

## **CHAPTER 11. APPLICATION FOR TRADEMARK REGISTRATION**

### **Section 1. Overview**

#### **1. Application**

An application for trademark registration is the action taken by the person wishing to receive a trademark registration, requesting the Patent Office to establish a right of exclusive use for a trademark currently in use, or intended for use, for a designated product. (For discussion on the need for intention to use, see Examination Guidelines p. 2, and Shibuya, p. 254 and the following.).

Any person desiring a trademark registration must submit a request to the Commissioner of the Patent Office together with a copy of the trademark clearly indicated (in other words, a sample of the trademark) and any other necessary documents (Section 5 (1)). The Law stipulates the application formalities and forms (the format of the application can be found in Enforcement Regulations, Section 2, etc., Principle of formality). The nature of the application needs to be clarified on paper; no oral applications are accepted (principle of documentary proceeding). The scope of a registered trademark must be decided on the basis of the trademark stated in the request (Section 27 (1)). Also, the scope of the designated goods or designated services must be decided on the basis of the statement in the request (Section 27 (2)). The application is important in defining the boundaries of rights between the applicant and third parties, whether or not the trademark right should be established, and if so, what the scope of the right should be. It is for this reason that securing the clarity of intent through documentation is of the utmost importance.

Since January 2000, electronic applications for trademark registration have been accepted, and in the patent offices, on-line application has become the norm. If an application is made using forms, then the applicant must now pay a separate fee for converting the information into electronic data.

#### **2. Examination**

When the application is submitted, assuming that the formalities are in order, it will be accepted and given an application number. The accepted application will first be examined for formal requirements (formality check). If these requirements are not met, an amendment invitation will be sent. If the formal requirements are met, then examination of the substantive aspects (substantive examination) will begin.

#### **3. Principles governing Examination**

The following are the principles that are at work in the examination procedures:

- 1) It must be in writing: the "principle of documentary proceedings;"
- 2) The documentary proceedings are to be in the Japanese language: the "principle of using the Japanese language;"
- 3) Two or more classes of trademarks may be applied for with one application: the "system of one application for two or more classes;"
- 4) One application can be made for requests whose contents are the same: the "principle of one application for two or more items;" and
- 5) All proceedings must follow a set format: the "principle of formality."

## **Section 2. Procedures for Application of Trademark Registration**

### **I. Application Formalities**

#### **1. Request**

Any person desiring a trademark registration must submit a request to the Commissioner of the Patent Office together with any necessary documents. The request must state the following (Section 5 (1)):

- (a) the name and the domicile or residence of the applicant for a trademark registration;
- (b) the trademark for which registration is sought;
- (c) the designated goods or designated services and the class of goods or services (as prescribed by Cabinet Order referred to in Section 6 (2));
- (d) When the trademark in question is a three-dimensional trademark, the request shall contain a statement to that effect (Section 5 (2)).

These are the general pieces of information required for all applications for trademark registration, and they must be indicated on the request (Section 5 (1)). The Trademark Law stipulates that the applicant's name be indicated because it has to specify the applicant. The other requirements are necessary to specify the trademark. This information comprises the application, which forms the basis of the examination procedures, and is a prerequisite before any examination can take place.

##### **(a) Standard Characters**

This will be discussed later on page 348 (Section 5 (3)).

##### **(b) Acknowledgement of the Date of Application**

This will be discussed later on page 371 (Section 5 (2)).

##### **(c) Description of the Nature of Business**

In the past, the applicant was required to fill in the type of his business next to his name (Enforcement Regulations under the Former Trademark Law Section 1 (1), Format 1; For details, see the Former Trademark Examination Guidelines revised edit. 1992, p. 17, p. 95). The argument for demanding a description was that it would discourage those with no intention of using the trademark from applying for its registration. This practice has now been abolished. Previously, the description of the applicant's business had been considered necessary to justify examination in accordance with Trademark Law, Section 3 (1), which states that the application of registration should be for "a trademark to be used in respect of goods or services in connection with his business." However in the Trademark Law Treaty, the requirement demanding the applicant to describe his business has been prohibited on the grounds that it goes against the basic policy that procedures should be simplified (Treaty, Section 3 (7) (1) (iii) and Section 11 (4) (ii) (iii)). Furthermore, it had been pointed out that since no evidence was required to support the description of the nature of business, it lacked efficacy. The result was that the Enforcement Regulations were amended and the practice of requesting a description of the business from the applicant was discontinued.

Nevertheless, it must be noted that despite its abolishment, the fact remains that the application for registration is for "a trademark to be used in respect of goods or services

in connection with his business (Section 3 (1))." This has not changed from the days prior to the Revision. It follows that a firm, for example a bank, whose business is restricted by law will be denied registration if it applies for the registration of "a trademark for goods (and services) in connection with his business" when it is evident that its use is for goods and services which are beyond the boundaries defined as his business. This fact remains unchanged even after the revision. The only effective change is that that the description of the business is no longer a requirement of the application.

In a similar vein, when the service mark registration was introduced, the application in use for service mark registration included questions about the services provided by the applicant. The business had to be that with which the applicant was involved with at that time. The business concerns of subsidiaries and companies affiliated with the applicant could be considered to be "his business" as long as the connections between the different entities could be proven by his share holdings (Former Trademark Examination Guidelines, p. 16, p. 96).

(d) Agent/representative

If the application is conducted through an agent or a representative, the name and the domicile or residence of the agent/representative must be provided. If the applicant is of non-Japanese origin, his country of origin must also be indicated. An application through an agent must have the seal/signature of the applicant or the agent/representative (Trademark Law Enforcement Regulations, Section 2 (1) Format 2). When claiming priority through an alliance treaty, the applicant should clearly indicate the claim of priority and specify the date and the name of the country where he first applied (Date and country of first application - Section 13 (1); Patent Law, Section 43).

The Trademark Law Treaty streamlined the information required for applications and various requests in an overall effort to cut red tape. In response to their request, items such as "name of person representing legal entity" are no longer required. The amendment has also led to the elimination of "date submitted" from the application forms.

2. Special items to be included in the Application

All applications must comply with the general requirements for applications, but for the following cases, there are special items that need to be included.

(a) Application for Registration of a Collective Trademark

When requesting registration of a collective trademark, an application for registration of a collective trademark must be submitted (Enforcement Regulations Section 2 (2) format 3). Evidence to prove that the applicant is the legal entity requesting the collective trademark must be attached (Section 7 (1) and (3)).

If the mark cannot be treated as a collective trademark, the applicant will receive the examiner's decision of refusal (Sections 7 and 15).

(b) Application for Registration of a Defensive Mark

When requesting registration of a defensive mark, the application must include the

registration number allocated to the application for registration of a defensive mark (Sections 68 (1) and 5 (1)).

(c) Renewal of Term

The name and domicile or residence of the person requesting renewal of term, or the name of the representative of the legal entity and the registration number of the registered trademark must be included in the application.

There is no need to attach documentation indicating the trademark in question or leaflets of any kind, since proof of the relationship between the already existing trademark right and the right under request for renewal suffices in the case of a renewal of term (see Trademark Law Enforcement Regulations, Section 10, Format 12).

3. Documentation indicating Trademarks

When submitting the application, it is necessary to also submit documentation indicating the trademark or defensive mark that is about to be granted registration. This is in fact a sample of the trademark that needs to be submitted (Enforcement Regulations, Section 3). The trademark sample is crucial in acknowledging the scope of the trademark right. The format to be used is stipulated in Section 2 (1), Format 2 of the Enforcement Regulations. However, this does not apply if standard characters, which will be discussed later, are used.

(1) Three-dimensional Trademarks

A three-dimensional trademark is a trademark consisting of a three-dimensional shape. A trademark consisting of a combination of a three-dimensional shape with letters, figures, signs, or color, or any combination thereof, are considered to be three-dimensional trademarks. When the trademark submitted for registration is a three-dimensional trademark, that fact must be noted in the application (Section 5 (2)). Three-dimensional trademarks can often be problematic (See p. 25, et. seq.).

(2) Standard Characters

Standard characters are designated by the Commissioner of the Patent Office. When a person desires a trademark registration with respect to a trademark consisting of standard characters, the request must contain a statement to that effect (Section 5 (3)).

(a) Significance

For trademarks consisting of letters, which form a large proportion of applications, the applicant can state that the trademark consists solely of standard characters and indicate directly on the application with a word processor etc. the trademark, thus eliminating the need to include a sample of the trademark along with the application. This can only take place when the applicant is not demanding a special right for the manner of depiction. A selection of fonts is published as the manner of depiction designated by the Commissioner of the Patent Office for fonts to be used for standard characters in trademarks. This system of standard character usage is applied in many countries including the United Kingdom and the USA.

The system of standard character usage improves efficiency of paperwork in the Patent Office since it can rely on simple coding mechanisms, not volumes of samples, or

images that are difficult to encode. For the applicant also, it results in reduced paperwork, as he is able to indicate directly by a word processor, etc. the trademark, without the need to attach a copy of the trademark sample, so long as he states clearly in his application that the trademark is in standard characters.

(b) The Standard Character System

1) Characters designated by the Commissioner of the Patent Office

The Commissioner of the Patent Office includes all standard characters in a chart, in the same font as those appearing in the Gazette and thereby designates and announces the standard characters (Section 5 (3)).

The characters chosen are Japanese Industrial Standards (JIS X0208-1983) *kanji* (Chinese characters; first and second levels), *hiragana*, *katakana* (phonetic characters), Arabic numerals, the Roman alphabet (upper and lower cases), "space" (consecutive use is not allowed), "comma", "period", "a dot mid-line", "double strokes on *hiragana*", "kanji indicating repeat", "- elongation of syllable", "- dash", " 'apostrophe" and "&". No more than 30 of these characters may be used for them to be considered standard characters.

The Patent Office uses the following as their policy in actual operations.

a. Applications deemed to contain non-standard characters

If the trademark indicated in the application contains characters other than those designated by the Commissioner of the Patent Office, even though on the application it is clearly stated that the trademark is a standard-character trademark, then the application will be treated as a normal application. In these cases, an amendment or correction will be invited, asking the applicant to send a copy of the trademark sample if none is attached.

The following are examples of trademarks accepted and rejected as standard character trademarks.

a) Examples of trademarks accepted as standard character trademarks

1) Tokkyocho (Patent Office) The size of the letters appears to differ but the characters indicating double consonants and contracted sounds are of the same point size as those of the other characters.

2) Kokusai Harmono Jpo (International Harmony Jpo) It is possible to combine *kanji*, *hiragana* and alphabets etc. The point size of the upper and lower case letters is the same.

3) Tokkyocho (Patent Office) Spaces can be used as long as they are not consecutive.

b) Examples of trademarks not accepted as standard character trademarks

1) Trademarks consisting solely of figures or trademarks that combine figures and letters.

- 1 [The picture of a hand giving the "peace" sign.]
  - 2 Tokkyocho (Patent Office) [With the picture of a hand giving the "peace" sign.]
  - 3 Tokkyocho Shohyoka (Trademark Department, Patent Office)
  - 2) Trademarks including characters that are not standard characters.
  - 3) Trademarks consisting of more than the limit of 30 characters.
  - 4) Trademarks written vertically from top to bottom, trademarks consisting of two or more rows.
  - 4 Tokkyocho (Patent Office)
    - 5 Tokkyocho Shohyoka (Trademark Department, Patent Office)
    - 6 Tokkyocho Shohyoka (Trademark Department, Patent Office)
  - 5) Trademarks consisting of differing size points.
    - 7 Kabushiki Gaisha Tokkyocho (Patent Office, Limited Company)
    - 8 Kabushiki Gaisha Tokkyocho (Patent Office, Limited Company)
    - 9 Tokkyocho (Patent Office)
  - 6) Trademarks using color.
  - 7) Trademarks containing parts that are indicated with figures or by using a different font.
    - 10 Tokkyocho (Patent Office)
    - 11 Input
    - 12 Kabushiki Gaisha Tokkyocho (Patent Office, Limited Company)
  - 8) Trademarks using stylized lettering, such as ornate or cursive writing.
    - 13 Tokkyocho (Patent Office)
    - 14 Tokkyocho (Patent Office)
    - 15 Tokkyocho (Patent Office)
  - 9) Trademarks not included in 1) to 8), but whose letters cannot easily be identified.
- b. Correction of Application, to insert a statement that the trademark for application consists solely of standard characters, or to delete a statement to that effect

It has already been discussed that the scope of registration for standard character trademarks differs from that of usual trademarks, which are based on their indication on the application, in that the decisions here will be based on the trademark as it appears after transcription to standard characters. It is for this reason that an amendment regarding standard characters, whether a statement to that effect is added or deleted, has the same effect as an amendment of the trademark itself and will therefore be treated as a change in the substance of the trademark (Section 16-2 (1)).

