

1 System Reforms in the Industrial Property Field

(Trademark System Reforms)

Amid progress in reforms of industrial property systems, Strategic Program for the Creation, Protection and Exploitation of Intellectual Property has recommended that concrete measures will be considered to develop an environment for providing products and services of greater value, along with consideration of a desirable trademark protection system, and a conclusion will be drawn by FY 2005.

Recently, there have also been active movements regarding trademark systems on a global level, such as movements regarding the European Community Trade Mark system. Now is the time for us to review the Japanese trademark system while taking into account the possibility of drastic system reforms.

This report presents and studies major problems for reviewing the Japanese trademark system.

More specifically, this report addresses the potential problems facing Japan when introducing the examination system, which has been adopted in European trademark systems, where examination of earlier registered trademarks is conducted upon the filing of an opposition (opposition examination system). The handling of the concepts of “similarity” and “likelihood of confusion” in Japan, Europe, and the United States, and a desirable way of assessing such concepts in Japan are also addressed.

I Introduction

1 Background Factors for the Review of Industrial Property Systems

In order to ensure that Japan will maintain its industrial competitiveness and secure its position as a major economic power surviving the global competition, we should create abundant intellectual property, and protect and exploit it properly.

As recommended in the Intellectual Property Policy Outline formulated by the government, reforms of industrial property systems are being desired with the aim of establishing Japan as “a nation built on intellectual property,” and specific measures are being implemented to this end, including the enactment of the Basic Law on Intellectual Property.

2 Progress in the Review of the Trademark System

As for the trademark system, the Intellectual Property Policy Outline stated as follows: “The GOJ will consider specific measures to develop an environment for providing products and services of greater value by using attractive brand names, along with consideration of a desirable trademark protection system, and a conclusion will be drawn by FY 2005.”

The Institute of Intellectual Property has also conducted research studies on trademark systems in recent years. Based on the results of these studies so far, this report, for the purpose of designing an appropriate trademark system and finding solutions to the problems in the existing trademark system, presents the results of further research study on system reforms at home and abroad.

II Present Situation and Problems of Trademark Systems

1 Present Situation of the Japanese Trademark System

The existing Japanese trademark system, established in 1959, has gone through several reforms to date. However, as more than forty years have passed since its establishment, it has been pointed out that a review of the overall framework of the system is necessary.

2 Trademark Systems in Europe^(*)

(1) European Community

The European Community (EC) adopted the “First Council Directive 89/104/EEC of 21 December 1988 to Approximate the Laws of the Member States Relating to Trade Marks” (hereinafter referred to as the “First Council

(*)1 In describing foreign trademark systems in the Japanese version of this report, much reference was owed to AIPPI JAPAN, *Gaikoku kogyoshoyuken horeishu* (Collected foreign intellectual property laws), (AIPPI JAPAN, 2001 Supplement, 2004), in addition to literature mentioned in footnotes. As for the Regulations on the Community Trade Marks, reference was made to Yukisato Iida, *Oshukyodotai shoho seido shinko* (New study on the Community trademark system), (Japan Institute of Invention and Innovation, 1997).

Directive”) and the Council Regulation (EC) No.40/94 of 20 December 1993 on the Community Trade Mark (hereinafter referred to as the “CTMR”). Having prepared for the establishment of the Office for Harmonization in the Internal Market (hereinafter referred to as the “OHIM”), the receipt of applications for Community trademarks started in April 1996.

The Community trademark system adopts the principle of registration, the principle of substantive examination, the pre-grant opposition system, and the examination system in which the examination as to relative grounds for refusal is conducted upon the filing of an opposition.

(2) Germany

The German Trademark Act was revised in 1994 for the implementation of the First Council Directive. The German trademark system adopts the principle of registration, the principle of substantive examination, the post-grant opposition system, and the examination system in which the examination as to relative grounds for refusal is conducted upon the filing of an opposition.

(3) United Kingdom

In the United Kingdom, the existing Trade Marks Act was also enacted and enforced in 1994 for the implementation of the First Council Directive. The U.K. trademark system adopts the principle of registration, the principle of substantive examination, and the pre-grant opposition system.

