

Research on Issues Concerning Distinctiveness of Trademarks (from the Viewpoints of "Protection of Certification Marks" and "Definition of Trademark")

I. Purpose of This Research

In order to sort out issues concerning the distinctiveness of trademarks, this research aims to investigate, identify and analyze issues concerning the distinctiveness, etc. of trademarks that may be faced when Japan introduces a special system for certification marks and issues that may arise if distinctiveness is incorporated into the definition of "trademark," with a view to preparing basic materials for discussing future protection of certification marks under the Japanese Trademark Act and a future trademark system in the case where distinctiveness is incorporated into the definition of "trademark."

II. Contents of This Research

1. Issues concerning distinctiveness from the viewpoint of protection of "certification marks"

(1) Approach to distinctiveness of certification marks

Many members of the committee established for this research and academic experts who were interviewed for this research pointed out that, when thinking about the distinctiveness of certification marks and institutional design of the certification mark system, there is a need to sufficiently discuss what types of needs exist and what kind of policy decision should be made regarding the subject matter to be protected as premises for the discussion. In particular, the approach to distinctiveness and institutional design could vary dramatically depending on whether or not a mark consisting exclusively of characters representing the name of a geographical location would be eligible for protection under the system in order to protect geographical indications or whether or not some quality guarantee ability would be secured as a system within the framework of the Trademark Act. Moreover, it should be noted that regarding the distinctiveness of certification marks, the capability of certification marks to distinguish goods or services that are protected under the trademark right from other goods or services after the registration of the marks should be discussed separately from their capability to distinguish that is required upon registration.

Research of publicly available information revealed that many foreign countries stipulate the distinctiveness of certification marks to be "the capability to distinguish certified goods, etc. from

other goods, etc." or apply the provisions (definitions) on the distinctiveness of ordinary trademarks to the distinctiveness of certification marks by replacing terms (U.K. and Singapore), suggesting that these countries regard the distinctiveness of certification marks to differ from that of ordinary trademarks. Also, many countries have provisions defining a certification mark to be "a trademark used for certifying the quality, characteristics, etc." of goods or services, indicating that they stipulate certification marks to function differently from ordinary trademarks.

It was discussed at the committee that, while the subject matter to be protected by certification marks and the distinctiveness of certification marks based on their functions should be discussed on the basis of the needs that exist and policy decisions as mentioned above, when considering introduction of a certification mark system similar to those in foreign countries, the subject matter to be protected, the function, and the distinctiveness could be determined either by regarding the distinctiveness to be based on the function of indicating the source, as in the case of ordinary trademarks, or by regarding the distinctiveness to be based on a different function.

Committee members and interviewed academic experts mentioned that one possible reason for regarding the distinctiveness of certification marks to be based on the function of indicating the source, as in the case of ordinary trademarks, is that a mark functions as a certification mark based on whether or not it has been certified by a specific person, and not solely based on the quality of the goods to which the mark is applied; in other words, a certification mark ultimately indicates the source that guarantees the quality of the goods.

Meanwhile, they mentioned the following as possible reasons for regarding the distinctiveness of certification marks to be based on a function that differs from ordinary trademarks' function of indicating the source: the holder of a certification mark is not the source of the goods, etc.; the fundamental distinctiveness of a certification mark is the capability to distinguish between goods, etc. that have cleared certain quality standards and those that have not; and when a certification mark fully demonstrates its function to distinguish between goods, etc. that are certified by the certification mark and those that are not, the mark is being used not for a single source, but for a group of goods, and the holder of the mark will be a group or a source under a broader concept. Moreover, it is reportedly stipulated or interpreted under the Community Trade Mark Regulation of the EU that a trademark holder guarantees certain quality or characteristics of goods or services or distinguishes the quality itself, so one idea that made be considered is to make certification marks to be introduced in Japan also have distinctiveness based on a similar function.