## 2) Application of Trademark for Registration

When applying for a standard characters trademark registration, the trademark must contain standard characters only. A trademark consisting of a figure or a combination of figures and standard characters, for example, will not be eligible for application in this capacity.

The Enforcement Regulations (regarding formats) stipulate the need for the trademark to be in black, using the same size and font for the characters that are to be written horizontally in one line. Naturally there is no need to attach a copy of a sample of the trademark.

### 3) The Scope of the Trademark Registration

The scope of the trademark registered as a standard characters trademark is determined by the mark as it appears when transcribed in standard characters. This will appear in the Trademark Gazette (Sections 18 (3) (iii) and 27 (1)). It should be noted that the scope of effect of the registered trademark right is no more likely to increase or diminish for standard characters trademarks than it is for any other trademark registration.

### 4) Applications that are not considered to be Standard Characters Trademarks

If the applicant decides to apply for registration on the basis of his understanding that it is a standard character trademark and states that fact clearly on his application, it will nevertheless be processed as a non-standard characters trademark application if the composition of the trademark, when viewed objectively, cannot be considered a standard characters trademark. In such cases, a sample, which is not a requirement of a standard characters trademark, will most likely be missing and will have to be requested through a process of correction of procedure.

An amendment regarding standard characters, or whether a statement to that effect is added or deleted, is fundamentally a change in the gist of the trademark (Section 16-2 (1)) and will be treated as such. The date when amended documents, including a trademark sample, were submitted will be considered the date the application was filed. This can result in the application going to the end of the line and losing to one filed later, in which case the application will be refused.

### (3) Color

The parts of the trademark sample that are colored will be considered not to be a part of the trademark if they are the same color as the background color of the sheet that it is printed on. However if the area to be colored is specified and it is stated on the sheet that the color to be applied is the same as the background color of the sheet, then it will be considered as forming a part of the trademark (Section 5 (4)).

Because color is a component of the trademark, the applicant must clearly indicate his intention as to whether the color used in the trademark, which is the same color as the background color of the sheet, is to be considered just background or whether it actually forms a part of the trademark. Therefore if one of the colors used in the trademark is the same color as the background, then unless a special statement is made to the contrary, it will not be considered as a color component of the trademark. If however a statement is attached to that effect, then it will be considered as a color component of the trademark (Commentary on the Trademark Law, p. 1014; Amino, p. 642).

### 4. Explanatory note

Not all applications need an explanatory note and its submission is not a requirement. An explanatory note should be attached if the application and the sample of the trademark are not sufficient to convey the facts.

Some examples of "necessary explanatory notes" are explanatory notes relating to a sample of the goods, notes relating to designated goods, "explanatory notes concerning

distinctiveness arising from the application of Trademark Law 3 (2)" and "notes on business plans." The Trademark Examination Guidelines lists " a) documents explaining the reason for the choice of trademark, b) documents discussing the materials, manufacturing method, composition, usage and instructions on use of the designated goods, or documents discussing the quality, efficacy and use of the designated services, c) documents describing the three-dimensional trademark shown on the application" as explanation notes in connection with Section 5 (1) (Trademark Examination Guidelines p. 50).

The Trademark Law Treaty stipulates, that in order to facilitate the proceedings, the information required for applications and various requests will be simplified and that explanatory notes will in principle be disallowed. For cases causing reasonable doubt, the applicant will be called to provide evidence to explain the claims (Trademark Law Treaty Sections 3 (7) and (8), 4 (6) and (7), 10 (4) and (5), 11 (4) and (5), 12 (3) and (4), 13 (4) and (5)).

## 5. Other Attached Documents

### (a) Documents concerning the Applicant or Representative

In cases where the person applying needs the permission, authorization, or consent of a third person, he must provide documents as evidence of his role as agent (Trademark Law Enforcement Regulations, Section 22 (1); Patent Law Enforcement Regulations, Section 6). For example, an application by a person of quasi-incompetence, or an application by a legal representative for a person under supervision will need documentation as evidence of the curator or supervisor's agreement (Section 77 (2); Patent Law, Section 7 (2), (3)). In cases where the representative receives special rights, documentation must be submitted as evidence for being the representative. For example, in an application by a foreign national (Trademark Law Enforcement Regulations, Section 22 (1), Patent Law Enforcement Regulations, Section 7) or when a person is chosen to represent a joint application (Trademark Law Enforcement Regulations, Section 22 (1); Patent Law Enforcement Regulations, Section 27), the representative will receive special authorization such as the right to change, surrender, or withdraw the application for trademark registration, or to appoint a sub-attorney (Section 77 (2); Patent Law, Section 9).

### (b) Matters related to the Application

For an application claiming priority, a written statement is required by law (Section 13 (1); Patent Law, Section 43). Other cases that are relevant to the application are Trademark Law, Section 4 (1) (ix), except when a person has received a prize at an exhibition and wants to use that as part of the trademark (Trademark Law Enforcement Regulations, Section 22 (3)) and when requesting special provision at the time of application for goods exhibited at an exhibition (Section 9 (2)).

## 6. Use of Language in the Application (Japanese Language Policy)

All written documentation such as those for application must be written in Japanese. Written documentation such as a foreign national's power of attorney, certificate of nationality, certificate of priority, certificate of foreign trademark registration which are in another language will be accepted if a translation is attached (Trademark Law Enforcement Regulations, (22), Patent Law Enforcement Regulations, Section 2 (2)).



(For more on the current method of application, see Yamazaki, Hiroki "Practicals of the Application Procedure p. 285 and the following.)

#### 7. Notification of Application Number

On accepting the application, the Commissioner of the Patent Office will allocate a number to the application for trademark registration and notify the applicant of the number (Trademark Law Enforcement Regulations, Section 22 (4), Patent Law Enforcement Regulations, Section 28).

## II. Unit of Application

### 1. "The Principle of One Application for One Trademark" and "System of One Application for Multiple Classes"

#### (1) Significance

The Law prior to the 1996 Revision stated that "an application for a trademark registration shall relate to a single trademark 'of goods or services within the class designated by Cabinet Order (former Law, Section 6 (1))' and shall designate one or more items of goods or services in respect of which the trademark is to be used." The phrase, "of goods or services within the class designated by the Cabinet Order", has been deleted since the revision of the Law (Section 6 (1)).

This deletion was in order to introduce a system of "one application for multiple classes" whereby an application could be made for registration of a trademark for goods that fell into two or more classes. The Law prior to the revision of 1996 stated, "an application must be made for each trademark to be registered. One good or service, or two or more goods or services must be designated for use of the trademark and the goods or services must be within the same class determined by the Cabinet Order." This was referred to as "the principle of one application for one trademark." The meaning of this was two-fold: One meaning was that it was not possible to apply for two or more trademarks with one application. The other was that with one application, only goods and services in one class could be designated and that should the goods that are to be designated fall in two classes, then they have to be applied for separately in two applications.

The first of these meanings, that is "one application for one trademark," has been retained so that registration of only one trademark can be applied for with one application. In that sense "the principle of one application for one trademark" is still valid. However, with the deletion of the phrase "must be within the same class determined by the Cabinet Order," the idea of "one case for one application for designated goods or services" has been amended.

Most countries, including the principle nations using the international classification system, also adopt the "one application for multiple classes system." For example, many foreign companies approach the Patent Office wanting to designate many goods for a single mark. (Let us say Louis Vuitton is requesting trademark registration for a trademark to be used not only on bags and umbrellas, but also on perfume, key holders, notebooks and make-up.) In this case only one application was needed for designating

two or more goods within the same class (so that one application would suffice for bags and umbrellas [class 18]) but the same number of applications was necessary as the number of classes that the goods fell into. (Therefore an application would be needed for each of the following: perfume [class 3], key holders [class 14], notebooks [class 16], make-up [class 21], four applications in all.) Under the new "one application for multiple classes system," only one application will be required.

The Trademark Law Treaty states that one application is sufficient for goods and services regardless of whether they are in one class or two or more classes. In fact, the Treaty makes the "one application for multiple classes system" compulsory (Treaty Section 3 (5) and 6); this is why Japan has decided to adopt the system.

## (2) One Application for Multiple Classes System

One application for trademark registration is sufficient to designate goods and services in two or more classes. However, the designation must be according to classes that are "determined by the Cabinet Order", or else the application will be refused (Section 15 (iii)).

For one application covering two or more classes, the decision for or against registration will take place for that one application. Consequently if there is a reason for refusal of just a part of the designated goods or services being applied for, then the whole of the application for trademark registration will be refused (Section 15). For this reason, it is imperative that the designated goods that do not have reasons for refusal are accepted for registration. This can be done by making sure that the correction of procedures (Section 68 (2)) or division of trademark applications (Section 10) takes place so that important designated goods will not be refused. An example would be Louis Vuitton applying for trademark registration designating not only bags and umbrellas but also perfume, key holders, notebooks and make-up. Let us say that it was carried out under the "one application for multiple classes system" by a single application only to find that there was a problem with another person's trademark in regard to the notebooks. If this is the case, even the bags, which are of great significance, would be rejected. The solution is to either submit two applications, or to divide the application into one designating bags and another designating other goods, or into one designating notebooks and another designating other goods (Section 10). This will ensure that the application regarding bags will not be refused. The operational costs related to examination of registration for trademarks rises with the number of classes involved. Since application fees, demand for trial fees, and registration fees are all set with the number of classes in mind, it is important to be aware of this fact; however, since the 1999 Revision, it is now possible to amend the application after the examiner's decision at the time of registration fee payment so that the number of classes involved in the application is reduced (Section 68-40 (2)). This has allowed excessive costs to be reduced.

A trial for invalidation (Section 46) and a trial for revocation (Section 50 and others) of trademark registration can be requested separately for each designated good or service.

## (3) Application *mutatis mutandis* to defensive marks

In response to demands by the Trademark Law Treaty and others, the "one application

for multiple classes system" applies mutatis mutandis to applications for registration of defensive marks (Section 68 (1)).

## 2. Adoption of the "Single Request for a multi-item record in connection with Multiple Registration"

Under the Trademark Law Treaty, it is compulsory to submit a single request for a multi-item record when it is in connection with the same person. For example, only one request in writing is necessary for changes to the name of the holder, domicile, or place of residence if they apply to all records (application, registration, and both application and registration). (Treaty Sections 4 (3) (b), 10 (1) (e), (2) and (3), 11 (1) (h) and (3), 12 (1) (e) and (2).)

In the 1996 Revision, the relevant ministerial ordinance was also revised so that a single request regarding multi-item records would suffice in order to cover any procedures including application, trial, and registration records.

## 3. The Significance of One Trademark

(a) It is not permitted to attach two versions of sample trademarks the application. Even if they are shown on a single sheet, if it is possible in some situations for the marks to become two or more distinct trademarks in transactions, then it would go against the "one application one trademark" rule of the Trademark Law, Section 6, and possibly be refused Section 15 (iii)). The question of what constitutes a single mark or two or more marks must be decided by social conventions. One theory is to define a trademark rigidly by including only those that have a single form, pronounced name or concept in what constitutes a single trademark (Kaneko/Someno, new p. 774). Another theory is to adopt a more flexible definition by including those which might possess two or more pronounced names or concepts, as long as they are recognized by the consumers as being a united whole and used as such on goods and services in transactions. (An example would be a combination of two separate trademarks, one consisting of a figure representing the company and another consisting of characters.) (Amino, p. 531). The latter approach is adopted in actual operations.