(4) United States

In the United States, there are federal trademark rights and state trademark rights. Federal trademarks are registered under the Trademark Act of 1946 (hereinafter referred to as the “Lanham Act”), which adopts the first-to-use system, the principle of substantive examination, and the pre-grant opposition system. Meanwhile, each state also has its own state law that provides for the registration of trademarks used in the state. In some states where trademarks are not protected under state laws, common law protection is available. This report focuses on federal trademarks, and therefore, the U.S. trademark system refers to the federal trademark system and the U.S. trademark law refers to the Lanham Act.

III Relative Grounds for Refusal of Registration of Trademark

1 Purpose of the Survey

Under the Japanese Trademark Law, registration of a trademark shall be refused in cases [1] where the trademark is identical or similar to another person’s registered trademark for which a trademark application was filed earlier, and goods or services that are designated for the trademark are

identical or similar to those designated for the earlier registered trademark (Article 4(1)(x) and (xi)), and [2] where the trademark is likely to cause confusion as to goods or services that are related to another person’s business (Article 4(1)(xv)).

In the examination process, the similarity of trademarks shall be assessed by taking into account actual circumstances of trading of the goods or services concerned. However, it is often difficult to take the specific situation of trading into account if the trademark to be examined has yet to be put into use by the time of examination, therefore, registration of a trademark seems to be refused in most cases where the trademark is likely to cause general confusion as to the source of goods or services.

In most European countries, relative grounds for refusal are handled differently from the manner in which they are handled in Japan, and in this respect, we should examine institutional frameworks in Europe and the United States.

This section presents how relative grounds for refusal are handled in Europe and the United States and discusses problems that might possibly be raised if European systems are introduced in Japan.

2 “Relative Grounds for Refusal” and the Japanese Trademark System

Under the Community trademark system and other European trademark systems, grounds for refusal are divided into “absolute grounds for refusal” and “relative grounds for refusal”. The examination as to relative grounds for refusal shall be conducted upon the filing of an opposition (hereinafter referred to as the “opposition examination system”).

Comparing European systems with the Japanese system, largely, reasons for refusal for public interests and reasons for refusal for private interests in Japan correspond to absolute grounds for refusal and relative grounds for refusal in Europe respectively.

3 Handling of Relative Grounds for Refusal under the Japanese Trademark Law

The Japanese Trademark Law provides that the examiner shall make a decision that a trademark application is to be refused where it falls under any of the paragraphs of Section 15. The matters set forth in the paragraphs of Section 15 are examined by the examiner ex officio in order to determine whether or not to register the trademark.

4 Handling of Relative Grounds for Refusal under the European Trademark Law

(1) European Community

Since its establishment, the CTMR has adopted the opposition examination system as to relative grounds for refusal, and requires searches of earlier trademarks. The Regulation provides that, as relative grounds for refusal, the trademark for which a trademark application is filed shall not be registered (a) if it is identical with an earlier trademark and the goods or services for which registration is applied for are identical with the goods or services for which the earlier trademark is protected, or (b) if, because of its identity with or similarity to an earlier trademark and the identity or similarity of the goods or services covered by the trademarks, there exists a likelihood of confusion on the part of the public in the territory in which the earlier trademark is protected or the likelihood of confusion includes the likelihood of association with the earlier trademark. Ex officio examination shall be conducted as to absolute grounds for refusal but shall not be conducted as to relative grounds for refusal.

Currently, the OHIM and Member States shall operate searches of earlier Community trademarks and national trademarks. This search system will be revised, and a search of national trademarks will be operated at the request of the applicant.

Prior to the grant of a trademark right, any persons who satisfy the prescribed requirements may file an opposition based on relative grounds for refusal whereas the applicant may, in the opposition procedures, challenge the argument that the earlier trademark has been put to use in good faith. The examination of the opposition shall only be supported by the facts, evidence, and arguments offered by the parties concerned. After the trademark is registered, an application for a declaration of invalidity of the registration may also be made based on absolute or relative grounds for invalidity.

(2) Germany

The opposition examination system is also adopted in Germany. A system for notifying the owner of an earlier trademark right of the existence of a later trademark application was adopted in 1894, but it did not function due to chaos in the post-war period. In 1949, the German Trademark Act adopted a system for conducting the examination as to absolute grounds for refusal while allowing oppositions to be filed based on earlier trademark rights, and the post-grant opposition system was introduced upon legal revision in 1994.

