

### 3 Various Issues Related to a Revision of the Similarity-Based Groups Defined in the “Guidelines for Examination for Similar Goods and Services”

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*“Guidelines for Examination for Similar Goods and Services” (hereinafter referred to as the “Similarity Guidelines”) play an important role in the examination for trademark registration by Japan Patent Office and in the application/registration practices by trademark applicants and attorneys. However, the scopes of similar goods in the Similarity Guidelines have not been drastically revised since first it was introduced in 1960. Also the scopes of similar services have not been revised since 1992 when the service mark registration system was introduced. Therefore, the current Similarity Guidelines cause complaints in the relevant sectors that they are not in conformity with the current business practices. It is also pointed out by Industrial Structure Council and Intellectual Property Promotion Plan of the Prime Minister’s Office that the scope of similar goods/services in the Similarity Guidelines should be revised in order to reflect the current business practices.*

*Under the circumstances, we established a research committee of experts and conducted variety of researches and surveys in and outside Japan, to seek some directions and solutions for the expected problems arising out of the possible revision of the Similarity Guidelines*

## I Introduction

### 1 Background of this study

Article 4(1)(xi) of the Trademark Act stipulates that no trademark shall be registered if the trademark is identical with, or similar to, another person's registered trademark which has been filed prior to the filing date of an application for registration of said trademark, if such trademark is used in connection with the designated goods or designated services relating to said registered trademark or goods or services similar thereto. For the examination of this article, trademark examiners use Similarity Guidelines in order to determine which goods or services are similar to each other.

In principle, any goods and services categorized into the same “Similar Goods/Services Group” defined in the Similarity Guidelines are presumed to be similar to each other under the current operation of trademark examination. Such operation enables examiners to make swift and standardized decision on the similarity of goods/services. Not only the examiners but also other trademark system users such as trademark applicants uses the Similarity Guidelines when they conduct trademark clearance searches before filing application or other situations in the trademark management and protection. In this way, the Similarity Guidelines play an important role in ensuring predictability.

The scopes of similar goods in the Similarity

Guidelines have not been drastically revised since first it was introduced when the former 1959 Japanese Goods Classification system was adopted regardless of the significant changes in business practices and economic situations (also the scopes of similar services have not been revised since 1992 when the service mark registration system was introduced). Therefore, the Similarity Guidelines need to be revised in order to reflect the current business practices.

Such revision is expected to, however, raise the following issues for example:

- (i) Various issues raised in connection with the international classifications (including the issue of “similarity of goods in different classes”);
- (ii) The issue of how (when) the revised Similarity Guidelines should be introduced;
- (iii) The issue of so-called “mutual disqualification”, and
- (iv) Other issues (for example, the issue of expression of goods and services that relates closely to the revision of the scope of similar goods/services).

Gathering information from in and outside Japan and taking into consideration of the discussion by the experts from the field of academia, legal and industry, we carried out the study for exploring the basic direction of a revision of the Similarity Guidelines and possible solutions to various issues including the above raised in connection with the revision.

## **2 How to conduct the study**

In this study, we conducted the following four researches:

### **(1) Establishment of a committee**

In order to ask for review, analysis and advice from professional view points, we established a research committee comprises the experts from academia, lawyers and patent attorneys, and industry. The committee held a meeting five times in total.

### **(2) Domestic questionnaire research and interview research**

We conducted a questionnaire research on about 3,000 users of the Similarity Guidelines such as domestic companies, organizations, and patent agencies in order to ask for their opinion upon the Similarity Guidelines, merits and demerits, desired improvements, impact of the revision, etc.

Based on the results of the questionnaire research, we carried out a face-to-face interview research on eleven domestic companies and patent agencies

### **(3) Overseas questionnaire research and interview research**

We conducted a questionnaire research on overseas intellectual property offices and law firms in order to ask whether they had domestic guidelines equivalent to the Similarity Guidelines or a manual for determining similarity of goods and services, and how their respective Trademark Offices examine the similarity of goods and services and conduct searches therefor. From among the responding intellectual property offices and law firms, we chose some offices and firms that appeared to be different in terms of similarity determination criteria and search methods and conducted a face-to-face interview research on them.

### **(4) Research on relevant documents made available in and outside Japan**

We collected information on other countries' guidelines that correspond to the Similarity Guidelines, their examination manuals for determination of similarity of goods and services, and other relevant data including legal case reports and decisions issued in Japan or some other countries. We presented the collected information at a committee meeting and distributed a report containing the information.