### (b) Depiction of two or more Different Ways of Writing a Single Pronounced Name

Problems arise in practice when *kanji*, the Latin alphabet, and *kana* are used to refer to one pronounced name. Not only are they regarded as forming a single trademark when depicted together, but they are problematic because even if the interpretation does not follow the rigidity of Kaneko/Someno, the result is that there is too much flexibility. This is especially true of cases of cancellation due to non-use, because the scope of protection of trademarks comprising *kanji*, the Latin alphabet, and *kana* for a name is greater than that for a trademark comprising just one type of writing. So the procedure that grew out of the need to protect trademark rights through trademark registration has meant that the one case-one application principle in the Trademark Law has in practice crumbled, exposing the risk of complication through infringement litigation.

## 4. The Description of Designated goods or services and the Prohibition of a Symbolic, Comprehensive Description

The description of designated goods or services must be written in such a way that the content and scope of the goods or services can be clearly and accurately interpreted. The Ministerial ordinance chart (Trademark Law Enforcement Regulations Section 6) demonstrates indications of goods and services.

Previously for example, designated goods and services could be described as "Class 1-Chemical goods, Other- goods classified under Books" so that the use of a symbolic and comprehensive concept covering the whole of the class was allowed. This has now been disallowed with the introduction of the registration system for the service mark and a new classification.

Having said that, as long as it appears on the ministerial ordinance chart, the designation does not necessarily have to be for single products. It can take the form of a generalized "mid-class" description, such as inorganic industrial chemicals or vitamin tablets, or a "minor class" description such as inorganic salts or halide. Needless to say, a designation of specific goods, such as hydrochloric acid- industrial salts, or vitamin-A/cod-liver-oil candies, would be acceptable.

In Japan, if a person has already designated rice crackers in the "minor class" but decides later that he would like to register the same trademark for his *rakugan* sweets, he has to submit a separate application for a trademark (an "associated trademark application" under the former Law). If he had designated the product for a trademark under the "mid-class" of Japanese sweets (a concept broader than rice crackers or *rakugan*) then the application would cover both products and eliminate the need for a new application. (This has caused other difficulties, namely that a person will consistently designate all the goods in a certain class with the notion that the bigger the better, even in cases where the trademark is unlikely to be used for those things. The result is a hampering of others' applications. This point will be discussed later.)

If rice crackers and *rakugan* are in the same class, they can be designated simultaneously. This will not violate the one application for one trademark rule. Therefore for designated goods, the one application for one trademark rule is the same as the one request for one record policy connected to goods within a single class.

## 5. Designation of Goods and Services

### (1) Significance

If a person applies to register the trademark, "Fuji", it is not right for him to monopolize the right to use the trademark on goods and services as diverse as industrial chemicals, processing machines, textiles, clocks, and sweets, as well as advertising, finance, transport, education, and medicine. This is particularly true if he does not need to use it for these things. One particular person should not have monopoly over the use of a mark such as this one, which is likely to be needed by another person at some point.

Furthermore, it is difficult and also unnecessary for the Patent Office to examine the similarities between that trademark and others for various goods and services when an

application is filed. It is far more appropriate to enforce designation of the goods and services and to limit the trademark to use on those designated goods and services.

On the other hand, if a trademark right is established for goods which are so specifically defined, firms will be forced to submit a ridiculous number of applications for trademark registration. In fact, to get the right balance, the positions of the applicant and the examiners are taken into account so that if the class of the goods and services is determined, then as many goods and services may be designated so long as they are within that class. In the USA, Germany, and France for example, one application can designate goods and services in multiple classes. However, it is not permitted to comprehensively designate by use of phrases such as "all goods in this class."

#### (2) Designation of Goods and Services

An application for trademark registration must designate one, two, or more goods and/or services within a single class, the classification of which is determined by Cabinet Order, since for the sake of examination and trademark application, a right of exclusive use should not be granted for all goods and/or services, nor is it necessary to do so. The significance of the classes for goods and services will be explained below.

Designated goods refers to the goods designated by the applicant within the class of goods and services, and designated services refers to the services designated by the applicant within the class of goods and services (Section 4 (1) (xi)).

#### (3) Classes of Goods and Services

In Section 1 of the Trademark Law Enforcement Order, the goods and services are classified into 34 classes for goods and 8 classes for services, totaling 42 in all. This follows the International Classification of Goods and Services (classification of goods and services for use of trademarks as determined by the Nice Agreement). The content of the goods in each class is also in accordance with the International Classification. The details of goods belonging to each class are indicated in a table attached to Section 6 of the Trademark Law Enforcement Regulations.

#### (4) The Class of Goods and/or Services and Similarities of Goods and/or Services

The classes of goods and services do not determine the scope of similarity of the goods or services (Section 6 (3)). The similarity of goods and services needs to be judged irrespective of their classification. The classes are determined by considering the nature, use and transactional circumstances of the goods and services, it follows that it is quite likely for similar goods and services to end up in the same class. Even so, classification is there for the purpose of examination procedures and is a different matter than the concept of similarity in goods and services.

It is convenient to classify the goods and services according to what they have in common. For that, the criteria can be that they are "of a similar nature," they have "similar uses," or that they "have a common retailer or provider." Goods that fall into the same group according to these criteria form a class.

It is inevitable that sometimes the way the goods are classified resembles the standards that determine similarity between goods and similarity between services. As a result the

goods and services in any one class are often similar to each other. However, it must be stressed that the classes for goods and services do not determine the scope of similarity of goods and services. It is possible for two goods or services within the same class to be dissimilar. The Trademark Law even provides a clause in order to avoid any potential misinterpretation (Section 6 (3)). Other countries also provide a clause in the Law to avoid misinterpretation. (For example, see The American Trademark Regulations Section 16.)

#### (5) Examination Guidelines

As discussed before, the designated goods and services need to be described in such a way that their content and scope can be accurately understood, as shown by the attached table of the ministerial ordinance (Trademark Law Enforcement Regulations, Section 6).

Previously, for example, designated goods and services could be described as "Class 1-Chemical goods, Other- goods classified under Books", so that the use of a symbolic and comprehensive concept covering the whole of the class was allowed. This has now been disallowed with the introduction of the registration system for service marks and new classifications.

Because of this, the Trademark Examination Guidelines regarding the method of description for designated goods and designated services will be outlined below.

For designated goods and services that are not clear, the Trademark Section of the First Examination Department amended the Trademark Examination Guidelines (regarding the Trademark Law, Section 6 (1) and (2), providing classification of designated goods and services covered by an application for a single trademark registration) on July 30, 1998, which was then came into effect on August 17 of the same year, as described below.

1. The designated goods and services need to be described in such a way that their content and scope can be accurately understood, as shown by the attached table of the ministerial ordinance (Trademark Law Enforcement Regulations, Section 6).
2. When the indication of the designated goods and services is not clear and the classification is seen to be out of line with that which is determined by the Cabinet Order, it will be not be considered as fulfilling the requirements of Section 6 (1) and (2). In such a case, a notification of reasons for refusal will be sent.

(Example 1) Goods and services which could fall into any number of classes to be indicated as designated goods and designated services, as follows.

Class 5	Hygiene masks and any similar goods
Class 7	Machinery and apparatus
Class 37	Leasing of machinery and apparatus
Class 40	Waste disposal and related services

(Example 2) Using a type of industry, or "----store" (naming an establishment) to indicate designated goods, designated services.

Class 25            Department Store  
Class 42            General Rental Industry

(Example 3) Designated goods and services as shown in the attached table of the Cabinet Order.

Class 12            Vehicles and other transport equipment  
  
Class 32            Drinks not containing alcohol and beer

There are other examples where the class that goods and services belong to, and the content and scope of goods and services are very clear, as in cases where the description in the Cabinet Order table coincides with the description in the ministerial ordinance table.

3. In cases where the description of designated goods or services is ambiguous, even if they are classified according to the Cabinet Order they will be rejected on the grounds of not meeting the requirements stipulated in Section 6 (1).

(Example) Goods and services within a single class designated and described as follows.

Class 2            All goods  
Class 29           Meat, other goods that belong to this class  
Class 35           All services  
Class 39           Transport by freight cars, other services that belong to this  
class

4. When the applicant responds to the notification of reasons for refusal numbers 2 and 3 with a written argument or written submission of evidence with an explanation of the goods, the application will not immediately be refused. Instead the written argument or written submission of evidence will be considered before a conclusion is reached. A draft amendment will be invited indicating correction in the description of the designated goods or services (amendment invitation from the examiner).

In these instances, if the applicant does not respond to the amendment invitation, or does not provide appropriate correction, his application for trademark registration will be rejected on the basis of the reasons explained earlier.

5. When the description of the designated goods or services is clear, but does not follow the classification stipulated by the Cabinet Order, the application will be rejected on the grounds that it does not fulfil the requirements of Section 6 (2).

(Example)            Class 9    Clocks  
This can be amended to  
"Class 14 Clocks"  
  
                          Class 36 Advertising agency for magazines  
This can be amended to

"Class 35 Advertising agency for magazines"

(Example) Class 16 Magazines, advertising agency for magazines

This can be amended to

"Class 16 Magazines, Class 35 Advertising agency for magazines"

#### 6. Others

(1) If only the class is stated for the goods and services, Section 5-2 (2) will apply and a correction to complement the information will be demanded.

(2) If only the designated goods or designated services are stated, the applicant will be invited to amend (as to formality).

(3) If there are two or more classes, if the classes of the goods and services and the designated goods and services are not repeatedly described, the applicant will be invited to amend (as a formality).

(Example) Class 1, Class 3, Class 5 Chemicals, make-up, medicine

Class 35, Class 36 Check of and Guidance on Management, Buying and selling of shares.

7. When the revision of the Trademark Law, etc. (Law No. 68, 1996) is enforced, those applications for trademark registration that were held by the Patent Office were treated in the same way as in 2 and 5, based on Section 6 (1) prior to the revision.

(6) Efficacy and Abuse of a Comprehensive Description Regarding Designated Goods and Services

It has been customary in Japan to describe designated goods in a comprehensive, general way, such as "Class 1, chemicals and other goods in this class." The first problem this raises is in the interpretation of Trademark Law, Section 6 (1): "...shall designate one or more items of goods or services...." The question is whether subdivided and specifically defined goods should be considered "one good," or if a comprehensive description including all goods within a single class should be considered two or more goods.

The second problem is that designation of goods in sweeping, comprehensive terms is not practiced in other developed countries. In fact, it was an exception to the rule to find countries that accepted comprehensive designation amongst the international community. This type of designation was also causing difficulties after registration since it created irrational spheres of influence. Much of the criticism directed at the Trademark System stemmed from its acceptance of comprehensive designation because there were a number of cases where all goods in a single class would be designated and yet in reality only one subdivided category would be used over the years. This caused needless obstruction in the application for trademark registration of third parties. To make matters worse, the system of licensing allowed the owner of the unused trademark to demand a fee in exchange for permission to use the trademark, so that the Trademark Law was seen as acknowledging unfair special privileges.

In 1991, the Law was revised to introduce service marks; the International Classification of Goods and Services also came into use at the same time. At this time,



changes were made so that comprehensive designation of an entire class and a description to the effect of "and other goods (services) in this class" was no longer acceptable.

#### (7) Abandonment of part of the Designated Goods or Services

Sometimes a notification of refusal may be sent because an application for registration has designated goods and services, a part of which infringes upon an earlier registration or earlier application. If the applicant wishes to avoid rejection, then he has the option to abandon the part of the goods and services which is in conflict with the earlier registration or application and designate the remaining goods and services. This process should be conducted by a correction to the designated goods or services, but only if it is done within the period allowed for correction. The question is whether abandonment of parts of the designated goods or services should be allowed after the deadline for correction.