Ex officio examination shall only be conducted as to absolute grounds for refusal, and a trademark shall be registered without going through the examination as to relative grounds for refusal. The German system differs from the Community system because the former includes well-known trademarks that satisfy the prescribed requirements in the scope of ex officio examination. Opposition

may be filed within three months of publication of the registration of the trademark, and earlier trademarks based on which opposition is filed must be in use.

Where a registered trademark has not been put to use, the registration may be cancelled upon request to the Patent Office or the court on the grounds of revocation. The registration of a trademark may be cancelled on the grounds of nullity upon request where the trademark has been registered despite the existence of absolute grounds for refusal. The registration of a trademark may also be cancelled ex officio where the registered trademark is contrary to public policy. The registration of a trademark may also be cancelled upon request to the court on the grounds of revocation due to relative grounds for refusal.

(3) United Kingdom

The U.K. Trade Mark Act is distinctive among European trademark systems as it includes relative grounds for refusal in the scope of ex officio examination. The Act provides for absolute grounds for refusal of registration, specially protected emblems, and relative grounds for refusal of registration. Ex officio examination, including a search of earlier trademarks, shall be conducted. Applications that satisfy the prescribed requirements shall be published, and notice of opposition to the registration may be given within three months of publication. Before registration, observations may also be made to the registrar as to whether the trademark should be registered. Any person may give such notice of opposition or make such observations. A trademark shall be registered if no notice of opposition is given within the prescribed period.

Registration of a trademark shall not be prevented where the proprietor of the earlier trademark or other earlier right consents to the registration ("consent system"). The application for registration of a trademark shall not be refused where the trademark for which the application is filed has been honestly and concurrently used (honest concurrent use).

Any person may make an application, either to the registrar or the court, for revocation of the registration of a trademark where the trademark has not been put to use, and for a declaration of invalidity of the registration of a trademark where there are absolute or relative grounds for invalidity.

Discussion was held as to the desirable form of the examination system in response to a call for change in the current system, in which ex officio examination is conducted as to relative grounds for refusal. As a result of this discussion, the current examination system will not be changed for the time being, but there seems to be a strong possibility that it will be changed in the future.

(4) United States

Under the Lanham Act, ex officio examination shall be conducted as to trademarks that have already been registered, and an application for registration of a trademark shall be refused if the trademark has resemblance to such earlier registered trademarks to the extent that the trademark is likely to cause confusion or mistake. The consent system is also available but a trademark shall not be registered if it is likely to cause confusion or mistake. Registration shall be published where the examination has revealed that the applicant has a legitimate right to obtain the registration of the trademark. Any person who believes that he would be damaged by the registration of a trademark may file an opposition within thirty days after publication of the registration. Though the Lanham Act does not clearly provide for grounds for filing an opposition, the United States Patent and Trademark Office (hereinafter referred to as the "USPTO") and courts construe that an opposition may be filed on the ground that the trademark falls under any of the reasons for refusal of registration prescribed in Section 2. Unless opposition to registration is accepted, the trademark shall be registered.

Any person who believes that he is damaged by the registration of a trademark may file a petition to cancel the registration within five years from the date of the registration.

In any legal proceedings, the parties may apply equitable principles such as nonfeasance, estoppel, and acquiescence, and dispute over the validity of the right.

5 Conclusion

(1) Problems to be considered for introducing the examination system in which the examination as to relative grounds for refusal is conducted upon the filing of an opposition

(i) Reduction in time for examination and increase in the efficiency of examination

It is desired in Japan that the time for examination of applications for trademark registration be further reduced. The introduction of the opposition examination system is expected to reduce examination workload, but it would also result in the increased number of oppositions to trademark registration. We should consider how to reduce examination workload from an overall perspective.

(ii) Concern over the increase in the number of oppositions to trademark registration

If the opposition examination system is introduced, a trademark will be registered without being examined as to the relationship with earlier trademarks, which raises concern over the increase

in the number of oppositions to trademark registration. Under the Community trademark system, oppositions are frequently filed but most of them are settled before the Office makes final decisions. In light of this, we should also consider the introduction of the opposition examination system while not only paying attention to the rate of oppositions but also taking a comprehensive perspective.

