7 New Types of Trademarks

With business transactions by Japanese companies expanding internationally at a rapid pace, the substantive harmonization of countries' trademark systems is occupying an increasingly important place. However, while new types of trademarks, including sound, olfactory and motion trademarks, are not subject to protection in Japan, they have already been protected in the United States, European countries including the United Kingdom, Germany, France and the OHIM, and Australia. Given this, this study considered a desirable means of protecting new types of trademarks under the Trademark Act in Japan, focusing on the needs, international circumstances and legal issues that would arise if such trademarks were made subject to protection in Japan. In other words, as the number of countries where new types of trademarks are subject to protection increases, this study analyzed and summarized the new types of trademarks that should be protected in Japan, considering the perspective of international harmonization, including responses to the Madrid system, as well as needs seen by type, and the status of filing and registration in other countries.

I Background and Details of the Problem

(1) As corporate activities develop, the methods of differentiating one's own goods/services from those of others are becoming increasingly diverse. Under these circumstances, not only traditional signs consisting of conventional characters and figures but also new types of signs, such as characteristic sounds used for television or radio advertising, are being used as signs that indicate one's own goods/services.

(2) New types of trademarks (hereinafter called "new trademarks") are subject to protection under the trademark laws of major foreign countries, including the United States and European countries. In addition, the number of countries where new trademarks are subject to protection is also increasing in the Asia-Pacific region. However, such trademarks are not currently subject to protection in Japan.

(3) Given this situation, we carried out a research on a desirable means of protecting new trademarks under the Trademark Act in Japan, focusing on the needs, international circumstances and legal issues, etc. that would arise if such trademarks were made subject to protection in Japan.

(4) Incidentally, the "new trademarks" covered by the study in this report are "motion," "hologram," "color," "position," "trade dress," "sound," "olfactory," "taste" and "texture or feel" trademarks. Out of these, "motion," "hologram," "color," "position" and "trade dress" trademarks are of a visible type, while "sound," "olfactory," "taste" and "texture or feel" trademarks are of a non-visible type.

<<Reference 1>> Protection Status in Major Countries (○ = All types of trademarks are subject to protection)

US	OHIM	UK	France	Germany	Australia	South Korea	Taiwan	China
○	○	○	○	○	○	Visible ones*1	Sound and color*2	△*3

*1 Trademarks of color, motion, hologram, etc. Protection started in July 2007. At present, a legal revision to make all types of trademarks subject to protection is planned.
*2 A legal revision to make all types of trademarks subject to protection is under examination.
*3 A legal revision to make all types of trademarks subject to protection is under examination. The current subject-matter of protection is the same as in Japan.

<<Reference 2>> Number of Countries Where New Trademarks are Protected*4

Sound (musical)	Sound (unmusical)	Olfactory	Taste	Texture or feel	Simple color	Hologram	Motion
38	28	20	1	1	45	32	21

*4 Based on the WIPO survey (SCT/16/2, published in September 2006). The number of countries that answered "Yes" to the following question was counted: "Are the following signs registrable based on laws and regulations or the government office's operations?"

II Study Method

The following activities were conducted: (a) holding meetings for a study committee consisting of people of learning and experience, intellectuals from industrial circles and other people with expert knowledge (seven meetings in total), (b) conducting questionnaire and interview surveys to understand the needs concerning new trademarks, (c) studying, organizing and analyzing examples of use of new trademarks in other countries and other countries' systems, and (d) collecting and organizing documents and court precedents in Japan and abroad.

III Problems, etc. with the Legal System if New Trademarks Are Made Subject to Protection in Japan

The main opinions are as follows:

1 Which types of new trademarks can become subject to protection?

(1) A trademark right is a right to exclusively monopolize the use of a trademark for goods/services. Therefore, a clear identification of the trademark is important.

(2) Trademarks for which the following (a) to (e) are easily conducted are considered to be relatively clearly identified: (a) statement of the trademark in the application, (b) submission of the trademark itself if it is impossible to state the trademark in the application (e.g. submission of a CD on which the sound of breaking glass is recorded), (c) lengthy storage of the trademark at the JPO (e.g. "odor, scent or smell" itself is impossible to store), (d) publication of the stated trademark or the trademark itself, and (e) access to the registered trademark by third parties.

(3) Visible trademarks, such as "motion trademarks" and "hologram trademarks," and "sound trademarks" can easily satisfy requirements (a) to (e) in (ii) relatively. For "olfactory," "taste" and "texture or feel" trademarks, continued consideration is necessary because it is technically difficult to store these trademarks at the JPO over a long period of time, and because it is not easy for third parties to understand the rights for these trademarks, as it is difficult to publish them via the Internet.

(4) The methods of excluding trademarks that are not clearly identified from the subject-matter of protection are (a) making all new types of trademarks subject to protection and including "clear identification of the trademark" in the requirements for a "trademark" or "registration," or (b) individually picking up types of trademarks that are easy to identify clearly and making such trademarks subject to protection (e.g. adding to the definition of "mark").

2 Functional trademarks

There is an idea of precluding the registration of new trademarks that are indispensable to ensure a function (functional trademarks). On the other hand, it is also considered sufficient to refuse functional trademarks on the grounds that they lack distinctiveness.

3 Adjustment with other rights (copyright, design right, etc.)

It is considered problematic to ubstantially extend the term of protection of copyright, etc. by granting a trademark right to a subject equivalent to the subject-matter of a copyright, etc. for which the term of protection has expired, and not to consider the fact that a trademark conflicts with another person's copyright, etc. to be a ground for unregistrability. On the other hand, it is considered that relationships with another person's copyright, etc. can be organized based on Article 29 of the Trademark Act as it is at present. In addition, it is also considered that this question should be understood not as a problem concerning only new trademarks, but as one concerning trademarks as a whole.

