

(ii) Invisible digital watermarking

Invisible digital watermarking converts the digital images of photos or pictures into watermarked images by embedding watermark information (characters and shapes) into them. The embedded watermark information is not visible and can only be read with the aid of special software.

Since invisible watermarks cannot be confirmed on a computer screen over the Internet, it cannot pose a problem in the trademark context nor be regarded as the use of a trademark in the context of the Trademark Law even though such watermark information consists of "characters and figures", considering that the purpose of the Trademark Law is to protect only visible identification marks used in commerce.

(7) Internet Mail Order

Basically, there are two types of Internet mail order: operations on one's own web page and operations on a third party's web page (shopping mall). There are also two types of products to be provided: original products (manufacture mark) and non-original products (distributor mark).

The trademark of the web page owner might always be indicated on web pages with the same domain name. However, in the case of a shopping mall, a web site owner himself/herself is not engaged in providing goods or services. In this case, it is inappropriate that use of the trademark of such web page owner (landlord) shall be regarded as use of a product trademark in a mail order service, falling under "acts of displaying or distributing advertisements relating to the goods or services, price lists of

business papers with respect to the goods or articles on which a mark has been applied" in Section 2(3)(vii) of the Trademark Law. Still, not a few users recognize that they have simply purchased goods or services on a series of screens displayed every time they click on, rather than purchasing goods or services with the clear acknowledgement of which web page they are on by careful observation of the URL indicated on the browser.

On the other hand, when manufacturers and distributors establish their own web pages and advertise their products with marks applied to their products on these web pages, such acts could fall under the use of trademarks set forth in Section 2(3)(vii).

In addition, it is often the case with mail order services that marks are applied not only to original products but also to non-original products. It will be an important issue in the future to determine whether an act of applying a distributor mark to the transaction documents for products which already apply the manufacturer mark falls under the use of a product trademark.

(8) Framing

Framing is a technique used on a web page to divide the page into vertical or horizontal multiple windows (frames), which enables users to see other hyperlinked web pages in other frames by clicking on a menu on the left or upper side of the original frame. Hyperlinking within a frame actually enables such display of other web pages.

There was a case in which advertisement in one's own frame was alleged for a trademark infringement as well as a copyright infringement. The issue here is whether it should be considered that those who use framing only provide services of leasing advertising space (Group of similar services: Class 35 A01) or whether they provide information services (These services are divided into diverse classes, but news information is categorized under Class 42).

Those who use framing often earn profits from the service of providing advertising space, and information is usually provided to users for free. So, the issue here is whether an act of applying a mark on web page frames would fall under acts set forth in Section 2(3) (iii) or (vii). If such an act is considered as providing advertising space, it would fall under acts of applying a mark to articles for use by persons to whom the services are provided when providing services. If it is, however, considered as providing information, the trademark used in such an act cannot be properly protected under the current Trademark Law.

2 Does the Application of the Trademark Law Need to be Reviewed?

The Trademark Law provisions relating to the use of trademarks (Sections 3(2), 4(1)(x), (i 5), and (i 9), 32, 50, and others) should be applied flexibly and carefully with due consideration given to the inherent nature of the Internet as mentioned earlier and in accordance with the intentions of each provision.

(1) Registrability of Trademarks (Section 3(2))

Since the use of a trademark on the Internet is considered as one of the references useful for comprehending the facts about the use of that trademark, facts about the use of trademarks on the Internet should be considered to be included as one of the references in determining the application of this provision. Therefore, in applying this provision, it is appropriate to assume that the trademark is actually in use in Japan (the fact that the trademark is in use apart from the Internet), and implement a practice that any use of the trademark on the Internet "may only be considered as a reference".

(2) Unregistrable Trademarks (Section 4(1)(X), (15), and (19))

The issue concerned in these provisions is about whether or not a trademark is well known or famous, and not about the actual use of the trademark in Japan. The question of whether or not a trademark is well-known or famous is determined by the degree of recognition of such trademark in Japan, and the frequency of its use on the Internet is highly likely to be reflected in defining such recognition. Given such a possibility, it should be considered to implement a practice that any use of the trademark on the Internet "must be considered as a reference" in determining whether or not a certain trademark is well-known or famous.