(iii) Assessment of the likelihood of confusion while taking actual circumstances into account

Under the opposition examination system, the examination will be conducted upon the filing of an opposition to trademark registration or the demand of a trial for invalidation of a trademark registration, and the specific situation, including the use of the trademark, is expected to be taken into account as appropriate to the examination. If the examination as to relative grounds for refusal is conducted in a more proper manner, persons who intend to use trademarks will have more freedom to choose trademarks that they use.

(iv) Stability of rights concerning trademarks

If the examination as to relative grounds for refusal is conducted upon the filing of an opposition to a trademark registration, the stability of rights concerning the trademark will be threatened. In this respect, the following problems can be pointed out.

[1] Possibility of revocation of the registration

Due to the opposition to the trademark registration, the trademark right might be deemed never to have existed, which would threaten the stability of the right. The possibility of such retrospective extinguishment of right also currently exists in the case of a trial for invalidation of registration. We should consider the impact of the possible increase in the number of trademark rights to be revoked due to oppositions.

[2] Exercise of the trademark right

In the case where the owner of a trademark right exercises his right, if the other party is allowed to make a counterclaim based on relative grounds for invalidity of the trademark registration, the dispute would be prolonged.

[3] "Sense of security" when using the trademark

Under the existing system, the person who has obtained a trademark registration may feel secure when using his own trademark. However, the situation in Europe where the OHIM does not undertake searches on individual request^(*) seems to be undesirable.

(v) Increase in the burden of monitoring later trademarks and filing oppositions to registration

The owner of a trademark right or the applicant for trademark registration will have to monitor any trademark application, which will be filed by another

(*) COM (2002) 754 final.

person, after the filing date of his trademark application, in relation to a trademark that is identical or similar to his trademark while designating goods or services identical or similar to those designated for his trademark, and will have to file an opposition to registration of such later trademark, if necessary.

(2) Relationship with the consent system

There is a strong call for the introduction of the consent system in which the registration of a later trademark is allowed with the consent of the owner of the earlier registered trademark, even if the later trademark is identical or similar to the earlier trademark and used for goods or services that are identical or similar to those designated for the earlier trademark. If the examination as to relative grounds for refusal is conducted upon the filing of an opposition, such an examination system may bring about the same effect as if the consent system were introduced. Therefore, when introducing the consent system, we should consider the relationship between the consent system and the opposition examination system.

(3) Other problems to be considered

If the opposition examination system were to be introduced, there would be many options to be chosen as to the details of the system. Therefore, in addition to the problems mentioned above, we should consider other problems such as how to handle the opposition system, to what extent the examiner should be allowed to examine the opposition ex officio, and security measures against confusion.

IV Trademark Search Enterprises

If the examination as to relative grounds for refusal is conducted upon the filing of an opposition, the owner of the earlier registered trademark will have to monitor later registered trademarks or file oppositions to later registrations. From this perspective, the survey was conducted targeting enterprises that are engaged in trademark monitoring services.

The trademark search enterprises stated that they were able to provide services for operating searches on national or foreign trademarks, monitoring trademarks, and operating searches on similar company names and domain names, but the contents of their services are diversified. It is also not easy to compare their service fees because they offer discounts depending on the contents of searches requested.

V Concepts of Identity, Similarity, and Likelihood of Confusion

1 Purpose of the Survey

Under the Japanese trademark system, the concepts of identity, similarity, and likelihood of confusion between trademarks or goods/services are important factors when considering whether to grant a trademark registration and how to define the scope of the effect of a trademark right. It is pointed out, however, that the results of the assessment of these concepts regarding individual trademarks often differ depending on the circumstances such as the increase in the recognition of the trademark.

This survey focuses on how the concepts of identity, similarity, and likelihood of confusion are assessed in Japan, Europe, and the United States.

2 Assessment of the Concepts under the Japanese Trademark Law

(1) Provisions on identity, similarity, and likelihood of confusion

An application for registration of a trademark shall be refused where the trademark is identical or similar to another person's well-known trademark or another person's registered trademark for which a trademark application was filed earlier, and goods or services that are designated for the trademark are identical or similar to those designated for the earlier registered trademark. This operation is intended to prevent confusion as to the source of goods or services^{(*)3}. Section 4(1)(xv) also provides for the likelihood of confusion.