Abandonment of a part of the designated goods or services after the deadline for correction was accepted as an applicant's declaration of intention to the Patent Office, which does not require the submission of a written amendment to the designated goods indicated and withdrawal or abandonment of part of the designated goods/services. (Vol. 10, No. 1, Tokyo High Court, Mutaishu, p. 280, June 21, 1978; No. 388, Tokyo High Court, Hanyu, p. 164, Mar. 28, 1979; No. 64, 1494, Supreme Court, Sokuho, Aug. 26, 1980; Vol. 11, No. 2, Tokyo High Court, Mutaishu, p. 666, Dec. 24, 1979; No. 94, 2352, Supreme Court, Sokuho, Jan. 31, 1983; Vol. 14, No. 2, Tokyo High Court, Mutaishu, p. 451, June 17, 1982; Sansei (Agreement), Amino, Makoto "Commentary on Rulings"; Vol. 33, No. 8, Patent Management, p. 1043; Satsuma Ryosho, "Commentary on Rulings", No. 1079, Hanji, p. 217; Yokokawa, Morisuke, "Commentary on Rulings", Vol. 31, No. 5, Patent Management p. 513. These references view the time of ruling to be the same as the time of decision on illegality.) The abandonment of part of the designated goods in cases that are in the process of a suit against an appeal or trial decision, taking place after the deadline for correction, has begun to be accepted. On the other hand, there have been other rulings where the opposite was upheld because retroactivity for partial abandonment was not accepted. (Nos. 6669, 6674, Tokyo High Court, Patent News, p. 1, Mar. 19, 1985. For opposition to ruling by majority, see Ishikawa, Yoshio, "Commentary on Rulings", Vol. 34, No. 3, Patent Management, p. 289.) In response to the split in the High Court's decisions, the Supreme Court ruled that the abandoning part of the designated goods will not achieve its purpose after the period specified for corrections has expired and that abandonment of the application as stated in Trademark Law Section 8 (3) will not be applicable. (Vol. 38, No. 10, Supreme Court, Minshu, p. 1145, Oct. 23, 1984; and in the same vein, No. 5, Supreme Court, Special Edition, p. 9, Mar. 11, 1986. Opposition, Makoto Amino, "Commentary on Rulings", Commentary on Important Cases, 1984. p. 259. Also, Tatsunori Shibuya raises the question of division of application in "Commentary on Rulings", Vol. 93, No. 1, Minsho p. 83.)

### 6. Consolidation of Classification

#### (1) The Need for Consolidation of Classification

At present there are 5 different classification systems in operation, from the first classification system of 1899, through four amendments, to the current International

Classification system. This causes countless problems in searching for trademarks and researching trademarks. To make matters worse, some of the names of goods from the Meiji (1868-1912) and Taisho (1912-1926) eras are such that the writing is old-fashioned and indecipherable, thereby making the scope of the right ambiguous.

The 1996 Revisions consolidated the various methods of classification under the International Classification system, by transferring the trademark rights with designated goods classified under Japan's old classification system (under the Laws of 1899, 1909, 1921 and 1959) into classes under the International Classification system, resulting in a straightforward, unified system.

## (2) Transferring the Goods and Services

Owners of trademark rights that were classified under the old system must request a "registration to transfer" the designated goods or services of the trademark right between 6 months prior to and one year after the expiration of the right (Supplementary Provision, Sections 2 and 3).

## Outline of the Transfer Proceedings

- 1) Notification of transfer
- 2) Request for transfer registration  
(During the period beginning 6 months prior to and ending one year after expiration)  
(Supplementary Provision Sections 2,3 and 4) Acceptance of applications will be phased.
- 3) Examination by examiner (Supplementary Provision Section 5)
- 4) No reason for refusal
- 5) Examiner's decision on transfer registration
- 6) Transfer registration (Supplementary Provision Section 12)
- 7) Official Gazette (Supplementary Provision Section 12)
- 8) Trial for invalidation (Supplementary Provision Section 14) (period of exclusion = 5 years)
- 9) No reason for invalidation (failed motion)
- 10) Reason for invalidation (ruling of invalidation)
- 11) Appeal to the Tokyo High Court (Supplementary Provision Section 22)
- 12) Final and conclusive trial decision
- 13) Final and conclusive trial decision (Invalid retroactively from the time of transfer)
- 14) Reason for refusal
- 15) Notification of reason for refusal (Supplementary Provision Section 6)
- 16) Written argument/correction submitted (Supplementary Provision Sections 7, 24)
- 17) Written argument/correction not submitted
- 18) Examiner's decision of refusal (Supplementary Provision Section 6)
- 19) Final and conclusive trial decision
- 20) The trademark right will terminate on the day of expiration (renewal is not permitted). (Supplementary Provision Section 11)
- 21) Appeal resulting from objection (Supplementary Provision Section 13)
- 22) Acceptance of objection
- 23) Appeal decision to register transfer
- 24) Rejection of objection

- 25) Appeal decision of refusal
- 26) Appeal to the Tokyo High Court (Supplementary Provision Section 22)
- 27) Final and conclusive appeal decision
- 28) No request for registration of transfer

(Note)

For trademark rights that will expire within 6 months from the time of application, an application for transfer must be made at the same time as an application for renewal since it will take 18 months to process the transfer.

Requests for transfer are accepted 6 months after the deadline for renewal registration so that there is enough time to notify those who request renewal but forget to request transfer.

The volume of requests for transfer is so overwhelming that applications are being accepted in phases, from trademarks in the oldest 1899 classification to the more recent ones. The first batch to be accepted has been designated as those which were originally filed before January 10, 1922.

Once the start date for submitting applications has been announced, owners of trademark rights needing transfer must request transfer between 6 months prior to and up to one year after expiration. It must also be 6 months after the start date (Supplementary Provisions, Section 3 (2)).

This period more or less coincides with the period for requesting renewal of term for a trademark right, so the two requests can be made simultaneously. (Separate requests must be submitted for renewal of registration and registration of transfer.)

The outline for the transfer process is set out in the flow chart on the previous page.

### (3) Filling in the Request for Transfer

Any person wishing to request transfer must submit a written request with the following information, along with any explanatory statements, to the Commissioner of the Patent Office (Supplementary Provisions, Section 3 (1)).

- 1) Name of person making the request and his domicile or place of residence (Supplementary Provisions, Section 3 (1)).
- 2) Registration number of the trademark (registration of a defensive mark).
- 3) The designated goods of the registration for transfer and the Class of the goods or services that it belongs to in accordance with Supplementary Provisions of the Trademark Law, Section 2 (1).

### (4) Consent of the owner of right and pledgee

If there is any owner of right or pledgor involved, it is necessary to have their consent in order to request a transfer of the trademark right. Their written consent must be attached to the request for transfer (Supplementary Provisions, Section 4 (2)).

A written consent is required regardless of whether there will be a limiting of the designated goods or not. Consent might seem unnecessary if there are no changes in the

scope of the designation, but it is useful in cases where opinions are divided over whether designated goods in the old Class are the same as the designated goods described in the request for transfer.

#### (5) Notification of Reasons for Refusal

On receipt of a request for transfer, an examiner from the Patent Office will examine the documents. When the request falls into one of the following categories, a notification of reason for refusal will be sent to the person making the request (Supplementary Provisions, Sections 5, 6 and 7).

When it exceeds the scope of the designated goods of the trademark right;

When it does not follow the classification system in force on the day the request is submitted (The classification of goods and services stipulated by the Cabinet Order, Trademark Law, Section 6 (2)); or

When the person making the request is not the owner of the trademark right in question.

#### (6) Final Decision

In response to the reasons for refusal notification, the person making the request may submit a written argument (Supplementary Provisions, Section 7) or a written correction (Supplementary Provisions, Section 24) to cancel out the reasons for refusal. If they are not convincing enough for cancellation, then a final decision to refuse the request will be made (Supplementary Provisions, Section 6).

If no reason can be found for refusal, or if the reasons for refusal have been cancelled as a result of the written argument or correction, then a final decision to grant registration of transfer will be taken (Supplementary Provisions, Section 8).

#### (7) Corrections

A person who has undertaken proceedings to request transfer etc. may make corrections on the request but only during the time that the case is pending for examination, trial or re-examination (Supplementary Provisions, Section 24). The reason correction has been allowed is because it would be harsh on the person making the request if the designated goods for transfer were fixed at the time of request with no chance for amendment at a later date.

The content of the correction can be such that the scope of the designated goods described in the request for transfer or written correction is expanded, as long as it is within the scope of the designated goods of the trademark right.

#### (8) Transfer

The transfer of designated goods, which becomes effective once registered, takes place when the examiners reach their final decision (Supplementary Provisions, Section 12 (1), (2), Section 26). Trademark rights designating goods that were not indicated on the request for transfer will cease to exist at this time of registration (Supplementary Provisions, Section 12 (3)).

When registration takes place, the following will be announced in the Official Gazette (Supplementary Provisions, Section 12 (4)).

- 1) The name and domicile or place of residence of the person making the request.
- 2) The registration number of the trademark.
- 3) The Class of the designated goods and goods prior to registration of transfer.
- 4) The Class of the designated goods, and goods and services after registration of transfer.
- 5) The date of application of trademark registration.
- 6) The date of registration of transfer.
- 7) Other necessary matters.

If a decision of rejection has been received in response to a request for transfer, the person may appeal within 30 days from the day the copy of the decision was sent (Supplementary Provisions, Section 13).

#### (9) Trial for Invalidation regarding Registration of Transfer

An interested person may appeal for the registration of transfer to be invalidated if it falls into any of the following categories (Supplementary Provisions, Section 14 (1)). For registration of transfer with two or more designated goods, it is possible to appeal individually for each of the designated goods (latter clause of the same subparagraph). However, it is not possible to appeal if five years have lapsed since the registration of transfer date (Supplementary Provisions, Section 14 (2)).

- 1) The registration of transfer effectively exceeds the scope of goods designated for the trademark right.
- 2) The registration of transfer has been effected in response to the request of someone other than the owner of the relevant trademark right.

If there are more than two designated goods involved, trials for invalidation will only affect the part of the designated goods to which the reasons for refusal apply. In other words, that part of the designated goods will be invalidated, but the other parts will still be valid so as not to be too harsh on the owner of the trademark right (Supplementary Provisions, Section 25).

#### (10) Extinguishment of Trademark Right

In any of the following cases, a trademark right will not be renewable at the next expiration date and will cease to exist (Supplementary Provisions, Section 11).

- 1) The request for transfer was not made during the set period of time.
- 2) The decision or ruling of refusal is final and conclusive.
- 3) The ruling on invalidation of registration of transfer is final and conclusive.
- 4) The request for transfer has been dismissed.

#### (11) Fees

There are no fees for requesting a transfer, so as not to overburden the owner of the trademark right. However, fees related to trials and appeals for transfer will be payable.

For subsequent renewal registration after transfer has been registered, a renewal fee will be payable according to the number of classes after transfer (Commercial Code,

Sections 40 (2) and 41-2 (2)).

(12) Others

Appeals against rulings (Supplementary Provisions, Section 22), application mutatis mutandis of the transfer regulations to defensive marks (Supplementary Provisions, Section 23), and the application of a penalty system (Supplementary Provisions, Sections 28-30) are some of the other rules that have been established.

(13) Examination Guidelines Related to Transfer

(a) The Examination Guidelines state the following regarding transfers.

1. Supplementary Provisions, Section 6 (i), shall apply as follows:

1) The clause "[w]hen it does not fulfill the requirements set forth in Supplementary Provisions Section 4 (1)" includes cases where the registration of transfer effectively exceeds the scope of goods designated for the trademark right. It will also include cases where the goods to be designated for registration of transfer are not classified according to the prescribed classification for goods and services.

2) The Class for relevant goods and services shall be in accordance with the classification that is in force on the day of submitting the request.

3) If the examiner has been professionally convinced that the designated goods about to be transferred were not in existence when their trademark was registered, then it will be refused on the grounds that it effectively exceeds the scope of goods designated for the trademark right.

4) Despite the guidelines outlined in 3, if, after deliberating their quality, shape, use, function, concept, and the commonly accepted transactions, the goods can be considered to effectively be of the same kind as the goods designated for transfer, then they will be treated as falling under designated goods.

However, if the designated goods are specific, for example "wooden desks", then "metal desks" should not be treated as falling under designated goods.