(3) Right to Use Trademark by Virtue of Prior Use (Section 32)

The presence of a right to use a trademark by virtue of prior use is never considered in the course of examination or appeal/trial examination. However, given that the issue to be considered in applying this provision is again whether or not a certain trademark is well known or famous, it seems appropriate to understand that any facts about the use of the trademark on the Internet "may be considered as a reference" in applying this provision, just as in the case of Section 3(2).

(4) Trial for Cancellation of Trademark Registration (Section 50)

The issue here is "whether use of a certain trademark on the Internet could prevent the cancellation of trademark registration". A web

site is easily established on the Internet, and there are some sites where it is doubtful whether actual commercial transactions are taking place even though the products are advertised on the Internet. Given all these situations, it does not seem appropriate to assume that the mere use of a trademark on the Internet "could prevent the cancellation" of registration.

In the future, when a trademark is used only on the Internet, it will be necessary to deal with this issue with comprehensive consideration given to the situations of transactions in the respective field.

II Trademark Infringements over the Internet

1 Statutory Grounds for Regarding the Use of a Trademark on the Internet as a Trademark Infringement

"Use" of a trademark is defined in Section 2(3) of the Trademark Law, providing for seven categories of usage concept.

Trademarks are usually used over the Internet: ① on a web site for advertising goods or services, ② on a web site for mail order of goods or services, and ③ for paid downloading of digital contents such as software and music data. Among these, the first usage obviously falls under acts of displaying or distributing "advertisements relating to the goods or services" on which a mark is applied, set forth in Section 2(3)(vii) of the Trademark Law. The second and third usage can also be considered as the same acts as mentioned above, because a mark is applied neither to products nor to articles provided to be used by those using the offered services. Therefore, an act of indicating a trademark, whose right is held by another party, on a web site over the Internet falls under "advertisements relating to the goods or services", and, therefore, is regarded as a trademark infringement.

2 The Place of the Use of a Trademark over the Internet

On the Internet, a web site is accessible from anywhere in the world regardless of the intention of the web site owner. The issue here is how to determine the country in which the trademark is being used when a trademark is used on the Internet. One possible idea is to consider that the trademark is being used in the country where the server is located. However, in the case of selling products to Japanese users, it will be possible to freely use a Japanese party's trademark right by

using a server located in an overseas country where the trademark of that Japanese trademark owner is not registered, and easily elude the Trademark Law. After all, a trademark serves as advertisements relating to goods or services in the country where the user's computer is located. Even if the site owner's act is not conducted in that country, it does not automatically mean that there is no "use" of the trademark. So, one must accept the view that a trademark serves as advertisements relating to the goods or services in the country where the user's computer is located, and, therefore, the trademark is being used in that country. According to this view, however, a site owner could infringe trademark rights owned by non-Japanese in unexpected countries since the site is accessible from anywhere in the world, regardless of the site owner's intention to conduct corporate activities by targeting only the Japanese market. Under such a situation, Internet business could not be conducted without always having to fear trademark infringement claims.

3 Major Principles on the Use of Trademarks on the Internet

As mentioned earlier, a trademark indicated on a web site over the Internet can be seen from anywhere in the world. It is, therefore, necessary to identify solutions to deal with possible infringements of trademark rights owned by other parties in unexpected countries. In this respect, it should be noted that, under the Japanese Trademark Law as well, the mere appearance of a mark identical to a particular trademark on a web site does not always fall under "advertisements relating to goods or services", and practical consideration should be given in determining whether such mark is used as "advertisements relating to goods or services". The so-called principle of "trademark-like use" has been accepted in dealing with the issue of the use of trademarks in media other than the Internet, and judgment on whether the act falls under the "use" of the trademark is to be made by examining the practical aspects, such as the mode of use of the trademark.

The application of this principle in the issue of the use of trademarks on the Internet could provide some appropriate solutions. It is, however, necessary to derive some logical interpretation that what is being "used" as a trademark in Japan is not being "used" as a trademark in other countries.

One solution could be that certain measures should be taken to make a trademark indicated physically on a web screen in one country not function as a trademark in other countries. One

example of such measures is to refuse orders from other countries by explicitly stating that the advertisement only targets the Japanese market and has no relationship with foreign right holders (disclaimer).