(2) Academic views on identity, similarity, and likelihood of confusion

According to one of the academic views on the relationship between the provision of Section 4(1)(xi) and the likelihood of confusion as to the source of goods or services^{(*)4}, there is no option, when examining an application for trademark registration, but to assume that the trademark mentioned in the application will be used. It is also necessary to take into account what the earlier registered trademark, which has been put to use, is called or recognized in the commercial world. The likelihood of confusion with the earlier registered trademark should not be assessed only by general, abstract, or conventional criteria.

Another academic view^{(*)5} insists on trying to find a positive significance in the provision of Section 4(1)(xi), stating: "this provision is intended to deny registration of a trademark that is similar to the registered trademark to the extent that goods or services designated for the trademark are similar to

(*)3 Japan Patent Office, ed. *Kogyoshoyukenho chikujokaisetsu* (Clause-by-clause explanation of industrial property laws), (16th ed.) p1063 (Japan Institute of Invention and Innovation, 2001),

(*)4 Makoto Amino, *Shohyo* (Trademark), (6th ed.) p362, 374 (Yuhikaku, 2002),

(*)5 Yoshiyuki Tamura, *Shohyoho gaisetsu* (Overview of the Trademark Law), (2nd ed.) p56, 60, 114, 117 (Kobundo, 2000),

those designated for the registered trademark, with the aim of defining the minimum scope of trademarks that are similar to the registered trademark and therefore should not be registered concurrently; desirably, the scope of such trademarks to be excluded from registration should be narrowed where the registered trademark has not been put to use whereas the scope should be broadened where the registered trademark is put to use and becomes well known.” This view also argues that the likelihood of confusion as prescribed in Section 4(1)(xv) includes the likelihood in the broad sense, and another person’s indication must be beyond the level of being “well known among consumers” as prescribed in Section 4(1)(x).

(3) Assessment of the similarity and likelihood of confusion

(i) Assessment of the similarity of trademarks and goods/services

There is a little need to distinguish “identity” and “similarity” when comparing trademarks and goods/services, and the Patent Office and courts consider “identity” and “similarity” collectively. Therefore, the discussion here only addresses “similarity.”

(ii) Similarity of trademarks

In the judgment of the *Hyouzan* case^(*6), the Supreme Court pointed out: “The similarity of trademarks should be assessed by considering whether misunderstanding or confusion would be caused as to the source of goods if both trademarks in comparison are used for the same or similar goods, and in this case, such assessment should be made based on the specific situation of trading of the goods, while comprehensively and totally considering what impression, memory, or association would be given to consumers by the appearance, concept, and appellation of each trademark when it is used in respect of such goods, and grasping the actual circumstances of such trading as clearly as possible.”

With consideration to the actual circumstances of trading, the Supreme Court judgment in the *Shinga* case^(*7) accepted the determination by the court of the second instance that assessed the similarity of trademarks in light of specific circumstances of trading. In this judgment, the Supreme Court pointed out that the appellations of the two trademarks concerned might not be very similar to one another in an abstract comparison, but stated, “in light of specific circumstances of

trading, *Shinga* and *Shinka* may be confused with each other, and therefore the court of the second instance judged the appellations of these trademarks to be similar to each other.”

(iii) Similarity of goods/services

In the *Tachibanamasamune* case^(*8), the Supreme Court held that the similarity of goods would be acknowledged “where the same or similar trademarks are used for the goods and therefore the goods are likely to be falsely recognized as being produced or sold by the same person.”

(iv) Assessment of the likelihood of confusion

The Supreme Court judgment in the *L’Air Du Temps* case^(*9) pointed out that the likelihood of confusion as prescribed in Section 4(1)(xv) included the likelihood that the use of the trademark for its designated goods would bring about a false recognition that the goods were related to the business of a person that had a close business relationship with another person (as its subsidiary or affiliated company) or belonged to another person’s business group under the same indication (likelihood of confusion in the broad sense).

(v) Assessment of the similarity and likelihood of confusion in the examination

It is pointed out that, due to the difficulty in taking into account the actual circumstances of trading, applications for trademark registration are often examined by considering whether the trademark is “likely to cause general or abstract confusion” with other trademarks.

3 Assessment of the Concepts under the European Trademark Laws

(1) European Community

(i) Impact of the assessment of the concepts under the Community trademark system to member states

In construing the provisions of the CTMR, member states seem to follow the construction under the First Council Directive.