4 Influence on the Trademark Act

The major items for which legal revision is considered necessary are (a) definition of a trademark, (b) definition of use (e.g. phonetic use) and (c) the scope of right of a registered trademark, etc.

5 Other viewpoints

(1) Coordination with the Unfair Competition Prevention Act is necessary. Protection under the Trademark Act is superior to that under the Unfair Competition Prevention Act on some points, including predictability and stability of rights. In addition, responding by border measures or the Madrid Protocol is also possible.
(2) Where a trademark stated in an application (or a trademark submitted on a CD, etc.) is not clear, it is expected that the applicant will be asked to explain the trademark. Thus, further consideration is necessary with regard to the positioning of this "explanation of the trademark" (e.g. influence on the scope of right/filing date and the acceptability of amendments).
(3) It is also necessary to pay attention to compliance with treaties including he Madrid Protocol and the Trademark Law Treaty.

6 Determination of similarity of trademarks

Regarding the determination of similarity of trademarks, it is basically appropriate to use the same determination method as at present, including the method of observing trademarks. However, since new trademarks are trademarks of types that do not exist at present, including non-visible trademarks, it may be determined whether such a trademark is likely to mislead or cause confusion regarding the source of goods/services, comprehensively considering the impression and image that consumers receive when seeing the trademark, and taking into account not only the three elements for determination that are used in determining the similarity of trademarks subject to protection under the current law – namely, "appearance," "pronunciation" and "concept" – but also additional elements for determination (for example, for a "sound trademark," the "way of catching people's ears" in consideration of the characteristic of the "sound"). In addition, for "motion trademarks" and "sound trademarks" that are characterized by change over time, it is also necessary to examine determination based on temporal factors.

7 Main opinions advanced with respect to each type

(1) It is necessary to organize the principle of one application for one trademark with respect to "motion trademarks" and "hologram trademarks," various kinds of which may arise.
(2) It is difficult to identify the scope of right for "trade dress," which covers ambiguous images. Therefore, it is sufficient to protect "trade dress" under the Unfair Competition Prevention Act.
(3) There is an idea that trademarks consisting only of "sound" lack

distinctiveness in principle, leaving aside "sound trademarks" in which distinctive words and sound are combined, such as music with distinctive lyrics. On the other hand, mere "sound" is considered to be distinctive if it is unique and has distinctive character.

(4) Only a few "olfactory," "taste" and "texture or feel" trademarks have been registered in other countries. Therefore, it is questionable whether such trademarks actually function as trademarks (whether consumers recognize them as trademarks).

IV Needs (Questionnaire and Interview Surveys with Domestic Companies)

(1) Companies using any type of new trademarks account for 60%, and those with needs (companies desiring protection of any type of new trademarks) account for 82%.

(2) Needs by type are as follows: 63% for "sound trademarks," 60% for "position trademarks," 58% for "hologram trademarks," 55% for "motion trademarks," 42% for "color trademarks," 25% for "olfactory trademarks" and 20% for "taste/texture or feel trademarks."

(3) Regarding new trademarks as a whole, a positive opinion toward protection through the granting of rights was expressed, from the perspective of protection of rights and stable operation of business. On the other hand, there were concerns about the burden of obtaining new rights and the burden of monitoring due to the introduction of new trademarks, as well as the obtainment of rights by other persons.

V Results of Overseas Survey (Main Items)

- In the United States, any sign whereby one's own goods/services can be distinguished from another person's goods/services is subject to protection. However, at the OHIM and in the United Kingdom, Germany, France and Australia, there is another requirement: "the sign can be graphically represented."
- The countries subject to the survey appear to refuse registration of functional trademarks.
- With regard to adjustment with copyright, etc., special adjustments are not made in the United States, Australia and Taiwan. At the OHIM and in Germany, a registration will be invalidated if it conflicts with prior copyright. In the United Kingdom and France, conflict with prior copyright is stipulated as a reason for refusal. In South Korea, there are adjustment provisions that are similar to those in Japan.
- With regard to determination of similarity, there are no countries that adopt special determination standards for new trademarks that are different from those for traditional trademarks.
- "Color trademarks" are considered to inherently lack distinctiveness in the United States and Australia, and it is thus necessary to prove that the relevant color trademark has acquired distinctiveness. This is essentially the same at the OHIM and in the United Kingdom, France and Germany.
- With regard to identification of a "color trademark," in the United States, it is necessary to state the name, the pretention and the manner of use of the color. In Europe, including the OHIM, it seems that an internationally-recognized color code is necessary to indicate color.
- In the United States, "olfactory trademarks" are considered to inherently lack distinctiveness, and it is thus necessary to prove that the relevant trademark has acquired distinctiveness based on use.
- In the United States and Australia, "olfactory trademarks" are to be expressed through the explanation of relevant signs. However, in Europe, including the OHIM, it is now

considered almost impossible to register an odor, scent or smell as a trademark by representing it graphically, on the basis of court precedents holding that odor, scent or smell cannot be clearly expressed by words or chemical formulas, etc., although some such trademarks have been registered in the past.

VI Summary

As the number of countries where new trademarks are subject to protection increases, it is necessary to consider new trademarks that should be protected in Japan, considering the perspective of international harmonization, including responses to the Madrid System, as well as needs seen by type, and the status of filing and registration in other countries. Moreover, taking into account that it is essential that the scope of rights for new trademarks be clearly identifiable, it is necessary to recognize the following: (i) for visible trademarks, such as "motion" and "hologram," and "sound" trademarks, there are relatively many needs and examples of registration, and it is considered technically possible to identify the scope of rights; (ii) for "olfactory," "taste" and "texture or feel" trademarks, there are few needs and examples of registration, and there are still quite a lot of technical problems that have to be solved.

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