To this point, our discussion has been made by assuming the Japanese Trademark Law, but almost similar discussion could be made regarding the United States. The above discussion, however, would be meaningless unless other overseas countries adopt the same idea. In this respect, the WIPO has been working toward the establishment of a treaty for achieving harmonization. The main points of the WIPO discussions are: (1) that the "use" of a trademark on the Internet should produce "commercial effects" and (2) that the "coexistence of rights" can be accepted under certain requirements.

Discussions about whether a particular trademark produces any commercial effects are similar to those about the principle of "trademark-like use". The point here is that the mere use of a trademark is not directly regarded as a trademark infringement, but practical considerations should be given by examining the functions of the trademark in order to determine whether or not the act is a trademark infringement.

Specifically, the determination of whether any commercial effects have been produced requires the consideration of some specific factors including: ① whether the goods are actually being provided to customers in that country, ② whether the goods can be delivered to that country, ③ whether there is an explicit statement that the goods or services are not intended to be delivered or provided to customers in that country, ④ whether a two-way access is available in that country, and the place of contact is indicated in that country, ⑤ whether the web site refers to an after-sales service provided in that country, ⑥ whether the country code of the domain name is the same as the code for that country, ⑦ whether the web site uses the language predominantly used in that country, ⑧ whether prices are indicated in the official currency of that country, ⑨ whether activities which are not carried out over the Internet are conducted in that country, ⑩ whether the goods are supported by a right established in that country, ⑪ if the purchase in that country is motivated by the a right of another party, whether or not that right is legally protected, and ⑫ whether users in that country actually visit the web site.

The point of the principle of "coexistence of rights" is that if particular trademarks are registered independently in different countries

and the registration and use of such trademarks are not made in bad faith, and provided that no business operations are conducted in those other countries and the country of registration is explicitly indicated, such trademark use does not constitute an infringement and their rights could coexist.

It is, however, not clear about what kind of problems could be caused in connection with trademark dilution. It is a question whether it is possible to consider that some dilution is unavoidable when the "coexistence of rights" is accepted, in other words, use of trademarks will not be regarded as trademark infringements in many cases.

As mentioned above, a general principle is that use of a trademark in a mode that would not produce any commercial effects is expected to involve less possibility of being regarded as an infringement. For the confident use of trademarks on the Internet, a treaty should be established at the earliest possible time.

III International Jurisdiction and Applicable Law in Respect of Trademark Infringements over the Internet

1 Introduction

The international community is currently making efforts to establish a treaty for harmonization of practices in order to deal with the issues of jurisdiction and choice of applicable law in the case of trademark infringements over the Internet, in particular, aiming at better legal foreseeability and securer international commerce (over the Internet) (See the Hague Convention on Jurisdiction and Foreign Judgments in Civil and Commercial Matters ("the Hague Convention") as for international jurisdiction and WIPO "Draft Provisions on the Protection of Trademarks and Other Distinctive Signs on the Internet" as for choice of applicable law).

2 Situations in Major Countries

(1) The United States

(i) International Jurisdiction

In order for a court of the United States to be granted international jurisdiction, the court must have both subject matter jurisdiction and personal jurisdiction.

① Subject matter jurisdiction

The United States case law has developed its own criteria in determining to what extent the Lanham Act, the governing trademark statute in

the United States, could be applied to extraterritorial activities like Internet trade conducted beyond boundaries; according to the criteria, it must be indicated that the extraterritorial activities in question "have had an effect on interstate commerce".

② Personal jurisdiction

The United States courts apply a two-step analysis in determining personal jurisdiction.

1) First, whether or not the "long-arm statute" of the state in which the court is located applies to the defendant

2) Second, whether or not its exercise of jurisdiction conflicts with "due process" under the United States Constitution.

(ii) Choice of Applicable Law

It is told that United States law is generally applied in practice. When the state or federal courts are required to apply foreign trademark law, they would likely dismiss the case on the ground that the court is a *forum non conveniens* *.

(* *forum non conveniens*: discretion of a court to which action is brought in to decline jurisdiction without hearings, when it determines itself as an "inconvenient" court even though it qualifies for jurisdiction, and to have another court adjudicate the case)

(2) The United Kingdom

(i) International Jurisdiction

British courts can also be granted jurisdiction where there is both subject matter jurisdiction and personal jurisdiction.

In addition, the court must determine that it is the most convenient forum considering the following factors: 1) whether there is a real connection between the parties and the British court, 2) whether proceedings have already been commenced elsewhere, 3) whether the British court can give more effective relief, and 4) the comparative costs and convenience between British and the other forum.