(ii) Provisions of the European Community

Under the CTMR, the trademark shall not be registered if, because of its identity with, or similarity to, the earlier trademark and the identity or similarity of the goods or services covered by the trademarks, there exists a likelihood of confusion on the part of the public. This provision applies to the “likelihood of confusion” because of the similarity of trademarks, which is different from the corresponding provision under the Japanese

(*6) 1964(Gyo-Tsu)No. 110, Judgment of the Second Petty Bench of the Supreme Court of February 27, 1968, Minshu Vol. 22, No. 2, at 399

(*7) 1958(O)No. 766, Judgment of the Third Petty Bench of the Supreme Court of October 4, 1960, Minshu Vol. 14, No. 12, at 2408

(*8) 1958(O)No. 1104, Judgment of the Third Petty Bench of the Supreme Court of June 27, 1961, Minshu Vol. 15, No. 6, at 1730

(*9) 1998(Gyo-Hi)No. 85, Judgment of the Third Petty Bench of the Supreme Court of July 11 2000, Minshu Vol. 54, No. 6, at 184

Trademark Law. In the European Community, it is also considered difficult to assess the identity and similarity of trademarks and of goods/services objectively.

(iii) First Council Directive

The three leading cases judged by the European Court of justice were related to applications for trademark registration filed under the First Council Directive. This directive provides for grounds for refusal due to the identity, similarity, and likelihood of confusion in Article 4(1), and rights conferred by a trademark in Article 5(1). The European Court of justice stated in its judgment that these provisions contemplate the same criterion for assessing “identity” of two trademarks^(*10).

(iv) Important judicial precedents

This section presents leading cases judged by the European Court of justice. In the *SABEL* case^(*11), the Court denied the application of the provision of Article 4(1) of the First Council Directive when there existed no such likelihood of confusion on the part of the public, holding that the likelihood of confusion must be appreciated globally, taking into account all factors relevant to the circumstances of the case.

In the *Canon* case^(*12), the Court stated that the global assessment as to the likelihood of confusion included some independence between the relevant factors, and in assessing the similarity of goods/services concerned, all relevant factors should be taken into account, such as their nature, their end users and their method of use and whether they were in competition with each other or were complementary.

In the *Lloyd Schuhfabrik Meyer* case^(*13), the Court pointed out that the global appreciation of the likelihood of confusion must, as regards the visual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The Court also stated that, in order to assess whether the trademark was highly distinctive, it was necessary to make a global

assessment of the capacity of the mark to distinguish the goods or services for which it had been registered from those of other undertakings.

(v) Other precedents

The Court also stated that the existence of the “likelihood of confusion” should not be presumed by the national court but it should be supported by the positive proof from the finding by the national court.”^(*14)

(2) Germany

In the *Attaché/Tisserand* case^(*15), the German court also judged that “the overall impression of the trademark, which was the basis for considering the likelihood of association, must be assessed according to the notion of consumers who have average knowledge, average carefulness, and average wisdom in the category of the goods or services concerned.”

(3) United Kingdom

There was a case concerning interference that was judged before the *SABEL* case^(*16).

(4) United States

Section 2(d) of the Lanham Act provides for the “likelihood of confusion.” This issue is assessed by applying the criterion presented in the *Du Pont* case.^{(*17)(*18)}

The criteria for assessment as to Section 2(d) applied by the USPTO in the examination process and in the opposition procedures are the same as that applied by federal courts in infringement cases^(*19). In assessing the likelihood of confusion in the opposition procedures, whether the applicant actually uses the mark mentioned in his application is not taken into account; the USPTO only assesses whether the mark mentioned in the application is likely to cause confusion if it is used in respect of the goods designated in the application.

4 Conclusion

In Europe and the United States, the likelihood of specific confusion seems to be assessed by taking specific likelihood into account.

The provisions of Section 4(1)(x) and (xi) of the

(*10) Case C-291/00 LTJ Diffusion SA vs. Sadas Verbaudet SA (2003)

(*11) Case C-251/95 SABEL vs. PUMA (1997) ECR I-6191

(*12) Case C-39/97 Canon vs. MGM (1998) ECR I-5507

(*13) Case C-342/97 Lloyd Schuhfabrik Meyer & Co. GmbH vs. Kleijnsen Handel BV (1999) ECR I-3819

(*14) Case C-425/98 Marca Mode CV vs. Adidas AG, Adidas Benelux BV

(*15) *Attaché/Tisserand* GRUR 2000, 506 et seq.