## **II Users Viewpoints upon the “Guidelines for Examination for Similar Goods and Services”**

### **1 Purpose**

As the Similarity Guidelines have widely been used by a variety of trademark system users including trademark applicants, the revision of the Similarity Guidelines would have significant impacts on such trademark system users. Accordingly, we invited representatives of the electronic and food industry groups to the committee and asked them to submit their views, needs, and opinions concerning the current Similarity Guidelines from the standing point of the users. In addition, we conducted questionnaire survey and interviews among the users.

### **2 Summary**

- The Similarity Guidelines are the common rules shared by the Patent Office and applicants, etc. The greatest merit of the Guidelines is to ensure the predictability as to which goods/services are similar/not similar achieved by standardized examination. Therefore, careful consideration should be given to prevent a revision from lowering predictability.
- Possible revisions of the Similarity Guidelines do not have to be an overhaul. The revisions should be focused on the parts of the Guidelines that have been criticized by industries, etc., because of the discrepancy with the current business practices and categorization.
- It is also necessary to adapt the goods or services exemplified in the Similarity Guidelines to the current business practices by deleting or modifying outdated indications of goods or services.
- It is important to clarify the delimitation of each Similar Goods/services Group and the reasons why they are determined so.

## **III Study on Various Issues Related to a Revision of the “Guidelines for Examination for Similar Goods and Services”**

### **1 Issues related to the International Classification**

When the former Japanese classification

system was replaced with the International Classification in 1992, it was postponed to revise the Similar Goods Group. This has allowed similar goods to be categorized into different classes in some cases (“similarity of goods in different classes”). Such cases were rarely seen under the former Japanese Goods Classification system.

As a result, in some cases, a trademark application is refused based on a cited trademark registered by a trademark holder in the different business field. This has increased the burdens on both applicants and the Patent Office.

There are a number of goods that are not closely related in terms of today’s business practices although they are classified in the same Similar Goods Group in different classes. Also there are a number of goods that are outdated and not commercially available anymore. These situations further complicate this issue of “similarity of goods in different classes”. Thus possible revisions of the Similarity Guidelines should be considered, with focusing the above situation, to shrink the issue of “similarity of goods in different classes”.

The current Similar Goods Groups were created based on the groupings under the former Japanese Classification system. Since those who have no practical experience under the former Japanese Classification system are increasing, it is pointed out that the users of the current Similarity Guidelines find it increasingly difficult to understand the criteria for Similar Goods Group and its historical backgrounds. Therefore, it is necessary to discuss about the measures to clarify how and why each Similar Goods Group is historically created.

## **2 So-called “mutual disqualification” problem**

Identical or similar trademarks can be coexisting by not designating the goods/services that belong to the same Similar Goods Groups. However, if non-similar goods under the current Similarity Guidelines are regarded as similar goods under the revised Similarity Guidelines, this situation will severely affected. Even if X and Y have registered their respective trademarks under the current Similarity Guidelines, neither X nor Y would be able to register any trademarks created by slight modification of its registered trademark (such as changing the letters contained in the trademark from Katakana to English letters, changing the style of characters, and adding a figure) under the

revised guidelines, once the designated goods/services of the respective registered trademarks would be regarded as similar goods/services. This is so-called “mutual disqualification” problem.

It is quite natural for companies to use their registered trademarks with slight modification in order to adapt them to the commercial trend and the management strategy. If “mutual disqualification” becomes a common phenomenon, it affects corporate brand strategies.

Although it would be inappropriate to avoid any revision of Similar Goods Groups that could cause “mutual disqualification”, possible revisions should be made very carefully with focusing on the groupings of goods or services that could cause misunderstanding or confusion of their sources, and with due consideration of corporate brand strategies. When “mutual disqualification” occurs, each applicant should consider claiming dissimilarity by submitting evidence on the use of the trademark in business.

## **3 Methods to introduce the revised Similarity Guidelines**

With regard to the introduction of the revised Similarity Guidelines, there are two options. The first option is to introduce the revised guidelines to any application filed on or after a certain date (application date base introduction). The second option is to introduce the guidelines to any application for which an examiner’s decision or a appeal decision is made on or after a certain date (decision date base introduction).

The application date base introduction would be advantageous for applicants in predicting the result of similarity judgment on their applications. On the other hand, it is disadvantageous in that the former guidelines would remain applicable even after the revision of the guidelines to adapt them to the current business practices.

On the other hand, the decision date base introduction would be advantageous in making determination on similarity of goods or services that better reflect the current business practices, which is the very purpose of the Similarity Guidelines. On the other hand, such introduction would be disadvantageous for applicants in predicting the result of determination of similarity. Furthermore, it would strengthen the sense of unfairness among applicants because the registrability depends on whether the examiner’s decision or appeal

decision comes before or after the enforcement date of the revised guidelines.