(ii) Choice of Applicable Law

Based on the rules concerning the choice of applicable law in the United Kingdom, a British court should apply the law of "the country in which the events constituting the tort occurred". Nevertheless, the court has the flexibility to apply, instead, the law of a country in which the events did not occur.

(3) Germany

(i) International Jurisdiction

In Germany, a plaintiff may sue a defendant for a trademark dispute in any of the specialized regional district courts in the district in which the defendant is domiciled or has a place of business or in the place where "a tort has been committed", including both the place where the tort has been committed and the place where the

injury occurred, and such court is granted jurisdiction.

(ii) Choice of Applicable Law

German courts apply the tort law of the place of tort. The "place of tort" mentioned here may either be the place where the wrongdoer has acted or the place where the protected legal interest has been injured.

(4) France

(i) International Jurisdiction

French courts are said to be significantly assertive both in assuming jurisdiction over trademark disputes involving the Internet and in awarding broad extraterritorial relief. French courts conceivably have jurisdiction over any Internet activity that is accessible, and thereby causes harm, in France.

(ii) Choice of Applicable Law

Where a web site is accessible from France and where the activity is directed at or has an effect on a French company, the French courts have concluded that France has the closest link to the subject matter of the lawsuit and have applied French Law.

(5) The Netherlands

(i) The Benelux Court of Justice and the Uniform Benelux Trademark Act

The Netherlands, Belgium and Luxembourg established the Uniform Benelux Trademark Act (as amended in Jan. 1, 1996) and since then, the Benelux Court of Justice has rendered opinions in trademark cases to ensure its unified application.

(ii) International Jurisdiction

Neither the Netherlands nor either of the other Benelux member states has reported much on court decisions concerning the use of trademarks on the Internet. The 1998 report by the International Association for Protection of Industrial Property (AIPPI), however, concluded that not a few cases of domain name use on the Internet can qualify as the use of trademarks under the Uniform Benelux Trademark Act, because the World Wide Web (WWW) is essentially a worldwide system and information provided is mostly in English.

(iii) Choice of Applicable Law

To date, only a few reported cases in the Netherlands or either of the other Benelux countries have addressed issues on the choice of applicable law arising under the Uniform Benelux Trademark Act.

(6) European Union

(i) EU Trademark Protection and Relations with Other Sources of Law

The EU established the Council Regulation (EC) on the Community Trade Mark in 1993, which does not replace or preempt any existing international agreements or trademark laws in

the Member States, but instead provides an additional minimum layer of protection and a simplified central application procedure for trademark owners who desire EU-wide protection. The Community Trade Mark is treated as a trademark registered in the Member State where the owner is domiciled or resides.

(ii) Countermeasures against Trademark Infringements

Actions on infringements related to Community Trade Marks must be ① brought in the courts of the Member State where the defendant is domiciled, ② or if not a domicile, where the defendant has an establishment. ③ When the defendant is neither domiciled nor has an establishment within the EU, the action may be brought in the courts of the Member State where the plaintiff is domiciled, or if not a domicile, where the plaintiff has an establishment. ④ When neither the defendant nor plaintiff is domiciled or has an establishment, the action may be brought in the courts in the place where the Secretariat of the Office for Harmonization in the Internal Market (OHIM) is located.

In all of these actions based on domicile or establishment locations, the decision of the Court of the Community Trade Marks will be binding in all Member States.

(iii) EU Trade Mark and the Internet

Neither the EU nor the OHIM has published any decisions or rules relating to the Internet and the use of trademarks. Additionally, no reported decisions have addressed Community Trade Marks in the Internet context as of December 1999.

3 International Jurisdiction and Choice of Applicable Law In Japan

(1) International Jurisdiction

In Japan, no publicly reported court decision has been acknowledged involving the issues of international jurisdiction either (i) in Internet-related cases or (ii) in trademark infringement disputes.

Some precedents could provide some useful analogies to international jurisdiction in disputes concerning the use of trademarks over the Internet.

① In a case of seeking an injunction and damage compensation against a patent infringement (The "card reader" case) (Tokyo District Court Decision, Apr. 22, 1999, Hanreijiho, No.1691, p.131), international jurisdiction was not at issue with the court's jurisdiction having been taken for granted, and no description about the issue was made in the court statement.