2. For goods being considered for registration of transfer, amendments or corrections to change or expand the goods described in the request for transfer will be accepted. This includes goods after correction in cases where a request for correction has already been submitted.

If correction is for transfer of goods that effectively exceed the scope of goods designated for the trademark right, it will be refused in accordance with Supplementary Provisions, Section 6 (i).

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3. The request for transfer will be considered dismissed if the trademark right ceases to exist during the period it is being processed. (This may be due to expiration of the right without request for renewal or refusal of renewal, the abandonment of all designated goods related to the trademark right, or in cases of invalidation or revocation.)

4. When a part of the designated goods relevant to the request for transfer has been abandoned, invalidated, or revoked and if this part of the designated goods is the same as or includes the goods requested for registration of transfer, the request will be rejected on the grounds that it exceeds the scope of goods designated for the trademark right.

**(b) Creating and Announcing Guidelines for Transfer**

In order to lessen the burden on the owner of the trademark right and the Patent Office, the latter has produced and made public guidelines for transfer. These come in the form of a table outlining the goods according to the old classification and their new position after transfer.

In examining the request for transfer, the goods described on the request for transfer in accordance with this table will be compared with the designated goods of the corresponding trademark right to determine if they are the same. If goods which are not on the guidelines for transfer are included in the request for transfer, then the goods will be compared with the goods designated by the trademark right separately, after consideration of the examination guidelines described in (a) and related goods found in the guideline table.

**(c) Actual Examples Indicating Transferred Goods**

In addition to single item indication, a comprehensive description of the nature is likely to be accepted, as long as the content and scope of the goods to be transferred are unambiguous and pose no problems as an indication of the transferred goods.

**Section 3. The First to File System**

**I. The clear-cut first to file system**

"First to file" is when two or more competing applications are submitted and the first one to actually be filed is the sole recipient of the registration. This "first to file system" operates within the Trademark Law of Japan.

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Where two or more trademark applications relating to identical or similar trademarks, which are to be used on identical or similar goods or services, are filed on different dates, only the earliest applicant may obtain a trademark registration for the trademark concerned (Section 8 (1)).

In addition to this "first to file" system, the "principle of registration" is also at work in the Japanese system. The advantage of employing this principle is that legal stability is assured for users of the trademark, a point already discussed (See Chapter 5, Section 1).

The registration system works to not only provide a legally protected stability to the use of registered trademarks, but also to protect the reputation of the owner of the trademark right. The trademark embodies trust in the business of the owner of the registered right because he is the sole party eligible to use it. Furthermore his sole use guarantees the quality of the product to the consumers, as well as preventing unlawful competition. It is therefore imperative that the trademark is registered in order to maintain order of the

trademark's legal coherence.

It is in order to maintain this clarity in the first to file system that trademarks that are identical with, or similar to, "another person's" registered trademark and that are used on identical or similar goods or services will not be registered (Section 4 (1) (xi)).

## **II. The First to File System, the Registration Policy and the Use Policy**

In contrast to the registration policy, where the trademark right comes into effect at the time of registration, the "use policy" is a system whereby the right comes into effect at the time it is first used. Theoretically therefore, the registration policy does not necessarily assume a first to file system.

For example, in the Trademark Order of 1888, it was decided that in the event of competition, the trademark right would be granted to the first applicant who had filed. However, the cases here concerned two or more applicants each of whom were applying for trademark rights that had not yet been used. If a prior user of the trademark right existed, he would be given the right to apply regardless of whether an applicant requested an unused trademark or whether another user of the trademark who started using it after him had since applied (policy of prior-user registration, Treaty Order, Section 2 (iii)). This demonstrates that there is no reason why the first to file system and the registration policy should go hand in hand, as is the case in the current Trademark Law. Having said that, the reality is that the majority of countries embracing a registration policy for trademark rights also choose a first to file system.

## **III. System under the "Use Policy"**

It is possible in theory to embrace a first to file policy under a registration system governed by a "use policy."

As a trademark structure, it is much more straightforward to adopt legislation based on first to file, which grants trademark registration to the applicant who filed first, than to adopt legislation based on first to use, which grants trademark registration to the person who was the first to use the trademark. It is often very difficult to determine who it was that used the trademark first. A dispute is often triggered and sometimes it is impossible to determine the prior user. It is for this reason that the supremacy of the first to file system over the first to use system is widely acknowledged. The disadvantage of the first to file system is that if pursued too rigorously, it can lead to a loss of "realistic compromise" in the name of "legal stability." As a result, many use-acknowledged adjustments are incorporated even under a first to file system. An example of this is the protection of a well-known trademark against an application filed first.

Under the Trademark Law of Japan, trademarks that violate well-known trademarks cannot be registered (Section 4 (1) (x)). The user of a well-known trademark can also invalidate the registration by another of the trademark concerned and such a user may obtain trademark registration even if he files an application later. It is not always necessary to protect the first applicant to file: Section 53-2 allows cancellation of a registration if it was conducted "without a legitimate reason and without the



authorization of the person who has the right to the trademark, by his agent or representative." In general though, it is not so simple to cancel even if the applicant is "purely malicious" towards the prior user of the trademark; the prior user has been granted the first to use right only in circumstances where the mark was widely acknowledged. In regard to the treatment of the applicant with "intent to harm," Shibuya argues that Japan falls behind the UK, USA, Germany, and France in its legal policies and interpretation (Shibuya, 50 lectures, p. 10).

#### **IV. Details of Japan's First to File System**

##### **(1) Acknowledgement of the Date of Application**

Needless to say, determining the filed date of an application forms the basis of the first to file system and is therefore of great significance. The date of application is the date on which the application form was submitted. Regulations were added to accept correction in response to amendment invitation for those applications that did not fulfill requirements, in accordance with Trademark Law Treaty, Section 5. Those that fail to respond to a demand for correction will be dismissed as with other procedural faults (Section 5-2 (1), (2) and (5)).

When a correction in writing has been submitted in response to an invitation to correct, the date of submission of the correction in writing will be treated as the date of the trademark application (Section 5-2 (3) and (4)). Correction will be made in the following cases.

- 1) It is deemed that the intent to request a trademark registration is not indicated clearly.
- 2) The name of the applicant is not indicated, or its indication is not clear enough to identify the applicant.
- 3) The trademark being applied for registration is not described in the application.
- 4) The designated goods or services are not indicated.

##### **(2) Violation of the First to File System**

The violation of the first to file system (violation of Section 8 (1)) is different from the violation of the first to file system of Patents (Patent Law, Section 49 (ii)). Here it is not a reason for refusal of the application for trademark registration (Section 15 (i)) but a reason for invalidation of the registered trademark (Section 46 (1) (i)). This is because the violation of Trademark Law Section 8 (1) corresponds to Trademark Law Section 4 (1) (xi) and will be refused on those grounds. The first to file will be registered initially and then any trademark applied after that trademark will be refused. Without considering the violation of Section 8 (1) to be a reason for invalidation of the registered trademark, an erroneously registered later application, with the first to apply not registered, will not be invalidated due to the idea that "trademarks which are identical with or similar to another person's registered trademark will not be registered".

##### **(3) Notification of Refusal based on a Trademark First to be Filed but yet to be Registered**

In application for a trademark, the later application is kept waiting until the first one is processed, resulting in an overall backlog. Knowing that an earlier application yet to be processed exists will enable the applicant to take the next step, such as correcting the

designated goods or services, or reapplying with a new trademark with no further delay. It would be a dreadful operational inconvenience if the existence of an earlier application were not communicated until it had finally been processed and the later applicant could make the next move. A revision was effected therefore to include notification of refusal based on a trademark first to be filed but not yet registered.

In the event of the existence of a prior application by another applicant for an identical or similar trademark to be used on identical or similar designated goods or services, where that trademark has already been registered, the case will fall under Trademark Law Section 15 (i). The examiner will then notify the later applicant of the facts (notification of reasons for refusal) and invite him to submit a written argument by a set date (Section 15-3 (1)).

In the event that the first applicant's application is subsequently accepted and the trademark concerned registered, there is no need to send another notification if the reasons for refusal have already been sent (Section 15-3 (2)).

The notification of reasons for refusal stipulated in Section 15-2 had originally been a mutatis mutandis application of the Patent Law Section 50. However with the newly established regulations on notifications of reasons for refusal regarding earlier, yet-to-be registered trademark applications, the mutatis mutandis application of the Patent Law was abandoned and the new regulation included in the Trademark Law.

The application number, trademark, designated goods or services, and the Class of the goods or services of the first to file application must be indicated on the notification of reasons for refusal being sent to the later applicant.

Because the reasons for refusal listed in Section 15 of the Trademark Law do not include trademarks that infringe upon an earlier application for a yet-to-be registered trademark, the actual decision of refusal can only be reached after the earlier trademark (cited trademark) has been registered.

## **V. Competing Applications made on the Same Day**

### **(1) Consultation**

The date is the deciding factor in determining which application was filed first between two or more trademark applications (Section 8 (1)). If they were filed on the same date, the two or more applicants must consult one another since only one application is accepted for registration (Section 8 (2)). The consultation-first policy is the same as for Patent Law, Utility Model Law, and Design Law.

Section 8's discussion regarding the same date application by two or more competing applicants includes services, which gives rise to potential issues of who is first to file, and which of the same date applicants should be considered first to file, between goods and services. This is an inevitable outcome when we consider that similarities exist between some goods and services.

### **(2) Drawing of Lots**

In Trademark Law, where no agreement is reached in the consultations, or where the report is not made within the time limit designated, registration of the trademark concerned may be obtained only by one applicant chosen by the drawing of lots conducted in a fair and just manner by the Commissioner of the Patent Office (Section 8 (5)). This is where this Law differs from the other three Industrial Property Laws.

### (3) Differences with Creative Rights

In the Patent Law, for example, the rule is that in the event of no agreement through consultations, "no applicant will be granted registration" (Patent Law, Section 39 (2), (4), Utility Model Law, Section 7 (2), Design Law, Section 9 (2)). For these creative rights, novelty is necessary for registration, and when consultation fails to provide an agreement, the result is a loss of novelty. In such cases, the freedom to use technology in the interest of the public will become the prime issue.

In the Trademark Law, on the other hand, the idea of creativity and novelty are not intrinsic. It is through the use of trademarks that trust and reputation is built up. Trademark Law cannot allow for two or more trademarks which infringe upon one another to be registered at the same time, but this does not mean to say that refusal of all applications in the face of failed consultation, as in the Patent Law, is necessary. The drawing of lots is chosen as a solution to avoid the conflict of a hypothetical situation where all applicants who applied on the same date were all denied registration, but another applicant filed later and was successful in receiving trademark registration.

## **VI. Coexistence with an Application for International Registration**

The adoption of the Madrid Agreement has raised the following new issues which no doubt will be addressed in the future.

One of the difficulties anticipated is when a registered trademark on the international register is identical to a registered trademark on a national register and, at the same time, the designated goods or services of the former are identical to that of the latter. If this is the case, for the area of overlap, the application date of the trademark's international registration will be considered to be the same date as the application date of its national registration (in other words, the application date for international registration will be backdated to the application date of the national registration).

The effect of this is that in regard to the area of overlap, the application for international registration will fall in line with the earlier national registration date.

In the 1999-Revised Law, it was decided, after taking the practices of various countries into consideration, that the national and international registration should coexist, rather than to replace one with the other (this applying even in cases where the criteria for replacement is met). The backdating of the application date is a stipulation included in response to the Madrid Protocol's statement "insofar as it does not violate the right under national registration."

The resulting coexistence of more than one trademark right for identical subjects (trademark, goods, or services) creates the problem of ambiguity of origin. This can be

a matter in which an appeal to revoke, under the Trademark Law, Section 52-2, may be applied, since there are no regulations for exceptions to this application.

Where there is overlap in national registered trademarks and international registered trademarks, it is necessary to indicate in both original registers that the other exists.

#### **Section 4. Exceptions to the First to File System**

In general, the first to file will be granted registration over later applications under the first to file system. There are cases whereby the latter application will be registered due to a certain legal reason, or due to regulations to backdate the application date. Following are the exceptions to the first to file system.