In consideration of these advantages and disadvantages, it would be more appropriate to introduce the revised guidelines to applications filed on or after a certain date in principle in order to ensure predictability for applicants. If an applicant who has received a notice of reasons for refusal claims that the goods or services in question are dissimilar by submitting proof for related business practices, it would be appropriate to make a similarity judgment in consideration of such business practices.

#### **4 Future “Similarity Guidelines” from the long-term perspective**

##### **(1) Early reflection of the results of discussions in the Nice Agreement, Preparatory Working Group of the Committee of Experts to the Similarity Guidelines**

It is possible to revise Similarity Guidelines in accordance with the results of discussions in the Preparatory Working Group of the Committee of Experts of the Nice Agreement without waiting for the decisions of the Expert Committee. However, the necessity of such early reflection should be reviewed in consideration of the user needs and the developments in the relevant discussions among the Ad-hoc Working Groups of the Agreement where the frequency of the revision of the international classification is under discussion.

##### **(2) Global harmonization of the Similarity Guidelines**

It is desirable to keep the Japanese examination style based on grouping system of similar goods/ services and it was not necessary to adopt cross-search-list system adopted by foreign countries.

It could be possible to promote the Japanese grouping system to the Eastern Asian countries and even all over the world to achieve global harmonization. However, careful consideration should be made on this idea from the view point of the differences of business circumstances in each country.

##### **(3) Early reflection of decisions by appeal board and courts to the Similarity Guidelines**

The early reflection of decisions by appeal board and courts to the Similarity Guidelines

should be determined based not only on each content of the decisions but also on whether the concept of the goods or services in question has been widely recognized or established.

#### **(4) Others**

Description of goods and services, etc. should be further discussed in consideration of applicants’ convenience and other factors.

### **IV Similarity Judgment and Search of Goods or Services in Major Foreign Countries**

#### **1 Overseas questionnaire survey**

In this survey, we sent questionnaires to about 20 intellectual property offices and law firms in four European countries, OHIM, Canada, United States and and three Asian countries. We confirmed that South Korea and China have used the guidelines based on the Japanese Similar Goods/Services Group style.

The results of the survey have also shown that the rest of the countries that conduct ex officio examinations on relative grounds for refusal tend to have created and publicized manual for determining the similarity of goods or services.

#### **2 Overseas interview survey**

After analyzing the responses to the questionnaire, we visited the intellectual property offices and law firms in four countries, i.e., South Korea, Germany (only law firms), the United Kingdom, and the United States in order to conduct a detailed interview survey on how they examine and determine the similarity of goods and/or services. The law firms in Germany and the United Kingdom provided us with data compiled from the viewpoint of users of the Community Trademark system.

Among those four countries, we were particularly interested in South Korea, which had established, like Japan, the “Guidelines for Examination for Similar Goods and Services.” In South Korea, the Guidelines were revised effective on January 1, 2007. In the revision, the scopes of Similar Goods/Services Groups were revised. The revision has caused the issue of “mutual disqualification”, which is one of the major issues addressed in this study. However, according to the Korean Intellectual Property Office, they did not discuss possible solution for this issue before the revision nor take any

measures or provide advice to applicants for the solution even after the revision. Furthermore, South Korea introduced the revised guidelines to applications in the phase of examination (decision date base introduction). Consequently, an applicant could receive citation refusal based on a prior trademark that was unpredictable at the time of filing the application. This situation has happened to some applicants in reality but has not caused any significant problem because many of those applicants overcame the refusal by narrowing the scope of designated goods/services.

Although the United Kingdom does not have guidelines that correspond to the Japanese Similarity Guidelines, it has a list of goods and services for cross-class examination, called “Cross Search List.” In the United States, a similar list is prepared and publicized under the name of “Coordinated Class.”

## **V Conclusion**

The Similarity Guidelines provide the base of examination on similarity of goods and/or services in respect of Article 4 (1) (xi) of the Trademark Act. Despite the highly specialized nature thereof, it is used not only by the Patent Office but also by other users such as applicants. The guidelines greatly influence trademark-related decisions made by users such as pre-application trademark search, response to a refusal, licensing or assignment after registration, and the enforcement of trademark right.

In recent years, the Japan Patent Office has been considering a revision of the Similarity Guidelines in order to adapt them to the actual business practices. Under the circumstance, it was very meaningful that experts in various fields met to study the recent developments in and outside Japan and discussed the basic direction of a revision of the Similarity Guidelines and the basic approach to various issues that would be raised as a result of a revision. The results of these discussions were summarized in this report. We hope that this report will contribute to the discussions at the Patent Office.

The Similarity Guidelines need to be periodically revised to catch up with the changing business circumstances. We hope that this report will contribute to the future revisions of the Similarity Guidelines to further increase the convenience and benefits for the Patent Office and users.

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