② In a case of seeking a confirmation of

copyright (Tokyo District Court Decision, Jan. 28, 1999, Hanreijihō, No.1681, P.147 (jurisdiction denied), a plaintiff (Japanese Corporation) sought a court confirmation that the plaintiff is entitled to have Thailand extend protection to works created by the plaintiff in Japan, and that the defendant (Thai national living in Thailand) does not have a right of exclusive use of such works outside Japan. The court rejected both jurisdiction of "the place of tort" and "the place in which property exists" as the plaintiff argued, and concluded that forcing the defendant to respond to the action in Japanese courts is against the reason of the law and there are obviously "special reasons" to reject the international jurisdiction of Japanese courts.

Major theories in Japan concerning international jurisdiction deal with this issue as described below.

International jurisdiction in trademark infringement disputes is usually discussed in the context of the interpretation of "the place where the tort occurred" as specified in Article 5(9) of the Code of Civil Procedure. A current leading theory argues that, in principle, international jurisdiction shall be authorized both in the place of tort and the place where injury occurred (Masato Dogauchi, "Saibaa - Supeesu To Kokusai-Shihou - Junkyo-Hou To Kokusai-Saiban - Kankatsu - Mondai (Cyberspace and International Private Law - Applicable Law and International Jurisdiction)" Jurist No.1117, p.64).

(2) Choice of Applicable Law

In Japan, no publicly reported decisions involving the issues of the choice of applicable law have been acknowledged either (1) in Internet-related cases or (2) in trademark infringement disputes.

- Traditional Viewpoint

Since injury occurs in the real world, any place where Internet users have downloaded the web page content could be the place where injury occurred. When "injury occurred" under the principle of territoriality, again such a place is considered as the place where injury occurred in a legal context, and consequently, the law of that place shall be applied to the tort. (Id., p.63 by Dogauchi and p.38 by Ishiguro)

- New Viewpoint

When the laws of multiple countries where users downloaded the web content are applied, injunctive relief under the law of the country offering the broadest protection could be regarded as the standard and other countries may have to abide by that same standard. In other words, the conventional principle of territoriality has a limitation when dealing with web content that can be downloaded in various countries at the same time. When the target

audience of a particular site is obviously concentrated in a particular country, then the law of that country should be applied. In some cases, however, it might be inevitable to apply laws of multiple countries in an overlapped manner. (Yoshiyuki Tamura, "Shouhyou-Hou Gaisetsu (Overview of the Trademark Law)", 1998, pp.400-401)

- Evaluation

From the traditional perspective, "overlapped application of laws of several countries" could result in "entangled legal situations". And even if the degree of trademark protection varies in different countries, such difference itself does not pose any problems. Furthermore, as matter of fact, there seems to be a very low possibility that decisions made in "a country providing broader protection" could be recognized and enforced as they are in "a country providing narrower protection".

Then, the only preferable approach to overcome these difficulties seems to be to promote "wide-scale system harmonization" by, for example, establishing a treaty for international harmonization concerning trademark infringements over the Internet, while making the conventional "approach of the place of tort" as the basic principle.

IV Discussion in the WIPO Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT)

1 Historical Background of WIPO-SCT Sessions

(1) WIPO-SCT

The World Intellectual Property Organization (WIPO) is an international organization established under the "the Convention Establishing the World Intellectual Property Organization", whose predecessor was the United International Bureaux for the Protection of Intellectual Property (BIRPI) of "the Paris Convention for the Protection of Industrial Property" and "the Berne Convention for the Protection of Literary and Artistic Works".

The WIPO General Assembly held in March 1998 decided the establishment of standing committees specialized in patent law, law of trademarks/industrial designs/geographical indications, and copyright law. The Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT) has delegates from nearly 100 national governments and intergovernmental organizations as well as from private bodies, and

has been involved in enthusiastic discussions over trademark issues including "the use of trademarks on the Internet".

(2) Discussions over the Use of Trademarks on the Internet

(i) Main issues

The WIPO decided to conduct a "feasibility study for harmonization among national laws concerning a situation where the use of a trademark over the Internet constitutes an infringement of the use of the trademark or the trademark right" regarding the tension between the global nature of the Internet in which no national borders can be set up and the territoriality of trademarks.