As discussed earlier, decisions about competing trademarks whose application for registration are made on the same date, are sometimes reached by consultation or by drawing lots. It is therefore possible that one application submitted after the other, albeit on the same day, would be granted registration. From that point of view, they could be considered exceptions to the first to file system, but it is more appropriate to think of them as a means of dealing with competing applications.

#### **I. Exhibition**

##### **(1) Exhibit Timing**

In the case of a trademark used in respect of goods exhibited or services offered at a legally acknowledged exhibition, provided that those goods or services are designated as the designated goods and services and provided that it is within six months from the date when they were exhibited or offered, the trademark application shall be deemed to have been filed at the time when the goods were exhibited or the services offered (Section 9 (1)).

##### **(2) Definition of Exhibition**

"A legally acknowledged exhibition" is an exhibition held by the Government, etc., or at one which is not held by the Government, etc. but has been designated by the Commissioner of the Patent Office, or at an international exhibition held by the Government, etc. or a person authorized thereby in the territory of a country party to the Paris Convention or a Member of the World Trade Organization or a country party to the Trademark Law Treaty, or at an international exhibition held by the Government, etc., or a person authorized thereby in the territory of a country which is neither a party to the Paris Convention nor a member of the World Trade Organization nor a country party to the Trademark Law Treaty but which has been designated by the Commissioner of the Patent Office (Section 9 (1)).

##### **(3) Purpose**

An exhibition is considered a success the more new goods and services with new trademarks are exhibited; exhibitions often showcase new goods, or the effects of a newly launched service, or necessary installations and systems surrounding the new services. It would not be right for the trademarks used on the many goods and services on display or offered at the exhibition to be applied for by another person and granted

on the first to file basis. (It should be noted that the drafting of the Paris Convention for the Protection of Industrial Property was prompted by an exhibition.) Section 11 of the Paris Convention stipulates that temporary protection should be granted to trademarks used on exhibits of goods and offers of services made at an exhibition, on which this section is based. For this reason, "the date of exhibition of goods and offer of services" is regarded as "the date the exhibited goods and offers of services were brought into the venue" and not "the date of the exhibit" (Paris Convention, Section 11 (2)).

#### (4) Procedures

Any persons who desire to file an application under any of these special cases shall submit a written statement to that effect to the Commissioner of the Patent Office. Within 30 days from the filing of the trademark application, he shall also submit a document to the Commissioner of the Patent Office proving that the trademark and the goods or services in the trademark application are a trademark and goods or services falling under the rules of special cases (Section 9 (2)).

#### (5) Service Marks

The Paris Convention does not compel the protection of trademarks for service marks. Therefore the priority claims dealt with in Section 4 of the Paris Convention are not automatically applied and made compulsory for service marks. However, in Japan, internal laws have been passed regarding service marks; these procedural laws are modeled after the procedures for goods found in the Trademark Law, Section 13 (1) (Patent Law, Section 43), and after the effects found in the Trademark Law, Section 77 (4) (Patent Law, Section 26) together with Section 4B of the Paris Convention. In other words, the priority claim for service marks based on trademark registration, which was adopted by countries party to the Paris Convention, can now be claimed through Trademark Law 9-2 by referring to examples stated in Section 4 of the Paris Convention (Trademark Law, Section 13 (1); Patent Law, Sections 43, Trademark Law, Section 77 (4); Patent Law, Section 26). This stipulation in the Trademark Law was newly established as part of the revisions that took place with the introduction of the registration of service marks.

Furthermore, according to the revisions of 1994 and 1996, a priority claim can be based on an application which Japanese nationals or nationals of a country party to the Paris Conventions have filed in or for any member country of the World Trade Organization or a country party to the Trademark Law Treaty. The same can be said for a priority claim based on an application that nationals of a member of the World Trade Organization or a country party to the Trademark Law Treaty have filed in or for any country party to the Paris Convention, member of the World Trade Organization, or a country party to the Trademark Law Treaty (Section 9 (3)). Not only that, it has provided inroads into priority claims being acknowledged on principles of mutuality with persons of countries not party to the Paris Convention nor member to the World Trade Organization. (Section 13 (1); Patent Law, Section 43-2. See p. 382 of this book.)

## **II. Division of Applications**

### 1. Significance

### (1) Guidelines for Timing of New Divisional Applications

An applicant for a trademark registration may divide a trademark application designating two or more goods or services as designated goods or designated services into one or more new trademark applications (Section 10 (1)). In this instance, the more recent of the applications will be considered to have taken place at the time of the original application for trademark registration (Section 10 (2)). This is effectively an exception to the first to file system.

### (2) The Role of Division of Applications

Of the applications for trademark registration that violate the one application per trademark rule, some, such as the use of one application to request registration for two trademarks, would be an obvious error on the part of the applicant and therefore not necessary to protect. However, this is not always the case. For example, the classifications of goods and services change with the changing times. There are even times when it is not clear which class of goods and services the designated goods and designated services belong to. Because of this, it is not always fair to blame the applicant for unintentionally violating the one application per trademark rule, when, for example, he makes a mistake concerning the classification of the designated goods and services and designates something from a one class and puts it into another class. In such cases it is appropriate to allow division of the application to protect the interests of the applicant. (Eliminating the part concerned from designated goods/services by correction in writing is the alternative, but if there are ambiguities with this, then division of the application is more practical.) Also, in the case where two or more trademarks are applied for registration and two or more goods or services from the same class are designated, allowing division of the application will cause no harm. It is beneficial for the convenience of the applicant to divide the application in this fashion.

Another consideration to keep in mind is that, even though a comprehensive designation of an entire type is not allowed, a trademark application with a certain level of comprehensiveness in its concept is accepted in the designation of goods and services. As a result, the Trademark Examination Guidelines state, "even in cases where the designated goods and services are described in a comprehensive manner, it is possible to divide the application according to the individual goods and services designated" (Trademark Examination Guidelines, p. 63).

## 2. Conditions for Division

Conditions for division of an application for trademark registration can be divided into two sorts: substantive conditions and procedural conditions.

### (1) Substantive Conditions

#### (a) Same Applicant

The applicant for division of an application must be the same person as the applicant for the original application of trademark registration. In order for a successor to divide an application, he must first notify the change of applicant when requesting division of the application. Therefore, a change in applicant after division that affects only one part of the whole will not have any other repercussions, such as backdating of the change of name to the application date.

#### (b) Same Object

It is important that the object is the same in order for the division to be acceptable. In order for the object to be the same, the designated goods of the original application and those of the divided application must be substantially the same. For designated goods and designated services to be substantively the same, it is their content that needs to coincide and not the manner of their indication.

#### (c) Division of Application between Similar Goods or Similar Services

With the abolishment of the associated trademark system at the time of amendment, division of an application between similar goods and similar services no longer requires a clear indication of the mutual relationship. All that is required in their application for division is the date and number of the trademark registration and the application number and a statement that requests division of the trademark registration application, in the usual format for this type of application. However, after registration, assignment of one of them needs to be monitored carefully for trademark administration purposes.

#### (d) Timing of the Division

Prior to the Trademark Law revisions of 1996, a trademark application could be divided while it was pending examination, trial examination, or retrial examination (Section 10 (2)). However, the Trademark Law Treaty stipulates that the division of an application should be accepted even during the period of appeal against a decision to refuse (Treaty Section 7 (1) (a) (i) (ii) (iii)). The current Law is now in line with the Treaty so that the period during which application of trademark registration may be divided is when "the trademark application is pending examination, trial examination, or retrial examination, or when a suit against a trial decision or retrial examination or a suit against a trial decision to refuse the trademark application is pending in court" (Section 10 (1)).

When a division of goods (and therefore a division of the trademark) is the outcome of a decision on registration or a final decision on appeal, the division of the trademark will be processed through a division of the registration.

### (2) Procedural Conditions

An application that has been divided will be considered a new application; therefore, the application must be corrected so that, for the rest of the designated goods, a separate application for trademark registration is submitted as a new application. Furthermore, the correction and the new application must be submitted at the same time (Trademark Law Enforcement Regulations, Section 22 (4); Patent Law Enforcement Regulations, Section 30). The significance placed on the first to file system, together with the acceptance of division of application being backdated to the application date, renders it essential to keep the interrelationship of the correction and new applications intact by submitting both simultaneously and thereby keeping proceedings consistent.

## 3. Effect of Dividing Applications

### (1) Retroactive effect

The divided application is considered a new application, but because the intention to apply was already apparent with the original application, its application date will not be that for the division but it will be backdated to the original date of application, and in

this way maintain the first to file status. Even so, it is not possible to adopt a system of dividing applications if the subsequent document's period for submission was calculated from the backdated time. It is for this reason that the period allocated for submitting documents as evidence will be calculated from the date of the new application in cases where goods and services were offered at exhibitions, or where the first to file status resulted from priority claims based on the Paris Convention. The same also applies to persons of countries not party to the Paris Convention nor members of the World Trade Organization, to whom the revisions of 1994 have provided inroads into priority claims being acknowledged on principles of mutuality. (Section 13 (1), Patent Law, Section 43-2. See p. 382 of this book for more. (Section 10 (2), 9 (2) [Exceptional cases of the timing of applications, application mutatis mutandis of Patent Law] 13 (1), Patent Law, Sections 43, 43-2 (2) and (3) [priority claim]).

#### (2) Second Division of Application

The backdating of the new application resulting from division of an application to the date of the original stems from the fact that the intention to apply was already evident at the time of the original application. It is therefore appropriate, based on this fact, in the case of a further division leading to a third application of division to backdate the third not to the date of the second but to the original application date.

### **III. Changes to Applications**

#### 1. Changes to Applications

##### (1) Change from an Application for Registration of a Collective Trademark to an Ordinary Application for Registration of an Individual Trademark and Vice Versa

An applicant may convert his application for registration of a collective trademark into an application for registration of an individual trademark (Section 11 (1)). He can also convert his application for registration of an individual trademark into an application for registration of a collective trademark (Section 11 (2)).

It is possible to apply for registration of an individual trademark when the application should have been for registration of a collective trademark. It is also possible to apply for registration of a collective trademark when the application should have been for registration of an individual trademark. Sometimes an existing registered trademark that should be changed to a collective trademark becomes invalid or is revoked during the application proceedings. In all of these cases, the date of application after the change needs to be backdated to the date of application prior to the change, so that the applicant can be protected under the first to file principle.

##### (2) Change from an Application for Registration of a Defensive Mark to an Ordinary Application for Registration of an Individual Trademark and Vice Versa

An applicant may convert his application for registration of a defensive mark into an application for registration of an individual trademark (Section 12 (1)). He can also convert his application for registration of an individual trademark into an application for registration of a defensive mark (Section 65).



Sometimes an existing registered trademark that has been applied for a change to a defensive mark becomes invalid or is revoked during the application proceedings. In these cases it is of real benefit to convert the application for registration of a defensive mark to one for registration of an individual trademark and to backdate the application after the change to the date of application prior to the change. Sometimes the reverse is necessary: to convert an application for registration of an individual trademark applied for by mistake in judging the conditions, to an application for registration of a defensive mark.

## 2. Proceedings and Effect

Even if the application was converted from one for registration of a collective trademark to one for registration of an individual trademark or vice versa, some would argue that as long as the identicalness of the substance is maintained, it is only another form of correction. However, according to the current Law, an application for a conversion is considered a new application at that point, the old application is seen as having been replaced by the new one. In other words, the former application for trademark registration will be considered withdrawn at the time of the change in application (Section 11 (4)).

The applicant is not able to convert his application for registration of a collective trademark into an application for registration of an individual trademark after a decision or a ruling has become final and conclusive (Section 11 (3)). The same applies to a defensive mark in that an applicant is not able to convert his application for registration of a defensive mark into an application for registration of an individual trademark after a decision or a ruling has become final and conclusive (Section 12 (2)). The converse is also true. The applicant cannot convert his application for registration of an individual trademark into an application for registration of a defensive mark after a decision or a ruling has become final and conclusive (Section 65 (2)). For all of these cases, the same rule applies: the backdating of the application date and the understanding that the old application will be viewed as withdrawn on the original application date and thus extinguished (Sections 10 (2), 11 (4), 12 (3) and 65 (3)).