In any case, these discussions can change depending on what subject matter would be protected by certification marks or what type of concept would be applied in introducing certification marks under the existing Japanese Trademark Act. For example, some members opined that, in order to incorporate certification marks into the framework of the Trademark Act, certification marks should

be regarded as having some kind of function for indicating the source, while some of the members held a view that consideration should be given to the fact that the Japanese Patent Office currently examines trademark applications while premising the trademark's distinctiveness in terms of the source.

(2) Relationship with the definition of "trademark"

The committee discussed that the first matter that needs to be studied is whether or not, in the case of including the word "distinctiveness" in the definition of "trademark," it is possible to use a single definition provision for both the distinctiveness of ordinary trademarks and that of certification marks, or if a separate definition provision for certification marks should be established and the issue of distinctiveness of certification marks should be considered separately.

According to research results of publicly available information, some foreign countries provide for distinctiveness that differs from that of ordinary trademarks in the definition of certification marks ("a certified mark distinguishes between certified goods, etc. and those that are not") and those that do not clearly provide for the distinctiveness of certification marks in the definition of certification marks ("a certification mark is a trademark used for certifying quality, characteristics, etc. of goods or services"). It is possible to either establish or not establish a definition for the distinctiveness of certification marks separately from that of ordinary trademarks in Japan, depending on what type of institutional design would be applied.

However, it was also pointed out that, if the distinctiveness of ordinary trademarks were strictly defined, there was a possibility that certification marks would not fit into the framework of the Trademark Act. Regarding this point, there was an opinion that it may be possible to have a single definition provision without establishing a separate definition provision for the distinctiveness of certification marks if the definition of "trademark" included "abstract distinctiveness" (the capability of distinguishing goods, etc. in terms of some type of general relationship they have with other goods without regard to any particular goods, etc.), because the distinctiveness of certification marks is a concept that could be included in the "abstract distinctiveness" of ordinary trademarks.

Some members opined that if the system is designed to ensure the quality guarantee ability of certification marks, which is the ability to actually certify the quality of the goods, as a system, and this is incorporated into the definition of certification marks, certification marks would not fit within the framework of trademarks, so it would be better to provide for such ability as a requirement for registration. It was also indicated that, in such case, the purpose provision (Article 1) may also have to be changed. Meanwhile, there was an opinion that establishment of a separate definition for the distinctiveness of certification marks would not have an inhibitory influence on

the discussion on introduction of a provision on distinctiveness in the definition of "trademark."

(3) Direction of future discussions

When thinking about the distinctiveness of certification marks and institutional design of the certification mark system, there is a need to sufficiently discuss what types of needs exist and what type of policy decision should be made as to the subject matter to be protected (including how geographical indications should be protected and whether some quality guarantee ability should be secured under the trademark system) as premises for the discussion. In addition, thinking about the distinctiveness of certification marks is inseparable from thinking about the distinctiveness of trademarks themselves, so distinctiveness of certification marks also needs to be studied in the discussion on incorporating distinctiveness into the definition of "trademark."

With regard to introduction of the certification mark system, more in-depth discussion should be made on the needs for the introduction from the viewpoint of consumer protection and the ideal institutional design based on such needs. The certification mark system can become a consumer-friendly system for indicating the quality, etc. of goods and services in a situation where product labeling is becoming more complex than ever before, so it is desirable to conduct further study concerning how the system should be introduced.

2. Issues concerning distinctiveness from the viewpoint of the definition of "trademark"

(1) Need to incorporate distinctiveness into the definition of "trademark"

The majority of the members, mainly those in the industrial sector, commented that they found no need to incorporate distinctiveness into the definition of "trademark" because the lack of statement on distinctiveness in the definition had never caused a problem in business transactions and in trademark infringement litigation, etc. However, some members, mainly those in the legal sector, indicated that distinctiveness should be incorporated into the definition from the viewpoint of international harmonization and legal theory.