The main issues of SCT sessions are as follows:

- ① When and under what circumstances does the use of signs on the Internet constitute a trademark infringement?
- ② What are the ways of enabling coexistence of conflicting rights over the Internet?
- ③ Global effects of injunction

(ii) Historical backgrounds of SCT Sessions

① First Session (July 1998)

The International Bureau was asked to conduct a study on how a relationship could be determined between a sign or mark and particular goods or services, and between a sign or mark and a particular country or territory, in respect of possible legal problems that may be caused by the use of trademarks on the Internet and the conformity with existing legal principles, and prepare a report which summarizes the viewpoints on to what extent a new internationally-harmonized approach will be required. This subsequently resulted in "the Study concerning the Use of Trademarks on the Internet" (SCT/2/9) and its summary (SCT/2/10).

② Second Session (June 1999)

Based on the "Possible Principles for Discussion" in SCT/2/10, open-ended discussions took place on several issues including "disclaimers" and "commercial use".

③ Third Session (November 1999)

This session discussed internationally-harmonized rules on conflicts relating to trademark rights in different countries caused by the relationship between the territoriality of trademark laws and the global nature of the Internet (e.g. requirements for regarding the use of a trademark on the Internet in one country as an infringement of a trademark right in another country, ways of enabling coexistence of conflicting trademark rights on the Internet), as well as "Preliminary Draft Convention on Jurisdiction and the Effects of Judgements in Civil and Commercial Matters (the Hague

Convention)".

④ Fourth Session (March 2000)

The main topics of this session were "Draft Provisions on the Protection of Trademarks and Other Distinctive Signs on the Internet" prepared by the International Bureau of the WIPO, "Preliminary Draft Convention on Jurisdiction and Foreign Judgements in Civil and Commercial Matters (the Hague Convention)" as well as other agendas. In the course of discussions over international jurisdiction, it was approved that the International Bureau would set up a separate forum specialized in copyright, trademarks, industrial designs, and patents in order to discuss all areas of intellectual property, in addition to the Hague Conference on Private International Law.

V Conclusion

This study group started its work so as to examine the various ways of applying the Trademark Law to the use of trademarks on the Internet and the issues of jurisdiction and choice of applicable law in regard to the use of trademarks on the Internet.

At the time of inception of the study, there were two important international developments recognized regarding trademarks on the Internet. One was about the negotiation of "Draft Provisions on the Protection of Trademarks and Other Distinctive Signs on the Internet" in WIPO and the other was about the "Preliminary Draft Convention on Jurisdiction and Foreign Judgements in Civil and Commercial Matters" in the Hague Conference on Private International Law.

Recognizing the importance of international principles about the use of trademarks on the Internet, the study group proceeded to examine the developments of those two international negotiations.

As for the modes of the use of trademarks possibly covered by trademark law, several issues were earnestly discussed such as, the limited effects of trademark law over the use of trademarks on the Internet and problems caused by the current application of the law to issues such as how product sales over the Internet should be handled. The issue of unfair competition law was also addressed in these discussions about trademarks on the Internet.

The main issue concerning jurisdiction and choice of applicable law was how the discussions on international private law that assumes national borders should take up the issue of the use of trademarks on the borderless Internet. In more specific terms, discussions took place on

how the general principles under international private law should be applied and whether the application of such principles under international private law would be sufficient in dealing with the issue of the use of trademarks on the Internet.

Regarding the "Draft Provisions on the Protection of Trademarks and Other Distinctive Signs on the Internet" in WIPO, discussions were focused on possible measures to prevent the use of trademarks in "good faith" from being regarded as a trademark infringement along with the issue of how unlawful use of trademarks could be eliminated.

The main issue of discussions concerning the "Preliminary Draft Convention on Jurisdiction and Foreign Judgements in Civil and Commercial Matters" was whether consideration in the context of international private law should be given to the special nature of the use of trademarks on the Internet.

In the course of all these discussions on international issues, delegates recognized the importance of international protection for famous trademarks and mostly agreed in respect of the elimination of possible allegation of trademark infringements anywhere in the world, but complete agreement could not necessarily be reached regarding the details.

International negotiations on these issues will continue further and their developments should be monitored continuously. In these negotiations, it is essential to fully investigate the necessity of international protection of famous trademarks from unlawful use on the Internet and the possible exemption from trademark infringement lawsuits with due consideration given to the borderless nature of the Internet.

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