## **IV. Priority Claim based on the Paris Convention and others**

(a) In cases where an application is made with a priority claim based on the Paris Convention Section 4, the applicant (or his successor) who has applied for registration of a trademark in one of the countries party to the Convention will have a priority claim of 6 months when applying for registration in any of the other countries party to the Convention (Paris Convention Sections 4A, C (1)). This means that any application filed at a later date but with claim to priority will be treated on equal terms or with an advantage in comparison to an earlier application filed before the end of the 6 months period (B of the same Section). The latter application with claim to priority will take precedence over the earlier application.

The Trademark Law states that in regard to trademarks, if certain matters are dealt with in the Treaty, the regulations of the Treaty will take effect. Since the latter application is given priority, (Section 77 (4); Patent Law, Section 26) this is considered to constitute

an exception to the first to file system.

The Patent Law will apply *mutatis mutandis* to the procedures for claim to priority (Section 13 (1), Patent Law, Section 43).

(b) As already mentioned, the 1994-revised Law stipulated the following based on the TRIPS Agreement:

1) a priority claim based on an application that Japanese nationals or the nationals of a member of the World Trade Organization (WTO established through the attached document to the Marrakech Agreement 1C Section 1-3) have made in a country that is a Member of WTO;

2) a priority claim based on an application that a national of a member of WTO has made in a country party to the Paris Convention;

3) a priority claim based on an application that nationals of a country party to the Paris Convention made in a country that is a member of WTO (Section 13 (1), Patent Law, Section 43-2 (2)); and

in addition to these:

4) a priority claim based on an application that the nationals of a country that is neither a party to the Paris Convention nor a member of WTO will be accepted under the policy of mutuality (Section 13 (1), Patent Law, Section 43-2 (3)).

## **V. Application with Correction Constituting a Change of Gist**

### **1. Application having a Correction Constituting a Change of Gist**

Prior to the Amendment of 1993, the Patent Law was applied *mutatis mutandis* to regulations that involved a changing of the content of applications for registration of trademarks. Despite a mention of the patent specification in the *mutatis mutandis* application, no specifications or diagrams were needed for an application for trademark registration. Instead, applications indicating designated goods and services and a sample of the trademark were the trademark's equivalent. Because of this, regulations were put in place to replace the *mutatis mutandis* application. In 1994, the Law was amended to discontinue the system of pre-grant opposition in favor of post-grant opposition. Following this, the 1996 revisions abolished the old Section 9-4 and established the current Section 9-4 to correspond to the old Section 9-3, in order that it could be applied to applications where a correction constituted a change of gist.

The result is that "where, after registration of the establishment of the trademark right, it is found that an amendment of the designated goods or designated services stated in the request or the trademark for which registration is sought has changed the gist thereof, the trademark application shall be deemed to have been filed at the time when the amendment in writing was submitted" (Section 9-4).

### **2. Change of Gist**

### (1) Significance

The clause quoted above is designed to maintain fairness between the corrected application and other applications. Change of gist includes 1) expanding the designated goods or designated services; 2) amending a significant element of the trademark; 3) a change from the class of goods or services stated at the time of application to a designation of goods or services in a different class; and 4) even within the same class, to change the designation of goods or services for example by increasing the number of designated goods or services. Change of gist does not include 1) a reduction in the designated goods or services or 2) a change in the phrasing of inappropriate descriptions. These corrections would not be considered substantive changes and therefore not considered a change of gist.

### (2) Guidelines for Determining Change of Gist

Whether a particular change should be considered a change of gist will be determined by trying to maintain fairness in the relationship between the corrected application and the other applications, in other words, by whether the change will create a disadvantage for a third party's application.

Some would argue (Mitsubishi, p. 281) that a change of new goods and services from one class to another through correction should not be considered a change in gist since the special characteristics particular to the goods or services in question would be enough for the change of class to be of minor concern. In this instance though, the change should be seen from the stance of causing harm to the interests of a third party and therefore such a change should be considered a change in gist.

Guidelines for determining change in gist in regard to the dismissal of corrections concerning trademark examination guidelines are discussed on pages 337-338 of this book.

## 3. Change of Gist and Dismissal of Correction

When a change made to the designated goods or services indicated on the application, or the trademark that is the subject of the registration, is considered to constitute a change in gist, the request for change will be dismissed (Section 16 (2)). If the applicant submits another application incorporating the correction within thirty days from the day a copy of the dismissal of correction was sent, the application for trademark registration will be deemed to have taken place on the date the request for correction was submitted (Section 17-2 (1); Design Law, Section 17-3). Therefore, a trademark registration to which the Trademark Law 13 (1) applies, together with application *mutatis mutandis* of the Patent Law Section 43 and Section 43-2 (2), (3), will be considered to have been filed when the request for correction was submitted if the correction was considered to be a change in gist. In this sense, this is another exception to the first to file rule, since the latter application receives priority.

## **Section 5. System of Publishing Unexamined Applications**

### **I. System of Publishing Unexamined Applications**

#### 1. Significance

The Commissioner of the Patent Office must publish applications when there is an application for registration of a trademark (Section 12-2 (1)). This is a general rule regardless of whether the application is for international registration or domestic registration.

This publication of an unexamined application is closely related to the fact that Japan is a member of the Madrid Protocol. The Madrid Protocol is a treaty that protects a trademark in designated member countries when the trademark has been included in the international register. The Madrid Protocol, set up in April of 1891, was a treaty drawn primarily between European countries. These included countries which adopted a system of trademark law based on a policy of use that had its origins in the trademark deposit system.

According to the Madrid Protocol, trademarks registered on the international register will come into force from the date of international registration, just as if the trademark had been applied for at the designated country's government office directly. If the Patent Office of the designated country does not notify the applicant of its decision to refuse during the period for notification of refusal (12 or 18 months), the trademark will have the same effect as if it had been registered in the designated country, from the date of international registration. If a notification of refusal is withdrawn on or after expiration of the refusal period, then the trademark will have the same effect as if it had been registered in the designated country from the withdrawal date.

In order to enforce the Madrid Protocol, it became necessary to revise the Trademark Law and so, in 1999, the system of publishing unexamined applications was newly established as part of the amendments related to the accelerated protection of trademarks (Amendment Law, Section 4). Application for international trademark registration in Japan through the Madrid Protocol was also expected to provide a translated version alongside the original and the application would be published in the Trademark Gazette. The legal effect was that the right to demand payment prior to establishment of trademark registration was adopted. This meant that if the applicant gave warning by providing documentation detailing the content of the application to the person who used the trademark prior to its registration for which application was being filed, the applicant could demand payment of an amount reflecting the loss of profit arising from the person's use of the trademark for business (however the right to demand payment will only come into effect after registration). This amendment has proved more than adequate to comply with the provision of Article 4 of the Madrid Protocol.

This matter of the right to demand payment prior to the registration of the trademark and its position in the Trademark Law will almost certainly be discussed and reviewed in the future. The use of the new phrase "demand for payment" as opposed to "demand for compensation" reflects the fact that our Trademark Law and its policy of registration has not gone through a character changing reform. On the other hand, making commercial business use of the trademark a condition for demanding payment shows a step in the direction of a policy of use, as well as preventing abuse of the system.

## 2. The Accelerated Protection of Trademarks

The Trademark Laws of Japan aim not only to maintain and encourage trust in business transactions for the user of the trademark and thereby contribute to the development of industry, but also to protect the interests of consumers (Section 1). "Registration" is the administrative process by which this purpose is achieved (Section 18) so that "the owner of the trademark right shall have an exclusive right to use the registered trademark with respect to the designated goods or designated services" (Section 25).

In the deliberations surrounding the 1999 Law, it was decided that some form of protection was necessary at the application stage since the luring of customers often started prior to registration. The reasons behind this were attributed to shorter lifecycles of goods and services and the credibility of trademarks due to advertising, etc. The ease with which a trademark could be copied was of particular concern, since it could damage the trustworthiness of trademarks. It was obvious that a system for swift protection needed to be in place, which would have an effect much quicker than the Unfair Competition Prevention Law requiring a trademark to be well-known.

An early protection system was established in response to these needs, where a trademark right would be protected prior to registration, on the premise that conditions for registration will be checked *ex post facto*.

The truth is that the discussions on amendments to the Trademark Law were held with the purpose of finding a means to enforce the Madrid Protocol. Section 4 (1) (a) of the Protocol states that "the protection of the mark in the relevant country party to the Madrid Protocol should be provided from the day it was recorded or registered as if the said mark had been deposited directly at the relevant government office of that country." For international registration of applications "in cases where a notification of refusal has not been given to the international office, or the notification of refusal has since been withdrawn, the protection of the mark in the relevant country party to the Madrid Protocol should be provided from the day it was recorded or registered as if the said mark had been registered directly at the relevant government office of that country."

It was clear from the purpose laid out in Section 4 (1) (a) of the Madrid Protocol that a new system of publishing unexamined applications was needed. Furthermore, Japan's decisions took into account the ways in which the following were applied in the countries party to the Protocol and the need for accelerated protection for trademarks. The resulting system provides protection during the period between application of the trademark for registration and the establishment of that registration, rendering it the same as the protection provided for applications via the Protocol and domestic applications.

### 3. Publication of Applications and the Trademark Gazette

#### (a) Publication of Applications

The Commissioner of the Patent Office must make public any application for registration of a trademark that is received (Section 12-2 (1)).

This was established as part of the organization of international applications for trademark registration procedures based on the Madrid Protocol. However it applies not only to international registration but also to domestic registration.

(b) Matters to be Published

The following matters should be disclosed through publication in the official Trademark Gazette.

Items (iii) and (iv), however, need not be published if the Commissioner feels that their publication in the Trademark Gazette will cause damage to public order or goes against public decency.

- (i) The name and domicile or place of residence of the applicant for trademark registration;
- (ii) The date and number of the application for trademark registration;
- (iii) The trademark as shown in the application (for cases under Section 5 (3), trademarks as shown in standard characters; the same applies to Sections 18 (3) and 27 (1));
- (iv) Designated goods and designated services;
- (v) Any other necessary item not covered by the above (Section 12-2 (2)).

(c) Trademark Gazette

The Patent Office publishes the Trademark Gazette (Section 75).

The Trademark Gazette will outline the necessary matters to be published according to the Trademark Law:

- 1) The name and domicile or place of residence of the applicant for trademark registration;
- 2) The date of application for trademark registration and its application number;
- 3) The trademark as shown in the application (for cases under Section 5 (3), trademarks as shown in standard characters; the same applies to Sections 18 (3) and 27 (1));
- 4) Designated goods and designated services;
- 5) Any other necessary item not covered by the above (Section 12-2 (2)).

The following matters will be published in addition to the above:

- 1) The final and conclusive ruling of refusal after publication of application, or the abandonment, withdrawal, or dismissal of an application for trademark registration or an application for defensive mark registration.
- 2) Succession of right resulting from application for trademark registration after publication of application.
- 3) Corrections made to the designated goods or designated services, to a trademark relevant to the application for registration, or to a defensive mark relevant to the application for registration, as seen on the application after its publication.
- 4) Extinguishment of a trademark right (excluding extinguishment due to the expiration of a term or falling under Section 41-2 (4) (concerning payment of registration fee in installments)).
- 5) An opposition to a trademark registration or a demand for a trial or a retrial or their withdrawal.
- 6) Final and conclusive ruling on an opposition to a trademark registration and final and conclusive decision of a trial or a retrial.

7) A final judgment in an action under Section 63 (1) (concerning appeal against a final decision etc.).

## **II. Effect (The Right to Demand Payment Based on a Trademark Prior to its Registration)**

### **(1) A Comparison of Systems Among Countries Party to the Protocol**

During the 1999 discussions for amending the Law, a comparative study of laws was conducted. According to its findings, the UK considered the international registration date (the date that the country's government office received the international application) taking place after an examination by its country of origin, as the date when the trademark comes into effect. In the event of infringement during the period between the international registration date and the domestic registration date, the owner of the trademark will have the right to demand compensation for damages, but he can only exercise his right after registration in that country has taken place. The right to require an injunction for any conduct during that period will not be allowed to be exercised.