(2) Approach to incorporation of distinctiveness into the definition of "trademark"

There was a common recognition among the members that it would be undesirable to dramatically change the conventional interpretation and practice, regardless of their stance on

incorporation of distinctiveness into the definition of "trademark." On such basis, opinions were divided based on members' stances on whether it would be possible to incorporate distinctiveness into the definition of "trademark" without dramatically changing its conventional interpretation and practice.

The incorporation of distinctiveness into the definition of "trademark" would have considerably varied impact on other provisions of the Act depending on the concept of distinctiveness that is used. Therefore, it is necessary to study the specific contents of distinctiveness to be incorporated into the definition (the wording of the provision) ahead of studying the impact on other provisions.

While there are a number of concepts of distinctiveness to be incorporated into the definition of "trademark," major concepts are that a mark is capable of objectively distinguishing goods or services without regard to the particular goods or services of the user of the mark (abstract objective distinctiveness) and that a mark is capable of objectively distinguishing one's particular goods or services from other goods or services (concrete objective distinctiveness). In interviews with academic experts and in committee discussions, strong opinions were expressed that the approach of requiring abstract objective distinctiveness would have less impact on other provisions and laws, but it was also pointed out that concepts tend to be stipulated strictly in Japan, and such tendency may not fit well with abstract distinctiveness, which is difficult to accurately express in the wording of provisions. Meanwhile, some people pointed out that an approach to adopt concrete objective distinctiveness and sort out the concepts of the entire Trademark Act, such as reflecting multiple distinctiveness concepts in the definition of "trademark" in response to the expansion of trademark functions, would have a substantial impact on other provisions if introduced under the current structure of the Trademark Act.

(3) Direction of future discussions

As a premise for discussing the incorporation of distinctiveness into the definition of "trademark," the incorporation should, to the degree possible, have little impact on the current situation and be easy for people to understand, and consideration should be given to its impact on not only other provisions, but also on interpretation and practice. On such basis, it was discussed that the possible types of distinctiveness to be incorporated into the definition indicated were abstract objective distinctiveness or concrete objective distinctiveness.

The first step required in future study would be to sort out the concept of distinctiveness. Discussions would be required to identify Japan's legal system and practice and what type of distinctiveness would satisfy both the concrete needs for legislation and requirements of legislative adequacy. The functions of distinctiveness are considered to have expanded from merely indicating

the source as in the past to also communicating with consumers to exchange information on the brand image. Such expansion of trademark functions has already been observed in Japan as well, as represented by the regional collective trademark system for developing regional brands and other systems for protecting new types of trademarks. It is desirable to continue to sufficiently study the issue of incorporating distinctiveness into the definition of "trademark" along with the study to sort out the concept of trademark distinctiveness based on the results of investigation on the need for the incorporation.

III. Summary

This research studied the issue of "trademark distinctiveness" from the viewpoints of "certification marks" and "definition of 'trademark.'"

The approach to distinctiveness of certification marks could vary depending on the subject matter to be protected by certification marks and what type of system should be developed, and therefore further discussions on matters including policy decisions should be made for introducing the system. Thinking about the distinctiveness of certification marks is inseparable from thinking about the distinctiveness of trademarks themselves, so distinctiveness of certification marks also needs to be studied in the discussion on incorporating distinctiveness into the definition of "trademark."

Meanwhile, with regard to the definition of "trademark," sufficient discussions would be required to identify Japan's legal system and practice and what kind of distinctiveness would satisfy both the concrete needs for legislation and requirements of legislative adequacy. If distinctiveness is to be incorporated into the definition of "trademark," it should, to the degree possible, have little impact on the current situation and be easy for people to understand.

Furthermore, the essential functions of trademarks are said to have expanded from merely indicating the source as in the past to also communicating with consumers to exchange information on the brand image. An important issue is how such new functions and the quality guarantee function, in the case of introducing a special certification mark system, should be protected as distinctiveness under the Trademark Act, including how to respond to these functions. It is desirable to continue to conduct sufficient study on this issue.