(*16) *Origins Natural Resources Inc. vs. Origin Clothing Limited*, 17 November 1994, (1995) FSR 280; *British Sugar plc. vs. James Robertson & Sons*, 7 February 1996, (1996) RPC 281; *Wagamama Ltd. vs. City Center Restaurants, City Center Restaurants (UK) Ltd.*, 20, 21, 24-26 July 1995 (1995) FSR 713

(*17) *In re E.I. Du Pont de Nemours & Co.*, 177 U.S.P.Q. 563 (C.C.P.A. 1973)

(*18) In the ordinary examination, the likelihood of confusion seems to be assessed as to (1) the similarity of the marks in their entirety as to appearance, sound, connotation and commercial impression and (2) the similarity of the goods or services as described in an application or registration, and other matters are not taken into account unless relevant evidence is included in the records.

(*19) *Midland Cooperatives, Inc. v. Midland Int'l Corp.*, 164 U.S.P.Q. 579 (C.C.P.A. 1970)

Japanese Trademark Law do not indicate the likelihood of confusion on the part of the public as a clear requirement, but the courts seem to regard whether or not the likelihood of confusion exists as to the source of goods/services as a criterion for assessment. However, it is not always possible, at the time of assessment as prescribed, to take into account the actual circumstances of trading, and therefore, if there exists a likelihood of general confusion as to the source of goods or services, applications for trademark registration might be refused even if there exists no likelihood of specific confusion as to the source.

In order to ensure that trademarks are capable of distinguishing one's goods/services from those of others, it seems desirable to clearly provide that the similarity of trademarks shall be assessed on the basis of the likelihood of confusion, and in this respect, a desirable way to assess the likelihood of confusion is to first examine the existence of the likelihood of general confusion as to the sources of goods/services and then give consideration to specific circumstances of trading.

VI Restriction on the Filing of Opposition to Registration Based on the Trademark Not in Use

1 Purpose of the Survey

Under the Japanese trademark system, when an opposition to a trademark registration is filed, the registration shall be revoked if the trademark has certain relevance with a registered trademark for which a trademark application was filed earlier, and in the opposition procedures, whether the earlier registered trademark has not been put to use for a certain period is not examined.

In Europe, on the other hand, when an opposition is made based on the earlier registered trademark that has not been put to use, the party against which the opposition is made is allowed to argue the non-use of the earlier registered trademark.

We should consider introducing such system in Japan.

2 Handling under the Japanese Trademark Law

The registration of a trademark may be revoked even due to an opposition based on the earlier registered trademark that has not been put to use for a certain period of time. Therefore, the later applicant or the owner of the later registered trademark should demand a trial for revocation of trademark registration on the ground of non-use, and have the earlier registered trademark revoked.

3 Handling under the European Trademark Laws

Under the CTMR and the German Trademark Act, when an opposition is made based on the earlier registered trademark that has not been put to use for a certain period of time, the party against which the opposition is made is allowed to argue the non-use of the earlier registered trademark.

4 Conclusion

Whether it is appropriate in Japan to allow registration of a trademark, which should normally be revoked, to be revoked upon the filing of an opposition to registration should be considered in light of the purpose of the law, e.g. maintaining commercial credit of the user of the registered trademark.

VII Other Matters Surveyed

Surveys were also conducted regarding other matters to supplement the past discussions and reports, such as the examples of registered marks of retailers and the collective trademark system in the United States.

VIII Final Conclusion

If the examination as to relative grounds for refusal is conducted upon the filing of an opposition, concern will be raised over the increase in the number of oppositions to trademark registration. Furthermore, how to protect public interest from confusion should be considered while taking into account security measures such as requests for indications to prevent confusion and trials for revocation.

In assessing identity, similarity, and likelihood of confusion, emphasis should be placed on the likelihood of specific confusion as to the source of goods/services in the examination while taking into account the possible scope of trademarks that are likely to cause confusion in the future.

With respect to the restriction on the filing of an opposition based on the registration of a trademark that has not been put to use for a certain period of time, we should discuss whether it is appropriate to allow the party to which the opposition is filed to argue the non-use of the earlier registered trademark.

The problems discussed in this report are closely related with one another, and therefore it is desirable to consider them comprehensively when designing the future form of the Japanese trademark system.

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