In Germany, a trademark right takes effect from the international registration date. In the case of infringement during the period between the international registration date and the domestic registration date, the owner of the trademark will have the right to demand compensation for damages, as well as the right to require an injunction.

In France also, a trademark right takes effect from the international registration date. In the case of infringement during the period between the announcement of international registration and the domestic registration date, the owner of the trademark will have the right to demand compensation for damages, as well as the right to require an injunction. The same applies for the period between the international registration date and the announcement of international registration as long as a copy of the international register can be sent over.

In China, again, a trademark right takes effect from the international registration date. In the event of infringement during the period between the international registration date and the domestic registration date, the owner of the trademark will have the right to demand compensation for damages, but he can only exercise his right after registration in that country has taken place.

### **(2) Protection for Trademarks in Japan Prior to their Registration**

During the reporting stage of the council, it was decided "for the period between the application and the establishment of the registration of the trademark, the right to request compensation for damages will be acknowledged after the event as a relief measure. In order to maintain consistency in granting rights, which is based on the examination and registration systems in place through the Trademark Law, it seemed appropriate to allow the exercising of this right to request compensation for damages, only after the trademark right came into effect through the establishment of its registration. In order to facilitate a good working relationship with a third party during the time that registration is yet to take place, the publication of the unexamined application became crucial as a way of sharing information with as many people as possible and as swiftly as possible." On the subject of the right to require an injunction,

it was decided "since the right can only be exercised after registration, it would not be possible to require an injunction on anything that took place from the time of application to the time of registration. Even if the right to require an injunction was accepted for that period, so that in the case of registration not taking place, liability without fault would be translated into monetary form and paid out, it would still be an inappropriate system to uphold because of the enormous burden placed on the third party." For this reason, "pledges and all derivative property rights will only be acknowledged after the establishment of trademark registration."

International registration will have the same effect as direct registration (Madrid Protocol, Section 4 (1) (a)) when applications are processed according to the Madrid Protocol. This was taken into account and applied not only to international registration applications but also to regular applications for registration (Section 12-2) so that claims for monetary payments could be made prior to the establishment of trademark registration based on the publication of the application.

### (3) Claims for Payment

The applicant for trademark registration can 1) after filing of his application and 2) giving a warning by showing documents bearing the contents relating to the said application, 3) make a claim, against any person who has used the trademark in his application, with respect to the designated goods or designated services in his application, after the warning and before the registration of the establishment of the trademark right, 4) for payment of money equivalent to his loss of business caused by such use (Section 13-2 (1)).

The right to request payment may not be exercised until after the establishment of the trademark right is registered (Section 13-2 (2)). Having said that, the exercise of this right shall not preclude the exercise of the trademark right (Section 13-2 (3)). Clause 3 is obviously included to prevent any misinterpretation, but clause 2 is included with the aim of clarifying the warning requirement, since the right to request payment solely on the grounds of filing an application for trademark registration was considered too radical. The fact that the right in question is the right to request payment of money equivalent to his business loss, as opposed to a right to demand compensation for damages, is a matter related to the fundamentals of Trademark Law and no doubt will be a matter for discussion in the future. The meaning of the legislation is that the fundamental concept of trademarks has not changed in that a trademark right only becomes a right after the registration of its establishment.

Where a trademark application has become ineffective (as a result of being surrendered, withdrawn, or dismissed, or where the examiner's decision or a trial decision that the trademark application is to be refused has become final and conclusive, or where a ruling to revoke the trademark registration under Section 43-3 (2) has become final and conclusive, or where, with exception of the cases coming within the provision of Section 46-2 (1), a trial decision that the trademark registration is to be invalidated has become final and conclusive), the right to claim payment under Subsection (1) shall be deemed never to have arisen (Section 13-2 (4)).

As mentioned earlier, the right to demand payment prior to establishment of trademark



rights can only be exercised after registration of the trademark. This right will not be granted in cases where no losses have been incurred, so as to prevent the system from being used for selfish gain. If the third party is continuing to use the trademark for goods and services designated in the application of the applicant, despite receiving a warning in the form of submission of documents detailing the contents of the application, it is a serious matter. His conduct needs to be reviewed under a special law (in the Trademark Law) that deals with conditions for banning registration for establishing trademark rights and with conditions for lifting the ban on invalidation. His conduct could indeed be considered a deemed special tort.

Therefore, Sections 105, 105-2 (expert opinion for proof of damages) and 106 (measures for recovery of reputation, request for advertising an apology) of the Patent Law as applied under Sections 27, 37 and 39 of this Law and Sections 719 concerning joint tort and 724 (tort) concerning extinctive prescription of a claim for damages of the Civil Code shall apply *mutatis mutandis* to exercise of the right to claim payment prior to registration (Section 13-2 (5)). In such a case, where a person having the right to the claim has become aware, before the registration of the establishment of the trademark right, of the use of the trademark relating to the trademark application and of the person using the trademark, "the time when the injured party or his legal representative became aware of such damage and of the person causing it" in Section 724 (extinctive prescription of a claim for damages based on tort) of the Code shall read "the date of the registration of the establishment of the patent right" (Section 13-2 (5)).

## **Section 6. Rights arising from Application for Trademark Registration**

### **I. Significance of the Right of Application for Trademark Registration**

#### **1. Nature of the Right**

The right arising from an application for trademark registration (the right of application for trademark registration) is stated in Trademark Law Section 13 (2) and applies *mutatis mutandis* to the Patent Law, Sections 33, and 34 (4) to (7), regarding the right to apply for a patent.

The right arising from an application for trademark registration is the applicant's right to request the State to grant him a trademark right and is a civil right. This right is not limited to only this, but is also a property right with the possibility of transfer.

The views on the nature of the right to receive a patent can be divided into three. The first is the view that it is no more than a right, under Civil Law, that an applicant has the right to request the state to grant him a patent (civil right theory). The second is that it is the individual's right to seek control of his invention (private right theory), and the third is that both of these viewpoints contribute to the nature of the right (compromise theory). An in-depth discussion on these matters can be found in commentaries on Patent Law and in sections dealing with the right to request a patent. Here the discussion will focus on the characteristics particular to trademark rights.

It is important to note that granting a patent can be viewed as a mere act by the state to confirm an invention right (argument of some upholding the private right theory) or as a

constructive or formative act to establish a monopoly right under the name of a patent right (argument of those upholding the civil right theory and the compromise theory, and some upholding the individual's right theory). They are however, different issues from the discussion on the nature of the trademark right. Generally the individual's right theory lends itself to the "confirmation theory" discussed first, while the civil right theory lends itself to the "formative theory" discussed later, but other combinations are possible. This is because the issue of the nature of the application right and the issue of the nature of the granting of a patent are approached from a slightly different angle.

## 2. The Uniqueness of Trademarks

From the purpose of the Trademark Law, marks that are chosen as trademarks have at their root a "distinctiveness" which sets them apart. Some marks are of such great artistic value that they could be eligible for copyright (for example, Millet's Sower of Iwanami Shoten), some are slogan marks, and some have carefully designed compositions.

Despite this, for the purposes of the Trademark Law, the artistic or literary qualities of the mark are irrelevant to the basic value of the mark, which is its distinctiveness.

Not many marks are creative works, but those which lack copyright potential with artistic or literary value, or indeed those which do not even have intrinsic meaning in their words or figure (SONY being a good example) possess a distinctiveness that has gone on to become a prominent trademark associating quality and trustworthiness with its designated products or services. In fact, a trademark consisting of a made-up word without meaning can often be more distinctive. Inventions can be distinct from other products due to their pioneering characteristics or uniqueness, but from the Patent Law viewpoint, distinctiveness is not sought in their examination. The uniqueness of the product gives it value as a property, but distinctiveness can be abstracted.

A mark that is used as a trademark first gains value as an intangible property when, through its use as a trademark, the mark becomes synonymous with the reputation of what it represents. It is a right that is different in nature from a patent because the invention itself, which is the object of the patent, already has value as a created object. Even if there is a case of an applicant filing for registration of a trademark that is already in use at the time of filing, according to the Trademark Law, the object of the application need not possess intrinsic value. Again, this differs from a patent that assumes an invention has value as a created object even prior to granting the patent.

A right that derives from an application for trademark registration becomes the receptacle of specific future reputations, according to the Trademark Law, by virtue of its position as the first to be filed and therefore having the right to use. At the same time, it possesses the potential right to prevent any third party from using other trademarks that infringe upon the trademark. (However, now that Section 6 of the former Law has been eliminated under the amendments to the Unfair Competition Prevention Law, the enforcement of the law in the future will be noted with much interest.) The position attained by the application can be transferred according to the current system, which is a debatable matter, but nevertheless the current Law renders the trademark right a property right that may profit from a possible monopoly in the future.

This tendency has become even more prominent since the revisions of 1999 when the right to request payment of money for loss of business resulting from another's use of the trademark prior to its establishment through registration came into existence (Section 13 (2)).

## **II. Procedures and Limits of the Right resulting from Application of Trademark Registration**

### **1. Transfer and Security of Right resulting from Application of Trademark Registration**

#### **(1) Transfer**

The right resulting from an application for a trademark registration can be transferred (Section 13 (2); Patent Law, Section 33 (1)).

Transferring the right seems obvious when viewed as a property right, but this needed to be stipulated from a civil right position in order to prevent misunderstandings that transfers would not be possible due to their nature as a civil right.

#### **(2) Security**

The right resulting from an application for a trademark registration cannot be used as an object (collateral) of a pledge (Section 13 (2); Patent Law, Section 33 (2)).

The reason for this is attributed by some (Amino, p. 628) to the fact that it would not be fair to impose the burden of sustaining unexpected losses on a third party by creating a pledge on the right resulting from application of trademark registration which may or may not be granted. Some confess that the reason for this regulation is unclear (Monya, Annotations on Patent Law, p. 91). For trademark rights, the current law has attached greater importance on its function as a property right by separating the trademark and the business. However, to use a right not yet established as an object of a pledge is taking things too far. Indeed it is totally unnecessary to put a monetary value on the right.

Using the right that results from an application for trademark registration as an object of assignment of loan collateral is considered valid without considering the affect on third parties or difficulties in methods of public announcement (Vol. 3, No. 4, Tokyo District Court, Kaminshu, p. 471, Apr. 8, 1952; Vol. 7, No. 9, Tokyo District Court, Kaminshu, p. 2593, Sept. 24, 1956; and Ayatani, Annotations on Patent Law, p. 91). Needless to say, it cannot be the object of a mortgage as to which the law makes no provisions (Commentary on the Trademark Law, p. 98). The reverse is true in that it can constitute an object of a factory foundation mortgage or an enterprise mortgage.

### **2. Joint Ownership of the Right resulting from Application for Trademark Registration**

Where there is joint ownership of the right resulting from an application for trademark registration, each of the joint owners must get the approval of the other joint owners before he can transfer his share of the right (Section 13 (2), Patent Law, Section 33 (3)). The purpose of this provision is the same as that of the limitations placed on the transfer of holdings in regard to trademark rights.

### 3. Succession to the Right resulting from Application for Trademark Registration p. 393

The succession to the right resulting from an application for trademark registration will not come into effect unless the Commissioner of the Patent Office is notified. This provision is for specific succession such as transfers and does not include general succession such as inheritance or merger of companies, which comes into force without the Commissioner of the Patent Office being notified. It is however necessary to notify without delay the fact that succession has taken place (Section 13 (2); Patent Law, Section 34 (4), (5)), despite there being no penalties in the event of noncompliance.

For notification procedures regarding succession to the right arising from an application for trademark registration, Section 34 (4) and (7) of the Patent Law relating to the succession to a patent right will apply *mutatis mutandis* (Section 13 (2)).

### 4. Exceptions regarding Applications for International Registration

Exceptions are in place for applications for international registration, as discussed in the relevant clauses.